

NATIONAL OSTEOPOROSIS SOCIETY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

REFERENCE AND ADMINISTRATIVE DETAILS

President:	HRH The Duchess of Cornwall	
Patrons:	Sean Bean Mary Berry CBE (retired June 2015) Deborah Bull CBE Wendy Craig Peter Cruddas Lynn Faulds Wood Trudie Goodwin Susan Hampshire OBE	Nerys Hughes The Lady Hylton Ross Kemp Maggie Philbin Craig Revel Horwood Dr Miriam Stoppard Lizzie Webb Barbara Windsor MBE
Honorary Officers		
Chairman:	Catherine Tompkins	
Vice Chairman:	Mary Regnier-Leigh Jeremy Stern	Retired 16 th July 2015 Appointed VC 16 th July 2015
Treasurer:	Jeremy Stern Brian Livingston Frances Grigg	Retired as Treasurer 16 th July 2015 remains Trustee and VC Appointed Treasurer 16 th July 2015 Resigned 29 th November 2015 Appointed Trustee 16 th July 2015 Appointed Treasurer 3 rd December 2015
Trustees:	Baroness Carlyn Chisholm Professor Juliet Compston OBE Dr Louise Dolan Sandeep Dosanjh Neil Gittoes Leesa Harwood Phillip Newborough Professor Terence O'Neill Rebecca Thompson Carole Walker	Appointed 26 th February 2015 Resigned 31 st March 2016 Appointed 16 th July 2015 Retired 16 th July 2015 Retired 16 th July 2015 Appointed 16 th July 2015
Senior Leadership Team		
Chief Executive:	Claire Severgnini	
Commercial & Finance Director:	Susan Coffey	Appointed 6 th January 2015
Strategic Development Director:	Nina Copping	Resigned 15 th April 2016
Human Resources Director:	Helen Kingman	
Clinical & Operations Director:	Fizz Thompson	
Fundraising & Communications Director:	Kate Groves	Appointed 27 th April 2015

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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

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 2015.

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 2015. 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 2015 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 general guidance on public benefit.

Strategic Report

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 tends to be high in people who have already sustained one fracture, it is important that these people are identified, assessed and then managed appropriately. There is a lack of both public and professional awareness of osteoporosis and the importance of preventing such secondary fractures. There is strong evidence that a Fracture Liaison Service, that systematically identifies those at risk, is cost-saving, yet the latest Royal College of Physicians audit (2010) showed that only 42% of health care organisations in the UK had some form of service.

The Charity has determined that the following areas of activity are required to achieve Aim 1 and 2015 highlights are below:

Raising awareness and influencing provision of secondary prevention of osteoporosis and Fracture Liaison Services (FLSs)

- Our Service Delivery Team was expanded in 2015 to increase support of the implementation of new services in the NHS and to improve the quality of existing services.
- In 2015 the Service Delivery activity has resulted in the commissioning of a total of **7 new FLSs covering a further 2.36M population in 2015**. The latest FLS Benefits calculator suggests this will lead to over **£10M savings** in NHS and social care and **617 hip fractures** over the next 5 years.

Case study: Jane, whose osteoporosis was identified through an FLS in Ipswich says.

"I'm glad my osteoporosis was identified from a small fracture at the age of 61, rather than a much more serious one when I'm 71. I feel protected."

- The Charity led the national FLS Implementation Group to coordinate and develop a UK-wide work programme.
- We worked with NHS England to prepare a briefing for Clinical Commissioning Groups in England to demonstrate the value of FLSs and encourage them to commission these services.
- We met with the Health and Social Care Board to explore the improvement of patient pathways for post-fragility fracture in Northern Ireland.
- We joined the Coalition for Collaborative Care to increase awareness of osteoporosis as a long-term condition.

- In providing the Secretariat role for the All Party Parliamentary Osteoporosis Group (APPOG), meetings were held at Westminster focusing on Fracture Liaison Service (FLS) service provision. We continued our work with the All-Wales Osteoporosis Advisory Group (WOAG) and the newly formed Northern Ireland Osteoporosis Consensus Group (NIOCG) to improve coverage in the devolved nations. In Scotland, we have continued working with local health decision makers on FLS throughout the year.
- Our 'Stop at One' campaign microsite, aimed at raising awareness and enabling women aged 50-70 to get a bone check had over **17,000** unique visitors and **8,000** people took our on-line Are You At Risk? Quiz taking their first steps to improving their bone health.

Supporting service providers and commissioners

- Developed a commissioning toolkit in conjunction with NHS England. There have been over **1,000 unique visitors** since launch in April 2015.
- The central and field-based teams are engaging with a total of **83% (142 of 171)** of potential FLS sites across the UK. We are working with **all** potential sites in Scotland, Wales and NI and **74%** of potential sites in England.
- The field-based specialist team are giving hands-on support to implementation of new services at **42** sites and quality improvement at a **further 60** sites; a total of **102 sites**.
- International and national recognition has been given to our approach to NHS change management.

Providing education for healthcare practitioners in Fracture Liaison Services

- The Charity launched an education programme for practitioners working in FLS services in April 2015. **406** people have registered on the Fracture Prevention Practitioner (FPP) Training programme. A total of **88** people gained accreditation at Foundation level in 2015;
- The Advanced level module was launched online in Q4 of 2015; **13** people have so far gained certification at this level.
- **78** Health Professionals attended our National Training Scheme for Bone Densitometry in 2015, bringing the total to 830 since the Scheme's inception.

