

**NATIONAL OSTEOPOROSIS SOCIETY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

REFERENCE AND ADMINISTRATIVE DETAILS

Honorary Officers

President: HRH The Duchess of Cornwall
Vice President: Professor John W W Studd
Scientific President: Dr Allan Dixon

Patrons:

Sean Bean	Nerys Hughes
Mary Berry	The Lady Hylton
Deborah Bull CBE	Ross Kemp
Wendy Craig	Maggie Philbin
Peter Cruddas	Craig Revel Horwood
Lynn Faulds Wood	Dr Miriam Stoppard
Trudie Goodwin	Lizzie Webb
Susan Hampshire OBE	Barbara Windsor MBE

Chairman: Professor David M Reid
Vice Chairman: Mary Regnier-Leigh

Treasurer: Philip Newborough

Trustees:

Janine Chandler	
Dr Alun Cooper	
Professor Roger Francis	
Wendy Hull	
Professor Terence O'Neill	
Jeremy Stern	
Catherine Tompkins	
Carole Walker	appointed 26 June 2011
Carlyn Chisholm	appointed 26 June 2011

Management Team

Chief Executive:	Claire Severgnini	
Fundraising Director:	Amanda Oxford	appointed 4 July 2011
Operations Director:	Nina Copping	
Director of Communications and Public Affairs:	Juliette Brown	
Finance Director:	Rose Barker	
Head of Human Resources:	Helen Kingman	

Registered office:

Camerton
Bath
BA2 0PJ

Auditors:

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Bankers:	National Westminster Bank plc 3 High Street Midsomer Norton Bath BA3 2ZY
	Santander UK plc 2 Triton Square Regent's Place London NW1 3AN
Investment Advisors:	HSBC Global Asset Management (UK) Limited 78 St James's Street London SW1A 1 HL
Solicitors:	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 2011

The Trustees present their report and the audited financial statements for the National Osteoporosis Society for the year ended 31 December 2011.

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the applicable Accounting Standards in the United Kingdom and the requirements of the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities' and the Charities Act 1993.

Our Aims and Objectives

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 15 December 2003 and registered as a charity on 18 March 2004. 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.

Purposes and Aims

The objectives of the Charity 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;
- Undertake research to further these objectives and publish the results.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives set.

Vision

Our vision is a future without fragility fractures.

Mission

In order to advance this vision, the charity's mission is to:

- Improve public awareness and understanding of osteoporosis
- Influence health and social care provision to achieve excellence in the prevention, diagnosis and treatment of osteoporosis to prevent fragility fractures
- Provide caring support and information to enable people affected by osteoporosis to make a positive difference to their lives.

Structure, Governance and Management

The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

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.

The leadership and delivery of the organisation's objectives is undertaken by a senior management team based at the charity's registered office in Camerton, near Bath. The main Board has four established committees that enable the effective delivery of organisational objectives and strategic advice to the Board. The four committees meet up to four times per year and are listed below:

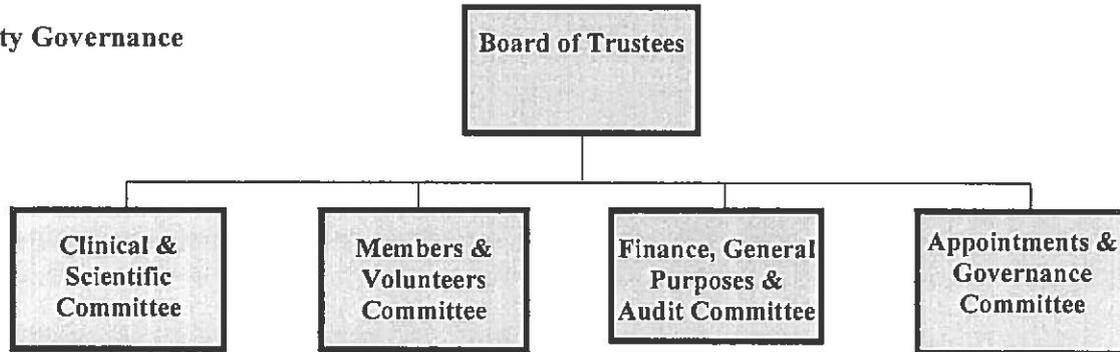
- Clinical & Scientific Committee
- Members & Volunteers Committee
- Finance, General Purposes & Audit Committee
- Appointments & Governance Committee

The charity's next General Meeting will be held in July 2012

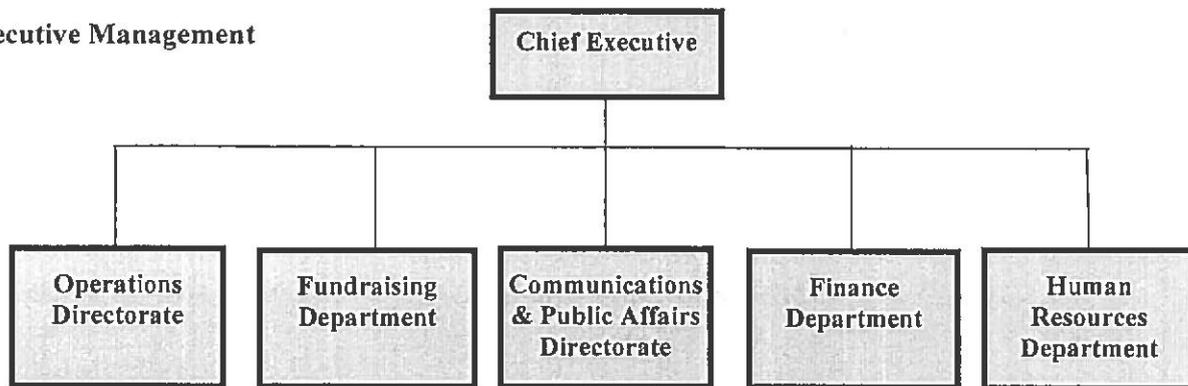
The organisation structure for the charity to drive forward the vision, mission and objectives of the charity is shown below:

