

REGISTERED COMPANY NUMBER: 02900107 (England and Wales)
REGISTERED CHARITY NUMBER: 1039549, SC042780

The Tuberous Sclerosis Association
Report of the Trustees and
Financial Statements for the Year Ended 31 March 2014

The Tuberous Sclerosis Association

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for the Year Ended 31 March 2014

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The Tuberos Sclerosis Association

Report of the Trustees
for the Year Ended 31 March 2014

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2014. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 (revised 2008).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02900107 (England and Wales)

Registered Charity number

1039549, SC042780

Registered office

Abertawe House

Ystrad Rd.

Fforestfach

SWANSEA

SA5 4JB

Trustees

Christine Ann Naylor

Martin Peter Short

Philip Goldenberg

David Robin Vaughan

President

Chairman

Deputy Chairman

Treasurer and

Company Secretary

Martin J P Balfour-Allen

Janet Bower

Nicholas Peter Dale

Alexandra Campbell

Thomas Edmund Carter

Ann Marie James

Perry James

John Christopher Kingswood

Jean Ellen Willson

- appointed 1/6/13

Annie Margaret Jones

- appointed 21/9/13

Sophie Christine Lording

- appointed 9/10/13

Honorary Life Vice Presidents

Esther Galbraith

Ann Hunt MBE

- deceased 25/06/14

Thomas Edmund Carter

Anne Carter

Chief Executive

Jayne Spink

Auditors

BDO LLP

125 Colmore Row

Birmingham

B3 3SD

The Tuberous Sclerosis Association

Report of the Trustees for the Year Ended 31 March 2014

REFERENCE AND ADMINISTRATIVE DETAILS

Office Address

Can Mezzanine, 32-36 Loman Street, London, SE1 0EH

Investment Managers

Brewin Dolphin Limited, 12 Smithfield Street, London, EC1A 9BD

Bankers

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

National Westminster Bank Plc, 67 High Street, Staines, TW18 4PU

Website

www.tuberous-sclerosis.org

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Association was incorporated under the Companies Act 1985 as a company limited by guarantee, registered in England, No 2900107, and is governed by its Memorandum and Articles of Association. It is also registered as a charity in England and Wales (No 1039549) and in Scotland (No SC042780).

The Trustees

A list of the Officers and other Trustees who served for all or part of the year appears on page 1.

At each Annual General Meeting, one-third of the Trustees retire by choice or rotation. The following five Trustees retire by rotation, and, subject to satisfactory review by their peers, will be proposed for re-election at the 2014 AGM: Martin Balfour-Allen, Janet Bower, Tom Carter, Philip Goldenberg and Rob Vaughan.

There are policies for the induction and training of Trustees.

All key decisions are made by the Trustee Board (or, within appropriate delegated authorities, its Committees). The Association has serviced offices as shown above, but most of its employees work from home

The Tuberous Sclerosis Association

Report of the Trustees for the Year Ended 31 March 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have established procedures to ensure that strategic planning and risk management processes become part of the operating processes of the Association. The Trustees have identified the major risks to which the Association is exposed, determined the relative significance of those risks, and reviewed the adequacy of the systems that have been established to mitigate those risks.

The Trustees meet three times a year inter alia to receive reports from the following Committees:

FINCOM

The Finance and Investment Committee (FINCOM) has been given prime responsibility for the risk management process. It oversees the financial affairs of the Association and comprises the President, the Chair, the Deputy Chair, the Treasurer and Honorary Life Vice President, Tom Carter. A quorum for any meeting is three members.

The Chief Executive is not a member of FINCOM, but has a standing invitation to attend meetings, other than at times when there would be a clear conflict of interest. The responsibilities of FINCOM include:

- Monitoring and overseeing the financial performance of the Association and making appropriate reports to the Board;
- Submitting to the Board in advance of each financial year a Budget for that year;
- Approving unbudgeted expenditure for items or projects of more than £5k;
- Ensuring that proper books of accounts are kept;
- Reviewing and overseeing the preparation of the statutory Annual Report and Accounts, ensuring compliance with accounting standards and legal requirements;
- The oversight and evaluation of the external audit function;
- Ensuring the consistency of other financial information, including summary financial statements;
- Monitoring and reviewing the performance of the investment portfolio and the investment managers.