Developing standards and peer review to enable high-quality Fracture Liaison Services to be delivered

- The FLS Clinical Standards, *Effective Secondary Prevention of Fragility Fractures: Clinical Standards for Fracture Liaison Services*, were launched, at the British Society of Rheumatology Conference in Manchester. The Standards are endorsed by the British Geriatric Society, British Menopause Society, British Orthopaedic Association, British Society for Rheumatology, Chartered Society of Physiotherapy, International Osteoporosis Foundation, Royal College of General Practitioners, Royal College of Physicians and the Royal Pharmaceutical Society.
- Our peer review programme continued with a further two site visits undertaken by a nationwide multi-professional group, with the aim of improving service quality through peer feedback.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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. Therefore the Charity's strategy to achieve Aim 2 has two strands: to continue to provide 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 from their doctor. We report the following highlights in 2015:

The Charity's information and support for people with osteoporosis

Website/Online

- Many people visit the Charity's website for osteoporosis information. We had approximately **275,000** unique hits on our website. Further analytics on the hits are showing that there are more interactions and follow through, following the initial hit with the website users. We are also improving our engagement with a crucial younger audience through our social media channels.

Printed and downloadable information

- **430,000** information leaflets, including **800** copies of our flagship *All About Osteoporosis* publication were sent out or downloaded during 2015. In line with the increase in accessibility of our information online we actively managed a decrease in the number of printed leaflets distributed (346,016 in 2015 compared with 397,971 in 2014).

Helpline

- The total number of nurse led helpline service responses was just under **11,000** in 2015. As we move into a more digital environment, we expect the telephone service to be used less. 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 and we are piloting different channels of communication, including a discussion forum and live-chat.

Case study: Christine

Christine found out she had osteoporosis in 2009, though she says she always felt she had the condition for much longer.

"Since becoming a member of the charity I have learned so much about this disease and the treatments available from the brilliant helpline nurses and the information the charity provides on line and through its leaflets. There is absolutely no doubt this has helped me to fight back with greater understanding. I cannot emphasise enough the valuable importance that the Society provides," she says.

In Local Communities

- In local communities across the UK our regional volunteers and employees delivered over **169** osteoporosis clinical update events for people with the condition, attracting over **5,500** attendees. Many of the meetings were run by the Charity's **71** support groups.
- Over **1,700** people also attended **71** 'newly diagnosed sessions' run through local health clinics with the support of the Charity, intended to help people through the time of a new diagnosis of osteoporosis.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

Supporter and Volunteers Conference 2015

- The UK Support Group and Volunteer Conference was held in June. Over 150 volunteers attended over the two days, with very positive feedback from participants. This was an opportunity to thank our dedicated volunteers and support group members, but also to update them on key priorities for the Charity and network with each other and staff.

Case Study: Delegates at the Support Group and Volunteer Conference

"It was also useful to meet other group's members to see how they function and maybe use some of their ideas. As to the idea of using new media ways to reach a wider audience, it looks quite exciting. Though I have to admit that I have never used twitter/podcasts at all. I will give it a try in due course!"

"I wanted to add my personal thanks for such a wonderful 2 days at the Conference. I enjoyed every minute of it and, like so many others, have come home with renewed enthusiasm. I was SO impressed with NOS and all the speakers and I thought the organisation and arrangements were superb. Everyone was made to feel welcome as an individual. It is wonderful to have the opportunity of meeting up with others and to share experiences. For me it's like old times because I have attended so many medical conferences in my career and I must say, the NOS conference is up there with the best of them. For me the icing on the cake was to have the opportunity of visiting Camerton, which I must say, exceeded my expectations. After so many years being a member of our Group and seeing and hearing so much about it, it was an absolute delight to be able to visit and for me to see the call centre was very special as I continually refer people to the much valued Help Line. The lunch was delicious and so well organised, my only regret was that it was all over far too soon."

Our Support Model

- In 2015 the Charity undertook a full review of our current model of support, best practice and evidence of success of other models externally and we sought the views of people living with osteoporosis on their information and support needs and preferences, through the *A Good Life with Osteoporosis* survey that achieved 3,600 responses. With initial findings and following a two-day Support Model Workshop in December, an emerging Support Model was developed and it will be used to drive the work programme for 2016 onwards.

Raising awareness and understanding among health professionals to improve advice and support for people with osteoporosis

- The Charity contributed to the development of the following clinical guidance in 2015:
 - NICE guidelines on Sunlight Exposure;
 - NICE guidelines on the management of the Menopause;
 - NICE guidelines on the management of Type 2 Diabetes;
 - NICE Indicators for NHS Outcome Frameworks;
 - NICE guidance on social care for older people with complex needs;
 - The Scientific Advisory Council on Nutrition's inquiry into appropriate Vitamin D levels.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

- The Paediatric Vitamin D and Bone Health Guidance was launched in June entitled: *A practical clinical guideline for management in children and young people*. A poster was presented at the International Conference on Children's Bone Health.
- The Osteoporosis Resources for Primary Care website, our online resource for health professionals, now in its fourth year, received **3,000 visits**.
- Osteoporosis Review, our journal for health professionals was published three times in 2015, both online and in hard copy (circulated to over **800** health professionals).
- There was a small increase to our UK Allied Health Professional (AHP) Network, with **567** members by the end of the year. AHPs were supported by a series of regional meetings and a bespoke online community site to encourage sharing of best practice, education and peer support.
- **10** regional study days were delivered by the regional team and volunteers which were attended by over **460** health professionals, including GPs.

Case Study: Health Professionals following a study day in Liverpool

"It increased my knowledge and understanding and will positively affect my clinical practice";

"It gave me an understanding of how we are trying to improve our service and what we can offer, and better understanding of medications patients may be on, which is useful in our assessments".

Research

The Charity funds research in the field of osteoporosis through running a research grants programme. In 2015 we were involved in supporting a total of **16** research projects. During this period, six research projects reached completion and submitted a final report, and five projects commenced.

From our 16 active research grants a total of 13 papers have been published in high-impact peer-reviewed journals (e.g. Osteoporosis Int., Bone, Journal of Bone and Mineral Research), with nine of these published last year. All publications and presentations included acknowledgement of the National Osteoporosis Society funding support.

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 Osteoporosis News and Osteoporosis Review.

Results from the projects being disseminated on both a national and international scale has advanced knowledge in these areas and there is an increased awareness of the Charity and its role in research.

