

NATIONAL OSTEOPOROSIS SOCIETY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Company Number: 4995013
England Charity Number: 1102712
Scotland Charity Number: SC039755

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**NATIONAL OSTEOPOROSIS SOCIETY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

President:	HRH The Duchess of Cornwall	
Ambassadors:	Sean Bean Deborah Bull CBE Wendy Craig Peter Cruddas Lynn Faulds Wood Trudie Goodwin Susan Hampshire OBE Nerys Hughes Ross Kemp	Felicity Ann Kendal, CBE Miriam Margolyes, OBE Diana Moran Maggie Philbin OBE Craig Revel Horwood Dr Miriam Stoppard Lizzie Webb Dame Barbara Windsor
Honorary Officers		
Chairman:	Catherine Tompkins	
Vice Chairman:	Jeremy Stern Carole Walker	Retired 26 th May 2016 Appointed 26 th May 2016
Treasurer:	Frances Grigg	
Trustees:	Baroness Carlyn Chisholm Prof Juliet Compston OBE Dr Louise Dolan Sunny Dosanjh Prof Neil Gittoes Frances Grigg Leesa Harwood Rebecca Thompson Caroline Trew hitt Dr Lynne Wigens	Resigned 26 th May 2016 Resigned 31 st March 2016 Resigned 1 st March 2017 Appointed 26 th July 2016 Appointed 1 st March 2017
Executive Team:		
Chief Executive:	Claire Severgnini	
Commercial & Finance Director:	Susan Coffey	Resigned November 2016
Finance Director (interim):	Peter Lennard	Appointed February 2017
Strategic Development Director:	Nina Copping Susan Hamilton	Resigned February 2016 Appointed June 2016
Human Resources Director:	Helen Kingman	
Fundraising & Communications Director:	Kate Groves	
Clinical Director:	Fizz Thompson	
Service Delivery Director:	Hilary Arden	Appointed January 2017

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Registered office:	Camerton Bath BA2 0PJ
Auditors:	haysmacintyre 26 Red Lion Square London WC1R 4AG
Bankers:	National Westminster Bank plc 3 High Street Midsomer Norton Bath BA3 2ZY Virgin Money Jubilee House Gosforth Newcastle Upon Tyne NE3 4PL
Investment Advisors:	HSBC Global Asset Management (UK) Limited 78 St James's Street London SW1A 1 HL
Solicitors:	DAC Beachcroft LLP Portwall Place Portwall Lane Bristol BS99 7UD
Company number:	4995013
Charity number England:	1102712
Charity number Scotland:	SC039755

NATIONAL OSTEOPOROSIS SOCIETY
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The Trustees present their report including the Strategic Report and the audited financial statements for the National Osteoporosis Society for the year ended 31 December 2016.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Objectives and Activities

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives. The Memorandum of Association states that the principal objects for which the company is established are:

- To relieve sickness and to promote and advance medical knowledge, with particular reference to all aspects of osteoporosis and all similar and related conditions;
- To undertake research in relation thereto, and to publish the useful results of such research.

The Charity launched its latest strategic plan in 2013 which set out the vision, mission, values and goals for the five years from 2013 to 2017.

Vision

- Our vision is a future without fragility fractures.

Mission

- Working together for a brighter future for people with or at risk of osteoporosis and fragility fractures across the UK, putting an end to preventable broken bones and helping people to live without pain and disability.

Values

- We are caring, innovative, excellent, influential, ethical and passionate in all that we do.

In 2014 the Charity progressed its strategy by building on the goals as described in the strategic plan and translating them into two key aims, as follows:

Aim 1: Every person aged over 50 who breaks a bone is assessed for osteoporosis and managed appropriately.

Aim 2: People with osteoporosis are empowered to make choices and manage their condition in ways that best meet their own needs.

A pathway was developed for each aim that described the activities that were needed to achieve the aim and the **organisational enablers** that were critical for success. The aims and pathways were used to direct and shape the Charity's business planning for 2016. Work also started to review the Charity's measurement and reporting, to ensure the required evidence is in place to help the Charity make continual improvements to its impact for people with osteoporosis. A summary of the achievements in 2016 is set out below.

Public Benefit Statement

The Trustees confirm that they have complied with the duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

STRATEGIC REPORT

The Strategic Report provides an overall review of the significant activities undertaken by the Charity in order to achieve the Charity's strategic aims and objectives for the public benefit.

The Charity would like to acknowledge that the achievements of the National Osteoporosis Society are only made possible thanks to the amazing generosity of our members and donors, and the invaluable contribution made by our individual volunteers, Support Groups, committee members, and scientific advisors.

Achievements and Performance

Aim 1: Every Person Aged Over 50 who Breaks a Bone is Assessed for Osteoporosis and Managed Appropriately

We know that many people who break a bone are treated in hospital and are then discharged without an assessment for osteoporosis. As the risk of a further fracture is 2-3 fold higher for people who have already sustained one fracture, it is important that these people are identified, assessed and then managed and supported appropriately. There is a lack of both public and professional awareness of osteoporosis and the importance of preventing such secondary fractures. For instance, we know that only 25% of adults are familiar with the term osteoporosis. There is strong evidence that a Fracture Liaison Service (FLS), that systematically identifies those at risk, is cost-saving, however in 2010 the Royal College of Physicians audit showed that only 42% of health care organisations in the UK had some form of service. Since then the Charity has made considerable progress in improving the coverage and quality of FLS across the UK.

The Charity has determined that the following areas of activity are required to achieve Aim 1 and 2016 highlights are below:

1. Raising Awareness and Influencing the Provision of Secondary Fracture Prevention and Fracture Liaison Services (FLSs)

a. Awareness Health Professionals

The second FLS Champions' Summit was held in February 2016 with **109** delegates attending. The summit provided delegates with invaluable information through talks and workshops on how to implement or improve an FLS, and focused specifically on vertebral fracture identification and reporting within FLS. Evaluation showed the meeting to have been a great success, with 92% feeling motivated to develop an FLS or improve the service in their Trust and 100% planning to share what they had learnt with their colleagues at work.

Case Study: FLS Champion Summit 2016 (Source: Fracture Liaison Nurse Attendee)



**FLS Champions'
Summit 2016**



"Without the Summit we would have probably carried on regardless and as we are now. With attending the Summit and being part of the FLS-DB we know we can improve and move forward our service with the help and support and new knowledge gained. We can and will make a difference!"

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International and national recognition has been given to our approach to NHS change management, as the Service Delivery Team presented our work on FLS at the following conferences/events:

- International Osteoporosis Foundation (IOF) World Congress on Osteoporosis, Osteoarthritis and MSK Disease in Malaga, Spain.
- Fragility Fracture Network (FFN) Global Congress in Rome, Italy.
- Annual British Orthopaedic Association (BOA) congress, Belfast, Ireland.
- British Society of Rheumatology (BSR), Glasgow, Scotland.
- Royal College of Nursing (RCN) Society of Orthopaedic and Trauma Nurses (SOTN).
- Institute of Osteopathy Annual Conference, Windsor, UK.

b. Awareness General Public

From our previous research, we know that less than a third of people between 50-69 years old have thought about their own risk of developing osteoporosis. Our 'Stop at One' campaign microsite, aims at raising awareness and enabling people aged 50-70 to get a bone check. We had over **15,200** unique visitors to the microsite with nearly **50% (7,489)** going on to take our on-line *Are You At Risk?* Quiz, therefore taking their first steps to improving their bone health. We also produced a short film highlighting Joan, a member with spinal fractures, who wished that she'd been diagnosed earlier and 'stopped at one' and this has now been viewed nearly **3,000** times.

Our 'Lace up for Bones' awareness campaign ran for the second year, with the principal aim to raise awareness of osteoporosis and encourage people to take some exercise that will keep their bones strong and healthy. The campaign encourages people to purchase our specially created 'Lace Up for Bones' orange shoelaces and to share via social media pictures of themselves wearing their laces. 'Lace up for Bones' gave us a **25% increase** in social media followers, with **54%** of lace purchasers being previously unknown to the Charity and **89%** of sales to females aged over 45.

Case Study: Lace up for Bones (*Source: Facebook and Twitter Campaign Supporters*)



"Bones are what hold us all together. Even more people should tie up their orange laces this year to help spread the word about osteoporosis."

"I have a very complicated medical history, part of which is osteoporosis. I am now wheelchair bound but instead of laces on my shoes they will be on my wheelchair. Spread the message."

"The laces have just arrived! Now the work begins. Put your walking shoes on folks."

Awareness of the National Osteoporosis Society facilitated by a **28% increase** from the previous year in media reporting us in articles in UK national print and online media (516 in 2016 compared with 403 in 2015). For example:

- Good Housekeeping, Britain's biggest selling women's lifestyle magazine featured a four-page feature on osteoporosis mentioning the Charity's *Stop at One* campaign and interviews with two of case studies, alongside a specially arranged interview-format section with our President Her Royal Highness The Duchess of Cornwall.
- The Charity featured on Jamie Oliver's website in an article about 'How to have healthier, stronger bones'. Subsequent impact on social media included views by 4,500 people on Facebook and further reach as more than 40 people shared the link.

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- We worked with Clarence House on a letter to Tim Peake in space discussing the work that he was undertaking around how bone is lost. This was shared on social media, reaching an audience of **600,000** and was also covered by The Daily Telegraph.

c. Influence

The Charity contributed to the development of the following clinical guidance in 2016:

- NICE Quality Standard on osteoporosis.
- NICE Quality Standard on menopause.
- NICE Quality Standard on falls.
- NICE Quality Standard on hip fractures.
- NICE Clinical Guideline: Multimorbidity: clinical assessment and management.
- NICE Technology Appraisal: Osteoporosis (Prevention) – Bisphosphonates.
- NICE Technology Appraisal: Abaloparatide for preventing osteoporotic fractures in post-menopausal women.
- Scottish dental clinical effectiveness guidance on oral health management of patients prescribed anti-resorptive or anti-angiogenic drugs.
- All Wales Therapeutics and Toxicology Centre – One Wales Interim Commissioning Advice (Denosumab – Prolia).

The Scientific Advisory Committee on Nutrition (SACN) published its report, updating guidance on vitamin D levels for the UK population. The report recommended that everyone could benefit from dietary sources of vitamin D to boost those made from sunlight on skin. Our online information and support resources have been updated to reflect the new guidance and included our new vitamin D food chooser. With the Secretariat role for the All Party Parliamentary Osteoporosis Group (APPOG), a meeting was held at Westminster focusing on vitamin D and guidance in the SACN report. It was recommended that a National Working Party be developed to provide clear and concise information on vitamin D for the public and Health Professionals.

The Charity worked with NHS Rightcare to finalise resources to support Clinical Commissioning Groups (CCGs), contributing to the optimal value solution for falls and fragility fracture prevention, along with Public Health England. The pathway explains to Commissioners what best value care looks like, and signposts to other resources for additional information.

