

COMPANY REGISTRATION NUMBER 2920581

**THE PSP ASSOCIATION
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
30 JUNE 2008**

Charity Number 1037087

THE PSP ASSOCIATION
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 30 JUNE 2008

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**THE PSP ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

| | |
|--|--|
| Registered charity name | The PSP Association |
| Charity number | 1037087 |
| Company registration number | 2920581 |
| Trading address | PSP House 167 Watling Street West Towcester Northants NN12 6BX |
| Registered office | United Scientific House 215 Vauxhall Bridge Road London SW1V 1EJ |
| Secretary | Gerald Kirby |
| The Executive Committee Chairman of Trustees: | Brigadier Michael R Koe OBE |
| Chief executive (non Trustee): | Mrs Jane Hardy FCIB |
| Trustees | Ms H J Bellingham Mr N Down Mr J A Fenwick Mr P B Glithero FCA Mr R C Kirby Mr J M Koe Mr S R Koe Prof. A J Lees MD, FRCP Lady F D Turner Mr A G Tusa Mr C R M Kemball |
| The Medical Advisory Panel: Chairman: | Prof. A J Lees (UK) |
| Members: | Prof. Y Agid (France) Prof. L Golbe (USA) Prof. I Litvan (USA) Prof. Dr. W Poewe (Germany/Austria) Prof. N Quinn (UK) Prof. S Reich (USA) Prof. M Rosser (UK) Prof. E Tolosa (Spain) Prof. N Wood (UK) Prof. D Burn (UK) Dr. P Damier (France) |

**THE PSP ASSOCIATION
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Honorary member: Dr. J Steele (Canada/Guam)

Associate member: Dr. D Machado (Portugal)

**Medical co-ordinator
Europe:** Dr. P Pramstaller (Italy)

Auditor Harris & Co
Chartered Accountants
& Registered Auditor
2 Pavilion Court
600 Pavilion Drive
Northampton Business Park
Northampton
NN4 7SL

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TRUSTEES' REPORT

OVERVIEW

The Trustees, who are also Directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 30 June 2008. **References and administrative details are shown in the schedule of members of the board and professional advisers on pages 1 and 2 of the financial statements.**

CONTENTS. The Trustees' Report consists of four interrelated Sections.

Section 1 - SORP Headings

- Structure, Governance and Management
- Objectives and Activities
- Achievements and Performance
- Financial Review
- Plans for Future Periods

Section 2 - Chairman's Statement

- Financial Review
- Risk Assessment Statement

Section 3 - The Chief Executive's (CEO'S) Report:

- Progressive Supranuclear Palsy (PSP) and the Formation of The PSP Association
- The PSP Association's Mission and Business Plan Statements
- Progress Report on Research
- Progress Report on Support
- Progress Report on Awareness and Fundraising

Section 4 - Treasurer's Report

- Trustees
- Trustees' Responsibilities
- Auditor

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Structure, Governance and Management

General

The PSP Association is a charitable company limited by guarantee, incorporated on 19th April 1994 and registered as a Charity on 27th April 1994. It was established under a Memorandum of Association. This lays down the objects and powers of the company governed under its Articles of Association. In the event of the company being wound up, Members are required to contribute an amount not exceeding £1.

The structure, governance, mission and objectives of the Charity are set out more fully in its Memorandum and Articles of Association.

Governance

The Directors of the Company are also Charity Trustees for the purposes of Charity law and under the company's Articles are known as Members of the Executive Committee. The Charity is governed by this Committee, whose Members are elected to serve for a period of three years after which, if they wish, they can offer themselves for re-election for a further period at the next Annual General Meeting. The Executive Committee consists of a minimum of five and maximum of fifteen Members and the serving Chief Executive.

Trustees

Our Trustees are all high calibre professionals, selected from a wide range of experience and background, including necessary business and medical skills with a mix of appropriate Charity skills relevant to the PSP Association, the majority of who have served as Trustees for at least five years. All have undergone induction briefings by the Chairman and/or Chief Executive. Regular skills audits are carried out to ensure there is an adequate coverage of skills across the Board. Selection is by invitation to those recommended to The Association through a variety of channels, whom the Chairman and/or Chief Executive identify as having the potential to fill skill gaps; and who are prepared to volunteer their services. CVs and other details are then circulated to all Trustees and a vote is taken at the subsequent AGM. Successful candidates are then appointed as new Trustees.

It must be pointed out that identification of suitable and willing candidates to become Trustees is becoming ever more challenging, as responsibilities and work load required of volunteer unpaid high grade personnel, often already working in stressful jobs, continue to grow. The continued recruitment of such effective Trustees with necessary skills to drive the Charity forward and meet all the increasing reporting demands of SORP 2005 is a concern shared by many charities.

Management

The Charity's financial year runs from 1st July to 30th June the following year. The Executive Committee meets twice a year in June and November, in London, the latter followed by its Annual General Meeting. In addition, two Sub Committee Meetings are held in March and November at the PSP Association Headquarters in Northamptonshire. A Financial Sub Committee consisting of the CEO, Treasurer and Financial Controller also meet quarterly to review investments and the Charity's financial position set against budget plans. Minutes of Sub Committee meetings are copied to all Trustees.

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The PSP Association Decision Making Process

The decision making process of the Charity is driven by Trustees' Biannual Meetings, at which the Charity's annual budget, research commitments and business plan, are reviewed, together with "one-off" tabled agenda items. The reserves policy, salaries and fees, etc. are reviewed by the Trustees annually as a matter of good governance.

The CEO has delegated powers under which the day-to-day business of the Charity is managed.

Investment Policy

The PSP Association's investment policy evolves in line with prevailing economic conditions and is monitored by the Association's Financial Sub Committee and approved by Trustees. This policy seeks to ensure necessary funds are always available to meet budgeted and forecast outgoings and minimum reserve levels by holding a balanced investment to provide:

- immediate access with 'going rate' interest for sufficient funds to meet immediate drawdown requirements
- a higher level of interest on funds committed but not immediately required
- a prudent mix of interest and growth on these funds/reserves not yet committed

To achieve the above objectives the Charity has appointed Rathbones Investment Management Stockbrokers to manage our investment portfolio.

Objectives and Activities

The Mission of the PSP Association is the conquest of PSP (including Cortico Basal Degeneration [CBD], which is either a variant or closely related neurodegenerative disease). The objectives and activities of the Association are described fully in Section 3 of this report.

Achievements and Performance

In another outstanding year of growth, the 'Achievements and Performance' of the PSP Association against budget are outlined in the Chairman's Report in Section 2; and are set out in detail in the Chief Executive's Report at Section 3. In summary, both achievements and performance have well exceeded the challenging targets set.

Financial Review

The FY 2007/08 was another very successful period in the Association's growth and development which although achieved at the expense of increased costs in operation of some £235,000 over budget was fortuitously matched by additional, "over budget" income of £284,000.

As mentioned above Research remains one of the key priorities for the Association and in FY 2007/08, a total of £432,000 was expended, an increase of some 35% over the previous FY and well in excess of the budgeted figure of £332,000. There is a continuing commitment to fund new research into the cause, effective treatment and eventual cure of PSP, subject to availability of funds.

As stated in last year's Report, expenditure on awareness, particularly amongst relevant health and welfare professionals – remains the key priority for the Charity. In this regard it had been hoped to increase the number of Development Officers [D/O's]; however, due to financial constraints, our plan

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to recruit additional D/O's has been put on "hold" for the time being. The work undertaken by the Development Officers has been a major factor in raising awareness of PSP amongst these professionals, which in turn has led to an increase in the number of patients and families contacting us for help.

