

Charity Registration Number: 1144342 (England and Wales); SC043576 (Scotland)
Company Registration Number: 07790071 (England and Wales)

NARCOLEPSY UK

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT and STATEMENT OF FINANCIAL ACTIVITY

FOR THE YEAR ENDED 31ST DECEMBER 2016

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Trustees Report

The Trustees present their report and accounts for the year ended 31st December 2016, which are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Objectives and Activities

Narcolepsy UK's objectives continue to be to provide relief and aid to those persons suffering from narcolepsy.

Our principal activities to achieve these objectives are:

- The promotion and organisation of conferences and exhibitions relating to narcolepsy and its effects.
- The promotion and/or assistance in promoting and carrying out research, surveys and investigation into narcolepsy and its effects.
- Creating the funding strategies that make this work possible.
- Arranging and providing exhibitions, meetings, lectures, classes and training courses.
- Collecting and distributing information via our publication "Catnap" and the Narcolepsy UK media portfolio comprising website, Facebook, Twitter and social media generally.

The objectives of those activities for the year and Narcolepsy UK's achievements against them are summarised under the heading of Achievement and Performance.

Our vision to help provide a world where narcolepsy is understood and people with narcolepsy have the support they need to ensure that their rights are upheld and that they have the same opportunities as others in society.

We will deliver our objectives by:

- Raising professional, political and public awareness and understanding of the needs of people with narcolepsy, their families and carers,
- Campaigning to influence the policies of legislators and funding bodies,
- Delivering relevant sustainable services that satisfy the needs of people with narcolepsy, their families and carers,
- Providing information and practical support to people with narcolepsy, their families and carers, either directly, in partnership with others or through facilitating and supporting the work of other organisations,
- Supporting research into the effects and management of narcolepsy.

We seek to work in partnership with those who share our vision and mission.

Our strategic aim is to achieve all this through a combination of fundraising, continuing dialogue with politicians, medical professionals, other patient groups across the European Union in particular and a variety of projects.

Since 2010 over 900 people have attended Narcolepsy UK conferences nationwide. In 2016 229 people attended Narcolepsy UK national conference in Manchester as against 151 in 2014 a 52% increase in attendees.

In 2016:

- Our Facebook page recorded 2087 followers in January 2016 and 2251 in December 2016 a +7% increase;
- the helpline supported 390 individuals and assisted in winning disability benefits worth £255,866 over the lifetime of the awards;
- 164 people joined 16 local networking support and meetings nationwide;
- we were helped by 63 volunteers involved in everything from fundraising to leaflet design.

Additional community fundraisers for Narcolepsy UK brought in a total of £12,740.

Public Benefit

In reviewing the objectives of the charity, the Trustees are aware of the guidance issued by the Charity Commission on public benefit and consider that they are complying with that guidance.

To aid supporters and those who take an interest in the charity to understand what is planned for 2017 a section detailing activity for the coming year is later in this report.

Achievements and Performance

The aims of the charity as set out in the last report are stated below, with information on whether these core activities were met.

Hold a national Conference in 2016

In 2016 a move to Manchester was made again due to increasing numbers and delegate suggestions for location. A good mix of presentations by professionals and peers led to an interesting and varied programme, combining clinical perspective with practical advice and assurance.

Families and friends were able to share experiences, which reinforced our view that a combination of both a diverse and structured conference programme with adequate provision for informal chats and peer support is vital for our community.

Update the information packs and leaflets available to our supporters

The Trustees have worked hard to create a new website with a much cleaner design making it easier to read and providing many documents by PDF download in order that clients may easily access information to pass on to educational establishments, employers, and family. This has significantly reduced costs of paper documents, postage and staff time.

The new website has been very well received.