We met with the Northern Ireland Osteoporosis Consensus Group (NIOCG) and Health and Social Care Board to explore developing a uniform osteoporosis pathway in Northern Ireland. The NIOCG (hosted by the Charity) also received a letter of recognition from the Health Minister for their work on a best practice care pathway.

The All Wales Osteoporosis Advisory Group (WOAG) is now established as an All Wales Osteoporosis Clinical Network under the umbrella of the Charity. WOAG facilitates the opportunity for multidisciplinary clinicians in Wales to discuss issues relating to Wales and the provision of equitable services for people with or at risk of osteoporosis and fragility fractures throughout the principality.

The Charity continued to support the Fracture Liaison Service Database (FLS-DB), a national audit commissioned by the Healthcare Quality Improvement Partnership (HQIP) as part of the Falls and Fragility Fracture Audit Programme (FFFAP). The FLS-DB will comprise of two national audit components – a facilities audit and a patient audit. The audit aims to create a detailed national picture of how secondary prevention is being delivered.

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2. Improving Fracture Liaison Service Coverage by Supporting those Working to Achieve Commissioning of Local Services Across the UK

In 2016 our Service Delivery activity has resulted in the commissioning of a further **three new FLSs** covering a further **371,363 people** (cohort 50+). The latest FLS Benefits calculator estimates this will lead to over **£6M** gross savings in the local health economy and prevention of up to 352 hip fractures over the next five years. Since commencement of the Charity's FLS work programme a total of **ten new FLSs** have been commissioned covering a further **1.2M people** (cohort 50+), estimated to save the local health economy over **£19M** by preventing up to 1,172 hip fractures over a five-year period.

The central and field-based teams engaged with potential FLS sites across the UK, giving hands-on support to the implementation of new services at **54** sites where none currently exists and service improvement at a further **93** sites by supporting the enhancement of an existing service through commissioning additional resource; a total of **147** sites.

To facilitate commissioning of local FLSs the Charity offers the following services, which are endorsed by the International Osteoporosis Foundation, Arthritis and Musculoskeletal Alliance (ARMA), Society of Endocrinology, Chartered Society of Physiotherapy (CSP), British Orthopaedic Association (BOA) and British Geriatrics Society (BGS):

- Our online **FLS Implementation Toolkit** is open to all Health Professionals and commissioners interested in setting up an FLS in a primary and secondary care setting. It consists of a range of evidence based resources which are accessible and easy to use; including a service specification, a service improvement guide, project plan, template business case, benefits calculator and other tools to guide through the process of setting up and/or developing an FLS. The toolkit aims to help those understand the local impact of fragility fractures from number and cost perspective; develop a local model of the clinical and cost effectiveness of an FLS; and establish a sustainable service demonstrating positive clinical outcomes. The toolkit has seen a **50% increase** since 2015, with **1,816** unique visitors.
- Our **FLS Implementation Workshops** offer practical support through face to face development of the skills required to progress a service specification and present a business case. During the Workshops, practical support from clinical and commissioning experts is provided. Participants also gain evidence of accredited learning for their continuing professional development (CPD). In 2016 **three** FLS Implementation Workshops were held and attended by over **85** delegates including commissioners, FLS nurses and consultants. Feedback following one workshop revealed:
 - 100% thought attending the course was a good investment for their department/organisation and would recommend attending the workshop to others.
 - 96% agreed that the FLS Implementation Toolkit is a useful resource to help develop a business case for FLS.
 - 77% stated they now feel confident that they can present a business case to commissioners.
 - 62.5% intend to complete and submit a business case (25% n/a).

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Case Study: 2016 FLS Implementation Workshop (Source: Participant Anonymous Feedback)



"Very impressed with National Osteoporosis Society delivering this agenda and am sure that FLS will become mainstream within the NHS."

"Informative workshop, knowledgeable team, made to feel welcome."



"Access to multiple tools and methods to implement FLS. Enjoyed networking with colleagues from similar backgrounds (Clinical), sharing ideas for best practice and company's service provision within various trusts."

3. Improving Fracture Liaison Service Quality

The primary aim of the peer review scheme, is to improve services for patients with osteoporosis and metabolic bone diseases. Our peer review programme continued with a further **five** visits undertaken by a nationwide multi-professional group, a **150% increase** from 2015 (Sites included: Dumfries and Galloway; Guernsey Channel Islands; North Wales; Western Isles and Nottingham). Peer review provides a means of assessing clinical care against agreed standards (UK FLS Clinical Standards Effective Secondary Prevention of Fragility Fractures). An important benefit of the peer review process is the opportunity it gives both reviewers and reviewees to share best practice. Additional benefits include lifting morale of health care providers by ensuring that clinical teams' voices are heard to help shape the future delivery and development of their services for patients.

Work to progress the 'Quality Standards for Fracture Prevention Services' continues with the establishment of the Osteoporosis Standards Group.

The Vertebral Fracture Steering Group was established. The main purpose of the group will be to provide strategic leadership and coordination across the vertebral fractures work programme, including production of guidance for the identification of vertebral fractures.

4. Providing Education for Fracture Liaison Service and Service Practitioners

Our **Fracture Prevention Practitioner (FPP) Training programme** is accredited by the Royal College of Physicians, the Royal College of General Practitioners, and the Royal College of Nursing, and provides a gold standard for all healthcare professionals working in the field of osteoporosis and fragility fractures. Since the launch of the programme in April 2015, a total of **263** people registered for the FPP Training. In 2016 a total of **107** people gained accreditation at Foundation level and **55** people gained accreditation at Advanced level.

Working with FPPs and services across the UK, we identified the need to provide further support for continuing professional development (CPD) of practitioners at all levels and in all settings who are working in secondary fracture prevention. Therefore, the **Competency Framework for Fracture Prevention Practitioners** was produced, structured around the core knowledge and competencies included in the FPP Training.

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67 delegates attended the two-day **National Training Scheme for Bone Densitometry course** in Birmingham. This is followed by an online examination and portfolio submission process, successful completion of which leads to Certification in Bone Densitometry providing operators with proof of their competence to perform bone densitometry measurements. 84% of attendees completed the evaluation and feedback included:

- 100% would recommend attending the course to others.
- 96% stated they now feel confident that they can improve their daily practice and techniques in bone densitometry.
- 82% agreed they intend to update the policies/practices relevant to bone densitometry within their department.

Case Study: 2016 National Training Scheme for Bone Densitometry Course
(Source: Participant Anonymous Feedback)



"The course was very intense but good and very interesting throughout, reinforcing some knowledge and adding knowledge on other topics. An insight into all areas."

"Should be mandatory for all DXA operators."

"Very useful clinical workshop which helped to put into context what we had learnt in the lectures."

Aim 2: People with Osteoporosis are Empowered to Make Choices and Manage their Condition in Ways that Best Meet their Own Needs

We know that people with osteoporosis need information and support to help them manage their condition. We also know that there is considerable variation in the treatment and care people receive from Health Professionals, with many people reporting unsatisfactory experiences. Our previous research has revealed that just 22% of people with osteoporosis think the NHS gives it the attention it deserves. Therefore, the Charity's strategy to achieve Aim 2 has two strands: to continue to provide and improve services directly to people with the condition but also to build awareness and understanding among Health Professionals so that people receive better advice and support along their patient journey.

The Charity has determined that the following areas of activity are required to achieve Aim 2 and 2016 highlights are below:

1. Information and Support Services for People with Osteoporosis

a. Our Support Model

In 2016, the Charity developed a new model of support, building on the extensive review of best practice, evidence of success of other models externally and the views of people living with osteoporosis on their information and support needs and preferences, through the survey *A Good Life with Osteoporosis*. This has led to the development of a high level operational plan in order to enable the implementation of a new support model. The plans are built on two key schemes 'Centralism' and 'Localism', and resulted in the integration of the Regional Team and Service Delivery Team. Priority areas for this work have been identified through gap analysis and mapping existing support to develop our new approach to the provision of information and support. This work will continue throughout 2017, with the launch of an 18-month pilot in the South-Central Region.

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b. Current Services

Our *A Good Life with Osteoporosis* survey revealed people affected by osteoporosis are most interested in obtaining information and support via: Reading a publication about osteoporosis (80%); visiting websites to find information about osteoporosis (69%); face-to-face contact with a Health Professional to help with managing their condition (65%) and visiting an osteoporosis support group to hear a professional talking about an osteoporosis related matter (66%). Our *Life with Osteoporosis* study also revealed that 42% of people felt their osteoporosis has made them socially isolated. This is extremely important as living in isolation can have long-term psychological effects. Therefore, the Charity ensures all our current services reflect the needs of our beneficiaries.

Helpline

In 2016, the total number of nurse led Helpline service responses (phone, e-mail, letter and forum post) was **11,140**. This was an increase on 2015 largely due to a **27% increase** in emails into the service. As we move into a more digital environment people require the expertise of qualified nurses via different media and often outside office hours, so along with the introduction of a Freephone number for the service we increased provision by extending opening hours. The current major dilemmas in osteoporosis management are reflected in the increasing complexity of enquiries. Questions around duration of treatment and fear of side effects such as atypical fracture and osteonecrosis of the jaw are principle motivations to call the service.

Case study: Osteoporosis Specialist Nurse Team (*Source: Helpline Enquirers*)



"Thank you so much for your very understanding and caring manner in our telephone conversation just now. I felt as if everything was going round and round in my head and I now have a list of what I need to do.....One of the best things I did was join the National Osteoporosis Society"



"The specialist nurses on the helpline gave me the help, information and confidence to ask the right questions and decide where to go next with my treatment. They are amazing and really easy to talk to. It would have been so much harder without them."

"Thank-you for your very helpful and swift reply and the information you've sent is just what I needed, and is clear and informative. A brilliant service."

Website/Online

Many people including the general public and Health Professionals visit the Charity's website for osteoporosis information and to learn more about the Charity and how to get involved. This year **280,773** people have visited the Charity's website for osteoporosis information and support. The launch of our new website has consequently seen an **11% increase** against people visiting in 2015. This is especially significant when launching a new site as you would normally see a decline whilst the new site gets realigned within Google search results. We are also improving our engagement with a crucial younger audience through our social media channels, and in 2016 observed a **42% increase** in Facebook likes and a **21% increase** in Twitter followers.