Plans for Future Periods

The Association's Five Year Business Plan recognises the need to draw on our reserves to fund our planned growth over the term of the plan and this subject is addressed in more detail elsewhere in this Report. The Chief Executive's Report outlines for FY 2008/09 budgeted expenditure by specific areas and key elements of our growth plan. The Charity moved in June 2007 into its new and larger premises in Towcester and has settled in there as a national and international Charity, continuing to evolve from a small team led by its founder into a much larger and more decentralised organisation, with four key Directorates covering:

- Care & Support
- Research
- Information & PR
- Fundraising

In line with the Trustees' plan, the founder of the Charity handed over (in November 2007) to a new Chief Executive. Notwithstanding the change in executive leadership and the move to new premises last summer, the development of the Charity has continued at a significant pace. This includes, for example, development of the European dimension of the Charity's work supporting much needed pan European research and clinical drug trials, and website support for afflicted families across the Continent become a reality.

Although the founder of the Charity stood down as CEO, it is good to be able to report that a high degree of continuity has been retained as he has continued his involvement with the Charity by becoming the Chairman of Trustees, on handing over as Chief Executive at the last AGM.

Meanwhile the Charity continues to focus on:-

- Research, promoting and sponsoring clinical drug trials to identify a drug to moderate the progress of this devastating disease;
- Information & support, continuing to develop and widen the scope of our Carers Information Pack and other information tools; and in providing support through our Nurse Specialists; and
- Awareness, engendering greater awareness of PSP amongst relevant health and welfare professionals and the general public at large, particularly across the UK.

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SECTION 2 - CHAIRMAN'S STATEMENT

Financial Review and Risk Assessment

Overview

After some eight years in the rent-free outbuildings provided by the Koe Family Trust at Wappenham, our fast growing Charity was able to move to considerably larger offices in Towcester, in June 2007, thanks to a generous legacy.

Our investment in a highly desirable office in Central Towcester not only gives the Charity long term security of tenure and no rent at a time of economic uncertainty, but also provides an un-mortgaged asset on which we can draw on in an emergency. This provides additional comfort in assessing risk (see below).

In addition to this one-off spend in 2007, we set a target of a budgeted cash deficit for this Financial Year as part of our plan to 'grow the Charity', to enable it to cope with increasing numbers of PSP afflicted families requiring support, and to enable us to continue to invest in our key priority of raising awareness of this disease, particularly amongst relevant health and welfare professionals.

Risk Assessment Statement

Following the November 2006 Trustees' Meeting, I, as the then Chief Executive, together with the Treasurer and Financial Controller, put together for Trustees a three year cash flow forecast to enable the latter to assess the risks involved in the Charity's rapid growth. This meant balancing the very healthy cash reserves against the need to recruit more staff and invest more in our three main objectives of research, support and awareness; as well as taking on the major expenditure of purchasing our new offices. The analysis matched well with the Business Plan projection put together by the PSP Association staff and gave confidence to Trustees to endorse the proposed developments, including additional research, further staff recruitment and the office purchase, which was then completed on 2nd January 2007.

The Trustees' continued aim has been to draw down on the Charity's reserves from the then current level of over 12 months of the following year's budgeted expenditure, initially to the Trustees' agreed policy of not less than six months, and then, as outlined in the five year Business Plan, by end FY 2007/08, to a minimum of four months; thereby bringing the Charity in line with other comparatively sized voluntary organisations.

These reserves were built up by the work of our fundraising team, by the generous grant of some £400,000 donated by the October Club to the PSP Association as their Charity of the Year in October 2004 and by the impressive work of our Major Fundraising Appeals Committee, chaired by Lord Coe KBE over the subsequent three years.

We recognise the need to publicise our committed expenditure plans to encourage and stimulate the essential continued fundraising and income growth we need if the Charity is to continue to move at least at its current speed towards its objectives. A summary of our planned expenditure for FY 2008/09 is accordingly outlined below:

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| | | | |
|---|----------------|--------|---------------------|
| - | Research | 32.4% | £361,000 |
| - | Support | 22.7 % | £252,000 |
| - | Awareness | 20.2% | £225,000 |
| - | Fundraising | 19.8% | £220,000 |
| - | Administration | 4.9% | £54,000 |
| - | Total | 100% | £1,112,000 ----- |

Final Comments

My change in role from CEO to Chairman of Trustees was, as I expected, not an entirely painless experience, bearing in mind my deep involvement with the Charity since its inception in 1994. However, the dynamic new initiatives of my impressive and capable successor as Chief Executive and the Charity's continued rapid development have been ample compensation for any loss of personal control of the day to day evolution of what I then tended to regard as 'my baby'.

Finally, it is good to be able to report that the Charity has continued to grow exponentially toward its main objectives, particularly in the development of its strategic focus on awareness raising of PSP and CBD; though it should be noted that such growth will continue to depend on continued success in fundraising in an increasingly hostile financial environment.

Brigadier Michael R Koe, OBE
Chairman, The PSP Association

19th November 2008

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SECTION 3 - CHIEF EXECUTIVE'S REPORT

PSP and the Formation of The PSP Association

Overview

This Annual Report covers the Association's Financial Year from 1st July 2007 to 30th June 2008. It was always going to be a challenging year for the Association after our enormously successful year FY 2006/07 and so it has proved to be; however, it is good to be able to report that there have been some key successes, not least those in relation to raising awareness of PSP and CBD, one of which was through the launch of our "Afternoon Tea for PSP" initiative in April, which generated a significant amount of media coverage in the Press, Radio and on Television. It is estimated that we reached a new audience well in excess of one million people. We have also launched a new category of "subscriber" that of "A friend of PSP", whereby people are able to make regular monthly donations to our Charity. The plan is to develop this so that it generates a sustainable line of income in the coming financial year.

The number of those with PSP joining the Association has continued to rise sharply through the year. To be able to provide the necessary information and support, to increase the level of research and to meet our current priority objective of raising awareness amongst the relevant health and welfare professionals we have commissioned a new web site which is scheduled to go live in the autumn of 2008.

What is Progressive Supranuclear Palsy?

Progressive Supranuclear Palsy is a neurodegenerative disease, involving the progressive death of neurons (nerve endings) in the brain (mainly in the brain stem and basal ganglia). This degeneration usually starts, for reasons not yet fully understood, just above the nuclei - hence 'supranuclear'. The nuclei is the area in the brain controlling balance, movement, vision (particularly upgaze and downgaze), speech and ability to swallow; hence the main progressive symptoms of the disease.

Although PSP is a very individual disease and progresses at different speeds and different ways with different people, as it moves to its final stages, a patient is likely to be wheelchair bound, tube fed, on 24/7 care and unable to communicate with the world around, but with intellect largely intact. There can be behavioural changes in character, caused by the disease, which makes PSP an even tougher disease to handle. It is a very individual disease. Average life expectancy is some seven years from onset, but with good care patients can live on a plateau for much longer.