Increase the awareness and profile of Narcolepsy UK

With encouragement from our Volunteer Co-ordinator and increased awareness of the charity and the valuable work it does, we have developed an increased level of small, community fundraising events contributing unrestricted funding and raising awareness. £12740 was raised in this way. Without a physical office space, we have struggled historically to satisfy demand for products such as T-shirts as it was uneconomical to purchase in bulk, store and distribute in sufficient quantity. We are planning to satisfy this demand in the future with product lines advertised and purchased from our website and supplied directly via 3rd party suppliers who will reciprocate with a small % donation to the charity for each purchase. This has not materialised and we believe the 3rd Party business model may not be sustainable. Alternatives are being explored for the future.

In 2016 the level of supporter donations and sponsored fundraising continued significant growth this growth will be encouraged and built upon in 2017.

Narcolepsy UK has made increasing use of social media to outline it's activities and those of supporters - in all instances the remit is to increase awareness amongst the general population, particularly in the fields of education and work and benefits.

The charity continues to work with a number of Facebook groups and with large numbers of followers to draw attention to Narcolepsy UK and it's services, advocacy, website and advice helpline. 2016 saw the launch of a new website, fully integrated with our other social media platforms.

SKYPE is being promoted as a means of delivering information and training without incurring cost.

Twitter usage is growing and is something to promote more in 2017.

Achievements and Performance continued

Update the charity website

Narcolepsy UK remains on page one of all the leading search engines without the use of optimisation and is usually in the top three for all the main narcolepsy "header" searches. The site is updated with news and information as regularly as possible within current funding and resource levels, the current operators of the website being people with narcolepsy.

Narcolepsy UK is proud to report that persons with narcolepsy developed and implemented the new website which went live in 2016.

Re-invigorate the Narcolepsy UK branch network

Local Meet Ups continue to play an important role in the drive to encourage people with narcolepsy and their families to meet together to share experiences and, especially for children, to normalise their illness.

Fundraising

The aims of the charity as set out in the last report are stated below, with information on whether these core activities were met.

Aim to make giving easier

The creation of the incorporated charitable company and the change in bankers to the Charities Aid Foundation meant that during 2016 it was possible to attract funding from more varied sources, utilising CAF's Not-For-Profit sector experience and on-line functionality.

We continue to listen to the voice of supporters and their requirements for fundraising events, and have supported events run by others.

Narcolepsy UK has also become far more proactive in supporting and encouraging people to raise funds on behalf of the charity utilising ideas which interest and enthuse them and which will also raise awareness in more diverse sectors of the community

We continue to rely heavily on generous donations and legacies we receive from our supporters, but have been proactive in focusing on increasing income by the simplest means possible.

As for other charities, we continue to look for opportunities to maintain and grow our income stream. Personal sponsorships are hugely important to Narcolepsy UK as we see funding from Trusts and other organisations become increasingly challenging to secure, despite our best endeavours.

Electronic Giving and Payment Functionality

Give As You Earn (GAYE) schemes have been promoted, as well as Everyclick, PayPal and eBay - options to download "Give As You Live" internet links that generate a % income from supporters' transactions with many on-line retailers.

TEXT giving was added in 2015. A DONATE button is now available on the new website.

Financial Review

Financial Review and Results for the year:

The Statement of Financial Activity reflects all incoming resources receivable in the period irrespective of when the income is spent. The Trustees are satisfied with the results for the period.

Achievements and Performance continued

Reserves policy and going concern

Free reserves available for use by Narcolepsy UK are deemed to be those that are readily realisable, less funds whose uses are restricted or designated for particular purposes.

Narcolepsy UK introduced a policy relating to reserves. Unrestricted assets should be apportioned between an "operating reserve" held to cover six months' cash flow, and then a "capital reserve" to be held against future liability to expenditure.

The operational reserve should hold liquid assets (cash or near cash), the total of which should equate to a least six months' cash flow. However this is not always possible requiring careful management of available funds during critical periods and sourcing new income streams. In the medium term the Trustees believe that all activities should be self-funding and any additional income should be placed in a free reserve whose policy should be to maximise income.

With income, the major risk is of a decline in Trust-related income particularly due to economic or other factors leading to both declining legacy values and reduced donations. This is something which has been and will continue to be addressed on a daily basis. Alongside this more project related funding will be sourced.