**National Osteoporosis Society
Organisation Chart 2011**

Charity Governance



Executive Management



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.

Training of Trustees is addressed by offering external courses throughout the year. Records of training attended are maintained by the Human Resources Team.

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 10 to the accounts.

Objectives for the year ended 31 December 2011

The charity launched its new strategic plan in 2009 setting out the vision, mission and key objectives that will drive the work of the charity for the next five years. Five strategic pillars were defined to facilitate the translation of the charity's vision and mission into key initiatives and work programmes. The five strategic pillars are:

1. Understanding
2. Influence
3. Caring support
4. Research
5. Effective organisation

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

A summary of the achievements so far is shown below:

1. Understanding

During 2011, 397,000 information leaflets were distributed free of charge. Two new publications were launched: "Clothing, body image and osteoporosis" (for people with vertebral compression fractures) and "Hormone therapy and osteoporosis in men and women". Fourteen publications were reviewed and updated to reflect changes in current practice and clinical evidence.

During 2011 the new *For a Breakfree Future* campaign was launched to better promote awareness of osteoporosis and fragility fractures among the wider public. A considerable amount of press coverage was achieved in national press and online media. As part of the campaign a new online 'Healthy Bones Questionnaire' was developed to help people to consider their personal risk for fragile bones and fracture. The questionnaire was launched in October through a postcard and poster campaign in GP waiting rooms and pharmacists in ten pilot localities throughout the UK.

We continued to engage with health professionals and to provide and promote training and professional development opportunities, with a focus on fracture liaison services, care homes, general practice, allied health professionals and bone densitometry. In 2011 24 candidates achieved certification in bone densitometry through the Charity's National Training Scheme for Bone Densitometry, bringing the total number successfully completing the course to 312.

2. Influence

During 2011, we have made significant progress in influencing the provision of services for people with or at risk of osteoporosis. As part of our successful '25 words *For a Breakfree Future*' campaign, we hand-delivered messages from over 1,000 of our supporters (including celebrities and senior politicians) to 10 Downing Street. This has helped to secure financial incentives for GPs to identify, diagnose and treat patients with fragile bones through the UK-wide 2012/13 Quality and Outcomes Framework (QOF).

In England, the national audit of falls and bone health in older people has identified a small improvement in the provision of Fracture Liaison Services (FLS) since 2008. However, an unacceptable variation in the quality of care on offer remains. As a result, we held a National Falls and Fractures Summit in conjunction with Age UK. This was attended by Paul Burstow MP, the Care Services Minister, in addition to a range of patients, healthcare professionals and national and local officials. We have subsequently submitted a report to the Minister which sets out a number of recommendations. Our campaigning in England has also led to the Government identifying the prevention of hip fractures in older people as a priority for local authorities in the Public Health Outcomes Framework.

We have held receptions at the UK's parliaments and assemblies to celebrate our 25th anniversary. The Westminster event launched the All-Party Parliamentary Osteoporosis Group's (APPOG) inquiry report into the relationship between nutrition and osteoporosis, which makes a series of recommendations on how the Government and the NHS can improve the public's bone health. At our anniversary reception in Northern Ireland, Edwin Poots MLA, the Minister for Health, Social Services and Public Safety, spoke about the work that his department is undertaking to improve services for people with fragile bones. The following week, a debate on osteoporosis and fractures took place in the Northern Ireland Assembly, during which a number of MLAs pressed the Minister on the need for better services. As a result, the charity has been invited onto an FLS implementation group in Northern Ireland. We continue to play an integral role in work to implement national falls and fracture prevention strategies in Scotland and Wales.

Across the UK, we have maintained links with politicians and health authorities through our network of volunteers and support groups, pressing them to put osteoporosis and fracture services in place. Just one of the year's highlights was Foreign Secretary William Hague MP's visit to our Hambleton and Richmond support group in June. We continue to engage constructively with the National Institute for Health and Clinical Excellence (NICE) and have contributed to the newly published clinical guideline on hip fractures.

3. Caring support

The Information Centre has continued to deliver vital support and information for people affected by osteoporosis and fragility fractures. The nurse-led Helpline service responded to over 13,000 enquiries in 2011, including 12,000 telephone enquiries. In addition the Information Centre handled nearly 9,000 general enquiry calls and continued to distribute the Charity's publications and information leaflets.