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Printed and Downloadable Information

335,184 information publications were sent out or downloaded during 2016. In line with the increase in accessibility of our information online we actively managed a decrease in the number of printed leaflets distributed (300,981 in 2016 compared with 346,016 in 2015)

A total of **19** of the Charity's information resources have been updated by our osteoporosis specialised nurses including:

- **All About Osteoporosis** (AAO), our 102-page comprehensive guide containing the core information needed by someone on their osteoporosis patient journey.
- **Eight drug treatment** factsheets. Our drug treatment suite of factsheets have been rewritten to help people better understand the potential side effects.
- **One scans and tests and osteoporosis** leaflet on the various scans and tests used assess bone strength and identify fracture.
- **One scans and tests** factsheet on bone markers (blood and urine tests) and osteoporosis.
- **Four healthy living for strong bones** factsheets and leaflets (Calcium supplements and tests; Vitamin D supplements and tests; Complementary therapies for bone health; Healthy Living for Strong bones leaflet –updated with our new and improved 'calcium and vitamin D rich' food chooser charts to help with healthy choices to ensure you get sufficient calcium and vitamin D from food and drink).
- **Four living with osteoporosis and fractures** factsheets (Employment and osteoporosis; Caring for someone with fractures; Complementary therapies for pain and symptoms after fractures; Social care and support at home after fractures).

Following a successful redesign in 2015, our quarterly magazine **Osteoporosis News** went from strength to strength. A survey carried out in 2016 highlighted the ongoing popularity of our magazine among our membership. Popular articles during the year included pieces on the health benefits of walking, how dancing is a great way to build strong bones, new year resolutions for better bone health and a guide to non-drug approaches to osteoporosis and pain.

In Local Communities

In local communities across the UK our regional volunteers and employees delivered over **172** osteoporosis **Clinical Update events** for people with the condition, attracting **5,238** attendees. This included events in Scotland (11), Wales (7) and England (154). Many of the meetings were run by the Charity's **67 Support Groups** and formed part of the total **365** meetings held, which provide both information and peer support for those with the condition.

Several Support Groups held special events to celebrate the Charity's 30th Anniversary. For example, four groups in Greater Manchester held five events across three days and all the Support Groups in Wales came together to organise a joint 30th Anniversary event. In addition, the Aberdeen and North East Support Group celebrated their 25th Anniversary and the Kings Lynn Support Group their 20th Anniversary.

We launched the new Plymouth Support Group and two closing Support Groups adapted their structure to become active Volunteer Teams. These new Volunteer Teams provide a novel way for volunteers to offer local support without the formal structure of a Support Group, working closely with their Regional Development Manager and making the most of their specific skills, experience and enthusiasm. Teams will aim to support the work of Charity and raise awareness at a local level, as well as signpost to the Charity from various local exercise and walking groups

Volunteer Networking Meetings were held across the UK giving the opportunity for our volunteers to network, learn from one another, share ideas and receive Charity updates and training. A total of **10** events were held across the UK with **140** Volunteers attending.

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Our **Newly Diagnosed and Patient Education events** are delivered in partnership between the local health providers and the Charity, often with the involvement and support of our volunteers. They provide a supportive place to explore any concerns and questions. Each meeting includes a presentation from an osteoporosis specialist Health Professional, and focuses on topics designed to help those living with osteoporosis answer specific questions they may have on issues such as diagnosis, scans, tests, treatments, pain management, exercise, and rare conditions. Since last year there has been a **20% increase** in the number of these meetings held with **3,275** people attending. This included a total of **89** Newly diagnosed and Patient Education sessions held across the UK in Scotland (**34**), Wales (**1**), England (**51**) and Northern Ireland (**3**).

Case study: 2016 Newly Diagnosed Event (*Source: Attendee Anonymous Feedback*)

What did you gain most from attending this event?



"Meeting other people and learning to live with diagnosis without panicking!"

"Better understanding of osteoporosis and to deal it day to day."

"A greater understanding of osteoporosis and how I can help myself."

"Social interaction and knowledge of osteoporosis-excellent speakers"

2. Support Services for Health Professionals to Improve Advice and Support for People with Osteoporosis

Our *A Good Life with Osteoporosis* survey revealed 91% of the 3,957 people surveyed think one of the highest priorities for the Charity should be to continue educating Health Professionals, as better informed Health Professionals will ultimately improve the quality of support and treatment provided to people affected by the condition.

This year there was a **50% increase** in the number of **Health Professional study sessions** held across the UK in Scotland (**4**), Wales (**4**) and England (**7**). This resulted in a **48% increase** in the number of Health Professionals gaining specialised osteoporosis education (**682** attendees in total).

The Charity supported the *'Love you Bones'* Bone Health and Osteoporosis Patient and Public Conference in Portsmouth which celebrated its 10th anniversary. Over 600 members of the public and Health Professionals attended. Overall feedback from Health Professionals was very positive, 100% would recommend work colleagues and patients to attend this event in the future.

Case study: *'Love you Bones'* 10th Anniversary Event (*Source: Health Professional Feedback*)



"I have learnt so much to take back to my Rheumatology colleagues for us to discuss and change the way we do things"

"I want to alert patients to use the National Osteoporosis Society website and make them aware of the risk of osteoporosis"

NATIONAL OSTEOPOROSIS SOCIETY
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Our **Allied Health Professional (AHP) Network** was developed to provide support and professional development to AHP specialists working in the field of osteoporosis and/or fragility fractures in the UK. This includes osteoporosis specialist nurses, FLS nurses, research nurses, radiographers, physiotherapists, falls nurses/prevention specialists, occupational therapists, rheumatology nurses, dieticians and pharmacists. This year there was a **67% increase** in our Clinical and AHP Networking events with **25** events held across the UK in Scotland (**2**), Wales (**1**), England (**12**) and Northern Ireland (**10**). This resulted in a **35% increase** in the number AHPs and clinicians enhancing their professional development through a forum of sharing information on best practise and updates on local and national service provision (**505** attendees in total).

The **Osteoporosis Resources for Primary Care** was developed as a joint initiative of the Royal College of General Practitioners and the National Osteoporosis Society, and aims to equip GPs, practice nurses and other members of the practice team with relevant information about osteoporosis in light of its inclusion in the Quality and Outcomes Framework. Users are tested on the diagnosis, treatment and management of patients with osteoporosis specifically in Primary Care. In 2016, **55** users gained accreditation (**34% increase** from 2015).

Osteoporosis Review, the Charity's journal for professional members was published three times in 2016, both online and in hard copy, receiving a total of **1,723** online hits and distributed to **837** Health Professional members. The journal comprises primarily review articles and has a broad scope, covering a wide range of clinical, scientific and policy areas relevant to osteoporosis.

Osteoporosis Conference 2016. The Osteoporosis Conference is the UK's leading conference on osteoporosis, organised biennially by the Charity. The Conference was held on the 7th-9th November at the Birmingham International Convention Centre (ICC), was attended by over 820 delegates and was packed full of presentations, workshops and exhibitions. The 3-day conference was the biggest in the Charity's history with **161** abstracts submitted, **109** posters on display, **21** oral abstract presentations, 66 invited speakers, and **21** workshops.

- The post conference survey was completed by 480 attendees (69% of total attendees). The survey aimed to measure the learning and impact for each talk and workshop, helping us to establish the real value for delegates. **92%** said their attendance would improve their clinical practice.
- Popular future session ideas included: management of osteoporosis in an ambulatory/outpatient setting, bone markers, exercise for osteoporotic patients, renal osteoporosis, transgender management of osteoporosis, dementia and osteoporosis, research in DXA, new drug treatments, nutrition, men and osteoporosis.

Case study: Osteoporosis Conference 2016 (Source: Attendee Anonymous Feedback)



"I am passionate about promoting bone health, osteoporosis and highlighting the importance of preventing fragility fractures and this conference provides me with tools to do that job confidently".



"I found the entire conference extremely useful and very well organised. I would definitely recommend attendance at this conference to my colleagues and peers".

"I feel that attending the conference has given me several research ideas and opportunities of developing more robust patient pathways/ interventions".

Organisational Enablers: Key Areas Critical to Success

Organisational Enablers are activities which underpin all work programmes and are critical to the success of the Charity. Key Organisational Enablers in 2016 included:

- **Income development.**
- Reviewing our **research strategy.**
- Developing our **digital** platforms including our website, Customer Relationship Management system and associated hardware.
- Building **staff engagement** with a focus on developing our HR framework
- Reviewing our **strategic direction** and **brand.**

1. Fundraising

a. Fundraising Practice, Ethics and Transparency

At the National Osteoporosis Society, we endeavour always to treat supporters with respect and aim to be ethical in all that we do. This extends to our fundraising activities.

In 2015, in response to a decline in public trust following negative media coverage, the Charity published a Supporter Charter, outlining its approach to fundraising and laying out its commitment to transparency, ethics and data protection. In 2016, the Charity signed up with the new Fundraising Regulator, committing to follow the regulator's Fundraising Promise and adhere to the Codes of Fundraising Practice. The Charity is also an Organisational Member of the Institute of Fundraising.

The National Osteoporosis Society responded to concerns raised in the media by reviewing its fundraising practices, data protection measures and supplier agreements. As a result, it made some changes to its approach, including ceasing telemarketing and the purchasing of marketing lists, which took effect from January 2016.

Throughout 2016, the charity continued to monitor the external environment to ensure it kept abreast of best practice. This included tracking developments in the ICO's guidance around consent in light of the upcoming adoption in UK law of the General Data Protection Regulation, and undertaking a data protection audit. The Charity will be moving to an opt-in model of consent over the course of 2017-18.

The Charity understands the implications of The Charities Act 2016 and all senior staff and trustees have been briefed regarding the wider powers awarded to the Charity Commission; and the role and importance of self-regulation of the industry.

b. Vulnerable People

The Charity has in place a safeguarding policy which outlines its approach to the protection of vulnerable people. In addition, it has in place a number of measures which relate specifically to fundraising:

- We do not knowingly contact vulnerable people. If a concerned relative contacts us to request that we cease to contact a supporter, they are immediately excluded from marketing activity;
- The Membership and Supporter Team have a series of trigger phrases in place to help them identify where someone may not be in a position to make informed decisions and who therefore should be excluded from fundraising communications;
- People with an address which appears to be a care home are excluded from fundraising appeals.

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c. Fundraising from Individuals

An annual programme of activity is in place to encourage a wide range of individuals to support the Charity in ways that appeal to them. These include:

- Joining the Charity as a member, to become part of a supportive community and receive the Charity's quarterly magazine
- Donating to fundraising appeals or participating in a raffle
- Organising a fundraising event, such as a coffee morning or sponsored walk
- Taking part in a challenge event, such as the Virgin London Marathon, Ride 100 cycling sportive or a sponsored skydive
- Giving a gift in memory of a loved one, or in celebration of a landmark birthday or anniversary

The focus remains on building the supporter base, driving loyalty and securing long-term support.

The Charity takes a measured approach to fundraising from individuals, to ensure that activities engage and inspire the maximum number of people whilst delivering an acceptable return on investment. Approaches are constantly measured, reviewed and refined and feedback sought from supporters both directly and through the Members and Volunteers Committee.