In September 2015, Dr Poole and Dr Brooke-Wavell's research study (Project REF 270) which was a collaboration between University of Cambridge and Loughborough University, suggested that in healthy older men hopping for two minutes a day could improve bone density in the hopping leg. The results from this project were widely reported in the UK media (including The Guardian, Daily Mail, BBC etc.) and news articles included on the Charity's Facebook page. All media coverage included acknowledgement of the National Osteoporosis Society funding support. This illustrates how the Charity is involved in supporting research which is of interest to the general public.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

Many of our Research Grant holders have established strong relationships with their local regional NOS Support Group. In 2015 over 30% of our active grant holders directly engaged with Support Groups by giving talks at Newly Diagnosed Meetings, Osteoporosis Update Meetings and Legacy Events in the local area. The development of connections between our Research Grant holders and our Support Groups impacts on improving engagement of the public with osteoporosis academics/clinicians and increases awareness of the Charity's role in funding research.

Organisational enablers: key areas critical to success

Fundraising

Fundraising practice, ethics and transparency

In 2015, media coverage cast fundraising practices into the limelight and public confidence in charities' ethics was severely damaged.

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 approach to fundraising.

The Charity responded to initial media concerns by reviewing its fundraising and stewardship practices, data protection measures and supplier agreements. The Trustees, in consultation with senior management, reviewed policies and procedures further following the publication of the Etherington Review.

To respond to any potential public concern, the Charity developed a Supporter Charter to communicate its approach to supporters, and published it online and in a feature in its supporter magazine. The Charter lays out the Charity's commitment to transparency, ethics and data protection.

The Charity has not in recent years employed the fundraising tactics which have proven most controversial. It does not conduct face-to-face fundraising; it does not cold-call individuals with no prior relationship with the Charity; it does not sell or swap supporter data; it monitors agencies closely; and it records and respects supporters' communication preferences.

However, in addition to responding to regulatory changes, the Charity made the decision to take further best-practice measures as a result of its fundraising review:

- To cease all telemarketing activity;
- To cease purchasing list data for acquisition campaigns;
- To scope a move towards an opt-in-based model of communication permissions.

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. The NOS awaits the timetable and detail behind the Act from the Charity Commission.

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.

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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 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.

Some highlights of the 2015 fundraising calendar were:

- The Virgin London Marathon, in which 32 runners took part on behalf of the Charity, raising over £63,000;
- A fashion show, held at the prestigious Berkeley Hotel in London and attended by a number of celebrity supporters, which enabled the Charity to engage with new, well-connected individuals. The event saw the launch of the Untold Ladies' Club – a committee dedicated to raising funds and awareness for the Charity. We will be looking to sustain the relationships forged at this event in the long term and to replicate this style of event in future years and in different locations;
- The launch of Lace up for Bones, a home-grown awareness and fundraising campaign which encourages people to buy the Charity's orange laces and take part in exercise to help improve their bone health. The campaign reached over 1m people through media coverage and raised over £7,000 from the sale of laces. The campaign was so successful that we plan to run it again, with increased focus and investment, in 2016;
- Two events, in Manchester and at the Charity's head office, 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 fifth annual *Sing!* concert, held at Bath Abbey, which exceeded attendance targets and, through a pre-event reception, allowed us to discuss the Charity's work with local dignitaries and decision-makers.

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 work streams, 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 2015, 74 trusts made a donation to the Charity.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

Through its Bone Health Partnership, the National Osteoporosis Society works with companies with an interest in bone health to achieve mutual goals. In 2015, the Charity worked with 10 Bone Health Partners on joint initiatives.

The Charity has also succeeded in extending its wider network of partners including retailers, food companies and local businesses.

Highlights from 2015 included:

- A new partnership with Marks and Spencer to support the launch of the retailer's vitamin D-fortified bread range among health professionals;
- Working with the John Lewis Partnership on events to help the Charity's members find clothes to suit, where their body shape has been affected by osteoporosis;
- Securing sponsorship from pharmaceutical partners for a number of health professional conferences and training events;
- Signing up one new Bone Health Partner, our Corporate Membership Scheme, at the highest tier of support.

Fundraising Performance

Throughout 2015 we continued to grow and develop our employees, advisors, volunteers and supporters across the UK to make the biggest difference we could for people affected by osteoporosis.

As a charity dependent on voluntary donations to fund all our work, it is vital that our fundraising is as effective as possible. We grew our fundraising return on investment, generating a total of £7.03 for every £1 spent on fundraising in 2015, compared with £4.46 in 2014; the increase is due to legacy income. Return on investment excluding legacies generated a total of £2.68 for every £1 spent on fundraising in 2015, compared with £2.74 in 2014.

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.

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

Other key organisational priorities in 2015 were:

- Developing our **digital** platforms including our website, Customer Relationship Management system and associated hardware;
- Building **staff engagement** with a focus on developing our wider leadership team;
- Reviewing our **research strategy**;
- Reviewing our **brand effectiveness** and scope opportunities;
- Scoping the **next major focus** for the Charity.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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; 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. 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 the General Reserve policy.
- 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 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 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 do go wrong, we have a tried and tested Crisis Management Policy in place and insurance to mitigate the financial risk to the Charity.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

Investment Policy

HSBC Global Asset Management (UK) Ltd were appointed as the Charity's investment advisers on 9 December 2009. The Charity's funds are invested in the HSBC UK Income Portfolio which is defined as a "low risk" portfolio.

In 2015 an investment firm review was undertaken to ensure that HSBC Global Asset Management (UK) Ltd are still the most appropriate investment firm to manage the Charity's investments. Four investment firms, including HSBC, were asked to submit replies to a detailed questionnaire and attend interviews with a panel of two members of the Finance Team and two trustees. Following the investment firm review, HSBC Global Asset Management (UK) Ltd were retained as the Charity's investment advisers.

Overall the estimated income yield of the portfolio was 3.13% (£82k) and the fund was valued at £2.6m at 31 December 2015.