Today, the position remains that tragically there is not only no cure for this disease, but even worse...no treatment. Recent research confirms a prevalence [i.e. total number of diagnosed cases] across the UK of some 6.4 per 100,000 of population (that is circa 4,000 living patients), though leading neurologists believe that, due to misdiagnosis and non-diagnosis, the actual figure is much higher. As the incidence [i.e. number of people diagnosed annually] is 5.3 :100,000 over the age of 50, this gives circa 1200+ annually. On the basis that the disease from visible clinical onset to death is 7 years and that neuro degeneration is already symptomatically present at least one year earlier, this means at least 10,000 are living with PSP at any one time [based on an 8 year incidence figures], of whom at least 6,000 are mis or non diagnosed at any one time. Even taking the lower figure, PSP is now recognised as being at least as common, as well as at least as devastating a neurodegenerative disease as its far better known 'cousin' Motor Neurone Disease (MND).

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PSP was first described by three neurologists, Steele, Richardson and Olszewski – after whom the disease is sometimes called, with the acronym SRO, in 1964. Before then, it was generally considered to be a form of Parkinson's Disease, which it mimics in its early stages, and continued to be tucked away in its shadow, anyway until Dudley Moore courageously revealed in 1999 that he had PSP, from which he sadly died in 2002. Likewise, the late Nigel Dempster, [Journalist and Broadcaster] did much to help to raise awareness of PSP before his early tragic death from PSP in July 2007.

PSP is still, even now, sometimes referred to as Parkinson's Plus, although the two diseases are clinically, biologically and pathologically quite distinct and different, with different treatments and different prognosis. Despite this, some 30% of PSP patients joining the PSP Association have previously been diagnosed as having Parkinson's Disease. Likewise, many are misdiagnosed as having Alzheimer's, MND, Multiple System Atrophy or a stroke, as these conditions are currently often very difficult to differentiate from PSP. Particularly in the early stages of these conditions clinical observation is the only means available on which to base a diagnosis today. There are no blood or fluid tests and MRI scanning is still insufficiently accurate to be used other than to support a clinician's diagnosis. Pathological examination is still the only sure means of confirming the accuracy of a diagnosis today, although in vivo diagnostic 'markers' are being researched with encouraging results. As these scanning techniques and proteomics and the knowledge of the workings of the brain advance, the differences between neurological diseases, their diagnosis, prognosis and pathology are becoming clearer and such markers may soon be available to support clinician's diagnoses.

Cortico Basal Degeneration (CBD)

CBD is a closely related 'tauopathy' to PSP. Indeed, some scientists consider that PSP and CBD are just but one disease, with variations in symptoms. (Neuro degenerative diseases, such as Alzheimer's, PSP and CBD are sometimes collectively called tauopathies, for, in each of these, a protein called 'tau' is deposited in tangles in the brain, as the disease progresses). Because CBD is rarer than PSP The PSP Association, in January 2000, extended its 'umbrella' to include CBD afflicted families; whose numbers are insufficient to be able to have their own Association. We now send out literature, including our new Carers Information Pack (CIP) and provide support through our Nurses and Support Groups for such families. Throughout this report, readers should note that CBD is intended to be included when PSP is mentioned and in the cover we offer PSP afflicted families.

The PSP Association

The Association was first registered as a Charity and company limited by guarantee by Sara and Michael Koe in April 1994, after the former was tragically diagnosed as having PSP. They set up the Association, with the help of influential friends, because of their concern over the isolation and despair of afflicted families coping with a brain disease, for which there was (and still is) no effective treatment and no cure; in which there appeared, at that time, to be little interest from the medical profession or the general public. This was partially because of the 'then-believed' comparative rareness, obscurity and difficulty of diagnosis of this disease. Sadly, Sara died from PSP in January 1995, since when the Association she helped to form has continued to grow remarkably in size and capability.

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The PSP Association's Mission and Business Plan Statements

Mission Statement

The mission of the PSP Association is the conquest of PSP (and CBD hereinafter subsumed within the title PSP) through effective research, education, welfare and communication. Key objectives are to:

- Promote and sponsor research worldwide into the cause, effective treatment and eventual cure of PSP
- Provide information and support to afflicted families across Europe
- Engender awareness of PSP, amongst relevant health and welfare professionals and the general public at large, mainly across the UK

Business Plan Statement

At their June 2007 meeting, Trustees approved a new five-year Business Plan put together by the PSP Association staff, to provide conservative guidance for forward planning from inclusive FY 2007/08 to FY 2011/12. This plan is based on two main assumptions: an annual growth of expenditure of some 7% and an annual increase in funds raised of 10%. This is very much in line with previous performance. The plan predicted a reduction in 'excess' reserves to six months of the following years' expenditure, as set by Trustees as a minimum level, by end FY 2007/08. In reality the reserves proved to be almost "spot-on" at 6.4 months expenditure at the start of the financial year 08/09.

In line with the plan stated in last year's report and accounts, a decision was taken at the November 2007 Trustees' Meeting for The PSP Association to formally adopt a level of reserves of other medium size charities reducing from the current level of six months of the following year's expenditure to a minimum reserve of four months.

Progress Report on Research

Ongoing Research

General

The Mission of The PSP Association cannot be achieved without effective research into the cause, treatment and eventual cure of PSP; and progress in this is vital to sustain the hopes of PSP afflicted families. Promotion and sponsorship of research into PSP, within our means, is therefore crucial to our aim. There is, however, a financial balance that Trustees regularly need to reappraise, based on the annual overall Association income and careful risk analysis, not only of what the Charity can afford to sponsor in the way of research, but in the priority and likelihood of success of each piece of the proposed research.

The PSP Association is now spending well over £300,000 annually on research (in reality some 35% of its total annual income) and since it was formed in 1994, it has spent, up to the end of June 2008, a total of well over £2 million in this area. These sums have mainly been provided to sponsor Research Fellows and Research Assistants, selected by Peer Review Processes, using the Association of Medical Research Charity's (AMRC's) guidelines. Applicants are sought worldwide through advertisements in medical journals. The PSP Association, both through its Medical Advisory Panel and directly, works closely with its US sister Charity, CurePSP and other bodies, in coordinating

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research expenditure worldwide. The Association pays basic salaries of selected Fellows and Assistants, quarterly in arrears, with Universities and Institutes picking up all other costs. Consequently, this research not only provides very good value for money, but also leverages research funding from governmental agencies, by encouraging selected researchers to take a particular interest in PSP throughout their careers, and provides the catalyst to awareness amongst relevant professional bodies of both the disease and the Association. We have, for example, successfully pump-primed two separate pieces of research (by Dr Huw Morris and by Dr Rohan de Silva in the genetics field into PSP), each 'picking up' a Medical Research Council Award for over £1 million.

Over the fourteen years of the PSP Association's existence, we have followed a carefully orchestrated research plan, monitored by our Medical Advisory Panel. Our initial programme involved:

- collection and collation on Reference Manager of all existing research into PSP worldwide
- sending out questionnaires to PSP patients/carers
- sponsoring a UK wide prevalence study into PSP
- holding our first International Medical Workshop attended by leading scientists in the field from around the world (we held our sixth this year)

This programme led to a genetic study, which identifies the tau gene on chromosome 17 as being involved in the development of the disease. Subsequent research into the tau gene has identified that the H1 haplotype (one of its sub-genes) is a necessary but not sufficient condition to develop PSP. This means that as over 50% of the UK population carries this gene, over 50% of the UK population is predisposed to suffer from PSP. Meanwhile pathological examination of brain tissue identified the areas of brain (such as the Pedunculo Pontine Nucleus) where there had been observable shrinkage. A clinician's difficult early differential diagnosis of PSP can now be supported (and the actual progress of the disease itself measured) and may well soon be able even to be confirmed, using these emerging MRI scanning techniques. Until recently, the effectiveness of treatments could not accurately be measured and a firm diagnosis can still only be made after the disease is well advanced, when repair becomes increasingly difficult.