The present range for operating reserves remains at £50,000. The actual sum has diminished significantly this year however careful budgets for 2017 along with plans to source new income streams are intended to put the charity back on a more even footing next year. As with many charities the economy has impacted upon income rather more than expenditure yet is anticipated that additional Community Fundraising will come online over the next 12 months to bolster day to day overheads. The Trustees believe that most prudent course remains building charitable activities in the first instance before building up a free reserve.

The Trustees have reviewed the circumstances of Narcolepsy UK and consider that adequate resources continue to be available to fund the activities of the charity in the medium term. The trustees are of the view the charity is a going concern.

Plans for the Future

Narcolepsy UK has continued to offer witness support for both individual test cases and the overall class action in support of both children and adults presenting with narcolepsy after the H1N1 Swine Flu 'Pandemrix' vaccination in 2009 - 2010.

In January 2016, our Chair provided extensive evidence for another First Tier Tribunal Vaccine Damage Payment Act 1979 case. The issue at hand was whether the client met the at least 60% disabled threshold. The tribunal found in favour of the claimant, awarding the maximum £120,000.

In light of the above success, we have continued to support people with narcolepsy by assisting legal firms pursuing individual civil liability claims against GlaxoSmithKline (GSK), under the Consumer Protection Act 1987, for injury claims and loss caused by the Pandemrix vaccine.

Our chair has attended a Parliamentary Debate seeking to change the timings for Vaccine Damage Payment Act 1979 to protect those vaccinated with Pandemrix after the UK Governments' cut off date for qualification under the Act.

As a member of The European Narcolepsy Network, we have continued our co-operation with expert clinicians and patient organisations across the EU. Narcolepsy UK continues to support both parents and carers of young people and families of persons affected along with schools and employers, as well as housing providers to suggest suitable adjustments for clients.

We have remained closely in touch with other EU patient organisations and continue to share knowledge and best practice across all aspects of narcolepsy clinical treatment, individual management and access to rights and benefits. Our Chair presented to The European Narcolepsy Network Meeting in Helsinki and our Operations Manager reported on the support we provided to schools.

Plans for the Future continued

In April we provided input England Specialised Services Clinical Commissioning Policy on Sodium Oxybate for symptom control of narcolepsy with cataplexy (children).

In May we provided supporting evidence to challenge NHS England over unlawful drug discrimination and a rare mandatory order was made by the High Court on behalf of a teenager.

We worked with the Neurological Alliance on their Neurology Patient Experience Survey.

Our Operations Manager was shortlisted for The National Diversity Awards 2016, we supported a client to take part in Rescue Dogs to Super Dogs on Channel 4.

Regretfully, in August we supported the family of a fellow narcolepsy sufferer when the Inquest into her death was held in Stamford.

National Conference 2016 in Manchester brought bigger numbers again, superb speakers, more breakout sessions and praise from attendees.

Our 'Safe Swim' Project started buoyantly but sank when it failed to gain funding through lack of support.

In November Chair of Trustees, Matt O'Neill, attended the NHS England AGM on behalf of all persons with narcolepsy; as well as presenting at the Swedish Narcolepsy Association Conference.

The charity supported a business paper seeking to provide quality sleep services in Wales.

Chair Matt O'Neill appointed to Board of Trustees of Neurological Alliance, England.

Finally in December a visit was made to the European Health Commissioner in Brussels to discuss support for all persons with narcolepsy in the European Union.

We continue to provide valuable services on behalf of parents to schools throughout the UK explaining more clearly the variable nature of this illness and helping create special accommodations to help young people reach their full potential.

Furthermore we have trained advisors to visit educational establishments and provide support to staff and pupils to raise awareness of the illness and create better understanding of the help required.

What is planned for 2017

2017 brings new challenges to establish greater awareness of narcolepsy within the UK as a whole by promoting the charity wherever possible in news stories on Television and Radio, as well as National and Regional newspapers. By supporting persons in obtaining medication and appropriate schooling a small charity has an enormous impact. This support will continue in 2017.