Across the UK the regional staff and volunteers continued to deliver a wide range of local events and activity aimed at raising awareness and supporting people affected by osteoporosis and fragility fractures. Nearly 800 volunteers are engaged in the Charity's activity at the local level, many of them by running the 84 National Osteoporosis Society Local Support Groups. An important initiative during the year was the development of 'newly diagnosed sessions' in partnership with local NHS organisations. Thirty sessions were held, reaching over 1,100 people.

4. Research

During 2011 we held an open call for research applications to which we received requests for financial support in excess of £2.3m. These were assessed by the Research Grants Committee for scientific quality and relevance to the National Osteoporosis Society's Research and Development Strategy and Research Priorities 2011. Two project grants, one innovative award and one Linda Edwards Memorial PhD Studentship were funded covering a range of subject areas including exercise and nutrition.

We continued to give financial support to ongoing research projects.

5. Effective organisation

As a charity, we have a moral as well as a legal responsibility to ensure that we secure the necessary funds and use them to make the best possible difference to people with or at risk of Osteoporosis and fragility fractures. Success, in turn, depends on the efforts of our people, especially our staff and almost 800 volunteers around the UK without whom, we would not be able to provide the vital services either nationally or in local communities. Our strategy therefore includes the inspiration of employees, volunteers and our wider membership.

During 2011 we have progressed a number of initiatives to more effectively maximise voluntary income, namely

- A review of Gift Aid processes and resulting outstanding claims
- A review of income streams and their return on investment making appropriate resource allocations for 2012
- A review of our communications with supporters to enhance the supporter journey and maximise financial support
- A review of our supporter relationship management database to ensure we maximise our investment
- Developed our capacity to utilise new digital opportunities for generating income

Objectives for the year ending 31 December 2012

The focus of our work in 2012 will continue to be centred on the following initiatives from the strategic plan:

1. Understanding

- 1.1. Improve the general public's understanding of osteoporosis
- 1.2. Develop appropriate materials to inform diverse audiences
- 1.3. Drive improvements in the education and training of health professionals in the field of osteoporosis

2. Influence

- 2.1. Ensure that public policy and health and social care provision meet the needs of people with or at risk of osteoporosis
- 2.2. Ensure that the charity is widely perceived as the authority on and the recognised voice of people with, or at risk of, osteoporosis
- 2.3. Engage stakeholders in key areas of our work

3. Caring support

- 3.1. Develop centrally designed services to support and inform people affected by osteoporosis. The services will be provided locally and nationally
- 3.2. Facilitate a range of appropriate local activities to support people locally and to give all our work a stronger local presence

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

4. Research

- 4.1. Ensure research activities are built around the needs of people with, or are at risk of, osteoporosis and the charity's ability to work on their behalf
- 4.2. Make this happen either by funding it ourselves or influencing research funded by others

5. Effective organisation

- 5.1. Generate funds to enable the charity to do the work that will achieve its objectives
- 5.2. Make the best possible use of every pound that we raise
- 5.3. Develop partnership and collaborative working with a range of other charities and organisations to extend the influence of the charity and make the best possible use of resources
- 5.4. Create a working environment in which we all love to work
- 5.5. Uphold the excellent reputation of the charity
- 5.6. Keep up to date in the use of information technology to support the charity's objectives
- 5.7. Develop the charity's brand and ensure it is an integral aspect of all the charity's work.

Risk Management

The Trustees have a risk management strategy that comprises of an annual review of the risks the charity may face; the establishment of systems and procedures to mitigate those risks identified in the plan; and the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise. Through the risk management process established for the charity, 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.

Financial Year

The Finance, General Purposes & Audit Committee of the Board of Trustees (FGPA) continued to deal with the financial affairs of the charity in depth and detail. It reports quarterly to Trustees. The FGPA members during the year were:

Chair	Mr Philip Newborough	Treasurer
Members	Mrs Wendy Hull	Trustee
	Mrs Mary Regnier-Leigh	Trustee

Financial Performance and Funding Sources

During the year the charity had a planned deficit of £264k on unrestricted funds and a surplus of £24k on restricted funds.

The major sources for the charity's funds are from donations, fundraising events and campaigns (2011: 41%, 2010: 30%), legacies (2011: 34%, 2010: 37%), conferences (2011: 0%, 2010: 13%) and membership fees (2011: 17%, 2010: 14%). The Charity holds a scientific conference every eighteen months. The most recent conference which was held in November 2010, generated income of £445,314 and planning is underway for the next conference which will be held in July 2012.

For restricted funds, the main sources are from commercial grants, specified donations and fundraising campaigns.

We have a policy that no more than 15% of our total funds can be sourced from pharmaceutical companies, and in 2011 these totalled 3% (2010: 6.1%).

The charity is grateful to all those who have contributed so generously and supported it through the year.

Reserves Policy

In determining a prudent level of free reserves the Board takes into account that the total budgeted annual unrestricted expenditure is now in the region of £3.2m and the inevitable uncertainties that exist as a consequence of the Society's dependence upon voluntary giving and upon legacy income in particular. The policy is that free reserves should normally be between six months and twelve months unrestricted operating expenditure, which is equivalent to £1.6m, and £3.2m. The actual free reserves at 31st December 2011 were £2m, which was equivalent to 7.4 months budgeted unrestricted expenditure for 2012.