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. Our Research Grants Committee (RGC) reports to the Trustees on matters regarding the award and monitoring of grants through the Clinical and Scientific Committee. The availability of funding is advertised through our regular publications and website.

The Charity suspended awarding research grants in 2015, pending the review of the Charity's Research Strategy, due for launch in late 2016.

Reserves Policy

As at December 2015, total funds held by the Charity were £5.6m. This includes:

- £1.8m - freely available general funds
- £1.6m – Designated projects
- £1.9m - Tangible Fixed Assets – Camerton building net book value
- £0.25m – 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 reserves required by the Charity is £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 in the legacy income reserve and other income expansion reserve	£0.35m
Total General Reserve Target	£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 target level of £1.5m to total the £2.5m General Reserve Target.

As at December 2015, the Charity had freely available reserves of £1.8m which is in line with the reserves policy. It is comfortably above the £1m minimal level and no immediate mitigating action is needed to immediately grow the actual freely available general funds.

Plans for future periods

Strategic direction

In 2016 the Charity will review and agree our vision, mission and values to ensure they are fit for purpose from 2017. This will provide our brand platform.

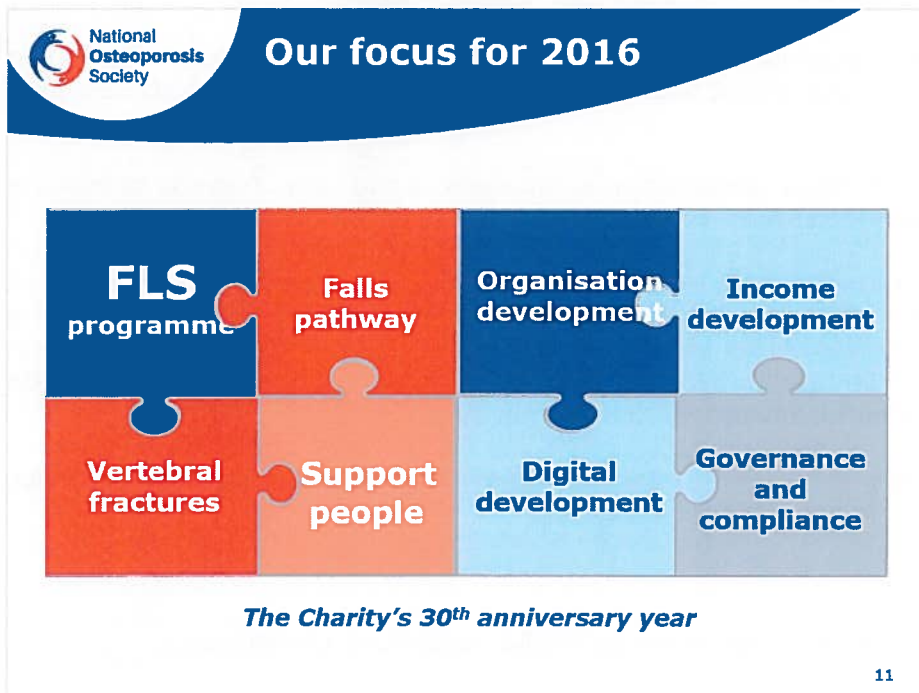
- Vision – what is our purpose and why we exist (within the social, economic and political environment);
- Mission – what we do and how it will be delivered (work towards vision);
- Values – the way in which we achieve mission / vision (our belief system; our culture)

Our strategic direction will not be drawn up from a blank sheet; there has been significant progress and there remains an important need for our work on 'preventing fractures' through FLS and in 'supporting people with osteoporosis'. However we need to revisit whether our vision and mission declarations adequately convey the Charity's current aims and whether our ambition is greater.

The Charity has already undertaken some good preparatory work, following on from the launch of the last organisational strategy (2013-2017) and in readiness for the next, including the Strategic aims and pathways workshop (facilitated by New Philanthropy Capital – NPC, 2014), Life with Osteoporosis Study (2014), NOS Engagement Event (July 2015), Strategy Workshop on Prevention of Osteoporosis, incl Falls (NPC, 2015) and *A Good Life with Osteoporosis* survey (2015).

The strategic direction needs to be agreed prior to three projects that need to run concurrently: 1) more in-depth strategic development (such as gap analysis and scoping of new work programme areas), 2) finalising the new Research Strategy that directs our research programme and 3) Brand Development. The new Strategic Direction document, ready for external use in early 2017, will set out the updated strategic declarations and outline the key component areas of focus from 2017 onwards, together with a narrative on the approach.

Our other organisational priorities for 2016 are illustrated below:



NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

Structure, Governance and Management

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

The leadership and delivery of the organisation's objectives is undertaken by a senior leadership team based at the Charity's registered office in Camerton, near Bath.

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 its 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.

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

In October 2015, Trustees initiated an internal review of its governance arrangements in response to sector-wide regulatory and legislative recommendations. Trustees want to ensure that the Charity is effectively demonstrating transparency and accountability and that Trustees have the appropriate level of support and development to discharge their duties. Our response to changing fundraising regulation is documented above, the wider governance review will conclude in 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.

NATIONAL OSTEOPOROSIS SOCIETY

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

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.

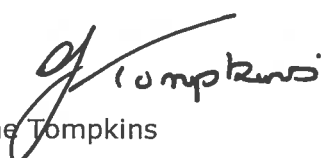
So far as each of the Trustees is aware at the time the report is approved:

- 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 26 May 2016.


Catherine Tompkins

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 2015 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

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 charitable company's affairs as at 31 December 2015 and of the group's and parent charitable company's net movement in funds, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and 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.

INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF

NATIONAL OSTEOPOROSIS SOCIETY

Matters on which we are required to report by exception

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

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

26 Red Lion Square
London
WC1R 4AG

26 May 2016.

NATIONAL OSTEOPOROSIS SOCIETY

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

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Restricted £	Unrestricted £	Total 2015 £	Total 2014 £
Income and endowments from:					
Donations and legacies	2	285,996	4,183,756	4,469,752	4,340,653
Other trading activities	3	-	168,420	168,420	128,630
Investments		-	94,101	94,101	96,051
<i>Charitable activities:</i>					
Education and awareness	4	-	69,183	69,183	356,300
Total		<u>285,996</u>	<u>4,515,460</u>	<u>4,801,456</u>	<u>4,921,634</u>
Expenditure on:					
Raising funds		6,928	854,234	861,162	980,637
<i>Charitable activities</i>					
Services to members, support groups and the general public		322,700	1,185,643	1,508,343	1,242,265
Communications & Policy		6,077	524,249	530,326	500,789
Education and Information Provision		5,450	1,133,843	1,139,293	1,176,311
Research	5	(13,096)	4,546	(8,550)	145,915
Total	6	<u>328,059</u>	<u>3,702,515</u>	<u>4,030,574</u>	<u>4,045,917</u>
Net income/(expenditure) before other recognised gains/(losses)	7	(42,063)	812,945	770,882	875,717
Net gains/(losses) on investments	10	-	15,448	15,448	67,944
Net income/(expenditure)		<u>(42,063)</u>	<u>828,393</u>	<u>786,330</u>	<u>943,661</u>
Total funds brought forward		300,200	5,643,293	5,943,493	4,999,832
Total funds carried forward		<u><u>258,137</u></u>	<u><u>6,471,686</u></u>	<u><u>6,729,823</u></u>	<u><u>5,943,493</u></u>

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the financial statements. The notes on pages 23 to 40 form part of these financial statements.


AS AT 31 DECEMBER 2015

	Notes	Group 2015 £	Charity 2015 £	Group 2014 £	Charity 2014 £
FIXED ASSETS					
Fixed Assets	9	1,925,086	1,925,086	1,984,965	1,984,965
Investments	10	2,557,102	2,557,103	2,565,199	2,565,199
		<u>4,482,188</u>	<u>4,482,189</u>	<u>4,550,164</u>	<u>4,550,164</u>
CURRENT ASSETS					
Merchandise Stock		16,944	2,854	-	-
Debtors	12	1,322,243	1,401,932	240,990	384,197
Short term deposits		-	-	-	-
Bank	13	1,708,115	1,614,638	2,283,355	2,090,679
		<u>3,047,302</u>	<u>3,019,424</u>	<u>2,524,345</u>	<u>2,474,876</u>
CURRENT LIABILITIES					
Creditors	14	<u>(799,667)</u>	<u>(771,789)</u>	<u>(1,131,016)</u>	<u>(1,081,547)</u>
NET CURRENT ASSETS					
		<u>2,247,635</u>	<u>2,247,635</u>	<u>1,393,329</u>	<u>1,393,329</u>
NET ASSETS					
	16	<u>6,729,823</u>	<u>6,729,824</u>	<u>5,943,493</u>	<u>5,943,493</u>
FUNDS					
Restricted funds	15	258,137	258,137	300,200	300,200
Unrestricted funds	15				
- Designated	15	3,539,923	3,539,923	3,283,050	3,283,050
- General	15	2,931,763	2,931,764	2,360,243	2,360,243
TOTAL FUNDS		<u>6,729,823</u>	<u>6,729,824</u>	<u>5,943,493</u>	<u>5,943,493</u>

The notes on pages 23 to 40 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board the Trustees on 26th May 2016 and were signed below on its behalf by:


Catherine Tompkins
Chair of Trustees


Frances Grigg
Treasurer

NATIONAL OSTEOPOROSIS SOCIETY

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Cash flows from operating activities	a	(647,271)	1,042,688
Cash flows from investing activities			
Dividends and interest		52,788	52,583
Purchase of property, plant and equipment		(4,302)	(52,478)
Purchase of investments		(819,241)	(410,395)
Proceeds from the sale of investments		842,786	427,568
Net cash provided by / (used in) investing activities		72,031	17,278
Change in cash and cash equivalents in the reporting period		(575,240)	1,059,966
Cash and cash equivalents at the beginning of the reporting period		2,283,355	1,223,389
Cash and cash equivalents at the end of the reporting period		1,708,115	2,283,355

NOTES TO THE CASH FLOW STATEMENT

a. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2015 £	2014 £
Net income for the reporting period	786,330	943,661
Depreciation charges	64,181	51,541
(Increase) in stock	(16,944)	-
(Increase) in debtors	(1,081,253)	(11,635)
(Increase) in creditors	(331,349)	179,648
Interest and Dividends	(52,788)	(52,583)
Gains / losses on investments	(15,448)	(67,944)
Net cash provided by / (used in) operating activities	(647,271)	1,042,688
b. ANALYSIS OF CASH AND CASH EQUIVALENTS	2015 £	2014 £
Cash at bank and in hand	1,708,115	2,283,355
Short term deposits	-	-
	1,708,115	2,283,355

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015) - (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.

Following the transition to FRS102 for the first time in 2015 all of the accounting policies have been aligned with the new accounting standard. There have been no material changes to the amounts, classification or presentation within the financial statements. The transition date was 1 January 2014. The most recent annual financial statements determined in accordance with the charitable company's previous financial reporting framework were prepared for the year to 31 December 2014.

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.

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) 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 (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.

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.