The majority of the Charity's individual supporters are people who have been personally affected by osteoporosis, or who care for someone who has, and who have accessed the Charity's information and support services. As osteoporosis is a condition which typically affects people in later life, our supporter demographic is older, with the average member aged 73. This means that traditional fundraising activities such as postal appeals and raffles still form the mainstay of our individual giving programme and engaging people through digital channels is more difficult. This preference for offline channels makes reaching supporters more costly and engaging with people in real time very difficult. Even those supporters who are happy to access information through the website may be reluctant to transact online, which has presented challenges for the growth of retail, and means that even with recent improvements to usability, relatively few donations are received through the website.

The most significant income stream for the Charity is legacies. Many of these gifts are made by people who have received information and support from the Charity and have been inspired to leave a gift in their will. The National Osteoporosis Society actively reinforces the importance of gifts in wills to supporters, and looks to engage individuals through events, case studies and features in its magazine highlighting what legacies have enabled the Charity to achieve for its beneficiaries. As a result, both the number and average value of legacies have increased in recent years, and 2016 was a record year for legacy income.

2016 was the National Osteoporosis Society's 30th anniversary year and this presented additional opportunities to build the Charity's profile and raise funds. One of the highlights of the anniversary celebrations was a garden party hosted by the Charity's royal President, HRH The Duchess of Cornwall, at Clarence House.

Other highlights of the 2016 fundraising calendar were:

- The Virgin London Marathon, in which 29 runners took part on behalf of the Charity;
- The second Fashion Show, held in partnership with designer Jacques Azagury at the magnificent Spencer House in London. This prestigious event was attended by a number of celebrity supporters and enabled the Charity to engage with new, well-connected individuals;
- The launch of the Patrons' Circle, a community of philanthropists who make significant gifts to fund some of the Charity's most important work;

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- Two events, in London and Edinburgh, held to inspire long-standing supporters to consider leaving a gift in their will. Feedback from both events was excellent and a number of individuals pledged to include the Charity in their will as a result;
- The sixth annual *Sing!* concert, held in the new venue of St John the Evangelist Church in Bath, which attracted new and established supporters from the local area who joined an evening of festive music and song. The Charity plans to build on the success of the event by launching a toolkit in 2017 to help supporters organise their own local musical celebration.

d. Fundraising from Organisations

Alongside its work to engage with individual supporters, the Charity aims to raise income from a range of companies, and from charitable trusts and foundations.

The Charity has been successful in attracting funding from trusts for a broad range of projects and areas of work, on both a local and national level. Many of these organisations have established relationships with the Charity and have been supporting its work for a number of years; others are newer supporters whom we hope to engage in a long-term relationship. In 2016, 64 trusts made a donation to the Charity.

Through its Bone Health Partnership, the National Osteoporosis Society works with companies with an interest in bone health to achieve mutual goals. In 2016, the Charity worked with ten Bone Health Partners on joint initiatives.

Highlights from 2016 included:

- Securing sponsorship for healthcare professional events including the Charity's prestigious Osteoporosis Conference, which attracts leading international experts working in the field of bone health;
- Securing significant grants from a number of charitable trusts, including one six-figure grant towards the Charity's work on developing Fracture Liaison Services.

e. Fundraising Performance

Through its fundraising and communications activity, the Charity endeavours to inspire individuals, companies and charitable trusts and foundations to support its work.

The National Osteoporosis Society employs a range of fundraising methods. As a Charity dependent on voluntary donations, we aim to develop a balanced portfolio of funding streams, in order to mitigate risk, reduce dependency on any one source of income and ensure sustainability. In addition, with the development of areas such as retail, we continue to focus on further diversifying our income streams.

2016 was a record year for legacies, with over half of fundraised income coming from gifts in wills. It should be noted that due to the change in accounting practices required by the SORP, which were first implemented for the 2015 accounts, reported figures for 2016 reflect 11 months' income whereas in 2015, the figure represented 16 months' income.

We are extremely grateful to those who choose to support the Charity by leaving a gift in their will, and we continue actively to promote legacies as a way of giving. Legacies result from all that we do as a Charity, and around half of those leaving a gift in their will were members of the Charity at some point.

Membership is therefore a key initiative for the National Osteoporosis Society, generating not only a sustainable source of income from subscriptions and additional donations, but driving other income streams, notably legacies and individual giving. However, in common with many

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other health charities, we had seen a steady decline in member numbers as more people choose to access information and support for free online. A review of both Individual and Health Professional Membership was therefore carried out in late 2016 to help us gain insights into members' motivations, and to understand what they would value from a membership package. New benefits will be introduced over the course of 2017 with the aim of improving both acquisition and retention.

Despite the challenges of the current climate, particularly with regard to fundraising from individuals, income from membership and individual giving have remained steady and supporter retention has been good. However, upcoming changes in data protection legislation are likely to leave us with a smaller pool of potential donors with whom to communicate, so the future of this area is less certain and the impact on legacies unknown. Getting to grips with changing regulatory requirements has also been demanding in terms of resource. Further investment, likely to be both financial and in terms of staff resource, will be required in the coming year, as we implement the requirements of the General Data Protection Regulation (GDPR) which comes into force in May 2018.

2016 was a successful year for Trust fundraising. The expansion of the Charity's work and its strong track record meant that we were able to secure sizeable grants and some multi-year funding. We were also able to engage with individual philanthropists through events such as the Fashion Show, which as well as raising funds through ticket sales and the auction allowed us to reach out to new potential donors. These are areas which we will look to grow further in the coming years.

In 2015, the Charity made the decision to expand its retail offering beyond a small range of cards, gifts and stationery items and in June 2016, the Charity launched its online shop. Disappointingly, take-up has been slower than anticipated to date, with feedback showing that our core supporters, typically of an older demographic, prefer to transact through more traditional channels. In 2017, a catalogue will be launched to respond to this need, and a review of the proposition carried out to inform future decisions about the role of retail for the Charity.

Reaching out to those not directly affected by osteoporosis will be key to future financial sustainability. Ensuring the Charity communicates in a way which makes bone health relevant to all ages and sexes will extend our reach, with the effect not only of helping more people build stronger bones for the future, but of building the Charity's supporter base. Ongoing work on the Charity's strategy, brand and messaging will be key to achieving this and ongoing investment in digital infrastructure and capability will be crucial as online plays an increasingly important role in everyone's lives.

2. Research

The Charity supports research in the field of osteoporosis through funding high-quality research grants; supporting the next generation of osteoporosis research leaders; and facilitating public and patient involvement in osteoporosis research.

a. Research Strategy Review

A key priority for the Charity in 2016 was the Research Strategy Review, which involved evaluation of our past research portfolio, assessment of the external osteoporosis funding landscape and the invaluable consultation with people living with osteoporosis, researchers, healthcare professionals and our internal committees. A critical element of the identifying our future core research areas involved the Charity's non-financial support for Dr Paskins, a Clinical Lecturer and Honorary Consultant in Rheumatology at Keele University, who carried out a study aimed at identifying patient priorities in osteoporosis research. The study explored people's views

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on what services are missing, what could be improved, what is important and what people would like research to focus on. A link to the e-survey was disseminated to supporters of the Charity via our monthly e-newsletter (*Bone Matters*) and quarterly membership magazine (*Osteoporosis News*). Over **1,188 people** completed the e-survey and took time to let us know their views. We plan to complete this work and launch our new Research Strategy in 2017.

b. Research Grants

In 2016 we were involved in supporting a total of **ten** research projects involving **63** researchers across **22** UK research institutions. Collaboration in research across disciplines, drawing on multiple researchers' expertise can often be the critical factor to a project's success. This is evident as all our research grants as they all involve researchers working collaboratively across different research institutions.

Professor Harvey's research study on the epidemiology of fragility fractures in the UK (Project REF 292) generated **five** scientific publications in high-impact peer-reviewed journals (e.g. *Osteoporosis Int.*, *Bone*). One publication showed that ethnicity, socioeconomic status and place of residence in the UK all influence the risk of breaking a bone. There were marked differences in fracture rates according to where individuals lived, with the highest fracture rates in Scotland and Northern Ireland, where rates were around 50% greater than those in London. These findings were widely reported in the UK media, especially in Scotland, and news articles were included on the Charity's website and University of Southampton website. These findings provide the evidence needed to influence (e.g. NHS decision makers) to enable development of health prevention strategies in future years.

Another publication detailed how prescription rates of anti-osteoporotic drugs to people aged 50 years or above have stabilised in men, and decreased in women since 2006, following a rise from rates in 1990. The publication also revealed a geographic variation in prescribing rates with greatest rates for men and women in Northern Ireland and the lowest rates for women in the East Midlands and men in Yorkshire and Humberside. The authors concluded that there is a clear and urgent need to close this current care gap. These findings reinforce the critical importance of the work of clinicians, researchers, policy makers and of charities such as the National Osteoporosis Society in gathering evidence and using it to influence the delivery of health services.

60% of our research grant holders presented findings from their research at the Charity's *Osteoporosis Conference 2016*. Results from projects were also disseminated on both a national and international scale to advance knowledge in these areas and increase awareness of the Charity and its role in research. Grant holders presented at the following conferences:

- World Congress in Osteoporosis (WCO), Spain.
- European Calcified Tissue Society (ECTS) Annual Meeting, Italy.
- British Society for Rheumatology Annual Scientific Meeting, Glasgow (*E.Curtis Young Investigator Award)
- Bone Research Society (BRS) Annual Meeting, Liverpool.
- NIHR Age and Ageing Specialty Group.
- American Society for Bone and Mineral Research (ASBMR) Annual Meeting, Atlanta.

As with previous years in order to disseminate information about our Research Grants directly to our members, short articles on projects have also been included in the 'Research Update' section of our quarterly membership magazine *Osteoporosis News*.

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c. Osteoporosis Conference 2016 (Young Scientist Prize and Bursaries)

In association with Osteoporosis Conference 2016, the Charity ran the following research award schemes:

Young Scientist Prize 2016: The Young Scientist Prize is an award recognising the outstanding work of a young investigator pursuing research into osteoporosis and fragility fractures. The award consists of a £500 prize and £4,000 research grant to contribute towards the cost of initiating and supporting research. The Charity's Research Grants Committee identified Lauren Robinson from University College London as the winner. Lauren, will be using the award to further her investigations into the link between eating disorders, bone health and osteoporosis in adolescents and young adult women in the UK; and will be reporting back to the Charity on the impact of the Prize in 2017.

Case study: Young Scientist Prize Winner 2016 (Source: Winner Lauren Robinson)



"It was great to feel like all the hard work had been recognised and I feel very proud of what I've achieved..... I am very excited to have the opportunity to conduct this extra research study as part of my PhD in order to understand how an eating disorder in teenage years can affect bone health in adulthood."