RESCOM

The Research Committee (RESCOM) is an advisory committee to the Association's Board that is made up of a minimum of five and a maximum of 10 persons (the Chair and a minimum of two professional and two lay members). RESCOM meets twice a year. The responsibilities of RESCOM include:

- Overseeing, guiding and monitoring the delivery of the Association's research strategy;
- Reviewing commitments to research and advising on strategic prioritisation of funding for grant rounds;
- Fostering relationships between funded researchers and the Association;
- Evaluating peer reviewed applications and making recommendations to FINCOM and the Board of the Association for the award of research grants;
- Promoting and supporting TSC research with external audiences;
- Supporting the planning and delivery of national and international research conferences.

The Tuberous Sclerosis Association

Report of the Trustees for the Year Ended 31 March 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Honorary Life Vice Presidents

It is with great sadness that we announce to the TSA community the death of Ann Hunt MBE.

Ann came into the world of TSC when her youngest son, James, born in 1971, was diagnosed with the TSC. At the time, very little was known about the disorder and almost nothing was known about the learning and behavioural issues associated with TSC. In 1977 Ann co-founded the Association, driven by her passion to find ways to meet her son's needs and to increase support and understanding for others.

Not only did Ann carry out and facilitate research, she also supported hundreds of TSC families directly through telephone and direct contact. Ann was a generous mentor to young researchers in TSC and a great support to all those around her. Through direct involvement of Ann and the Association, the European TSC consortium identified the TSC2 gene in 1993. Ann organised three international research conferences in the UK, she chaired the Behaviour Panel at the 1998 Annapolis meeting, and co-organised two cognition and behaviour meetings, one in Cambridge (1999) and one in Cincinnati (2001). She was also the main driver behind the meeting of the International Behaviour Consensus Panel that led to the consensus clinical guidelines for the assessment of cognitive and behavioural problems in TSC, published in 2005.

Ann retired from the Association in 2006 but there is no doubt that her lifelong passion, energy and drive has had a profound impact on the international path towards finding a cure for TSC. There is also no doubt that, directly and indirectly, she has made an enormous contribution to improve the lives of all those affected.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trustees confirm that they have complied with their duty, under the Charities Act 2011, to have regard to the Charity Commission's published public benefit guidelines in determining the activities undertaken by the Association.

The Association has three main objectives:

- to support individuals affected by TSC, together with their families or carers;
- to encourage and support research into the causes and management of TSC; and
- to provide education, publicity and information to promote awareness of the problems caused by the condition.

The Tuberous Sclerosis Association

Report of the Trustees for the Year Ended 31 March 2014

OBJECTIVES AND ACTIVITIES

Objectives and aims (continued)

The benefits of our activities are briefly summarised below and relate directly to our objectives.

Support

Supporting families and individuals living with TSC is absolutely fundamental to what we do. This year, our TSC Advisers have provided over 3,000 hours of direct support that included home-visits and help via e-mail and over the telephone with navigating health, social care and education systems. Our TSC Advisers have liaised closely with the TSC Specialist Clinics, and this year we have continued to fund through "pump-priming" a much-needed post at Addenbrookes Hospital in Cambridge as part of our work to support service improvement.

Through our programme of events we've provided opportunities for members to meet up and share experiences in a social environment and to hear about the latest developments in research, care and treatment. The November 2013 Annual Family Conference and Scottish Gathering were attended by 175 and 40 delegates respectively. Travelling to national meetings can be problematic for some and we learned from our 2013 membership survey that many individuals and families affected by TSC want more opportunities to meet with others closer to home. In response we have successfully piloted 7 support groups in England, Northern Ireland and Wales.

We have re-launched our membership magazine in-line with the results of our readership survey and published and distributed 3 editions of the magazine, and 4 editions of the Scottish newsletter (both of which are available in hard-copy and online). The launch and continued development of our new website and our social media activities have extended our reach nationally and internationally. The Association now has over 768 followers on Facebook (twice as many as in the previous year) and over 316 on Twitter (a three-fold increase in comparison to previous year).