Investment Policy

HSBC Global Asset Management (UK) Ltd were appointed as the charity's investment advisers on 9 December 2009. HSBC Global Asset Management (UK) Ltd manages the long-term investments on behalf of the Trustees.

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

Investment Policy (continued)

The investment policy involves balancing return from income and capital and a medium level of risk. The Trustees have an ethical policy not to invest directly in pharmaceutical companies in view of the nature of the society's activities.

The society holds cash on short to medium term deposits to allow working flexibility whilst ensuring adequate levels of interest are earned.

Grant Making Policy

It is the policy of the National Osteoporosis Society 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. A Research Grants Committee (RGC) reports to the Trustees on matters regarding the award and monitoring of grants through the Medical Board. The RGC advises the charity on individual research projects and studentships or fellowships that are otherwise difficult to obtain mainstream funding for and pilot projects that will encourage leverage of funds from other funders in the future. The availability of funding is advertised through our regular publications and website.

Status

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.

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

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.

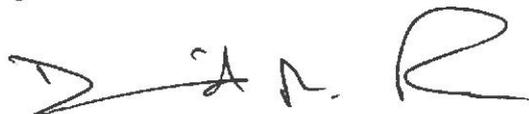
So far as each of the Trustees is aware at the time the report is approved:

- 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 general meeting.

Signed for and on behalf of the Trustees on 2nd May 2012



Professor David Reid

Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF

NATIONAL OSTEOPOROSIS SOCIETY

We have audited the financial statements of National Osteoporosis Society for the year ended 31 December 2011 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. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, 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 auditors under Section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

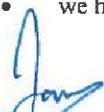
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


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

Fairfax House
15 Fulwood Place
London, WC1V 6AY

2012

NATIONAL OSTEOPOROSIS SOCIETY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Restricted £	Unrestricted £	Total 2011 £	Total 2010 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	459,646	1,503,041	1,962,687	1,850,596
Activities for generating funds	3	9,112	995,836	1,004,948	978,917
Investment income		-	108,715	108,715	44,034
<i>Incoming resources from charitable activities</i>					
Services to members, support groups and the general public	4	-	136,743	136,743	166,257
Policy	5	-	-	-	4,688
Education and awareness	6	-	24,089	24,089	484,199
Total incoming resources		<u>468,758</u>	<u>2,768,424</u>	<u>3,237,182</u>	<u>3,528,691</u>
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		5,853	754,763	760,616	752,775
<i>Charitable activities</i>					
Services to members, support groups and the general public		131,106	1,310,272	1,441,378	1,490,925
Osteoporosis Scanning Service Development Programme		73,527	(134,207)	(60,680)	1,499,834
Policy		14,462	381,764	396,226	425,833
Education and awareness		66,844	594,494	661,338	1,013,649
Research	7	153,086	21,695	174,781	255,947
Governance costs		-	36,116	36,116	45,531
Total resources expended	8	<u>444,878</u>	<u>2,964,897</u>	<u>3,409,775</u>	<u>5,484,494</u>
Net incoming/(outgoing) resources before other recognised gains/(losses)	9	<u>23,880</u>	<u>(196,473)</u>	<u>(172,593)</u>	<u>(1,955,803)</u>
Realised (losses)		-	(38,840)	(38,840)	(5,335)
Unrealised (losses)/gains	12	-	(28,606)	(28,606)	115,984
Net movement in funds		<u>23,880</u>	<u>(263,919)</u>	<u>(240,039)</u>	<u>(1,845,154)</u>
Funds at the start of the year		<u>620,072</u>	<u>4,286,702</u>	<u>4,906,774</u>	<u>6,751,928</u>
Funds at the end of the year		<u>643,952</u>	<u>4,022,783</u>	<u>4,666,735</u>	<u>4,906,774</u>

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 17 to the financial statements. The notes on pages 14 to 27 form part of these financial statements.

NATIONAL OSTEOPOROSIS SOCIETY

CONSOLIDATED BALANCE SHEETS

Company Number: 4995013

AS AT 31 DECEMBER 2011

	Notes	Group 2011 £	Charity 2011 £	Group 2010 £	Charity 2010 £
TANGIBLE FIXED ASSETS					
Tangible fixed assets	11	2,114,596	2,114,596	2,189,622	2,189,622
Investments	12	1,485,799	1,485,800	1,567,017	1,567,018
		<u>3,600,395</u>	<u>3,600,396</u>	<u>3,756,639</u>	<u>3,756,640</u>
CURRENT ASSETS					
Debtors	14	125,192	206,276	174,223	456,512
Short term deposits		1,003,090	1,003,090	1,575,155	1,575,155
Cash at bank and in hand	15	1,114,252	1,011,078	1,262,164	845,766
		<u>2,242,534</u>	<u>2,220,444</u>	<u>3,011,542</u>	<u>2,877,433</u>
CREDITORS: amounts falling due within one year	16	<u>(1,176,194)</u>	<u>(1,154,105)</u>	<u>(1,861,407)</u>	<u>(1,727,299)</u>
NET CURRENT ASSETS		<u>1,066,340</u>	<u>1,066,339</u>	<u>1,150,135</u>	<u>1,150,134</u>
NET ASSETS	18	<u>4,666,735</u>	<u>4,666,735</u>	<u>4,906,774</u>	<u>4,906,774</u>
FUNDS					
Restricted funds		643,952	643,952	620,072	620,072
Unrestricted funds					
Designated funds		2,060,039	2,060,039	2,101,888	2,101,888
General funds		1,962,744	1,962,744	2,184,814	2,184,814
Total funds	17	<u>4,666,735</u>	<u>4,666,735</u>	<u>4,906,774</u>	<u>4,906,774</u>