The Trustees reach out to people in England through our National Conference, in Scotland by providing a Conference in either Edinburgh or Glasgow, and by Regional Meetings in North and South Wales to accommodate difficulties in travel. N Ireland is also being investigated for funding to provide services there as this is an area which has not been actively pursued in the past.

Reference and Administrative Details

Company Number:	07790071	
Charity Number:	1144342	
Scottish Charity Number:	SCO43576	
Principal Address:	PO Box 701 Huntingdon Cambs PE29 9LR	
Registered Office:	c/o Prentis & Co LLP 115c Milton Road Cambridge CB4 1XE	
Independent Examiner:	Nigel A Prentis FCA Prentis & Co LLP 115c Milton Road Cambridge CB4 1XE	
Bankers:	Royal Bank of Scotland 747 Attercliffe Road Sheffield S9 3RF	CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Directors and trustees:	The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:	
Trustees:	Edmund Coates Jennifer Taylor (resigned 11th April 2017) Tim Kavanagh Hugh Davies-Webb Matthew O'Neill Stephen Jones Edward Nicholls (appointed 19th September 2016)	
Chair:	Matthew O'Neill	
Company Secretary:	Nicola Rule	

Structure, Governance and Management

Narcolepsy UK was incorporated as a Company Limited by Guarantee (07790071) on 28th September 2011 and registered as a charity in England and Wales (1144342) on 19th October 2011. The charitable company commenced charitable activities on 9th January 2012 when it took over the assets of the unincorporated association Narcolepsy UK (326361).

On 17th October 2012 the unincorporated charity (326361) was amalgamated with the charitable company (1144342), thus creating one legal entity.

On 20th November 2012 Narcolepsy UK received Scottish Charitable Status (SCO43576).

Brief History

Narcolepsy UK originated in 1983 as UKAN, an unincorporated association governed by a constitution. On 13th December 2009 the name of the charity was changed to Narcolepsy UK. The Board continues to acknowledge Dorothy Hand as Founder of the charity.

Appointment of trustees

The Board of Trustees is responsible for the overall governance of the charity. Trustees are either elected or co-opted and the total number of Trustees may not exceed 12. The majority of Trustees and the Chair of the charity are required by the constitution to be diagnosed narcoleptics. The Trustee Board tries to maintain a balance between clerical, clinical and other specific skill sets while retaining the requirements of the constitution. This does make recruiting of active Trustees difficult yet has the positive result that a considerable number of Trustees have first-hand knowledge of this chronic neurological condition.

Trustees induction and training

New Trustees receive an induction pack containing detailed information about the charity, its organisation and its work. They are then invited to spend time liaising with current Trustees and employees to familiarise themselves with the activities of the charity in order to prepare themselves for effective and informed decision-making. As part of the induction process all prospective Trustees are invited to attend at least one Trustee meeting as an observer. Under its governing document Narcolepsy UK appoints Trustees for fixed terms not exceeding three years, at the end of which they must retire, but are then eligible for reappointment. Trustees collectively have a portfolio of interests which contribute to the overall operations of Narcolepsy UK.

Organisation

Trustees are required to meet at least four times per year. Regular Skype calls are also made to allow for low-cost administration and decision-making. These meetings include the AGM and three other Board meetings where Trustees review strategy and performance and set operating plans and budgets.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Pay Policy for senior staff

The directors consider the board of directors, who are the Charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors expenses and related party transactions are disclosed in note 4c to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

Employees and Pensions

Employees

Narcolepsy UK aims to be an organisation where employees enjoy a sense of fulfilment and where they feel supported and developed. Employees are kept fully informed about its strategy and objectives as well as day-to-day news and events. Regular information is available through briefings and meetings. All employees are encouraged to give their suggestions and views on performance and strategy.

Narcolepsy UK supports equal opportunities with a policy of recruitment and promotion on the basis of aptitude and ability. The charity pursues both the employment of disabled people whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed. We are committed to the training, career development and promotion of all employees.