As the disease advances, neuro fibrillary tangles of the protein tau are formed in the brain. These contain an excess of phosphate (i.e. they are hyper-phosphorylated). Research into these sites and the search for enzymes which can reduce the level of phosphate are in progress. Following this line of research, trials on transgenic mice in the USA have shown some drugs, such as lithium, have succeeded in 'slowing' this disease. This is an exciting step in the progress toward drug trials, though mice are not people and lithium itself is a highly toxic drug. Careful tolerability trials (now planned) will be needed before it can be used in a clinical drug trial.

This report on PSP sponsored research concludes by highlighting:

- the coordination of research into PSP across the UK at the Sara Koe PSP Research Centre
- ongoing PSP Association sponsored research
- research committed by Trustees before the end of the FY, but not yet begun
- the role of the new post of Director of Medical Awareness and Research

Coordination of Research across the UK at the Sara Koe PSP Research Centre

The Association committed, from April 2002, a sum of £100,000 per annum, rising with inflation (currently £135,000, a figure confirmed by Trustees each year for the following two years) toward the

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Sara Koe PSP Research Centre (SKRC) at the Institute of Neurology in London, the first such Centre in the world, sponsored by the Association and opened by our Patron, HRH The Duchess of Gloucester, GCVO. The Centre's main function is coordination of research worldwide into PSP. It is co-located at the now refurbished building at 1 Wakefield Street with the Queen Square Brain Bank (donated brains from PSP patients are collected and collated at the former and stored at the latter as a key resource for use in research) and with the Reta Lila Weston Institute of Neurology which moved from Windeyer Street also to be co-located in the refurbished building, all under the direction of Professor Andrew Lees, who chairs our Medical Advisory Panel. This co-location provides crucial critical mass for PSP research.

Research Committed prior to and during FY2007/2008

The research committed prior to and during FY 2006/07 was highlighted in the Report and Accounts for our year ending 30th June 2007. At that time £146,000 was still outstanding from earlier years and would require settlement during the following financial year. The Budget for FY 2007/08, including for the Sara Koe PSP Research Centre (SKRC) was £332,000. A brief update of the committed projects is listed below.

SKRC - London Area

A further grant of £130,000 was allocated for FY 2007/08 to cover the basic salaries of the Administrator, Research Technician and Research Fellow there (in lieu of £100,000 plus inflation). Some £29,000 of this is still outstanding.

Reta Lila Weston Institute (RLWI) of Neurology - London Area

Dr Rohan de Silva, Dr David Williams and Ms Kate Strand, a technician, started work in September 2004 on a three year Research Project into genetic classification of PSP in Post-mortem brains at the SKRC and The PSP Association allocated £82,000 towards this, which has all now been paid.

Institute of Neurology - London Area

Dr Gavin Giovannoni and Ms Connie Luk started in 2005 a three year Research Project into Cerebrospinal Fluid (CSF), using proteomics to identify a biomarker for PSP. The PSP Association allocated £114,251 of which some £27,000 gross is still outstanding, of which £18,000 is carried forward.

King's College - London Area

Dr Diane Hanger and Ms Selina Wray started working in October 2004 on a three year Research Project into the link between tau phosphorylation and PSP at a cost to the Association of £33,300 of which £8,400 is still outstanding.

RVI - Newcastle

Dr Margaret Piggott started in April 2006 a two year Research Project into the Pedunculo Pontine Tegmental Nucleus (PPN) and the Cholinergic Receptors. The PPN is, in layman's term, the control centre between the two halves in the brain. The cost to the Association was £80,000 of which some £6,100 is still outstanding.

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School of Medicine, Cardiff University

Dr Huw Morris started on 1st September 2005 a one year pilot study of cis- acting control of tau gene expression. The cost to the Association was £31,701 which has all now been paid.

School of Medicine, Cardiff University

Dr Huw Morris in Cardiff started work on Assays in late 2006 following his pilot study above, to look into how to suppress phosphate over-expression in tau by the H1(a) haplotype of the gene, with a view to identifying what drugs might safely achieve this. He was granted £93,000 for research, over three years, of which £57,000 gross remains but nothing is to be carried forward.

London - SKRC

Professor Tarek Yousry focussed on post mortem imaging, particularly on areas like the Subthalamic Nucleus (STN), where shrinkage of brain tissues over time was particularly marked in PSP. Using high powered scanners (up to 9.4 Tesla), the intention of the research was to compare images obtained thereby radiologically, in much sharper detail than hitherto, and compare these images with results obtained histologically, thereby seeking to provide a mean of differential diagnosis and of monitoring the effects of drugs on PSP in clinical drug trials. It was expected that such research would enable in vivo MRI scanning to become more effective and lead to its use on a diagnostic marker for earlier and better diagnosis. He sought funding to cover the cost of a Research Fellow and 40% of a Physician's post. He would arrange separately to cover the cost of the scanning itself and the histological workup. His research would cost the PSP Association £132,000 over three years of which £77,000 remains gross outstanding and £43,000 net to be carried forward.

London KCL

Dr Diane Hanger for a further one year's extension of funding for her technical assistant, Selina Wray. Current funding by the PSP Association runs out in September 2007 for continued research into neuro fibrillary tangles of tau and tau fragments. This research would cost some £47,450. Trustees agreed to a sum of £32,200 to cover Selina Wray's basic salary as a contribution toward this research, of which £19,000 remains outstanding to be carried forward.

RVI - Newcastle

Dr Margaret Piggott to complete her research into cholinergic dysfunction resulting from degeneration of the Pedunculo Pontine Nucleus (PPN) in the brain. Due to delays in the major refurbishment of the laboratory and in provision of required brain tissue, the project was three months behind schedule. Trustees agreed to a sum of £9,148 to enable the work to be extended by three months the sum remains outstanding.

From the above and re new research arrears below, a total of some £149,000 has been carried forward for payment in FY2008/09 and beyond. This slippage is normal and caused by the delay in Universities forwarding quarterly invoices for settlement

New Research

At the Trustees' November 2007 Meeting, additional new research as presented below had been approved :-

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Newcastle University

David Burn has been granted £12,552 by the Charity in order to do pilot research of PSP and CBD patients' tolerability of lithium. If this is successful it will launch larger studies to examine the clinical benefits of lithium. The full sum remains outstanding, with £6,276 being carried forward.

Oxford University

Richard Wade Martin was granted £25,000 over two years in order to research Haplotype regulation of alternative splicing of the MAPT locus. This has been jointly funded with Cure PSP in the States. It aims to identify the genetic differences in the tau gene resulting in some people being more likely to suffer from PSP than others. £25,000 gross remains outstanding with £12,500 carried forward.

France

Drs Philippe Damier and Pascal Derkinderon have been granted £12,500 to purchase valproic acid drugs in order to research tolerability and the neuro protective effect of this in people with PSP, over two years. The full sum remains outstanding and has been carried forward.

Support from Donor Trusts

The amount of research sponsored by the PSP Association has grown rapidly thanks to the generous support we have been given by Donor Trusts, Corporates and other Supporters. We wish, in particular, to acknowledge the generous support of The Freemasons' Grand Charity toward the Research Project The PSP Association sponsored at Cardiff University, investigating tau gene expression in PSP. This support was in the form of a grant, over two years, of £30,000.