The notes on pages 14 to 27 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board the Trustees on 2nd May 2012 and were signed below on its behalf by:



Professor David Reid
Chair of Trustees



Philip Newborough
Treasurer

NATIONAL OSTEOPOROSIS SOCIETY
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Net cash (outflow) from operating activities	a	(783,176)	(1,006,578)
Returns on Investments and Servicing of Finance			
Interest paid		(32,037)	(29,540)
Interest and Dividends received		108,715	44,034
Capital Expenditure			
Payments to acquire fixed assets		(27,251)	(5,503)
Purchase of investments		(807,053)	(731,261)
Sale of investments		820,825	381,551
Movement in Short Term Deposits		572,065	1,047,538
(Decrease) in Cash		<u>(147,912)</u>	<u>(299,759)</u>

NOTES TO THE CASH FLOW STATEMENT

a. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	2011 £	2010 £
Net (outgoing) resources	(172,593)	(1,955,803)
Depreciation charge	102,277	103,781
Decrease / (Increase) in debtors	49,031	(58,662)
(Decrease) / Increase in creditors	(685,213)	918,600
Interest paid	32,037	29,540
Interest and Dividends received	(108,715)	(44,034)
Net cash (outflow) from operating activities	<u>(783,176)</u>	<u>(1,006,578)</u>

b. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2011 £	Cash Flows £	31 December 2011 £
Cash at bank and in hand	1,262,164	(147,912)	1,114,252
Short term deposits	1,575,155	(572,065)	1,003,090
	<u>2,837,319</u>	<u>(719,977)</u>	<u>2,117,342</u>

c. RECONCILIATION OF NET CASH (OUTFLOW) TO MOVEMENT IN NET FUNDS

	2011 £	2010 £
(Decrease) in cash in the year	(251,086)	(299,759)
Movement in short term deposits in the year	(468,891)	(1,047,538)
Opening net funds	2,837,319	4,184,616
Closing net funds	<u>2,117,342</u>	<u>2,837,319</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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 applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statements of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

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 397 of SORP 2005.

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 paid.

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) Resources expended

Resources expended are recognised in the period in which the liability is incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are 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, is apportioned on the following basis which is an estimate, based on staff numbers, of the amount attributable to each activity as follows:

Costs of generating funds	22.0%
Services to members, groups and the general public	32.4%
Osteoporosis Scanning Service Development Project	2.3%
Policy	15.4%
Education and awareness	25.6%
Research	2.3%

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

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 incoming resources 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.

n) **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.

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

2. VOLUNTARY INCOME	Restricted £	Unrestricted £	Total 2011 £	Total 2010 £
Donations received at Head Office	425,444	403,063	828,507	519,991
Legacies	34,202	1,051,344	1,085,546	1,292,388
Donations received by Support Groups	-	48,634	48,634	38,217
	<u>459,646</u>	<u>1,503,041</u>	<u>1,962,687</u>	<u>1,850,596</u>
3. ACTIVITIES FOR GENERATING FUNDS	Restricted £	Unrestricted £	Total 2011 £	Total 2010 £
Fundraising events	9,112	435,239	444,351	490,515
Membership subscriptions and donations	-	560,597	560,597	488,402
	<u>9,112</u>	<u>995,836</u>	<u>1,004,948</u>	<u>978,917</u>
4. SERVICES TO MEMBERS, SUPPORT GROUPS AND THE GENERAL PUBLIC	Restricted £	Unrestricted £	Total 2011 £	Total 2010 £
Publications	-	-	-	153
Advertising	-	40,939	40,939	44,291
Other services	-	95,804	95,804	121,813
	<u>-</u>	<u>136,743</u>	<u>136,743</u>	<u>166,257</u>
5. POLICY	Restricted £	Unrestricted £	Total 2011 £	Total 2010 £
Parliamentary Activity & Kohn Award	-	-	-	4,688

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

6. EDUCATION AND AWARENESS	Restricted £	Unrestricted £	Total 2011 £	Total 2010 £
Conferences	-	15,024	15,024	445,314
Training	-	9,065	9,065	38,885
	<u>-</u>	<u>24,089</u>	<u>24,089</u>	<u>484,199</u>
7. RESEARCH			2011 £	2010 £
James Cook University Hospital			-	39,620
Guy's & St Thomas' Hospital			-	92,804
Brighton & Sussex University			-	46,561
University College London			-	19,500
University of Liverpool			-	2,032
Exeter University			19,807	-
Sheffield University			50,000	-
Surrey University			32,878	-
MRC Human Nutrition Research			49,779	-
			<u>152,464</u>	<u>200,517</u>
Staff costs of managing grant making from Restricted Funds			22,789	30,000
Direct and allocated expenditure from Restricted Funds			2,211	1,925
Allocated support costs from Unrestricted Funds			22,317	23,505
Research accrual overstated from previous years			(25,000)	-
			<u>174,781</u>	<u>255,947</u>

None of the 2011 grants above were made to organisations where Trustees were connected.