Osteoporosis Conference Bursaries: Bursaries of up to £500 were awarded to support researchers to attend *Osteoporosis Conference 2016*. Seven bursaries were awarded, with the Charity receiving 75% more applications compared to *Osteoporosis Conference 2014*.

Case study: Osteoporosis Conference Bursaries 2016 (Source: Bursary Recipient Reports)



"Without this support from the National Osteoporosis Society I would not have been able to present my study findings to the audience. Presenting the findings of the study will promote the reading of the manuscript".

"These learning experiences have given me greater confidence regarding the prospect of conducting audit and research in future, and presenting the results to a large audience".

d. Public and Patient Involvement in Osteoporosis Research

In addition to financial support through our Research Grants Programme, there are many other avenues in which the National Osteoporosis Society supports osteoporosis related research for people affected by osteoporosis. During 2016 this has included: (i) linking researchers to the Regional Development Team to engage with Support Groups (ii) using our new and improved *Get Involved in Research* webpage and *Osteoporosis News* to help advertise study recruitment opportunities/questionnaires (iii) organising a patient or Charity representative for project steering groups to help guide the design and development of research projects. A total of **16** requests were received in 2016, and due to the increase in the number of requests and to help manage our response a cross-team review and approval process has been successfully implemented.

Plans for Future Periods: Strategic Direction

In 2016 the Charity reviewed its Strategic Direction. Drawing on our previous work identifying the needs of those living with osteoporosis, a review of the external landscape and several detailed workshops with staff a new strategic direction was agreed. The key components are summarised below and include two new goals – prevention and cure.



The Charity's New Strategic Direction (2016)

The Charity is dedicated to helping more people with osteoporosis and helping more people avoid osteoporosis, hence we need more people to understand why what the Charity does is important – even if it is not immediately relevant to them at this point in their lives. We are currently reviewing our brand in order to help us communicate our new Strategic Direction more effectively. This will enable us to launch the full Strategic Direction document and the Research Strategy in 2017.

Our other organisational priorities for 2017 are illustrated below:



Financial Review

Principal Risks and Uncertainties

The Trustees have a risk management strategy that is comprised of a review of the risks the Charity may face; systems and procedures to mitigate risks identified; and the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise. Through this risk management process, the Trustees are satisfied that reasonable steps are being taken to mitigate exposure to the identified major risks. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. The principal risks are identified below:

Income

- The Charity's most significant income stream is Legacy income. Legacies are a very efficient way of raising money but can vary significantly from year to year. As such a large part of the Charity's income structure it poses a risk that is taken into account in calculating the General Reserve.
- The Charity is seeking to increase other elements of its income over time – major donor, events, trusts etc. This again poses a risk. Charity fundraising is a very competitive market and developing income can take time and a lot of effort. There are therefore some inherent financial risks which are included in the reserves policy

The Charity employs a range of fundraising methods. As a Charity dependent on voluntary donations, we aim to develop a balanced portfolio of funding streams, in order to mitigate risk, reduce dependency on any one source of income and ensure sustainability. In addition, with the development of areas such as retail, we continue to focus on further diversifying our income streams.

Digitalisation

- The Charity has future digitalisation as an organisational priority. This involves entering into long term contracts which, as committed forward expenditure is taken into account in the reserves policy.

The Charity has robust project procurement processes in place, including supplier selection criteria, Trustee approval, project management and contractual review processes.

Regulatory Environment

- The Charity-sector is currently very exposed to changing regulation in the area of fundraising and governance. The adverse publicity from breaches and the fines that can be imposed represent a risk which is reflected in the reserves policy.
- A new approach to obtaining 'consent' in fundraising communications may have wide-ranging financial implications for the Charity.

The Charity has as an organisational priority to continuously review and improve practices. The Charity can respond quickly to changing regulatory requirements and is regularly horizon-scanning for changes that may impact the way we operate.

Reputational Damage

- The Charity acknowledges in its risk register that a damage to its reputation is possible and would have financial consequences, and again is taken into account in the risk register and reserves policy.

The Charity ensures it is well run by maintaining good governance and management practices. In addition, there is a rigorous recruitment process and ongoing training for staff and trustees to ensure that people do the right thing at the right times. If things go wrong, we have a clear Crisis Management Policy in place and insurance to mitigate the financial risk to the Charity.

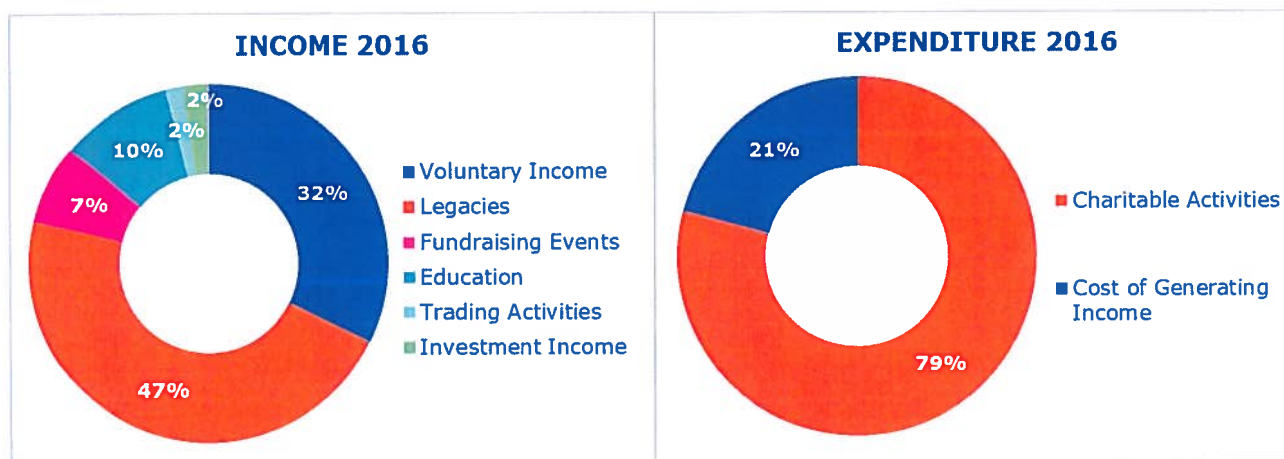
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Financial Performance

The financial performance of the Charity is set out in the financial statements. The Statement of Financial Activities shows net expenditure (before gains on investments) of £230k. However, this was better than the Charity's budgeted expectations. After adding realised and unrealised gains on investments (£246k), there was an overall surplus of £16k. There was a net increase in cash and investment balances in the year of £477k. Further designations of funds were made in the year, so that freely available general funds decreased to £2.1m which is in line with the Charity's Reserves Policy.

Total income rose by £40k against 2015, with biennial conference income of £410k and donations increasing by £383k but legacies reducing by £612k. However, because of changes in accounting policy to comply with the SORP, legacies were accounted for over 11 months in 2016 against 16 months in 2015.

There was an increase in Expenditure of £1,041k, including £460k in staff and consultants costs and £291k in biennial conference costs.



Investment Policy

The Trustees have appointed HSBC Private Bank (UK) Ltd to manage professionally the investment portfolio which is subject to regular review. The choices that the Investment Manager HSBC have made conform to the Charity's investment appetite. The investments are benchmarked against the ARC Peer Group (Balanced) benchmark and HSBC's own in-house UK Balanced benchmark.

Overall the estimated gross income yield of the portfolio was 4.01% (£109k) and the fund was valued at £2.9m at 31 December 2016.

Grant Making Policy

It is the policy of the Charity to fund research that is in line with the Charity's mission statement and which follows the recommendations of the Charity Commission and the Association of Medical Research Charities (AMRC) of which the National Osteoporosis Society is a member. The Charity was last audited by the AMRC in 2015 and was subsequently awarded a certificate in 'Best Practice in Medical and Health Research Peer Review'. Our Research Grants Committee (RGC) reports to the Trustees on matters regarding the award and monitoring of grants through the Clinical and Scientific Committee (CSC). The availability of funding is advertised through our regular publications and website.

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In 2016, the Charity continued to support a total of ten research projects worth a value of over £676,400, with £208,060 expenditure incurred against these grants.

The Charity did not undertake a Research Grants Round in 2016, pending the review of the Charity's Research Strategy. The Charity's new Research Strategy and Research Grants Round is due to be launched in 2017.

Reserves Policy

As at December 2016, total funds held by the Charity were £6.7m. This includes:

- £2.1m - freely available general funds
- £2.4m - Designated projects
- £1.8m - Tangible Fixed Assets - Camerton building net book value
- £0.45m - Restricted Income

The Charity has a reserves policy in place that defines the process of reviewing the Charity's risks and the reserves required to mitigate the risks. The reserves are calculated based on the Charity's risk register which is updated quarterly. The reserves policy is updated either annually at the end of the financial year or sooner if there are significant changes in the risk register requiring a change to the level of reserves held by the Charity; whichever is sooner.

The current recommended reserves required by the Charity are £2.5m including:

General Reserve – Total unrestricted reserves	
Legacy income – assuming two years when medium/high risk legacy income does not materialise £750k x 2 – fully costed risk	£1.5m
Other income expansion doesn't materialise or takes longer to materialise: the effect of potential new fundraising legislation - estimated	£0.25m
Forward contracts – contract liability or the need to settle contracts early – fully costed risk	£0.25m
Regulator breaches, fines etc. – based on Risk Register Data Protection fine of £500k with a Possible Likelihood Risk Register score – 20% = £100k policy; £50k for diversity breaches, tribunal awards etc.	£0.15m
Reputational Damage and consequential loss of core income – based on a potential loss of total income £3.5m with a Risk Register Possible Likelihood - 20% = £700k mitigated by losses already defined	£0.35m
Total Recommended General Reserve	£2.5m

The Charity's reserves policy outlines two levels of reserves: a minimal level below which reserves should not fall of £1m and an additional recommended range of £1.5m to £2.5m.

As at December 2016, the Charity had freely available reserves of £2.1m which is in line with the reserves policy. It is comfortably above the £1m minimal level and no immediate mitigating action is needed to grow the freely available general funds.

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Structure, Governance and Management

Overview

The National Osteoporosis Society was established in 1986, with 2016 marking the Charity's 30th Anniversary. The organisation is a charitable company limited by guarantee, incorporated on 15 December 2003 and registered as a Charity on 18 March 2004. On 31 July 2008, the Charity registered with the Scottish Charity Register to further the development of its activities in Scotland. The organisation was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association. The Charity is governed by a Board of Trustees. Those in office during the year, and at the date of signing these financial statements are set out on page 1.

Following a period of engagement with Members, a Special Resolution was passed at the 2014 Annual General Meeting which proposed the removal of company law responsibility from our standard and professional membership. The Special resolution was passed.