The Role of The PSP Association's Director of Medical Awareness and Research

The PSP Association recruited a part time Director of Medical Awareness and Research (DMAR) from September 2007 to:

- direct and coordinate the Association's promotion and sponsorship of research into PSP working closely with Professor Andrew Lees, Chairman of Medical Advisory Panel; following the Association of Medical Research Charities (of which the PSP Association is a member) guidelines
- lead on the Associations development of media awareness, writing 'top down' articles in relative umbrella association's journals.

However, in order to maximise the benefit of our new web site, which remains in development, much of the DMAR's time has been spent on preparing research reference material which can be accessed by those needing to obtain this information.

Conclusion

Taking account of ongoing slippage, new committed research and that in the pipeline, a figure for expenditure for FY 2008/09 has been calculated of some £408,000; however because of historical

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“carry forward” trends the budget has been set at £325,000. This is in line with our recent Five Year Business Plan; and the maintenance of at least 30% of incoming funds on research into PSP.

Progress Report on Support

Number of People with PSP across the UK

PSP remains a difficult disease to diagnose, particularly early in its progression. Even later in the disease, one of its sub-types can closely mimic Parkinson’s Disease; and PSP is still often misdiagnosed as Alzheimer’s, Motor Neurone, Multiple System Atrophy, Lewy Body Disease or a stroke. Until an effective diagnostic marker can be designed, perhaps from blood samples or from cerebro-spinal fluid, the clinician is often faced with a very difficult diagnosis. Post-mortem analysis indicates that a clinician is doing well to achieve a better than 95% accuracy in diagnosis

It is not surprising therefore, that PSP is often misdiagnosed and is believed to be heavily under-diagnosed. Recent research confirms an incidence of at least 5.3 per 100,000 of the population over the age of 50 and prevalence of 6.4 per hundred thousand, giving a figure of some 4,000 living diagnosed patients across the UK. Leading neurologists feel this is a considerable understatement of actual figures, which they believe, is well over 10,000 people living with PSP, most of whom sadly will have demanding and complex care and support needs particularly in the later stages of the disease. By the end of 30 June 2008, 805 people with PSP and CBD and 1,367 others, mostly direct carers, subscribed to the Association. These figures, of course exclude those 1,354 who joined the Association since it was established, but sadly died of PSP and those who joined to support them.

The PSP Association Care and Support Services

The PSP Association provides an efficient care, support and information service to patients, their carers and the relevant health and welfare professionals, helping to fill some of the many gaps in current state health and welfare provision for people with long-term neurological conditions. The Association provides information, including the provision of a comprehensive Carer’s Information Pack, a Telephone Counselling Service, Local Support Groups and other services, for those who join our Association. To help cover our costs, we ask a subscription of £20 a year (or £15 by standing order). The subscription is waived for those who consider they are unable to afford this amount. Our Director of Care and Support coordinates the work of our Nurse Specialists, our Development Officers and our Local Support Group Coordinators, as well as taking on the main responsibility for raising awareness of PSP and CBD within the nursing, therapist and social services.

The PSP Association Website and Discussion Forum

The PSP Association has a well established and recently updated comprehensive website at www.pspeur.org. There is a Discussion Forum, which provides an opportunity for those interested or with enquiries to post a message. Use of the Forum is increasing, with over 60 messages per month posted by the end of the reporting period.

Enquiries and Joining The PSP Association

Those joining the PSP Association:

- receive a Carer’s Information Pack and other information about our work
- are contacted by one of our PSP Nurse Specialists
- are invited to join one of the PSP local telephone networks between carers.

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- are invited to their most convenient Local Support Group.

The Association will also write their GP, social worker, and any nurses and therapists involved in their direct support to offer further information or training.

Telephone Counselling Service

Our Telephone Counselling Service is at the heart of our service to people with PSP and their carers, providing nursing advice and emotional support on a 7-day 24-hour basis. It is manned by three PSP Nurse Specialists, Our Telephone Counselling Service is now handling over 2500 calls per year to our subscribers and health and welfare professionals directly involved with their care. Our Nurse Specialists also attend Movement Disorder Clinics in Newcastle, Manchester, Cambridge, Cardiff and London.

Local Support Groups

The PSP Association held 62 Local Support Group meetings at 22 locations across the UK over the year. Over 600 patients and their carers attended and the meetings provided mutual support and access to our visiting team, consisting of a Nurse Specialist and at least one other member of the Care and Support Team.

Our Development Officers

We are establishing ten Development Officers across the UK, whose primary role will be raising awareness of PSP amongst relevant health and welfare professionals, as described later under Awareness. Their secondary role is in support of Local Support Groups - they attend these in their area and support its work and link, where possible, carers and relevant health professionals. We currently have six Development Officers, covering Scotland, Northern Ireland, The East Midlands, England South Central, East Anglia and South West England / South Wales and will be recruiting a further four, with the first being in the South East of England, to provide full cover across the UK. Although we recruited a new DO for South Central, in April our DO for the West Midlands in May gave three months notice to leave and for reasons of economy has not been replaced.

Annual Symposium

The Association holds its Annual Symposium in the Autumn, rotating its venue around the UK to give as equal an opportunity as possible for carers and therapists across the country to attend with minimum travel. In this financial year our Symposium was held in London, in September 2007, attended by our Patron, HRH The Duchess of Gloucester. We had over 130 attendees, it was Chaired by our Trustee and Head of our Medical Advisory Panel, Professor Andrew Lees. The presentations were, many, varied and all proved excellent, for example, that of Professor Bas Bloem's on the difficulties of clinical diagnosis of PSP and in this regard the importance of analysis of eye movement in patients.

This year our Symposium will be in Manchester on 17th September, with Dr Jeremy Dick in the chair. The primary focus will be on research being undertaken into PSP and CBD.

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Europe and the Rest of the World

Within the limits of its capability and available funds, The PSP Association seeks to support the setting up and running of other PSP Associations across European countries. PSP Associations exist in France and Germany, with a limited capability in Italy. As the European Federation of Neurological Alliance grows stronger, the European dimension, particularly of research into PSP, grows in importance. Outside Europe we continue to provide what support we can for PSP Groups in Australia and elsewhere. We continue to build up and strengthen our close relationship with our sister charities.

Limited direct support to people with PSP elsewhere in Europe is also provided, mainly limited to the provision of information, our Website and its Discussion Forum, and the use of our Telephone Counselling Services. The Association also provides a six monthly Local Support Group meeting in Dublin.

Progress Report on Awareness & Fundraising

Awareness

Throughout FY 2007/08, we have given a high priority to raising awareness of PSP and of our Association amongst relevant health and welfare professionals. We have recruited six of a planned 10 Development Officers (DOs) in selected regions across the country, to build to ten, in order to cover the whole of the UK, in what was hoped to be the next couple of years. A worsening economic climate has delayed these plans for reasons of prudence. Their secondary roles are to monitor the implementation of the National Service Framework for Long-term Conditions with a focus on Neurological Conditions, as this affects PSP; and to develop our Local Support Groups within their regions. They will also liaise closely with the new emerging Regional Neurological Alliances being set up by the Neurological Alliance across England, part-funded by the Department of Health. The DOs have made significant progress to raise awareness of PSP and CBD within the Health and Welfare services. They have provided over 2500 information packs, arranged 30 Regional PSP conferences by our charity alone and 54 joint initiatives with other Charities (total up 368% year on year), manned 193 stands at other relevant conferences (total up 144% year on year) and arranged 53 training sessions given by PSP Nurses (up 35% year on year).