1. ACCOUNTING POLICIES (continued)

n) 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.

o) 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.

p) 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.

q) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

2. DONATIONS AND LEGACIES	Restricted £	Unrestricted £	Total 2015 £	Total 2014 £
Donations Received at Head Office	275,270	407,600	682,870	984,024
Donations Received by Support Groups	-	21,483	21,483	28,383
Legacies	8,000	2,864,640	2,872,640	1,954,636
Fundraising Events	2,726	368,726	371,452	823,602
Membership Subscriptions and donations	-	521,307	521,307	550,008
	<u>285,996</u>	<u>4,183,756</u>	<u>4,469,752</u>	<u>4,340,653</u>
3. OTHER TRADING ACTIVITIES	Restricted £	Unrestricted £	Total 2015 £	Total 2014 £
Advertising	-	23,911	23,911	22,130
Corporate Trading Income	-	122,315	122,315	90,590
Merchandise Sales	-	14,394	14,394	8,110
Property Income	-	7,800	7,800	7,800
	<u>-</u>	<u>168,420</u>	<u>168,420</u>	<u>128,630</u>
4. EDUCATION & AWARENESS	Restricted £	Unrestricted £	Total 2015 £	Total 2014 £
Conference	-	-	-	355,200
Training	-	69,183	69,813	1,100
	<u>-</u>	<u>69,813</u>	<u>69,813</u>	<u>356,300</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

5. RESEARCH	2015 £	2014 £
Bristol University	-	79,457
Sheffield University	-	58,087
2015 Bursaries	-	2,612
	<u>-</u>	<u>140,156</u>
Staff costs of managing grant making from Restricted Funds	13,500	13,500
Direct and allocated expenditure from Restricted Funds	12,021	6,515
Allocated support costs from Unrestricted Funds	4,546	6,672
Research accrual overstated from previous years	(38,617)	(20,928)
	<u>(8,550)</u>	<u>145,915</u>

No grants were made in 2015, although £220,054 expenditure was incurred against grants made in previous accounting periods, and was allocated against the carried forward accrual. An analysis of the expenditure is below:

EXPENDITURE	2015 £
South Tees Hospitals NHS Foundation Trust	2,470
Guys & St Thomas' NHS Foundation Trust	52,704
Surrey University	26,052
Newcastle University	3,075
Edinburgh University	26,522
Cambridge University	6,279
London School of Hygiene and Tropical Medicine	33,906
University of the West of England	8,112
Oxford University	27,846
Ulster University	7,068
Birmingham University	17,711
Sheffield University	8,309
	<u>220,054</u>

The allocated support costs to research in 2015 and 2014 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 2015

6. TOTAL RESOURCES EXPENDED

	Costs of generating voluntary income £	Services to members & general public £	Communications & policy £	Information HP training & helpline provision £	Research costs £	Support costs £	Total 2015 £	Total 2014 £
Staff costs (note 8)	432,866	752,215	379,673	707,693	13,500	119,061	2,405,008	2,047,030
Fundraising costs	265,945	8,075	-	-	-	-	274,020	356,759
Grants payable	-	-	-	-	(30,201)	-	(30,201)	119,227
Conference costs	-	-	-	7,377	-	-	7,377	220,724
Grants re-utilised	-	-	-	-	-	-	-	-
Charitable support activities	56,316	516,631	67,456	116,094	5,146	20,439	782,082	769,952
Irrecoverable VAT	29,436	51,154	25,820	48,127	918	8,097	163,552	133,232
Digital Development	9,670	63,963	-	-	-	-	73,633	-
Other IT costs	10,279	17,863	9,016	16,805	320	2,828	57,111	39,601
Depreciation	11,552	20,074	10,132	18,886	360	3,177	64,181	51,541
Audit and accountancy	-	-	-	-	-	20,150	20,150	19,850
Trustees' meetings and expenses	-	-	-	-	-	23,094	23,094	22,072
Interest payable and similar charges	7,436	12,921	6,522	12,157	232	2,045	41,313	43,468
Other	-	-	(1,327)	150,581	-	-	149,254	222,461
	823,500	1,442,896	497,292	1,077,720	(9,725)	198,891	4,030,574	4,045,917
Support costs	37,662	65,447	33,034	61,573	1,175	(198,891)	-	-
	861,162	1,508,343	530,326	1,139,293	(8,550)	-	4,030,574	4,045,917

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

6. TOTAL RESOURCES EXPENDED (continued)

Total support costs were £198,891 (4.9 % of total expenditure) compared to £444,423 in 2014 (11.0% of total expenditure). These costs have been allocated to each activity based on estimated staff numbers as follows:

	2015	2014
Costs of generating funds	18.5%	22.7%
Services to members, support groups and the general public	32.3%	32.2%
Communications and Policy	16.3%	17.8%
Education and Information provision	32.3%	26.5%
Research	0.6%	0.8%

7. NET INCOMING RESOURCES

This is stated after charging/crediting:

	2015	2014
	£	£
Interest and bank charges payable	41,313	43,468
Depreciation	64,181	51,541
Trustees' reimbursed expenses	5,026	1,983
Auditors remuneration:		
- Audit – charity excluding VAT	16,000	16,000
- Audit – trading company excluding VAT	2,700	2,100
- Other	1,450	1,450
Operating lease rentals:		
- Equipment	5,493	5,221
	<u>41,313</u>	<u>43,468</u>

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	2,036,279	1,743,923
Social security costs	189,932	166,443
Pension contributions	174,525	130,164
Redundancy and termination payments	4,272	6,500
	<u>2,405,008</u>	<u>2,047,030</u>

Total staff costs

The emoluments of higher paid employees fell within the following ranges

	2015	2014
	No.	No.
£60,001- £70,000	2	1
£80,001- £90,000	1	1
£90,001- £100,000	1	1
	<u>4</u>	<u>3</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

8. STAFF COSTS AND NUMBERS (continued)

The key management personnel comprise the senior management 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:

	2015	2014
Salaries including Employers National Insurance	420,528	398,047
Pension	43,248	42,751
Total	463,776	440,798

The average estimated number of employees (full-time equivalent) during the year was:	2015	2014
	No.	No.
Fundraising	12	9
Services to members and general public	18	14
Communications and Policy	10	9
Education and Information Provision	14	10
Research	-	-
Support and governance	3	8
	<u>57</u>	<u>50</u>

The average total number of staff employed in the period was 56.6; including full time staff of 40 (2014: 38) and part time staff of 16.6 (2014: 12).