The main Board has five committees that enable the effective delivery of organisational objectives and strategic advice to the Board. The five committees meet up to four times per year and are listed below:

- Clinical & Scientific Committee
- Members & Volunteers Committee
- Finance, General Purposes & Audit Committee
- Appointments & Governance Committee
- Remuneration Committee

In addition, the Charity has one, wholly owned, subsidiary company. The National Osteoporosis Society Trading Company Limited was incorporated on 29 September 2009, trading commenced January 2010.

The leadership and delivery of the organisation's objectives is undertaken by an Executive Team based at the Charity's registered office in Camerton, near Bath. Trustees have delegated authority for the day to day management of the Charity to the CEO.

Trustee Recruitment, Appointment, Induction and Training

It is important to the National Osteoporosis Society that it has in place clear and transparent governance. The Charity adheres to a governance handbook which ensures a best practice approach to governance, including how it recruits and selects trustees.

The Appointments & Governance Committee has established a process of Trustee succession planning and is responsible for the recruitment, appointment and induction of new Trustees, and meets regularly throughout the year. Trustee vacancies are advertised externally to support equality of opportunity. Training of Trustees is addressed by offering external courses as part of their induction. Records of training attended are maintained by the Human Resources Director.

In 2016, to ensure that the Charity effectively demonstrates transparency and accountability, a full internal review of the Trustees governance arrangements was carried out. This was in response to sector-wide regulatory and legislative recommendations, and an implementation plan was mapped out. The Trustees received full updates of the implementation plan and gave sign off to various policies and processes at Board meetings throughout 2016.

All Trustees gave their time voluntarily and they received no benefit from the Charity. Any expenses reclaimed from the Charity are set out in note 8 to the accounts.

Key Management Remuneration

The pay and remuneration of the key management is set by the Remuneration Committee.

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TRUSTEES' REPORT (continued)
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Statement of Responsibilities of the Trustees

The Trustees are responsible for preparing the annual 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. Under that law the 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 group, and of the result of the charitable company and group for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity and subsidiary's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and subsidiary 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution to reappoint haysmacintyre as auditors to the company will be proposed at the annual accounts meeting.

Signed for and on behalf of the Trustees on 25 MAY 2017



Catherine Tompkins

Chair of Trustees

Independent Auditor's Report to Trustees of the National Osteoporosis Society

Overview

We have audited the financial statements of National Osteoporosis Society for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Group and Charity Balance Sheet, the Consolidated Cash Flow Statement 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on Other Matter Prescribed by the Companies Act 2006

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

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

Matters on which we are Required to Report by Exception

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

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



Murtaza Jessa, Senior Statutory Auditor
for and on behalf of haysmacintyre Statutory Auditor

25/5/2017

26 Red Lion Square
London
WC1R 4AG

NATIONAL OSTEOPOROSIS SOCIETY

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)**

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Restricted £	Unrestricted £	Total 2016 £	Total 2015 £
Income and endowments from:					
Donations and legacies	2	527,007	3,634,138	4,161,145	4,469,752
Other trading activities	3	-	83,627	83,627	168,420
Investments			109,984	109,984	94,101
<i>Charitable activities:</i>					
Education and awareness	4	-	486,453	486,453	69,183
Total		<u>527,007</u>	<u>4,314,202</u>	<u>4,841,209</u>	<u>4,801,456</u>
Expenditure on:					
<i>Raising funds</i>					
Costs of generating voluntary funds		519	945,929	946,448	840,080
Fundraising Trading: costs of goods sold and other costs		53	111,260	111,313	21,082
<i>Charitable activities</i>					
Services to members, support groups and the general public		133,841	1,578,882	1,712,723	1,508,343
Communications & Policy		389	719,937	720,326	530,326
Education and Information Provision		175,566	1,372,586	1,548,152	1,139,293
Research	5	25,834	6,515	32,349	(8,550)
Total	6	<u>336,202</u>	<u>4,735,109</u>	<u>5,071,311</u>	<u>4,030,574</u>
Net income/(expenditure) before other recognised gains/(losses)	7	190,805	(420,907)	(230,102)	770,882
Net gains/(losses) on investments	10	-	245,952	245,952	15,448
Net income/(expenditure)		<u>190,805</u>	<u>(174,955)</u>	<u>15,850</u>	<u>786,330</u>
Total funds brought forward		<u>258,137</u>	<u>6,471,686</u>	<u>6,729,823</u>	<u>5,943,493</u>
Total funds carried forward		<u><u>448,942</u></u>	<u><u>6,296,731</u></u>	<u><u>6,745,673</u></u>	<u><u>6,729,823</u></u>

There were no other recognised gains or losses other than those stated above.

The notes on pages 31 to 48 form part of these financial statements.

Full comparatives for the year to 31 December 2015 are shown in note 22.

NATIONAL OSTEOPOROSIS SOCIETY
CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2016

Company Number: 4995013

	Notes	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
FIXED ASSETS					
Fixed Assets	9	1,873,799	1,873,799	1,925,086	1,925,086
Investments	10	2,876,615	2,876,616	2,557,102	2,557,103
		<u>4,750,414</u>	<u>4,750,415</u>	<u>4,482,188</u>	<u>4,482,189</u>
CURRENT ASSETS					
Merchandise Stock		16,606	2,352	16,944	2,854
Debtors	12	705,371	753,589	1,322,243	1,401,932
Short term deposits		-	-	-	-
Bank	13	1,865,837	1,797,911	1,708,115	1,614,638
		<u>2,587,814</u>	<u>2,553,852</u>	<u>3,047,302</u>	<u>3,019,424</u>
CURRENT LIABILITIES					
Creditors	14	<u>(592,555)</u>	<u>(558,593)</u>	<u>(799,667)</u>	<u>(771,789)</u>
NET CURRENT ASSETS					
		<u>1,995,259</u>	<u>1,995,259</u>	<u>2,247,635</u>	<u>2,247,635</u>
NET ASSETS					
	16	<u>6,745,673</u>	<u>6,745,674</u>	<u>6,729,823</u>	<u>6,729,824</u>
FUNDS					
Restricted funds	15	448,942	448,942	258,137	258,137
Unrestricted funds	15				
- Designated	15	4,237,297	4,237,297	3,539,923	3,539,923
- General	15	2,059,434	2,059,435	2,931,763	2,931,764
TOTAL FUNDS					
		<u>6,745,673</u>	<u>6,745,674</u>	<u>6,729,823</u>	<u>6,729,824</u>

The notes on pages 31 to 48 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board the Trustees on and were signed below on its behalf by:

25 MAY 2017


Catherine Tompkins
Chair of Trustees


Frances Grigg
Treasurer

NATIONAL OSTEOPOROSIS SOCIETY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Cash flows from operating activities	a	130,732	(647,271)
Cash flows from investing activities			
Dividends and interest		109,984	52,788
Purchase of property, plant and equipment		(9,433)	(4,302)
Purchase of investments		(1,128,356)	(819,241)
Proceeds from the sale of investments		1,054,795	842,786
Net cash provided by / (used in) investing activities		<u>26,990</u>	<u>72,031</u>
Change in cash and cash equivalents in the reporting period		<u>157,722</u>	<u>(575,240)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,708,115</u>	<u>2,283,355</u>
Cash and cash equivalents at the end of the reporting period	b	<u><u>1,865,837</u></u>	<u><u>1,708,115</u></u>

NOTES TO THE CASH FLOW STATEMENT

a. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2016	2015
	£	£
Net income for the reporting period	15,850	786,330
Loss on disposal of fixed assets	1,564	-
Depreciation charges	59,156	64,181
Decrease/(Increase) in stock	338	(16,944)
Decrease/(Increase) in debtors	616,872	(1,081,253)
(Decrease) in creditors	(207,112)	(331,349)
Interest and Dividends	(109,984)	(52,788)
Gains / losses on investments	(245,952)	(15,448)
Net cash provided by / (used in) operating activities	<u>130,732</u>	<u>(647,271)</u>
b. ANALYSIS OF CASH AND CASH EQUIVALENTS		
	2016	2015
	£	£
Cash at bank and in hand	<u><u>1,865,837</u></u>	<u><u>1,708,115</u></u>

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The National Osteoporosis Society meets the definition of a public benefit entity under FRS102.

These financial statements consolidate the results of the charitable company including the regional support groups and the National Osteoporosis Society Trading Company Limited on a line by line basis. A separate Statement of Financial Activity is not presented because the Charity has taken advantage of the exemptions given in the paragraph 408 of the Companies Act 2006.

Preparation of Accounts on a Going Concern Basis

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the Charity remains a going concern for the foreseeable future.

The principle accounting policies and estimation techniques are as follows.

b) Voluntary Income

Voluntary income received by way of subscriptions, donations and gifts to the Charity is included in full in the statement of financial activities when receivable. Volunteer time is not included in the financial statements.

c) Grants

Grants payable are included in the statement of financial activities in the year in which they are committed.

d) Income

Income from legacies is accounted for on a receivable basis, and is recognised in full in the financial statements in the period in which entitlement to the legacy is established and where the amount can be reliably ascertained.

Income generated from the supply of goods or services, including conferences, is included in the statement of financial activities in the period in which the supply is made.

e) Expenditure

Expenditure is recognised in the period in which the liability is incurred. Expenditure include attributable VAT which cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function (support costs), is apportioned to each activity using an estimate based on staff numbers. Detail of the support cost allocation is highlighted in note 6.

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

f) Governance

Governance costs are the costs associated with the governance arrangements of the society. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the society's activities.

g) Funds

The costs of generating funds relate to the costs incurred by the group and society in raising funds for the charitable work.

Fundraising and publicity costs represent staff costs, legal costs and associated office and administrative costs in connection with fundraising events and publications aimed at donors and the general public. Costs associated with publications aimed at beneficiaries, which further the objects of the society are included as part of the costs of the activity to which they relate.

h) Depreciation

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold buildings	2% straight line
Office furniture and equipment	25% straight line

No depreciation is provided on land.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

i) Restricted Funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is allocated to the fund.

j) Unrestricted Funds

Unrestricted funds are donations and other income received or generated for the charitable purposes.

k) Designated Funds

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

l) Rental

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

m) Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date. The gain or loss for the period is taken to the statement of financial activities.

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

n) Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

p) Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

q) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

r) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

s) Pension Scheme

The society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Charity to the fund. The society has no liability under the scheme other than for the payment of those contributions.

t) Critical Judgements and Estimates

In the application of the accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. These judgements, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. In accordance with accounting standards, 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 current and future periods.

In the view of the Trustees, there are no areas of judgement or estimation uncertainty at the balance sheet date which are likely to result in a material adjustment to the carrying value of assets or liabilities within the next financial year.