We continue to seek all opportunities through the press and other media to raise awareness of the general public across the UK of this disease, which still lies in the shadow of Parkinson's Disease, despite its now recognised prevalence, rapid progression and distressing symptoms. Even today, few of the public are aware that PSP is at least as common and at least as devastating as its far better known 'cousin', Motor Neurone Disease.

Fundraising

Over the course of our FY 2007/08, the total income of The PSP Association from all sources (including subscriptions, interest and dividends) as well as from fundraising and from events which the Association organised or in which we participated amounted to some £911,845 as shown in these financial statements. This included significant donations from The Charles Wolfson Foundation, The John Ellerman Foundation, Sir Siegmund Warburg's Voluntary Settlement, The Welton Foundation, The Band Trust, The Freemasons' Grand Charity, The Benham Charitable Settlement, The Hedley Foundation James Ellis Charitable Trust, The MacRobert Trust, The Childwick Trust, Lloyds Charities Trust, and The Goldmark Trust. We also received a further grant from The Department of Health towards our Patients and Carers Empowerment Project.

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The 2008 Flora London Marathon saw some 89 runners take to the streets on our behalf and together they raised some £95,000. We are very appreciative of their efforts in training and taking part and perhaps hardest of all, collecting such an impressive total in sponsorship. During the year, we also held another very successful Race Evening at the Royal Windsor Race Course and we are extremely grateful to all who supported us there, whether through the sponsorship of individual races, donation or purchase of auction items or by organising and bringing tables. We would like to thank all members for their support of our fundraising efforts throughout the year.

Our subscribers, their families and friends have once again been extraordinarily generous in raising funds for us and we would like to pay tribute to them for their efforts, which are often undertaken in addition to the very demanding role of carer for a patient. In particular we should like to pay especial thanks to all those who held tea parties for us during the late spring early summer as part of our "Afternoon Tea for PSP" awareness and fundraising initiative. Over 200 parties were held and many people who were unable to hold a party most kindly made a donation in lieu. The tea parties brought in well over £30,000 which was fantastic achievement for the first year. We are particularly grateful to those families who ask for donations to the Association in place of floral tributes in memory of loved ones.

Conclusion

I should like to close by expressing enormous gratitude to Michael Koe for the magnanimous way in which he has passed day to day control of The Association to me, as his successor. As the Charity's founding Father, it cannot have been easy for him to have taken this course of action, in particular, to seeing change made to established custom and practice. It is to his enormous credit that he has always been supportive of new initiatives and, for my part, it has been exceedingly valuable to know there was always a source of wise counsel from whom to seek guidance when necessary.

I should also like to pay tribute to the tiny band of people involved in furthering The Association's work. It equates to a team of just 12.5 people on a "full time employed basis", of which only four are "full timers." The commitment and dedication to the task is second to none.

Jane M Hardy FCIB FRSA
Chief Executive
19th November 2008

SECTION 4 - TREASURER'S REPORT

The Trustees

**THE PSP ASSOCIATION
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The Trustees who served the charity during the period were as follows:

| | |
|--|----------------------------|
| Brigadier Michael R Koe OBE | Appointed 14 November 2007 |
| Major General Sir Michael Carleton-Smith CBE, DL | Resigned 14 November 2007 |
| Ms H J Bellingham | |
| Mr N Down | |
| Mr J A Fenwick | |
| Mr P B Glithero | |
| Mr R C Kirby | |
| Mr J M Koe | |
| Mr S R Koe | |
| Professor A J Lees MD, FRCP | |
| Mr A G P Tusa | |
| Lady F D Turner | |
| Mr C R M Kemball | |

Responsibilities of the Trustees

The members of the Executive Committee of The PSP Association are responsible for the policy and strategy of The PSP association. Trustees have a special responsibility to ensure that all aspects of The Association's activities are properly conducted and carried out in full compliance with The Association's Memorandum and Article of Association, although the day-to-day management is the responsibility of the Chief Executive and Senior Staff. During the year ended 30 June 2008, the Executive Committee met twice.

The Trustees are also responsible for preparing the Trustees' Annual Report, the Chairman's Statement and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 1985. The Trustees 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.

In so far as the Trustees are aware:

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YEAR ENDED 30 JUNE 2008**

- there is no relevant audit information of which the charity'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.

Auditor

A resolution to re-appoint Harris & Co as auditor for the ensuing year will be proposed at the Annual General Meeting.

Signed on behalf of the Trustees:

Mr P B Glithero, FCA, Trustee Director
United Scientific House
215 Vauxhall Bridge Road
London
SW1V 1EJ

19th November 2008

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
PSP ASSOCIATION**

Summary

We have audited the financial statements of The PSP Association for the year ended 30 June 2008

**THE PSP ASSOCIATION
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YEAR ENDED 30 JUNE 2008**

which comprise the Statement of Financial Activities, the Income and Expenditure Account and the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Trustees' (who are also the Directors of The PSP Association for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

**THE PSP ASSOCIATION
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- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 30 June 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

**Harris & Co.
Chartered Accountants and
Registered Auditor
19 November 2008**

**2 Pavilion Court
600 Pavilion Drive
Northampton Business Park
Northampton
NN4 7SL**

**THE PSP ASSOCIATION
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 30 JUNE 2008**

STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds | Restricted Funds | Total Funds 2008 | Total Funds 2007 |
|--|-----------------------|-------------------------|---------------------|-------------------------|
| Note | £ | £ | £ | £ |
| INCOMING RESOURCES | | | | |
| Incoming resources from generating funds: | | | | |
| Voluntary income | 2 | 769,249 | 142,596 | 911,845 |
| Investment income | 3 | 27,725 | - | 27,725 |
| | | <u>796,974</u> | <u>142,596</u> | <u>939,570</u> |
| TOTAL INCOMING RESOURCES | | 796,974 | 142,596 | 939,570 |
| RESOURCES EXPENDED | | | | |
| Costs of generating voluntary income: | | | | |
| Voluntary income | 4 | (141,921) | - | (141,921) |
| Charitable activities | 5/6 | (900,758) | (142,596) | (1,043,354) |
| | | <u>(1,042,679)</u> | <u>(142,596)</u> | <u>(1,185,275)</u> |
| TOTAL RESOURCES EXPENDED | | (1,042,679) | (142,596) | (1,185,275) |
| NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | |
| | | (245,705) | - | (245,705) |
| OTHER RECOGNISED GAINS AND LOSSES | | | | |
| Gains on investment assets | 11 | 6,900 | - | 6,900 |
| | | <u>(238,805)</u> | <u>-</u> | <u>(238,805)</u> |
| NET MOVEMENT IN FUNDS RECONCILIATION OF FUNDS | | (238,805) | - | (238,805) |
| Total funds brought forward | | 1,419,702 | - | 1,451,550 |
| | | <u>1,419,702</u> | <u>-</u> | <u>1,451,550</u> |
| TOTAL FUNDS CARRIED FORWARD | | 1,180,897 | - | 1,180,897 |
| | | <u><u>1,180,897</u></u> | <u><u>-</u></u> | <u><u>1,180,897</u></u> |

All of the above amounts relate to continuing activities.