The allocated support costs to research in 2011 and 2010 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 2011

8. TOTAL RESOURCES EXPENDED	Costs of generating vol. income £	Services to Members, & general public £	Operations £	OSSDP £	Policy £	Education & awareness £	Research Costs £	Support Costs £	Governance £	2011 Total £	2010 Total £
Staff costs (note 10)	338,262	91,733	427,591	72,905	221,617	376,476	22,789	391,986	-	1,943,359	1,985,464
Fundraising costs	212,587	-	10,990	-	-	-	-	-	-	223,577	197,294
Donations payable	-	-	20,146	-	-	-	-	-	-	20,146	18,871
Grants payable	-	18,000	-	-	-	-	152,464	-	-	170,464	200,518
Equipment	-	-	-	-	-	(2,426)	-	-	-	(2,426)	1,434,553
Conference costs	-	-	-	(155,902)	-	-	(25,000)	-	-	(180,902)	250,388
Grants re-utilised	-	-	-	6,022	66,477	97,299	8,233	69,346	-	951,928	1,027,916
Administration costs	56,608	316,633	331,310	1,638	10,800	17,889	1,638	18,863	-	88,842	94,816
Other office costs	15,397	4,439	18,178	1,886	12,433	20,594	1,886	21,715	-	102,277	103,781
Depreciation	17,725	5,111	20,927	-	-	-	-	-	18,000	18,000	19,750
Audit and accountancy	-	-	-	214	1,411	2,337	214	2,464	-	11,607	40,221
Legal and professional	2,012	580	2,375	-	-	-	-	-	-	-	-
Trustees' meetings and Expenses	-	-	-	-	-	-	-	-	18,116	18,116	25,781
Interest payable and similar charges	5,552	1,601	6,555	591	3,894	6,451	591	6,802	-	32,037	29,540
Other	-	-	-	-	707	12,043	-	-	-	12,750	55,601
	<u>648,143</u>	<u>438,097</u>	<u>838,072</u>	<u>(72,646)</u>	<u>317,339</u>	<u>530,663</u>	<u>162,815</u>	<u>511,176</u>	<u>36,116</u>	<u>3,409,775</u>	<u>5,484,494</u>
Support costs	112,473	32,427	132,782	11,966	78,887	130,675	11,966	(511,176)	-	-	-
	<u>760,616</u>	<u>470,524</u>	<u>970,854</u>	<u>(60,680)</u>	<u>396,226</u>	<u>661,338</u>	<u>174,781</u>	<u>-</u>	<u>36,116</u>	<u>3,409,775</u>	<u>5,484,494</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

9. NET INCOMING RESOURCES	2011 £	2010 £
This is stated after charging/crediting:		
Interest and bank charges payable	32,037	29,540
Depreciation	102,277	103,781
Trustees' reimbursed expenses	7,555	11,363
Auditors remuneration:		
- Audit – charity excluding VAT	15,650	15,200
- Audit – trading company excluding VAT	2,550	2,750
- Other	950	900
Operating lease rentals:		
- Equipment	11,898	12,503
	<u> </u>	<u> </u>
10. STAFF COSTS AND NUMBERS	2011	2010
	£	£
Staff costs were as follows:		
Salaries and wages	1,672,914	1,716,645
Social security costs	173,579	176,409
Pension contributions	96,866	92,410
	<u> </u>	<u> </u>
Total staff costs	1,943,359	1,985,464
	<u> </u>	<u> </u>
The emoluments of higher paid employees fell within the following ranges		
	2011	2010
	No.	No.
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	<u> </u>	<u> </u>
The average number of employees (full-time equivalent) during the year was:		
	2011	2010
	No.	No.
Fundraising	9	9
Services to members and general public	14	14
Osteoporosis Scanning Service Development Programme (OSSDP)	1	1
Public and medical education	17	18
Research	1	1
Support and governance	12	13
	<u> </u>	<u> </u>
	54	56
	<u> </u>	<u> </u>

During the year reimbursed expenses amounting to £7,555 (2010: £11,363) were paid to 8 (2010: 8) Trustees.

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

11. TANGIBLE FIXED ASSETS GROUP	Building improvements £	Freehold £	Equipment £	Total £
Cost				
At 1 January 2011	1,659,760	725,198	343,144	2,728,102
Additions	2,849	-	24,402	27,251
Disposals	-	-	(6,175)	(6,175)
At 31 December 2011	<u>1,662,609</u>	<u>725,198</u>	<u>361,371</u>	<u>2,749,178</u>
Depreciation				
At 1 January 2011	99,120	183,949	255,411	538,480
Charge for the year	33,195	11,504	57,578	102,277
Disposals	-	-	(6,175)	(6,175)
At 31 December 2011	<u>132,315</u>	<u>195,453</u>	<u>306,814</u>	<u>634,582</u>
Net Book Value				
At 31 December 2011	<u>1,530,294</u>	<u>529,745</u>	<u>54,557</u>	<u>2,114,596</u>
At 31 December 2010	<u>1,560,640</u>	<u>541,249</u>	<u>87,733</u>	<u>2,189,622</u>