Volunteer Co-ordinator, Liam Sloan who was appointed following advertising the role through the network of supporters and two persons short-listed. The role was awarded to Liam Sloan, himself a narcoleptic who underwent training and now sources and engages new volunteers to work on specific roles within the charity. Further funding has allowed this valuable role to continue.

The charity created the role of Operations Manager and Nicola Rule was appointed to oversee, support and develop all services. Nicola is also the parent of a, now adult, person with narcolepsy and has had an interest and close association with the illness for over 20 years.

The Helpline continues to be extremely well used and Rebecca Malone continues to support many people with complex queries, especially relating to Benefit claims for financial support. Being a parent of a young person with narcolepsy gives Rebecca a vital insight into the trials of this chronic illness.

Pensions

A defined contribution pension scheme has been set up by the charity and will begin operation in 2017.

Corporate Governance

Processes are in place to ensure that expenditure, performance and progress are monitored and that appropriate management information is prepared and reviewed regularly by the Board of Trustees. The systems of internal control are designed to provide reasonable assurances against material misstatement or loss. They include:

- A strategic planned annual budget approved by the Trustees
- Regular consideration by the Trustees of financial results, variances from budgets and non-financial performance indicators
- Delegation of day-to-day management authority
- Identification and management of risks

A revised Strategic Plan for the next three years has been adopted following increasing numbers of diagnoses and increasing calls for assistance. This new Strategic Plan will build on the work already delivered and reflect a vision which acknowledges the UK's current financial profile and how this may impact upon small charities, thus ensuring Narcolepsy UK recognises its continued need to maximise value for money.

Risk Management

The Trustees recognise that, like other organisations and charities, Narcolepsy UK is exposed to risk. The Trustees are satisfied that they have systems in place or are putting systems in place that mitigate exposure to risk.

Business-as-usual operations and policy implementation are delegated to the employees of the charity, supported by the Board of Trustees.

Trustees' Responsibilities in relation to the financial statements

The Charity's Trustees (who are also directors of Narcolepsy UK for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

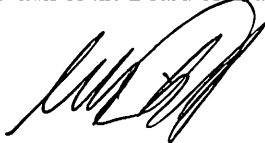
Company law requires the charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board of Trustees



Matthew O'Neill, Chair

28th September 2017

INDEPENDENT EXAMINER'S REPORT

To the Trustees of Narcolepsy UK

I report on the accounts of the Trust for the year ended 31st December 2016, which are set out on pages Statement of Financial Activities 13 to 20.

Respective Responsibilities of Trustees and Examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) or under Regulation 10 (1)(a) to (c) of The Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations) and that an independent examination is needed. The charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005) Act
- to follow procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- to state whether particular matter have come to my attention

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

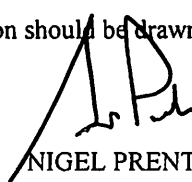
Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006 and section (44(1)(a) of the 2005 Act and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006, section (44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations and
- which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


NIGEL PRENTIS FCA
FOR AND ON BEHALF OF
PRENTIS & CO LLP
CHARTERED ACCOUNTANTS
& INDEPENDENT EXAMINERS

Statement of Financial Activities

Incoming and Outgoing Resources

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	3a	23686	8328	32014	75035
Charitable Activities	3b	17768	-	17768	28286
Investments	3c	72	-	72	170
TOTAL INCOME AND ENDOWMENTS		41526	8328	49854	103491
EXPENDITURE ON:					
Raising Funds	4a	10923	-	10923	11370
Charitable Activities	4b	66868	19108	85976	99146
TOTAL EXPENDITURE		77791	19108	96899	110516
NET EXPENDITURE		(36265)	(10780)	(47045)	(7025)
Transfers Between Funds	8	-	-	-	-
Net Movement in Funds		(36265)	(10780)	(47045)	(7025)
Total Funds Brought Forward		59670	18672	78342	85367
Total Funds Carried Forward		23405	7892	31297	78342