During the year reimbursed expenses amounting to £5,026 (2014: £1,983) were paid to 11 Trustees.

Total donations of £872 were received from Trustees in the year (2014: £Nil).

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

9. TANGIBLE FIXED ASSETS

GROUP	Building Improvements £	Freehold £	Equipment £	Total £
Cost				
At beginning of the year	1,662,609	725,198	362,478	2,750,285
Additions	-	-	4,302	4,302
Disposals	-	-	-	-
As at 31st December 2015	1,662,609	725,198	366,780	2,754,587
Depreciation				
At beginning of the year	232,071	229,965	303,284	765,320
Depreciation	33,252	11,504	19,425	64,181
Disposals	-	-	-	-
As at 31st December 2015	265,323	241,469	322,709	829,501
Net Book Value				
As at 31 December 2015	1,397,286	483,729	44,071	1,925,086
As at 31 December 2014	1,430,538	495,233	59,194	1,984,965
CHARITY				
Cost				
At beginning of the year	1,662,609	725,198	362,478	2,750,285
Additions	-	-	4,302	4,302
Disposals	-	-	-	-
As at 31 st December 2015	1,662,609	725,198	366,780	2,754,587
Depreciation				
At beginning of the year	232,071	229,965	303,284	765,320
Depreciation	33,252	11,504	19,425	64,181
Disposals	-	-	-	-
As at 31st December 2015	265,323	241,469	322,709	829,501
Net Book Value				
As at 31 December 2015	1,397,286	483,729	44,071	1,925,086
As at 31 December 2014	1,430,538	495,233	59,194	1,984,965

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

10. INVESTMENTS	Group 2015 £	Charity 2015 £	Group 2014 £	Charity 2014 £
Listed investments				
Market value at the start of the year	2,490,611	2,490,611	2,395,426	2,395,426
Additions at historic cost	844,900	844,900	454,426	454,426
Disposals	(842,786)	(842,786)	(427,185)	(427,185)
Realised gain/(loss)	1,431	1,431	(1,027)	(1,027)
Unrealised gain/(loss)	14,017	14,017	68,971	68,971
Market value at the end of the year	2,508,173	2,508,173	2,490,611	2,490,611
Other investments				
Capital Account HSBC Global Asset Management Ltd	48,929	48,929	74,588	74,588
Equity investment in group undertaking				
NOS Trading Limited	-	1	-	1
Total Investments	<u>2,557,102</u>	<u>2,557,103</u>	<u>2,565,199</u>	<u>2,565,199</u>
			2015 £	2014 £
Historic cost at the year end			<u>2,351,334</u>	<u>2,299,382</u>
Investments comprise:				
UK equities			944,968	1,063,401
Overseas equities			392,251	454,394
UK fixed interest gilts			450,024	390,912
Overseas fixed interest gilts			463,587	265,814
Alternative Investments			<u>257,343</u>	<u>316,090</u>
			2,508,173	2,490,611
Capital Account HSBC Global Asset Management Ltd			<u>48,929</u>	<u>74,588</u>
Total Investments - Group			<u>2,557,102</u>	<u>2,565,199</u>
Investments representing over 5% by value of the portfolio				
130,204 Charities Property Fund			152,182	138,836
128,988 HSBC Asset Mgt Common for Income			155,431	158,268
427,070 HSBC Global Asset Mgt Common for Growth			714,061	703,811
HSBC Global Asset Mgt Corporate Bonds			193,764	-
JP Morgan Asset Mgt Global High Yield Bond			171,707	-
Schroder Unit Trusts UK Alpha Income Z Inc			-	250,009

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

11. SUBSIDIARY UNDERTAKINGS

A summary of the results of National Osteoporosis Trading Limited for the year ended 31 December 2015 is shown below:

	2015	2014
	£	£
Turnover	144,395	461,611
Cost of sales	(13,480)	(220,724)
Gross profit	130,915	240,887
Administrative expenses	(66,020)	(29,674)
Operating profit	64,895	211,213
Interest receivable	493	491
Profit on ordinary activities	65,388	211,704
Gift aid to parent undertaking	(65,388)	(211,704)
Retained profit carried forward	-	-

The aggregate of the assets, liabilities and funds was:

Assets	158,710	321,212
Liabilities	(158,709)	(321,211)
Funds	1	1

12. DEBTORS

	Group	Charity	Group	Charity
	2015	2015	2014	2014
	£	£	£	£
Trade Debtors	44,791	42,241	74,623	22,328
Other Debtors	1,183,351	1,182,968	99,618	64,191
Prepayments	94,101	50,088	66,749	66,749
Due from trading subsidiary	-	126,635	-	230,929
Total	1,322,243	1,401,932	240,990	384,197

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

13. CASH AT BANK AND IN HAND	Group 2015 £	Charity 2015 £	Group 2014 £	Charity 2014 £
Head office	1,575,849	1,482,372	2,148,546	1,955,870
Support groups	132,266	132,266	134,809	134,809
Total	1,708,115	1,614,638	2,283,355	2,090,679

14. CREDITORS	Group 2015 £	Charity 2015 £	Group 2014 £	Charity 2014 £
Trade Creditors	113,002	112,887	191,203	120,225
Taxation & social security	58,344	62,396	60,186	49,858
Other creditors	39,850	39,850	13,982	52,601
Accruals	561,246	556,356	852,099	846,617
Deferred income	27,225	300	13,546	12,246
Total	799,667	771,789	1,131,016	1,081,547

Deferred income	Group £	Charity £
At start of period	13,546	12,246
Amounts released to income	(13,546)	(12,246)
Amounts deferred in year	27,225	300
	27,225	300

Deferred income relates to 2016 conference and Virgin Marathon deposits received in advance.