The notes on pages 28 to 31 form part of these financial statements

**THE PSP ASSOCIATION
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YEAR ENDED 30 JUNE 2008**

INCOME AND EXPENDITURE ACCOUNT

| | Note | 2008 | 2007 |
|---|------|--------------------|------------------|
| | | £ | £ |
| INCOME | | 911,845 | 756,376 |
| TOTAL EXPENDITURE | | (1,185,275) | (845,943) |
| OPERATING DEFICIT | | (273,430) | (89,567) |
| OTHER INCOME | | | |
| Income from shares in listed companies | 3 | 386 | 1,526 |
| Interest receivable and similar income | 3 | 27,339 | 45,133 |
| | | ----- | ----- |
| | | 27,725 | 46,659 |
| | | ----- | ----- |
| NET DEFICIT FOR THE FINANCIAL YEAR | | (245,705) | (42,908) |
| | | ===== | ===== |

All of the above amounts relate to continuing activities.

The notes on pages 28 to 31 form part of these financial statements

**THE PSP ASSOCIATION
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YEAR ENDED 30 JUNE 2008**

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| | Note | 2008 £ | 2007 £ |
|--|-------------|-------------------------|------------------------|
| Net deficit for the financial year | | (245,705) | (42,908) |
| Gains on revaluation of investment assets | 11 | 6,900 | 11,060 |
| Total gains and losses recognised since the last annual report | | <u>(238,805)</u> | <u>(31,848)</u> |

The notes on pages 28 to 31 form part of these financial statements

**THE PSP ASSOCIATION
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BALANCE SHEET

30 JUNE 2008

| | Note | 2008 £ | £ | 2007 £ |
|---|------|-----------|------------------|------------------|
| FIXED ASSETS | | | | |
| Tangible assets | 10 | | 603,497 | 610,333 |
| Investments | 11 | | 100,900 | 19,000 |
| | | | <u>704,397</u> | <u>629,333</u> |
| CURRENT ASSETS | | | | |
| Debtors | 13 | 23,913 | | 32,181 |
| Cash at bank | | 610,778 | | 814,179 |
| Investments | 12 | - | | 49,444 |
| | | | <u>634,691</u> | <u>895,804</u> |
| CREDITORS: Amounts falling due within one year | 14 | (159,091) | | (105,435) |
| | | | | <u>(105,435)</u> |
| NET CURRENT ASSETS | | | 475,600 | 790,369 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,179,997</u> | <u>1,419,702</u> |
| NET ASSETS | | | <u>1,179,997</u> | <u>1,419,702</u> |
| FUNDS | | | | |
| Unrestricted income funds | 15 | | 1,179,997 | 1,419,702 |
| TOTAL FUNDS | | | <u>1,179,997</u> | <u>1,419,702</u> |

These financial statements were approved by the members of the committee on the 19th November 2008 and are signed on their behalf by:

P B Glithero FCA
Trustee Director

The notes on pages 28 to 31 form part of these financial statements

**THE PSP ASSOCIATION
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YEAR ENDED 30 JUNE 2008**

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 1985.

Cash Flow Statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

**THE PSP ASSOCIATION
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YEAR ENDED 30 JUNE 2008**

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Fixed Assets and Depreciation

Tangible fixed assets are recorded at cost, including incidental costs of acquiring the asset.

Depreciation is provided so as to write off the cost of the fixed asset (with the exception of freehold land), less its estimated residual value, over their expected useful lives using the following basis:

| | |
|-----------------------|------------------------|
| Freehold Buildings | 50 years straight line |
| Fixtures and fittings | 15% reducing balance |

Freehold land is not depreciated. No depreciation is provided on freehold buildings in the year of purchase.

Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Company Status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 20. 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.

**THE PSP ASSOCIATION
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 30 JUNE 2008**

2. VOLUNTARY INCOME

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2008 £ | Total Funds 2007 £ |
|-------------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Donations | | | | |
| Subscriber donations | 25,560 | - | 25,560 | 18,778 |
| Company donations | 38,500 | - | 38,500 | 48,950 |
| Charity and other donations | 388,259 | - | 388,259 | 328,288 |
| Subscriber donations (Gift Aid) | 9,935 | - | 9,935 | 19,654 |
| Research donations | - | 103,106 | 103,106 | 72,123 |
| Support donations | - | 39,490 | 39,490 | 40,300 |
| Gift aid tax reclaimed | 32,326 | - | 32,326 | 41,232 |
| Donor trust | 35,854 | - | 35,854 | 71,300 |
| Legacies | 155,500 | - | 155,500 | 850 |
| Grants receivable – Dept. of Health | 4,620 | - | 4,620 | 9,790 |
| Subscriptions | 78,695 | - | 78,695 | 105,111 |
| | <u>769,249</u> | <u>142,596</u> | <u>911,845</u> | <u>756,376</u> |

3. INVESTMENT INCOME

| | Unrestricted Funds £ | Total Funds 2008 £ | Total Funds 2007 £ |
|-----------------------------------|----------------------------|--------------------------|--------------------------|
| Income from UK listed investments | 386 | 386 | 1,526 |
| Bank interest receivable | 27,339 | 27,339 | 45,133 |
| | <u>27,725</u> | <u>27,725</u> | <u>46,659</u> |

4. COSTS OF GENERATING VOLUNTARY INCOME

| | Unrestricted Funds £ | Total Funds 2008 £ | Total Funds 2007 £ |
|-------------------------|----------------------------|--------------------------|--------------------------|
| Administrative expenses | 141,921 | 141,921 | 61,092 |
| | <u>141,921</u> | <u>141,921</u> | <u>61,092</u> |

5. COSTS OF CHARITABLE ACTIVITIES & FUNDRAISING BY FUND TYPE

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2008 £ | Total Funds 2007 £ |
|---------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Fundraising and awareness | 410,227 | - | 410,227 | 294,420 |
| Research activities | 328,997 | 103,106 | 432,103 | 318,463 |
| Support costs | 161,534 | 39,490 | 201,024 | 171,968 |
| | <u>900,758</u> | <u>142,596</u> | <u>1,043,354</u> | <u>784,851</u> |

**THE PSP ASSOCIATION
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**6. COSTS OF CHARITABLE ACTIVITIES & FUNDRAISING BY ACTIVITY
TYPE (UNRESTRICTED FUNDS)**

| | Fundraising and awareness £ | Research activities £ | Other Expenditure £ | Total Funds 2008 £ | Total Funds 2007 £ |
|-------------------------------------|--------------------------------------|-----------------------------|---------------------------|---------------------------|--------------------------|
| Purchases | 88,766 | 284,338 | 72,846 | 445,950 | 357,293 |
| Wages and salaries | 124,373 | 34,092 | 115,773 | 274,238 | 125,914 |
| Events | 30,844 | 10,567 | - | 41,411 | 21,893 |
| Symposium | - | - | (3,485) | (3,485) | 1,043 |
| Consultancy | - | - | - | - | 51,493 |
| Promotions | 166,244 | - | - | 166,244 | 109,544 |
| Telephone Counselling | - | - | 86,491 | 86,491 | 38,561 |
| Office expenses | - | - | - | - | 3,583 |
| Office move | - | - | 1,623 | 1,623 | 2,485 |
| Administration costs | - | - | 8,695 | 8,695 | 3,504 |
| Insurance | - | - | 2,425 | 2,425 | 395 |
| Bank charges | - | - | - | - | 1,241 |
| Travel | - | - | - | - | 86 |
| Audit fees | - | - | 1,175 | 1,175 | 1,058 |
| Legal & professional | - | - | 3,431 | 3,431 | 5,580 |
| Depreciation | - | - | 14,481 | 14,481 | 6,275 |
| Loss on disposal of fixed assets | - | - | - | - | 3,572 |
| | ----- 410,227 | ----- 328,997 | ----- 303,455 | ----- 1,042,679 | ----- 733,520 |