The TSA Support Fund awarded grants totalling £2,232.20 to 8 people to help with the purchase of items such as beds and mattresses and to help with the cost of travel to our Annual Family Conference and Scottish Gathering.

Influencing Policy

We have continued to actively engage with politicians, policy makers, regulators and have provided input to initiatives led by key rare-disease coalition groups in England, Scotland and Wales, calling for equity of access to quality care and medicines. We have worked with the clinical community and supported the development of a service specification for TSC for presentation to NHS-England in 2014.

Information and awareness

Educating health, education and social care professionals about TSC is a vital part of the work we do. This year we collaborated with BMJ-learning to develop a CPD-accredited online TSC training module. The TSC module, which launched in January 2014, has a top-rate, 5 star user rating.

Volunteering

Volunteers are the life-blood of the charity sector and this year we have involved a diverse range of people in both formal and informal volunteering roles. During this financial year we launched a new volunteering programme for the Association and recruited 10 new volunteers into formal roles.

The Tuberous Sclerosis Association

Report of the Trustees for the Year Ended 31 March 2014

OBJECTIVES AND ACTIVITIES

Research

There is very little government funded TSC research in the UK. For this reason, it is absolutely vital that the Association continues to invest in research and targets our research-spend effectively. Our strategy focuses on understanding TSC and its impacts and treating and preventing manifestations of TSC. This year our Research Committee met twice and the Association awarded a new Junior Fellowship and 3 project grants. In addition we confirmed our commitment projects agreed in principle in 2012.

Investment policy

The Trustees have previously appointed investment managers to manage the Association's investment portfolio under a discretionary investment mandate. Our investment objective is to maximise total returns over the longer term and to provide a stable level of income to be generated with a medium level of risk. The level of risk applies to the portfolio as a whole rather than to individual stocks. To measure the performance of the investment portfolio the Association has, in common with other charities, adopted the WM Total Charity benchmark. In the year ended 31 March 2014, the total return on the portfolio was 5.82%, as against the benchmark of 7.26%. However, over a period of 24 months the total return was 25.11% against a benchmark of 23.23%. The Finance and Investment Committee met with the investment managers during the year to review and monitor the performance of the portfolio.

FINANCIAL REVIEW

Statement on reserves

The Association's reserves largely comprise a Designated Capital Fund, arising from a bequest in 1993 by the late Mr H I Leech, and consisting of an investment portfolio managed as above. The Trustees have resolved to use the income from this Designated Capital Fund to further the work of the Association, and in particular to enable the Association to provide a support service for TSA families; and they have accordingly decided over the longer term to maintain its capital so far as possible, as to expend that capital would adversely affect this key aspect of the Association's work. However, in the current economic climate, they are prepared to deploy some reserves to maintain services through a period where income targets are inevitably more difficult to achieve.

Since 1 April 2005, the Trustees have also used this Designated Capital Fund as a 'buffer' for the provisions, required under SORP 2005, for research grant commitments. Due to a change in the terms and conditions of grants awarded (see notes 10 and 19 of the financial statements), the Association no longer requires this 'buffer' as each grant is awarded on an annual basis and extension of the grant is subject to a satisfactory review. When the grant payments are made, they are allocated to designated or restricted reserves as appropriate. The effect of this is shown in Notes 10, 19, 20 and 21 to the Financial Statements.

The balance on the Designated Capital Fund at 31 March 2014 amounted to £3.35m (2013: £3.53m), after transferring £108,257 to the general fund to eliminate the deficit thereon. Restricted reserves were £5.7k (2013: £32.0k) - see note 21. Future deficits (and grant commitments) will be funded from this designated reserve. The trustees consider that this reserve is adequate to meet these obligations.

In another difficult year for all charities, the Association's total income for the year increased by £3,040 to £405,027 (2013: £401,987).