CHARITY

Cost				
At 1 January 2011	1,659,760	725,198	343,144	2,728,102
Additions	2,849	-	24,402	27,251
Disposals	-	-	(6,175)	(6,175)
At 31 December 2011	<u>1,662,609</u>	<u>725,198</u>	<u>361,371</u>	<u>2,749,178</u>
Depreciation				
At 1 January 2011	99,120	183,949	255,411	538,480
Charge for the year	33,195	11,504	57,578	102,277
Disposals	-	-	(6,175)	(6,175)
At 31 December 2011	<u>132,315</u>	<u>195,453</u>	<u>306,814</u>	<u>634,582</u>
Net Book Value				
At 31 December 2011	<u>1,530,294</u>	<u>529,745</u>	<u>54,557</u>	<u>2,114,596</u>
At 31 December 2010	<u>1,560,640</u>	<u>541,249</u>	<u>87,733</u>	<u>2,189,622</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

12. INVESTMENTS	Group 2011 £	Charity 2011 £	Group 2010 £	Charity 2010 £
Market value at the start of the year	1,535,767	1,535,767	1,106,658	1,106,658
Additions at historic cost	827,538	827,538	700,011	700,011
Disposals	(820,825)	(820,825)	(381,551)	(381,551)
Realised (loss)	(38,840)	(38,840)	(5,335)	(5,335)
Unrealised gain/(loss)	(28,606)	(28,606)	115,984	115,984
	<u>1,475,034</u>	<u>1,475,034</u>	<u>1,535,767</u>	<u>1,535,767</u>
Capital Account HSBC Global Asset Management Ltd	10,765	10,765	31,250	31,250
Shareholding in NOS Trading Limited (note 13)	-	1	-	1
	<u>1,485,799</u>	<u>1,485,800</u>	<u>1,567,017</u>	<u>1,567,018</u>
			2011	2010
			£	£
Historic cost at the year end			<u>1,481,810</u>	<u>1,423,034</u>
Investments comprise:				
UK equities			599,493	791,149
Overseas equities			215,771	178,307
UK fixed interest gilts			263,793	234,357
Overseas fixed interest gilts			193,854	162,943
Alternative Investments			202,123	169,011
			<u>1,475,034</u>	<u>1,535,767</u>
Capital Account HSBC Global Asset Management Ltd			10,765	31,250
Total Investments - Group			<u>1,485,799</u>	<u>1,567,017</u>
Investments representing over 5% by value of the portfolio				
73,392 Artemis Fund Managers Income			120,077	-
62,235 BNY Mellon Fund Mgrs Ltd Newton Global			79,412	-
122,976 HSBC Asset Mgt Common for Income			137,379	-
297,605 HSBC Global Asset Mgt Common for Growth			355,638	-
11,355 M&G Securities Charifund			123,780	-
61,984 BNY Mellon Fund Mgrs Ltd Newton Global			-	80,560
119,606 HSBC Asset Mgt Common for Income			-	131,566
209,238 HSBC Investment Funds Focus Income			-	247,738
11,355 M&G Securities Charifund			-	130,668
116,914 Neptune Investment Income			-	186,478
251,127 Psigma Unit Trust			-	<u>187,717</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

13. SUBSIDIARY UNDERTAKINGS

A summary of the results of National Osteoporosis Trading Limited for the year ended 31 December 2011 is shown below:

	2011	2010
Turnover	105,948	567,229
Cost of sales	(2,061)	(292,663)
Gross profit	<u>103,887</u>	<u>274,566</u>
Administrative expenses	(15,975)	(72,046)
Operating profit	<u>87,912</u>	<u>202,520</u>
Interest receivable	608	-
Profit on ordinary activities	<u>88,520</u>	<u>202,520</u>
Gift aid to parent undertaking	<u>88,520</u>	<u>202,520</u>
Retained profit carried forward	<u>-</u>	<u>-</u>

The aggregate of the assets, liabilities and funds was:

Assets	124,132	460,517
Liabilities	<u>(124,131)</u>	<u>(460,516)</u>
Funds	<u>1</u>	<u>1</u>

14. DEBTORS

	Group 2011 £	Charity 2011 £	Group 2010 £	Charity 2010 £
Trade debtors	15,582	13,182	40,890	14,223
Other debtors	29,726	29,726	54,910	45,787
Prepayments	79,884	61,327	75,832	75,726
Recoverable VAT	-	-	2,591	10,377
Due from trading subsidiary	-	102,041	-	310,399
	<u>125,192</u>	<u>206,276</u>	<u>174,223</u>	<u>456,512</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