Other expenditure includes support costs and managerial and administration costs.

| | Managerial and admin expenses £ | Support costs £ | Total Funds 2008 £ | Total Funds 2007 £ |
|----------------------------------|--|-------------------------|--------------------------|--------------------------|
| Purchases | 57,896 | 54,440 | 112,336 | 29,522 |
| Wages and salaries | 52,195 | 63,578 | 115,773 | 44,362 |
| Symposium | - | (3,485) | (3,485) | 1,043 |
| Consultancy | - | - | - | 51,493 |
| Telephone Counselling | - | 47,001 | 47,001 | 38,561 |
| Office expenses | - | - | - | 3,583 |
| Office move | 1,623 | - | 1,623 | 2,485 |
| Administration costs | 8,695 | - | 8,695 | 3,504 |
| Insurance | 2,425 | - | 2,425 | 395 |
| Bank charges | - | - | - | 1,241 |
| Travel | - | - | - | 86 |
| Audit fees | 1,175 | - | 1,175 | 1,058 |
| Legal and professional fees | 3,431 | - | 3,431 | 5,580 |
| Depreciation | 14,481 | - | 14,481 | 6,275 |
| Loss on disposal of fixed assets | - | - | - | 3,572 |
| | ----- 141,921 | ----- 161,534 | ----- 303,455 | ----- 192,760 |

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6.1 COSTS OF CHARITABLE ACTIVITIES (RESTRICTED FUNDS)

| | 2008 | 2007 |
|---------------------|----------------|----------------|
| | £ | £ |
| Research Activities | 103,106 | 72,123 |
| Support Costs | 39,490 | 40,300 |
| | <u>142,596</u> | <u>112,423</u> |

7. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

| | 2008 | 2007 |
|--|--------------|--------------|
| | £ | £ |
| Loss on disposal of fixed assets | - | 3,572 |
| Depreciation | 14,481 | 6,275 |
| Auditors' remuneration: - audit of the financial statements | <u>1,175</u> | <u>1,058</u> |

8. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

| | 2008 | 2007 |
|--------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | <u>274,238</u> | <u>125,914</u> |

Included in the above is social security costs of £24,152 (2007: £11,287). There was no Directors' remuneration during the year.

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

| | 2008 | 2007 |
|--------------------------------|----------|----------|
| | No | No |
| Number of administrative staff | 4 | 3 |
| Number of management staff | 4 | 1 |
| | <u>8</u> | <u>4</u> |

The move to the new premises in Towcester has enabled the association re-organise and recruit additional staff. Although the ratio of management to other staff now appears high, the managers are also managing the consultants and growing the number of volunteers.

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No employee received emoluments of more than £60,000 during the year (2007 - Nil).

Trustees' emoluments:

The Trustees received no remuneration or expenses whilst fulfilling their duties.

9. TAXATION

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from corporation tax.

10. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Fixtures & Fittings £ | Total £ |
|------------------------|------------------------------------|--|--------------------|
| COST | | | |
| At 1 July 2007 | 574,773 | 52,219 | 626,992 |
| Additions | - | 7,645 | 7,645 |
| Disposals | - | - | - |
| At 30 June 2008 | <u>574,773</u> | <u>59,864</u> | <u>634,637</u> |
| DEPRECIATION | | | |
| At 1 July 2007 | - | 16,659 | 16,659 |
| Charge for the year | 8,000 | 6,481 | 14,481 |
| On disposals | - | - | - |
| At 30 June 2008 | <u>8,000</u> | <u>23,140</u> | <u>31,140</u> |
| NET BOOK VALUE | | | |
| At 30 June 2008 | <u>566,773</u> | <u>36,724</u> | <u>603,497</u> |
| At 30 June 2007 | <u>574,773</u> | <u>35,560</u> | <u>610,333</u> |

There was no significant difference between the book value and market value of the freehold property at the balance sheet date.

**THE PSP ASSOCIATION
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YEAR ENDED 30 JUNE 2008**

11. INVESTMENTS

Movement in market value

| | 2008 | 2007 |
|--|----------------|-----------------|
| | £ | £ |
| Market value at 1 July 2007 | 19,000 | 57,384 |
| Net gains on revaluations in the year ended 30 June 2008 | 6,900 | 11,060 |
| Transfer to current assets | - | (49,444) |
| Transfer of cash to Rathbones Investment Portfolio | 75,000 | - |
| | <u>100,900</u> | <u>19,000</u> |
| Market value at 30 June 2008 | <u>100,900</u> | <u>19,000</u> |
| Historical cost at 30 June 2008 | - | - |

Analysis of investments at 30 June 2008 between funds

| | Unrestricted Funds | Restricted Funds | Total Funds 2008 | Total Funds 2007 |
|--|-------------------------------|-----------------------------|-----------------------------|---------------------|
| | £ | £ | £ | £ |
| Listed investments | | | | |
| Rio Tinto Plc | - | - | - | 19,000 |
| Rathbones Investment Management Limited | <u>100,900</u> | - | <u>100,900</u> | - |

Five hundred Rio Tinto Plc ordinary shares were gifted to the Association in 2001 and have been included at their current market value.

The investments are held for their investment returns. All investments are listed.

During the year, the trustees appointed Rathbones Investment Management Limited (“Rathbones”) to act as independent advisers and manage our investment portfolio. The Charity’s shareholding in Rio Tinto was transferred to Rathbones and a further £75,000 of cash was invested with them. At 30 September 2008, the portfolio was valued at £81,898.

12. INVESTMENTS

Movement in market value

| | 2008 | 2007 |
|---------------------|-------------|---------------|
| | £ | £ |
| Cazenove investment | <u>Nil</u> | <u>49,444</u> |

During the financial year, the charity sold its Cazenove investment for £50,300. The investment was acquired for £50,000 in 1999.

The investments are held for their investment returns.

**THE PSP ASSOCIATION
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13. DEBTORS

| | 2008 | 2007 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Prepayments and accrued income | 23,913 | 32,181 |
| | <u>23,913</u> | <u>32,181</u> |

14. CREDITORS: Amounts falling due within one year

| | 2008 | 2007 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Taxation and social security | 7,473 | 3,443 |
| Wages control account | 15,514 | 8,622 |
| Other creditors | 23,104 | 16,370 |
| Accruals | 113,000 | 77,000 |
| | <u>159,091</u> | <u>105,435</u> |

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible fixed assets | Investments | Net current assets | Total |
|---------------------|--------------------------|----------------|-----------------------|------------------|
| | £ | £ | £ | £ |
| Unrestricted Funds: | 603,497 | 100,900 | 475,600 | 1,179,997 |
| | <u>603,497</u> | <u>100,900</u> | <u>475,600</u> | <u>1,179,997</u> |

16. COMMITMENTS

The Association has entered into commitments to fund a number of research projects, the budgeted cost of which over the next five years is:

| | 2008 | 2007 |
|---|----------------|------------------|
| | £ | £ |
| Committed to but not provided in the financial statements | 763,500 | 1,095,000 |
| | <u>763,500</u> | <u>1,095,000</u> |

Of the above, firm commitments for the next two years amount to £558,500 (2007: £660,000).

17. INDEMNITY INSURANCE

The charity paid for the insurance premiums to indemnify Directors and senior staff from any loss arising from neglect or defaults of Directors or staff and any consequent loss. The cost to the charity was £840 (2007: £840).