In more stable stock market conditions, our total investment gains were £96k (2013: £441k). To fund deficits and initial payments relating to research commitments entered into during the year, some investments needed to be sold to provide the charity with additional working capital. Transfers of £100,000 were made from the investment portfolio to the main bank account prior to the balance sheet date.

The Tuberous Sclerosis Association

Report of the Trustees
for the Year Ended 31 March 2014

FINANCIAL REVIEW

Grant making policy

Research grants are given for purposes directly concerned with furthering an understanding of Tuberous Sclerosis Complex and its treatment. The Association is a member of the Association of Medical Research Charities and follows AMRC policy in the conditions attached to awarding grants. All applications are peer-reviewed before a decision is made.

Benevolent grants are given to families to purchase necessary medical or household equipment, or to provide parents, carers and families with much needed breaks. All applications for assistance are reviewed by a group of Trustees and grants awarded on a basis of confidentiality, where deemed appropriate, based on the Association's guidelines. Trustees are eligible to apply for such grants and are dealt with in the same way as any other applicant.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when the Report of the Trustees is approved has confirmed that:

- So far as the Trustees are aware, there is no relevant information of which the Association's auditor are unaware, and

- each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any information needed by the Association's auditor in connection with preparing its report and to establish that the Association's auditor is aware of that information

The charitable company is exempt from the requirement to prepare a strategic report, due to the fact that it qualifies as a small charitable company.

The Report of the Trustees has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities 2005 (revised 2008).

This report was approved by the Board of Trustees and agreed on its behalf by:


.....
David Robin Vaughan - Trustee

Date: 13 September 2014

The Tuberous Sclerosis Association

Statement of Trustees Responsibilities
for the Year Ended 31 March 2014

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

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE TUBEROUS SCLEROSIS ASSOCIATION

We have audited the financial statements of The Tuberos Sclerosis Association for the year ended 31 March 2014 which comprise Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and 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 charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE TUBEROUS SCLEROSIS ASSOCIATION

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.

BDO LLP

Tobias Stephenson (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom
Date: *15 September 2014*

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Tuberosus Sclerosis Association

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 funds £	Total 2013 funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	265,650	24,132	289,782	214,473
Activities for generating funds	3	3,873	-	3,873	9,306
Investment income	4	111,372	-	111,372	117,079
Incoming resources from charitable activities					
Research	5	-	-	-	10,000
Education		-	-	-	51,129
Total incoming resources		<u>380,895</u>	<u>24,132</u>	<u>405,027</u>	<u>401,987</u>
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	79,708	-	79,708	38,112
Fundraising trading: cost of goods sold and other costs	7	5,189	-	5,189	8,376
Investment management costs		15,590	-	15,590	14,186
Charitable activities					
Family care & support	8	154,945	1,900	156,845	168,925
Research		299,047	22,477	321,524	101,334
Promoting awareness		91,721	-	91,721	56,677
Education		54,891	26,000	80,891	44,855
Governance costs	12	<u>28,942</u>	<u>-</u>	<u>28,942</u>	<u>25,271</u>
Total resources expended		<u>730,033</u>	<u>50,377</u>	<u>780,410</u>	<u>457,736</u>
NET INCOMING/(OUTGOING) RESOURCES		(349,138)	(26,245)	(375,383)	(55,749)
Other recognised gains/losses					
Gains/losses on investment assets		<u>96,338</u>	<u>-</u>	<u>96,338</u>	<u>441,427</u>
Net movement in funds		(252,800)	(26,245)	(279,045)	385,678
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,603,634</u>	<u>31,956</u>	<u>3,635,590</u>	<u>3,249,912</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>3,350,834</u></u>	<u><u>5,711</u></u>	<u><u>3,356,545</u></u>	<u><u>3,635,590</u></u>

The notes form part of these financial statements

The Tuberous Sclerosis Association

Statement of Financial Activities - continued
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2014

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

Under the Companies Act, the Charity made a deficit of £236,351 (2013 - £141,675) being the reported deficit of £279,045 (2013 - surplus of £385,678) adjusted for the unrealised deficit of £42,694 (2013 - gains of £244,003).