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

2. DONATIONS AND LEGACIES	Restricted £	Unrestricted £	Total 2016 £	Total 2015 £
Donations Received at Head Office	526,207	537,165	1,063,372	682,870
Donations Received by Support Groups	-	24,337	24,337	21,483
Legacies	-	2,260,538	2,260,538	2,872,640
Fundraising Events	800	340,053	340,853	371,452
Membership Subscriptions and donations	-	472,045	472,045	521,307
	<u>527,007</u>	<u>3,634,138</u>	<u>4,161,145</u>	<u>4,469,752</u>
3. OTHER TRADING ACTIVITIES	Restricted £	Unrestricted £	Total 2016 £	Total 2015 £
Advertising	-	20,078	20,078	23,911
Corporate Trading Income	-	27,830	27,830	122,315
Merchandise Sales	-	27,719	27,719	14,394
Property Income	-	8,000	8,000	7,800
	<u>-</u>	<u>83,627</u>	<u>83,627</u>	<u>168,420</u>
4. EDUCATION AND AWARENESS	Restricted £	Unrestricted £	Total 2016 £	Total 2015 £
Conference	-	410,437	410,437	-
Training	-	76,016	76,016	69,813
	<u>-</u>	<u>486,453</u>	<u>486,453</u>	<u>69,813</u>

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

5. RESEARCH	2016	2015
	£	£
Staff costs of managing grant making from Restricted Funds	14,945	13,500
Direct and allocated expenditure from Restricted Funds	12,161	12,021
Allocated support costs from Unrestricted Funds	6,515	4,546
Research accrual overstated from previous years	(1,272)	(38,617)
	<u>32,349</u>	<u>(8,550)</u>

£208,060 expenditure was incurred against grants made in previous accounting periods, and was allocated against the carried forward accrual. Further information on page 18.

An analysis of the expenditure is below:

EXPENDITURE	2016	2015
	£	£
South Tees Hospitals NHS Foundation Trust	2,772	2,470
Guys & St Thomas' NHS Foundation Trust	-	52,704
Surrey University	-	26,052
Newcastle University	13,918	3,075
Edinburgh University	32,972	26,522
Cambridge University	-	6,279
London School of Hygiene and Tropical Medicine	44,813	33,906
University of the West of England	9,639	8,112
Oxford University	38,525	27,846
Ulster University	-	7,068
Birmingham University	21,546	17,711
Sheffield University	16,870	8,309
Bristol University	27,005	-
	<u>208,060</u>	<u>220,054</u>

The allocated support costs to research in 2016 and 2015 represent costs incurred administering grants awarded in previous accounting periods where the recipient has not yet fulfilled all the requirements for further payments to be made.

The grant making policy is set out in the report of the Trustees.

**NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. TOTAL EXPENDITURE

	Costs of Generating Voluntary Income £	Fundraising Trading Costs £	Services to Members & General Public £	Communications & Policy £	Information Health Professional Training Helpline Services £	Research Costs £	Support Costs £	Total 2016 £	Total 2015 £
Staff costs (note 8)	528,556	36,191	842,039	438,428	842,756	14,945	162,195	2,865,110	2,405,008
Fundraising costs	214,465	43,992	5,110	-	-	-	-	263,567	274,020
Grants payable	-	-	-	-	-	6,258	-	6,258	(30,201)
Conference costs	-	-	-	-	298,671	-	-	298,671	7,377
Grants re-utilised	-	-	-	-	-	-	-	-	-
Charitable Support Activities	63,826	7,080	509,106	119,665	113,116	6,664	15,096	834,553	782,082
Irrecoverable VAT	51,461	5,301	76,539	38,580	72,000	1,652	12,172	257,705	163,552
Digital development	-	9,670	137,202	-	-	-	-	146,872	73,633
Other IT Costs	14,891	1,534	22,149	11,164	20,834	478	3,522	74,572	57,111
Depreciation	11,813	1,217	17,569	8,856	16,528	379	2,794	59,156	64,181
Audit and accountancy	3,914	403	5,821	2,934	5,476	126	926	19,600	20,150
Trustees' meetings and expenses	4,406	454	6,554	3,304	6,165	142	1,042	22,067	23,094
Finance fees and similar charges	9,240	952	13,742	6,927	12,927	297	2,185	46,270	41,313
Legal & professional	1,879	193	2,793	57,536	2,628	60	444	65,533	-
Other	-	-	11,637	1,447	98,293	-	-	111,377	149,254
	904,451	106,987	1,650,261	688,841	1,489,394	31,001	200,376	5,071,311	4,030,574
Support costs	41,997	4,326	62,462	31,485	58,758	1,348	(200,376)	-	-
	946,448	111,313	1,712,723	720,326	1,548,152	32,349	-	5,071,311	4,030,574

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

6. TOTAL EXPENDITURE (continued)

Total support costs were £200,376 (3.95% of total expenditure) compared to £198,891 in 2015 (4.9% of total expenditure). These costs have been allocated to each activity based on estimated staff numbers as follows:

	2016	2015
Costs of generating funds	23.1%	18.5%
Services to members, support groups and the general public	31.2%	32.3%
Communications and Policy	15.7%	16.3%
Education and Information provision	29.3%	32.3%
Research	0.7%	0.6%

7. NET MOVEMENT IN FUNDS

This is stated after charging/crediting:

	2016	2015
	£	£
Interest and bank charges payable	46,270	41,313
Depreciation	59,156	64,181
Trustees' reimbursed expenses	5,039	5,026
Auditors remuneration:		
- Audit – charity excluding VAT	16,000	16,000
- Audit – trading company excluding VAT	2,625	2,700
- Other	975	1,450
Operating lease rentals:		
- Equipment	3,282	5,493
	<u>3,282</u>	<u>5,493</u>

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2016	2015
	£	£
Salaries and wages	2,425,575	2,036,279
Social security costs	222,407	189,932
Pension contributions	217,128	174,525
Redundancy and termination payments	-	4,272
Total staff costs	<u>2,865,110</u>	<u>2,405,008</u>

The emoluments of higher paid employees fell within the following ranges

	2016	2015
	No.	No.
£60,001- £70,000	4	2
£70,001- £80,000	-	1
£80,001- £90,000	2	-
£90,001- £100,000	-	-
Greater than £100,000	2	2
	<u>2</u>	<u>2</u>

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

8. STAFF COSTS AND NUMBERS (continued)

The key management personnel comprise the Executive Team and is made up of the following positions within the organisation:

- Chief Executive
- Commercial & Finance Director
- Strategic Development Director
- Human Resources Director
- Clinical & Operations Director
- Fundraising & Communications Director

The total remuneration, benefits and pensions paid to them in the year was:

	2016	2015
Salaries including Employers National Insurance	442,951	420,528
Pension	47,644	43,248
	<u> </u>	<u> </u>
Total	<u>490,595</u>	<u>463,776</u>

The average estimated number of employees during the year was:

	2016	2015
	No.	No.
Fundraising	14	12
Services to members and general public	19	18
Communications and Policy	9	10
Education and Information Provision	17	14
Research	-	-
Support and governance	3	3
	<u> </u>	<u> </u>
	<u>62</u>	<u>57</u>

The average total number of staff employed in the period was 62.4 including average full time staff of 44.8 (2015: 40) and part time staff of 17.6 (2015: 16.6).

During the year reimbursed expenses amounting to £5,039 (2015: £5,026) were paid to 6 Trustees.

Total donations of £664 were received from Trustees in the year (2015: £872).

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

9. TANGIBLE FIXED ASSETS

GROUP	Building Improvements £	Freehold £	Equipment £	Total £
Cost				
At beginning of the year	1,662,609	725,198	366,780	2,754,587
Additions	-	-	9,433	9,433
Disposals	-	-	33,478	33,479
As at 31st December 2016	1,662,609	725,198	342,735	2,730,541
Depreciation				
At beginning of the year	265,323	241,469	322,709	829,501
Depreciation	33,252	11,504	14,400	59,156
Disposals	-	-	31,915	31,915
As at 31st December 2016	298,575	252,973	305,194	856,742
Net Book Value				
As at 31 December 2016	1,364,034	472,225	37,541	1,873,799
As at 31 December 2015	1,397,286	483,729	44,071	1,925,086
CHARITY				
Cost				
At beginning of the year	1,662,609	725,198	366,780	2,754,587
Additions	-	-	9,433	9,433
Disposals	-	-	33,478	33,479
As at 31 st December 2016	1,662,609	725,198	342,735	2,730,541
Depreciation				
At beginning of the year	265,323	241,469	322,709	829,501
Depreciation	33,252	11,504	14,400	59,156
Disposals	-	-	31,915	31,915
As at 31st December 2016	298,575	252,973	305,194	856,742
Net Book Value				
As at 31 December 2016	1,364,034	472,225	37,541	1,873,799
As at 31 December 2015	1,397,286	483,729	44,071	1,925,086

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

10. INVESTMENTS	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Listed investments				
Market value at the start of the year	2,508,173	2,508,173	2,490,611	2,490,611
Additions at historic cost	1,076,920	1,076,920	844,900	844,900
Disposals	(1,054,795)	(1,054,795)	(842,786)	(842,786)
Realised gain/(loss)	12,477	12,477	1,431	1,431
Unrealised gain/(loss)	233,475	233,475	14,017	14,017
Market value at the end of the year	2,776,250	2,776,250	2,508,173	2,508,173
Other investments				
Capital Account HSBC Global Asset Management Ltd	100,365	100,365	48,929	48,929
Equity investment in group undertaking				
National Osteoporosis Society Trading Company Limited	-	1	-	1
Total Investments	<u>2,876,615</u>	<u>2,876,616</u>	<u>2,557,102</u>	<u>2,557,103</u>
			2016	2015
			£	£
Historic cost at the year end			<u>2,513,630</u>	<u>2,351,334</u>
Investments comprise:				
UK equities			1,228,776	944,968
Overseas equities			941,513	392,251
UK fixed interest gilts			-	450,024
Overseas fixed interest gilts			418,970	463,587
Alternative Investments			186,991	257,343
			<u>2,776,250</u>	<u>2,508,173</u>
Capital Account HSBC Global Asset Management Ltd			100,365	48,929
Total Investments - Group			<u>2,876,615</u>	<u>2,557,102</u>
Investments representing over 5% by value of the portfolio				
130,204 Charities Property Fund			155,984	152,182
152,515 HSBC Asset Mgt Common for Income			193,542	155,431
408,137 HSBC Global Asset Mgt Common for Growth			720,770	714,061
HSBC Global Asset Mgt Corporate Bonds			-	193,764
JP Morgan Asset Mgt Global High Yield Bond			-	171,707
22,544 HSBC Global Investment Funds Global Corporate Bonds			233,808	-
24,651 HSBC Global Investment Funds Global Emerging Markets			183,520	-