15. CASH AT BANK AND IN HAND	Group 2011 £	Charity 2011 £	Group 2010 £	Charity 2010 £
Head Office	938,020	834,846	1,040,757	624,359
Support Groups	176,232	176,232	221,407	221,407
	<u>1,114,252</u>	<u>1,011,078</u>	<u>1,262,164</u>	<u>845,766</u>
16. CREDITORS: amounts falling due within one year	Group 2011 £	Charity 2011 £	Group 2010 £	Charity 2010 £
Trade creditors	80,234	80,127	198,348	115,186
Taxation and social security	52,237	50,703	49,961	49,961
Other creditors	12,380	12,380	10,967	10,967
Accruals	1,001,028	997,484	1,570,396	1,549,450
Deferred income	30,315	13,411	31,735	1,735
	<u>1,176,194</u>	<u>1,154,105</u>	<u>1,861,407</u>	<u>1,727,299</u>
17. MOVEMENT IN FUNDS	At 1 January 2011 £	Incoming Resources £	Outgoing Resources £	At 31 December 2011 £
Restricted funds				
Allied Health Professional Forum	8,000	-	-	8,000
Fracture Liaison Seminars	27,527	-	(3,634)	23,893
Linda Edwards Memorial fund	15,680	-	(15,680)	-
Membership recruitment fund	395	-	(395)	-
Nurses Appeals fund	12,903	192,886	(56,412)	149,377
Osteoporosis Resources for Primary Care	-	22,000	(19,000)	3,000
Osteoporosis Scanning Services Development Programme	72,905	-	(72,905)	-
Parliamentary and Assembly Events	331	-	-	331
Publications fund	751	17,160	(16,301)	1,610
Regional Operations - England, Scotland, Wales & Northern Ireland	92,385	57,036	(88,087)	61,334
Research grants	349,195	159,676	(152,464)	356,407
Scotland Fracture Liaison Funding	40,000	20,000	(20,000)	40,000
	<u>620,072</u>	<u>468,758</u>	<u>(444,878)</u>	<u>643,952</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

17. MOVEMENT IN FUNDS (continued)	At 1 January 2011 £	Incoming Resources £	Outgoing Resources £	At 31 December 2011 £
Unrestricted funds				
<i>Designated funds</i>				
Camerton Building	2,101,888	2,849	(44,698)	2,060,039
<i>Total designated funds</i>	<u>2,101,888</u>	<u>2,849</u>	<u>(44,698)</u>	<u>2,060,039</u>
General funds	2,184,814	2,698,129	(2,920,199)	1,962,744
Total unrestricted funds	<u>4,286,702</u>	<u>2,700,978</u>	<u>(2,964,897)</u>	<u>4,022,783</u>
Total funds	<u>4,906,774</u>	<u>3,169,736</u>	<u>(3,409,775)</u>	<u>4,666,735</u>
Purposes of restricted funds				
Allied Health Professional Forum	Donations received to fund a health professionals' forum.			
Fracture Liaison Seminars	Donations received to fund Fracture Liaison Seminars.			
Linda Edwards Memorial fund	Donations received to create a "Garden of Remembrance" in memory of the National Osteoporosis Society's late Founder Director.			
Membership recruitment	Funding to enable us to increase membership by various proven methods.			
Nurses appeal	Donations received to develop a first rate information service and telephone helpline for people living with and / or caring for those affected by osteoporosis.			
Osteoporosis Resources for Primary Care	Funding awarded to develop online resources for the management of osteoporosis and fragility fractures in primary care.			
OSSDP	Osteoporosis Scanning Services Development Programme to provide scanners in England and Wales.			
Parliamentary and Assembly Events	Donations received to support Parliamentary and Assembly events.			
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.			
Scotland Fracture Liaison Funding	Donations received to fund a Fracture Liaison Nurse in Scotland.			

17. MOVEMENT IN FUNDS (continued)

Purposes of designated funds

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.

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Designated Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	2,060,039	54,557	2,114,596
Investments	-	-	1,485,799	1,485,799
Current assets	643,952	-	1,598,582	2,242,534
Current liabilities	-	-	(1,176,194)	(1,176,194)
Net assets at the end of the year	<u>643,952</u>	<u>2,060,039</u>	<u>1,962,744</u>	<u>4,666,735</u>

19. RELATED PARTY TRANSACTIONS

Grants awarded to bodies connected with Trustees are disclosed in note 7. There are no other related party transactions.

20. OPERATING LEASE COMMITMENTS

The charity had annual commitments at the year end under operating leases expiring as follows:

	Equipment	
	2011 £	2010 £
2 – 5 years	<u>6,098</u>	<u>10,641</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

21. SUPPORT GROUPS	2011 £	2010 £
Incoming resources		
Donations	52,047	38,580
Legacies	10,165	9,440
Interest receivable	426	697
Membership/fundraising events	60,930	54,873
Other income	66,353	97,163
Total incoming resources	<u>189,921</u>	<u>200,753</u>
Resources expended		
<i>Costs of generating funds:</i>		
Fundraising and publicity	10,990	12,128
<i>Charitable expenditure</i>		
Costs in furtherance of charitable objects	197,306	214,180
Support costs	26,800	27,774
Total resources expended	<u>235,096</u>	<u>254,082</u>
Net outgoing resources	(45,175)	(53,329)
Funds at the start of the year	<u>221,407</u>	<u>274,736</u>
Funds at the end of the year	<u>176,232</u>	<u>221,407</u>

In 2011 over 80 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 £71,371 (2010: £67,330) 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.

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

21. SUPPORT GROUPS

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:

	2011	2010
	£	£
Restricted funds	36,737	53,092
Designated funds	25,604	67,333
Unrestricted funds	113,891	100,982
Total funds	<u>176,232</u>	<u>221,407</u>

22. CAPITAL COMMITMENTS

At 31 December 2011, there were no commitments for capital expenditure (2010: £Nil).

23. 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.