The notes form part of these financial statements

The Tuberosus Sclerosis Association

Balance Sheet
At 31 March 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	16	12,528	-
Investments	17	<u>3,580,255</u>	<u>3,599,206</u>
		3,592,783	3,599,206
 CURRENT ASSETS			
Debtors	18	19,468	32,498
Cash at bank and in hand		<u>120,425</u>	<u>119,385</u>
		139,893	151,883
 CREDITORS			
Amounts falling due within one year	19	(376,131)	(85,499)
 NET CURRENT ASSETS/(LIABILITIES)		<u>(236,238)</u>	<u>66,384</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		3,356,545	3,665,590
 CREDITORS			
Amounts falling due after more than one year	20	-	(30,000)
 NET ASSETS		<u><u>3,356,545</u></u>	<u><u>3,635,590</u></u>
 FUNDS	22		
Unrestricted funds:			
General fund		-	76,196
Designated Capital Fund		<u>3,350,834</u>	<u>3,527,438</u>
		3,350,834	3,603,634
Restricted funds:			
Restricted Funds		<u>5,711</u>	<u>31,956</u>
 TOTAL FUNDS		<u><u>3,356,545</u></u>	<u><u>3,635,590</u></u>

The notes form part of these financial statements

The Tuberous Sclerosis Association

Balance Sheet - continued

At 31 March 2014

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 13 September 2014 and were signed on its behalf by:



.....
Martin Peter Short -Trustee

The notes form part of these financial statements

The Tuberos Sclerosis Association

Notes to the Financial Statements
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments which are included at market value, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities issued in 2005 (revised 2008), and applicable accounting standards.

Financial reporting standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. It is reported gross of related expenditure.

Resources expended

Expenditure is recognised on an accruals basis as and when it is incurred, and is reported gross of related income. Direct costs are allocated to the appropriate category of activity. Staff costs and their related expenditure are allocated to the activities in which they are engaged on an individual basis. Governance costs comprise those associated with the constitutional and statutory requirements of the charity. Support costs including central financial control and accounting, are apportioned between other activities on the basis of estimated usage.

Research grant expenditure is accounted for in the first instance by reference to amounts claimed or accrued in respect of costs incurred up to the balance sheet date. Further provision is made for future costs to be incurred up to the total amount of the grant approved and committed in each case.

Equipment costing less than £1,000 is written off through the Statement of Financial Activities. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Investments

Investments are stated at market value. As a result the Statement of Financial Activities includes unrealised gains and losses arising from the revaluation of the investment portfolio throughout the period.

Intangible assets

Intangible assets comprise costs incurred in establishing a database. The cost is being written off on a straight line basis over a period of five years.

Taxation

The charity is exempt from corporation tax on its charitable activities.

The Tuberos Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds comprise unexpended balances of donations and/or grants held on trust to be applied for specific purposes.

Designated funds comprise the funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated unrestricted funds is set out in the notes to the accounts.

General funds are available for use at the discretion of the Trustees in furtherance of the general activities of the Association. The Association's policy is to hold no general funds other than the designated fund.

Pension costs and other post-retirement benefits

Contributions paid or payable to personal pension funds of members of staff are accounted for when due.

2. VOLUNTARY INCOME

	2014	2013
	£	£
Donations and subscriptions	250,108	177,732
Legacies	<u>39,674</u>	<u>36,741</u>
	<u>289,782</u>	<u>214,473</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2014	2013
	£	£
National raffles	-	2,872
Christmas card sales	<u>3,873</u>	<u>6,434</u>
	<u>3,873</u>	<u>9,306</u>

4. INVESTMENT INCOME

	2014	2013
	£	£
Bank interest	131	183
Income from managed portfolio	<u>111,241</u>	<u>116,896</u>
	<u>111,372</u>	<u>117,079</u>

The Tuberos Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Activity	2014 £	2013 £
Grants received - Novartis Pharmaceuticals UK Limited	-	10,000
Grants received - Novartis Pharmaceuticals UK Limited	-	<u>51,129</u>
	<u>-</u>	<u>61,129</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	2014 £	2013 £
Direct staff costs	49,361	22,287
Sundries	4,302	2,590
Travel, communications and other costs	17,433	6,790
Recruitment costs	-	784
Support costs	<u>8,612</u>	<u>5,661</u>
	<u>79,708</u>	<u>38,112</u>