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Balance Sheet

	Note	Total 2016 £	Total 2015 £
CURRENT ASSETS			
Debtors	6	1287	1050
Cash at Bank and in Hand		32658	82576
Total Current Assets		<u>33945</u>	<u>83626</u>
LIABILITIES			
Creditors Due within one Year	7	2648	5284
NET ASSETS		<u>31297</u>	<u>78342</u>
FUNDS OF THE CHARITY			
Unrestricted Funds			
General Funds		(28710)	7555
Designated Funds			
Large Legacies and Donations		52115	52115
Restricted Income Funds		7892	18672
TOTAL FUNDS	8	<u>31297</u>	<u>78342</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its income or expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

Approved by the trustees on 28th September 2017 and signed on their behalf by

.....
MATTHEW O'NEILL
DIRECTOR AND CHAIR

Statement of Cash Flows

	Note	Total 2016 £	Total 2015 £
Cash used in operating activities	10	(49990)	(4495)
Cash flows from investing activities			
Interest from investments		72	170
		<hr/>	<hr/>
Decrease in cash and cash equivalents in the year		(49918)	(4325)
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		82576	86901
		<hr/>	<hr/>
Total cash and cash equivalents at the end of the year		32658	82576
		<hr/>	<hr/>

Notes to the Accounts

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared 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 (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Companies Act 2006, The Charities Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

Narcolepsy UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The charity reported a cash outflow of £47045 for the year and with recurring deficits being made, the medium to long term future of the charity is of concern, although the trustees are working at finding more funding whilst cutting costs.

The current reserves held are adequate to cover any deficits made over the next 24 months and on this basis the charity is a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Notes to the Accounts continued

f) **Expenditure and Irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of their associated support costs.
- Expenditure on charitable activities includes the costs of conferences and fundraising and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities.

h) **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

i) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) **Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 **Legal status of the Trust**

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Notes to the Accounts (Continued)		Unrestricted	Restricted	Total	Total
3.	Income and Endowments from:	Funds	Funds	2016	2015
		£	£	£	£
3a	Donations and Legacies				
	Donations	22686	-	22686	16662
	Legacies	-	-	-	3034
	Grants	1000	8328	9328	55339
		<u>23686</u>	<u>8328</u>	<u>32014</u>	<u>75035</u>
		Unrestricted	Restricted	Total	Total
		Funds	Funds	2016	2015
		£	£	£	£
3b	Charitable Activities				
	Conference	5028	-	5028	5173
	Fundraising	12740	-	12740	23113
		<u>17768</u>	<u>-</u>	<u>17768</u>	<u>28286</u>
		Unrestricted	Restricted	Total	Total
		Funds	Funds	2016	2015
		£	£	£	£
3c	Investments				
	Bank Interest	72	-	72	170
		<u>72</u>	<u>-</u>	<u>72</u>	<u>170</u>
		Unrestricted	Restricted	Total	Total
		Funds	Funds	2016	2015
		£	£	£	£
4	Expenditure on:				
4a	Raising funds				
	Staff costs	10893	-	10893	10974
	Other costs	30	-	30	396
		<u>10923</u>	<u>-</u>	<u>10923</u>	<u>11370</u>
			Support and	Total	Total
		Charitable	Governance	2016	2015
		Activities	Costs	£	£
		£	£	£	£
4b	Charitable Activities				
	Advocacy Services	21643	-	21643	21703
	Bookkeeping	-	1505	1505	1500
	Research grant	2000	-	2000	-
	Catnap	-	-	-	6089
	Conferences and meetings	14282	-	14282	8454
	Independent Examiners fees	-	2232	2232	2160
	Local and regional support	7648	-	7648	9994
	Office and miscellaneous	-	5230	5230	5093
	Printing and stationary	-	3095	3095	536
	Staff costs	-	17730	17730	17587
	Telephone and fax	-	835	835	1028
	Training	-	1059	1059	499
	Trustee expenses	-	3630	3630	5261
	Website development and maintenance	5087	-	5087	19242
		<u>50660</u>	<u>35316</u>	<u>85976</u>	<u>99146</u>

Notes to the Accounts (Continued)

4c	Staff Costs	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	Salaries and Employers NIC	54147	-	54147	53878
	Pension costs	-	-	-	-
		<u>54147</u>	<u>-</u>	<u>54147</u>	<u>53878</u>

The average number of employees during the year was 4 full time equivalent (2015: 4 full time equivalent) with all employee time involved in providing either support services to charitable activities or support to the governance of the charity.