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

15. MOVEMENT IN FUNDS

	At 1 January 2015 £	Transfers £	Incoming Resources £	Outgoing Resources £	At 31 December 2015 £
Restricted funds					
Nurses Appeal	83,169	-	51,729	(104,932)	29,966
Publications	3,149	-	8,800	(5,879)	6,070
Regional Operations - England, Scotland, Wales & Northern Ireland	133,749	-	34,450	(120,504)	47,695
Research Grants	54,716	-	122,967	(23,277)	154,406
FLS Portsmouth	-	-	-	-	-
FLS Project	5,417	-	65,550	(70,967)	-
Website	20,000	-	2,500	(2,500)	20,000
Total restricted funds	<u>300,200</u>	<u>-</u>	<u>285,996</u>	<u>(328,059)</u>	<u>258,137</u>
Unrestricted funds					
<i>Designated funds</i>					
Camerton Building	1,925,771	-	-	(44,756)	1,881,015
FLS Project	393,279	769,000	-	(277,484)	884,795
2015 Projects	964,000	(964,000)	-	-	-
Digital Development	-	160,000	76,000	(73,633)	162,367
Leadership Development	-	25,000	-	(17,667)	7,333
Strategic Development	-	10,000	-	(9,587)	413
2016 Projects	-	-	604,000	-	604,000
<i>Total designated funds</i>	<u>3,283,050</u>	<u>-</u>	<u>680,000</u>	<u>(423,127)</u>	<u>3,539,923</u>
General funds	<u>2,360,243</u>	<u>-</u>	<u>3,850,908</u>	<u>(3,279,388)</u>	<u>2,931,763</u>
Total unrestricted funds	<u>5,643,293</u>	<u>-</u>	<u>4,530,908</u>	<u>(3,702,515)</u>	<u>6,471,686</u>
Total funds	<u><u>5,943,493</u></u>	<u><u>-</u></u>	<u><u>4,816,904</u></u>	<u><u>(4,030,574)</u></u>	<u><u>6,729,823</u></u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

15. MOVEMENT IN FUNDS (continued)

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.
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.
<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 in 2015 have been designated to our FLS Project, and will be utilised over a 3 year period.
Digital Development	Designated funding to be utilised over a 2 year period (2015 and 2016) 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 be utilised over a 2 year period (2015 and 2016) to build staff engagement with a focus on developing the wider leadership team. In particular, 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 2015

15. MOVEMENT IN FUNDS (continued)

Strategic Development

Designated funding for 2015 to scope the next major focus of the charity support model including: holding a workshop event (i.e. World Café) to engage employees, trustees & other key stakeholders. In addition, support the initial development and writing up of workshop ideas.

2016 Projects

Further designations were made by the Trustees at year end in order to fund projects commencing in 2016. These include Developing our Strategic Direction and Brand, Testing our Organisational Design, Reviewing our Model of Support, Focus on Vertebral Fractures as part of our Fracture Prevention Programme, Campaigns to build Charity Awareness and Workforce growth and development.

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Restricted Funds £	Designated Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	1,881,015	44,071	1,925,086
Investments	-	-	2,557,102	2,557,102
Current assets	258,137	1,658,908	1,130,257	3,047,302
Current liabilities	-	-	(799,667)	(799,667)
Net assets at the end of the year	<u>258,137</u>	<u>3,539,923</u>	<u>2,931,763</u>	<u>6,729,823</u>

17. RELATED PARTY TRANSACTIONS

There are no related party transactions.

18. OPERATING LEASE COMMITMENTS

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

	Equipment	
	2015 £	2014 £
Not later than 1 year	1,860	6,614
2 – 5 years	7,438	1,361
	<u>9,298</u>	<u>7,975</u>
19. SUPPORT GROUPS	2015	2014
	£	£
Income from:		
Donations	22,265	28,383
Membership/fundraising events	39,968	44,922
Other income	52,824	58,818
Total income	<u>115,057</u>	<u>132,123</u>
Expenditure on:		
Fundraising and publicity	7,135	8,991
<i>Charitable expenditure</i>		
Costs in furtherance of charitable objects	96,830	114,358
Support costs	13,635	16,073
Total expenditure	<u>117,600</u>	<u>139,422</u>
Net income/(expenditure)	(2,543)	(7,299)
Total funds brought forward	<u>134,809</u>	<u>142,108</u>
Total funds carried forward	<u>132,266</u>	<u>134,809</u>

NATIONAL OSTEOPOROSIS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

19. SUPPORT GROUPS (continued)

In 2015, 74 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 £14,914 (2014: £18,075) 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:

	2015 £	2014 £
Restricted funds	17,446	19,188
Designated funds	21,319	30,816
Unrestricted funds	93,501	84,805
Total funds	<u>132,266</u>	<u>134,809</u>

20. CAPITAL COMMITMENTS

At 31 December 2015, there were no commitments for capital expenditure (2014: £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 2015

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	Restricted £	Unrestricted £	Total 2014 £
Income and endowments from:			
Donations and legacies	517,270	3,823,383	4,340,653
Other trading activities	-	128,630	128,630
Investments	-	96,051	96,051
<i>Charitable activities:</i>			
Education and awareness	-	356,300	356,300
Total	<u>517,270</u>	<u>4,404,364</u>	<u>4,921,634</u>
Expenditure on:			
Raising funds	7,941	972,696	980,637
<i>Charitable activities</i>			
Services to members, support groups and the general public	61,097	1,181,168	1,242,265
Communications & Policy	6,244	494,545	500,789
Education and Information Provision	305,684	870,627	1,176,311
Research	139,285	6,630	145,915
Total	<u>520,251</u>	<u>3,525,666</u>	<u>4,045,917</u>
Net income/(expenditure) before other recognised gains/(losses)	(2,981)	878,698	875,717
Net gains/(losses) on investments	-	67,944	67,944
Net income/(expenditure)	<u>(2,981)</u>	<u>946,642</u>	<u>943,661</u>
Total funds brought forward	303,181	4,696,651	4,999,832
Total funds carried forward	<u><u>300,200</u></u>	<u><u>5,643,293</u></u>	<u><u>5,943,493</u></u>