7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2014 £	2013 £
Christmas card sales	3,793	5,614
National raffles	-	1,145
Support costs	<u>1,396</u>	<u>1,617</u>
	<u>5,189</u>	<u>8,376</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Grant funding of activities (See note 10) £	Support costs (See note 11) £	Totals £
Family care & support	122,964	11,188	22,693	156,845
Research	15,716	283,114	22,694	321,524
Promoting awareness	69,027	-	22,694	91,721
Education	<u>57,782</u>	<u>-</u>	<u>23,109</u>	<u>80,891</u>
	<u>265,489</u>	<u>294,302</u>	<u>91,190</u>	<u>650,981</u>

The Tuberous Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2014	2013
	£	£
Staff costs	155,712	164,130
Research	184	2,516
Travel, communications and other costs	40,374	38,566
Study days	26,839	6,369
Publications	38,192	16,513
Benevolent grants	3,033	2,114
Family days and weekends	1,155	1,777
	<u>265,489</u>	<u>231,985</u>

10. GRANTS PAYABLE

	2014	2013
	£	£
Family care & support	11,188	-
Research	<u>283,114</u>	<u>78,350</u>
	<u>294,302</u>	<u>78,350</u>

The total grants paid to institutions during the year was as follows:

	2014	2013
	£	£
98/04 Sheffield	-	(1,650)
13/01 Research Fellowship Birmingham	-	80,000
Institute of Medical Genetics, Cardiff - TRON: A randomised, double blind placebo-controlled study of RAD001 (Everolimus) in the treatment of neurocognitive problems in tuberous sclerosis	40,000	-
Institute of Psychiatry, Kings College, London - Autism Spectrum & ADHD in the TSC 2000 Cohort Study	26,667	-
University College London - TSC1 and TSC2 variation databases	44,356	-
Institute of Medical Genetics, Cardiff - Investigating mTORC1 independent functions of TSC2	53,251	-
Institute of Medical Genetics, Cardiff - Prevention of renal lesions by fine tuning mTOR signalling in a mouse model of tuberous sclerosis	58,935	-
Institute of Medical Genetics, Cardiff - Restoring TSC pathology through autophagy induction and mTORC1	59,905	-
Addenbrooke's Hospital - TSC Psychology	<u>11,188</u>	-
	<u>294,302</u>	<u>78,350</u>

Grants awarded prior to 1 April 2013 were of three or four years' duration and were charged against designated or restricted funds according to the circumstances of the funding. Grants awarded after 31 March 2013 are on an annual basis and are only renewed after an annual review. Grants of £353,963 have been approved, which are subject to conditions which were not due to be met by the beneficiaries before the year end, and such grants have therefore not been accrued in these financial accounts.

The Tuberos Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

11. SUPPORT COSTS

	Management	Finance	Admin	Totals
	£	£	£	£
Costs of generating voluntary income	4,585	301	3,726	8,612
Fundraising trading; cost of goods sold and other costs	1,309	87	-	1,396
Governance costs	13,116	651	-	13,767
Family care & support	12,454	825	9,414	22,693
Research	12,454	825	9,415	22,694
Promoting awareness	12,454	825	9,415	22,694
Education	<u>12,454</u>	<u>825</u>	<u>9,830</u>	<u>23,109</u>
	<u>68,826</u>	<u>4,339</u>	<u>41,800</u>	<u>114,965</u>

Activity	Basis of allocation
Management	See below
Finance	See below
Admin	See below

Support costs have been allocated between the Cost of Generating Voluntary Income, Fundraising trading, Governance Costs and the Activities of the Association on the basis of time spent by the staff members of the Association.