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

11. SUBSIDIARY UNDERTAKINGS

A summary of the results of National Osteoporosis Society Trading Company Limited for the year ended 31 December 2016 is shown below:

	2016	2015
	£	£
Turnover	464,196	144,395
Cost of sales	(419,020)	(74,417)
Gross profit	<u>45,176</u>	<u>69,978</u>
Administrative expenses	(7,149)	(5,083)
Operating profit	<u>38,027</u>	<u>64,895</u>
Interest receivable	422	493
Profit on ordinary activities	<u>38,449</u>	<u>65,388</u>
Gift aid to parent undertaking	(38,449)	(65,388)
Retained profit carried forward	<u><u>-</u></u>	<u><u>-</u></u>

The aggregate of the assets, liabilities and funds was:

Assets	156,106	158,710
Liabilities	(156,105)	(158,709)
Funds	<u><u>1</u></u>	<u><u>1</u></u>

12. DEBTORS	Group	Charity	Group	Charity
	2016	2016	2015	2015
	£	£	£	£
Trade Debtors	116,842	48,126	44,791	42,241
Other Debtors	532,769	529,187	1,183,351	1,182,968
Prepayments	55,760	55,760	94,101	50,088
Due from trading subsidiary	-	120,516	-	126,635
Total	<u><u>705,371</u></u>	<u><u>753,589</u></u>	<u><u>1,322,243</u></u>	<u><u>1,401,932</u></u>

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

13. CASH AT BANK AND IN HAND	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Head office	1,741,885	1,673,959	1,575,849	1,482,372
Support groups	123,952	123,952	132,266	132,266
Total	1,865,837	1,797,911	1,708,115	1,614,638

14. CREDITORS	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Trade Creditors	173,063	156,141	113,002	112,887
Taxation & social security	70,702	72,328	58,344	62,396
Other creditors	23,994	23,994	39,850	39,850
Accruals	312,496	295,130	561,246	556,356
Deferred income	12,300	11,000	27,225	300
Total	592,555	558,593	799,667	771,789

Deferred income	Group £	Charity £
At start of period	27,225	300
Amounts released to income	(27,225)	(300)
Amounts deferred in year	12,300	11,000
	12,300	11,000

Deferred income relates to a 2017 Conference and Bone Health Partnership income received in advance.

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

15. MOVEMENT IN FUNDS

	At 1 January 2016 £	Transfers £	Income £	Expenditure £	At 31 December 2016 £
Restricted funds					
Nurses Appeal	29,966	-	62,986	(92,952)	-
Publications	6,070	-	16,050	(16,050)	6,070
Regional Operations - England, Scotland, Wales & Northern Ireland	47,695	-	31,450	(64,094)	15,051
Research Grants	154,406	-	80,471	(28,292)	206,585
FLS Portsmouth	-	-	20,000	(701)	19,299
FLS Project	-	-	261,050	(79,946)	181,104
Website	20,000	-	30,000	(50,000)	-
Spinal Fractures	-	-	25,000	(4,167)	20,833
Total restricted funds	258,137	-	527,007	(336,202)	448,942
Unrestricted funds					
<i>Designated funds</i>					
Camerton Building	1,881,015	-	-	(44,756)	1,836,259
FLS Project	884,795	-	1,067,000	(305,063)	1,646,732
Digital Development	162,367	-	-	(136,194)	26,173
Leadership Development	7,333	-	-	(7,333)	-
Strategic Development	413	-	-	(413)	-
2016 Projects	604,000	(604,000)	-	-	-
Vertebral Fracture	-	80,000	-	(26,400)	53,600
Organisation Design & Model of Support	-	250,800	-	-	250,800
Workforce Growth & Development	-	30,000	-	(30,000)	-
Strategic Direction & Brand Development	-	150,000	-	(49,267)	100,733
Awareness Campaign	-	93,200	30,000	(93,200)	30,000
Research	-	-	293,000	-	293,000
<i>Total designated funds</i>	<i>3,539,923</i>	<i>-</i>	<i>1,390,000</i>	<i>(692,626)</i>	<i>4,237,297</i>
General funds	2,931,763	-	2,924,202	(3,796,531)	2,059,434
Total unrestricted funds	6,471,686	-	4,314,202	(4,489,157)	6,296,731
Total funds	6,729,823	-	4,841,209	(4,825,359)	6,745,673

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

15. MOVEMENT IN FUNDS (continued)

Nurses Appeal	Donations received to develop an information service and telephone helpline for people living with and / or caring for those affected by osteoporosis.
Publications	Funding to reach more people with or at risk of osteoporosis and give them information and advice about lifestyle, diet and exercise via our range of publications.
Regional Operations – England, Scotland, Wales & Northern Ireland	Monies donated for expenditure in the England, Scotland, Wales and Northern Ireland regions.
Research Grants	Money set aside to fund clinical research grants into osteoporosis.
FLS Portsmouth	Funds received from ICAP restricted to setting up the Fracture Liaison Service in Portsmouth.
FLS Project	Donations restricted to be utilised for Fracture Liaison Services.
Spinal Fractures	Donations received to be utilised within our Fracture Liaison Service specifically around Spinal Fractures
<i>Designated Funds</i>	
Camerton Building	This fund represents the building at Camerton. In the year amounts are transferred to or from the fund so that the balance is always equal to the net book value of the building
FLS Project	General funds received have been designated to our FLS Project, and will be utilised over the next 4 years.
Digital Development	Designated funding to develop the digital platforms including outlining specifications, reviewing suppliers, procurement and implementation of a new website, CRM and other digital platforms as needed. A key priority as it underpins delivery of Aim 1, Aim 2 and is essential for growth in awareness and fundraising.
Leadership Development	Designated funding to build staff engagement with a focus on developing the wider leadership team. Particularly, undertaking an integrated leadership team effectiveness programme to develop capability and capacity.

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

15. MOVEMENT IN FUNDS (continued)

Strategic Development	Designated funding to scope the next major focus of the Charity support model
Vertebral Fractures	Designated funding to enable the FLS project to build a greater focus on Vertebral Fractures.
Organisational Design & Model of Support	General funds received have been designated to develop and pilot the updated support programme for people with osteoporosis.
Workforce Growth and Development	Designated funding for 2016 to development the HR framework enabling the Charity to retain talent and develop a skilled and engaged workforce.
Strategic Direction and Brand Development	Designated funding to be utilised over 2 years (2016 and 2017) to review and agree the charities vision, mission and values and develop the brand proposition and presentation in line with the organisational strategy
Campaigns to Build Charity Awareness	Designations of general funds to build awareness of both osteoporosis and the National Osteoporosis Society's charitable work.
Research	Designated funding for clinical research grants into osteoporosis.

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Restricted Funds £	Designated Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	1,836,259	37,540	1,873,799
Investments	-	262,166	2,614,449	2,876,615
Current assets	448,942	2,138,872	-	2,587,814
Current liabilities	-	-	(592,555)	(592,555)
Net assets at the end of the year	<u>448,942</u>	<u>4,237,297</u>	<u>2,059,434</u>	<u>6,745,673</u>

17. RELATED PARTY TRANSACTIONS

There are no related party transactions.

18. OPERATING LEASE COMMITMENTS

The Charity had commitments at the year end under operating leases as follows:

	Equipment	
	2016 £	2015 £
Due within 1 year	4,321	1,860
Due within 2 – 5 years	10,991	7,438
	<u>15,312</u>	<u>9,298</u>
19. SUPPORT GROUPS	2016	2015
	£	£
Income from:		
Donations	24,569	22,265
Membership/fundraising events	37,435	39,968
Other income	44,254	52,824
Total income	<u>106,258</u>	<u>115,057</u>
Expenditure on:		
Fundraising and publicity	5,105	7,135
<i>Charitable expenditure</i>		
Costs in furtherance of charitable objects	97,327	96,830
Support costs	12,500	13,635
Total expenditure	<u>114,932</u>	<u>117,600</u>
Net income/(expenditure)	(8,674)	(2,543)
Total funds brought forward	<u>132,266</u>	<u>134,809</u>
Total funds carried forward	<u>123,592</u>	<u>132,266</u>

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

19. SUPPORT GROUPS (continued)

In 2016, 68 National Osteoporosis Society Support Groups met across the UK to share information, help raise crucial funds and offer support to people with osteoporosis, their families and carers.

Support Groups follow the 'Support Group Policy' of the National Osteoporosis Society. The objectives of the Groups are the same as those of the National Osteoporosis Society, and they operate under the same Charity number and charitable status as the National Osteoporosis Society.

Costs in furtherance of charitable objects includes £16,933 (2015: £14,914) donations made to head office. These amounts are adjusted against head office income on consolidation so that income for the Charity as a whole is not overstated.

On consolidation the funds at the end of the year are shown as unrestricted as they cover the Charity's core operations and objectives. However, within the Groups there are some restrictions and designations, for example for geographical locations. The breakdown of the restrictions within groups is shown as follows:

	2016	2015
	£	£
Restricted funds	16,026	17,446
Designated funds	14,958	21,319
Unrestricted funds	92,608	93,501
Total funds	<u>123,592</u>	<u>132,266</u>

20. CAPITAL COMMITMENTS

At 31 December 2016, there were no commitments for capital expenditure (2015: £Nil).

21. SUBSIDIARY UNDERTAKINGS

The National Osteoporosis Society has one, wholly owned, subsidiary company.

The National Osteoporosis Society Trading Company Limited was incorporated on 29 September 2009, trading commenced January 2010. Its principal activity is to organise conferences, arrange sponsorship and sell sundry items to procure profits and gains for the purposes of paying them to the National Osteoporosis Society.

NATIONAL OSTEOPOROSIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	Restricted £	Unrestricted £	Total 2015 £
Income and endowments from:			
Donations and legacies	285,996	4,183,756	4,469,752
Other trading activities	-	168,420	168,420
Investments	-	94,101	94,101
<i>Charitable activities:</i>			
Education and awareness	-	69,183	69,183
Total	<u>285,996</u>	<u>4,515,460</u>	<u>4,801,456</u>
Expenditure on:			
Raising funds	6,928	854,234	861,162
<i>Charitable activities</i>			
Services to members, support groups and the general public	322,700	1,185,643	1,508,343
Communications & Policy	6,077	524,249	530,326
Education and Information Provision	5,450	1,133,843	1,139,293
Research	(13,096)	4,546	(8,550)
Total	<u>328,059</u>	<u>3,702,515</u>	<u>4,030,574</u>
Net income/(expenditure) before other recognised gains/(losses)	(42,063)	812,945	770,882
Net gains/(losses) on investments	-	15,448	15,448
Net income/(expenditure)	(42,063)	828,393	786,330
Total funds brought forward	300,200	5,643,293	5,943,493
Total funds carried forward	<u><u>258,137</u></u>	<u><u>6,471,686</u></u>	<u><u>6,729,823</u></u>