The charity trustees were not paid or received any other benefits form employment with the charity in the year (2015: £nil).

The trustees had reimbursed expenses for the year of £3630 (2015: £5261).

No employee received more than £60000 in the year (2015: none)

5 Independent Examiners Remuneration

The independent examiners remuneration constituted an independent examiner fee of £2232 (2015: £2160)

6	Debtors	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	Prepayments	1287	-	1287	1050
		<u>1287</u>	<u>-</u>	<u>1287</u>	<u>1050</u>

7	Creditors: Amounts falling due within one year	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	Other creditors and accruals	2648	-	2648	5284
		<u>2648</u>	<u>-</u>	<u>2648</u>	<u>5284</u>

8 Reconciliation of movement of funds by funds

	Opening Balances £	Incoming Resources £	Resources Expended £	Closing Transfers £	Closing Balances £
Unrestricted funds					
General fund	7555	41526	77791	-	(28710)
Designated Funds					
Large legacies and donations	52115	-	-	-	52115
Restricted Funds					
Local and Regional Support	18672	8328	19108	-	7892
Total Funds	<u>78342</u>	<u>49854</u>	<u>96899</u>	<u>-</u>	<u>31297</u>

Notes to the Accounts (Continued)

8a Designated Funds

Names and Purposes of Designated Funds

Large Legacies and Donations Fund (LLandD Fund)

The purpose of this Designated Fund is to allow the charity to avoid situations in which the occasional receipt of a large legacy or donation significantly inflates the charity's reserves. Such situations can distort the charity's priorities for meeting its charitable objects and lead to the charity taking on commitments which are not sustainable once those legacy/donations funds have been exhausted.

By holding such monies in a Designated Fund from which they can be released back into the charity's reserves in a controlled manner over a period of time the charity is better able to ensure that it generates the maximum sustainable public benefit from its resources.

8b Narcolepsy UK has no Permanent or Expendable Income Restricted Funds.

8c Names and Purposes of Restricted Funds

Local and Regional Support

These funds have been donated specifically to allow the charity to provide support and information services within a particular region, both through enabling the creation and development of local volunteer/supporter sub-groups which are better able to focus on local needs and through the provision of a local and regional support infrastructure to ensure that such groups operate efficiently and effectively in a co-ordinated manner to the highest standards.

9 Analysis of Net Assets Between Funds

The fund balances at 31st December 2016 are represented by:

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Current Assets				
Cash at bank	(27349)	52115	7892	32658
Debtors	1287	-	-	1287
Creditors: Due within one year	(2648)	-	-	(2648)
	<u>(28710)</u>	<u>52115</u>	<u>7892</u>	<u>31297</u>

10 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	Total 2016 £	Total 2015 £
Net movement in funds	(47045)	(7025)
Deduct interest from investment activities	(72)	(170)
Increase in debtors	(237)	(424)
(Decrease)/increase in creditors	(2636)	3124
Net cash used in operating activities	<u>(49990)</u>	<u>(4495)</u>

2016 Supporters, Trusts and Foundation

The Albert Hunt Trust
The Barbour Foundation
The Company of Actuaries
Foundation Scotland
The Freemasons' Grand Charity
The James Tudor Foundation
The Fulmer Charitable Trust
Gamma Trust
Lillie C Johnson Trust
The Lynn Foundation
May Hearnshaw Charity
The Reuben Foundation
Scottish Government's Adult Learning & Empowering Communities
Sylvia and Colin Shepherd Charitable Trust
The Tory Family Foundation
Webmart