12. GOVERNANCE COSTS

	2014	2013
	£	£
Trustees' expenses	3,750	1,820
AGM and annual report costs	5,245	4,803
Auditors' remuneration	6,180	6,518
Support costs	<u>13,767</u>	<u>12,130</u>
	<u>28,942</u>	<u>25,271</u>

13. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2014	2013
	£	£
Auditors' remuneration	6,180	6,518
Hire of plant and machinery	-	1,584
Other operating leases	301	154
Database costs amortisation	<u>3,132</u>	<u>-</u>

The Tuberos Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

14. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2014 nor for the year ended 31 March 2013.

Trustees' expenses

	2014	2013
	£	£
Trustees' expenses	<u>3,750</u>	<u>1,820</u>

15. DIRECT STAFF COSTS

	2014	2013
	£	£
Wages and salaries	243,687	203,740
Social security costs	20,932	18,622
Other pension costs	<u>2,706</u>	<u>4,901</u>
	<u>267,325</u>	<u>227,263</u>

The average monthly number of employees during the year was as follows:

	2014	2013
Generating voluntary income	1	1
Promoting awareness	1	1
Family care and support	5	5
Support - general	2	2
Research	<u>1</u>	<u>1</u>
	<u>10</u>	<u>10</u>

No employees received emoluments in excess of £60,000 (2013 - none).

Pension costs relate to employer contributions to Stakeholder Pension Plans of employees.

The Tuberos Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

16. INTANGIBLE FIXED ASSETS

	Database costs £
COST	
Additions	<u>15,660</u>
 AMORTISATION	
Charge for year	<u>3,132</u>
 NET BOOK VALUE	
At 31 March 2014	<u>12,528</u>
At 31 March 2013	<u>-</u>

17. FIXED ASSET INVESTMENTS

	2014 £	2013 £
Shares	3,532,243	3,522,801
Cash held by investment manager for reinvestment	<u>48,012</u>	<u>76,405</u>
	<u>3,580,255</u>	<u>3,599,206</u>

Additional information as follows:

	Quoted shares and unit trusts £
MARKET VALUE	
At 1 April 2013	3,522,801
Additions	341,542
Disposals	(289,406)
Revaluations	<u>(42,694)</u>
At 31 March 2014	<u>3,532,243</u>
 NET BOOK VALUE	
At 31 March 2014	<u>3,532,243</u>
At 31 March 2013	<u>3,522,801</u>

Investments held in companies outside the UK amounted to £1,219,698 (2013 - £1,198,214).

The Tuberos Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

17. FIXED ASSET INVESTMENTS - continued

	2014	2013
	£	£
Brewin Dolphin capital account	<u>48,012</u>	<u>76,405</u>

The capital account represents uninvested cash held by the broker.

	2014	2013
	£	£
The historical cost of the investments at the year end is:	<u>2,333,736</u>	<u>2,278,371</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Other debtors	19,468	17,369
Grant debtor	-	<u>15,129</u>
	<u>19,468</u>	<u>32,498</u>

The Tuberous Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Social security and other taxes	6,230	5,804
Grants awarded	311,704	50,100
Pension fund	4,787	4,787
Accrued expenses	<u>53,410</u>	<u>24,808</u>
	<u>376,131</u>	<u>85,499</u>

The provision for grants awarded is for the full amount of future expenditure up to the committed amount of each grant. The following table shows the research institution, a breakdown of the unexpended commitment brought forward, the amount paid, the commitments arising during the year (and hence recognised in the Statement of Financial Activities (SOFA)) and the unexpended commitment carried forward at the end of the year in respect of each grant. Further detail in respect of each grant is given in note 10.

Ref.		At 1/4/13	SOFA	Paid	At 31/3/14
		£	£	£	£
13/01	University of Birmingham	80,000	-	(48,002)	31,998
95/01	Brighton TS Registry	100	-	-	100
	Institute of Psychiatry, Kings College				
14/01	London	-	26,667	(5,356)	21,311
505358	Institute of Medical Genetics, Cardiff	-	40,000	(9,340)	30,660
2013-P01	University College London	-	44,356	-	44,356
2013-F02	Institute of Medical Genetics, Cardiff	-	53,251	-	53,251
2013-P02	Institute of Medical Genetics, Cardiff	-	58,935	-	58,935
2013-P05	Institute of Medical Genetics, Cardiff	-	59,905	-	59,905
2013-PSY	Addenbrooke's Hospital, Cambridge	-	11,188	-	11,188
		<u>80,100</u>	<u>294,302</u>	<u>(62,698)</u>	<u>311,704</u>

Analysis:

Falling due within one year	<u>311,704</u>
Falling due after more than one year (note 20)	<u>-</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Research Grants	<u>-</u>	<u>30,000</u>

The Tuberos Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Fixed assets	12,528	-	12,528	-
Investments	3,580,255	-	3,580,255	3,599,206
Current assets	112,438	27,455	139,893	151,883
Current liabilities	(354,387)	(21,744)	(376,131)	(85,499)
Long term liabilities	-	-	-	(30,000)
	<u>3,350,834</u>	<u>5,711</u>	<u>3,356,545</u>	<u>3,635,590</u>

22. MOVEMENT IN FUNDS

	At 1/4/13 £	Net movement in funds £	Transfers between funds £	At 31/3/14 £
Unrestricted funds				
General fund	76,196	(184,453)	108,257	-
Designated Capital Fund	<u>3,527,438</u>	<u>(68,347)</u>	<u>(108,257)</u>	<u>3,350,834</u>
	3,603,634	(252,800)	-	3,350,834
Restricted funds				
Restricted Funds	31,956	(26,245)	-	5,711
	<u>3,635,590</u>	<u>(279,045)</u>	<u>-</u>	<u>3,356,545</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	269,654	(454,107)	-	(184,453)
Designated Capital Fund	<u>111,241</u>	<u>(275,926)</u>	<u>96,338</u>	<u>(68,347)</u>
	380,895	(730,033)	96,338	(252,800)
Restricted funds				
Restricted Funds	24,132	(50,377)	-	(26,245)
	<u>405,027</u>	<u>(780,410)</u>	<u>96,338</u>	<u>(279,045)</u>

The Tuberous Sclerosis Association

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

22. MOVEMENT IN FUNDS - continued

The following table shows an analysis of the movement of restricted funds:

	At 1/4/13 £	Income £	Expenditure £	Transfers £	At 31/3/14 £
Research	-	22,757	(22,477)	-	280
Jane Medcalf Memorial	5,956	-	(900)	-	5,056
Family care & support	-	1,375	(1,000)	-	375
Education	26,000	-	(26,000)	-	-
Total	<u>31,956</u>	<u>24,132</u>	<u>50,377</u>	<u>-</u>	<u>5,711</u>

The restricted funds relate to donations and grants, which were given to the Association for specific purposes. The restricted funds held at 31 March 2014 relate to the unspent portion of specific donations.

Donations and grants towards research were used to help fund the research grants awarded during the year, with a small amount carried forward to the next year's grant round.

The Janet Medcalf Memorial Fund is a fund set up to assist members by way of small grants of £300 each. Three such grants were awarded during the year.

Donations and grants towards family care and support were in the main used to help fund the salaries of support workers, with a small amount being carried forward to the following year.

Grants given towards Education were conditionally approved in March 2012 and these were expended during the year.

Transfers between funds

The designated capital fund consists of the unspent balance of the bequest received from the late Mr H I Leech in 1993. As the Association is dependent on the income arising from the investments provided by this bequest, the Trustees consider that this money constitutes the capital of the Association and so has set aside this money as a designated fund. During the year the gain on the investments and the fees payable to the investment managers have been accounted for through this fund, as have changes in provisions for future grant commitments. As at 31 March 2014, transfers were made from this fund to eliminate the deficit on the general fund.

23. RELATED PARTY DISCLOSURES

As permitted by the Memorandum and Articles of Association, payments are made to certain Trustees and other related parties for services provided to the charity.

Ashmole & Co, a firm of Chartered Certified Accountants of whom the Treasurer Mr D R Vaughan is a Partner, received VAT inclusive payments of £13,000 (2013 £13,000) for services relating to the bookkeeping and accountancy work of the charity. This work is carried out in a separate office from the one from which Mr Vaughan operates and under the supervision of another Partner in the firm.

