



**Annual Report
and Financial Statements**
31 March 2013

Company Limited by Guarantee
Registration Number
00061274 (England and Wales)

Charity Registration Numbers
211015 (England and Wales)
SC037789 (Scotland)
XT 33805 (Northern Ireland)
NPO0369 (Jersey)
945 (Isle of Man)

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Reference and administrative details of the charity, its trustees and advisors

Patron	Her Majesty The Queen
President	HRH The Duke of Kent KG GCMG GCVO
Chairman	Sir David Varney Kt BSc MBA Hon.LLD FIPD FRSM
Trustees	As listed on page 32
Chief Executive	Jon Barrick (BSc, MBA, FCMI)
Members of the management team	As listed on page 34
Company Secretary	Richard Polson
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Company registration number	00061274 (England and Wales)
Charity registration numbers	211015 (England and Wales) SC037789 (Scotland) XT 33805 (Northern Ireland) NPO0369 (Jersey) 945 (Isle of Man)
Auditor	Buzzacott LLP 130 Wood Street, London EC2V 6DL
Bankers	Barclays Bank PLC 1 Churchill Place, London E14 5HP
Investment managers	JO Hambro Investment Management 21 St James's Square, London SW1Y 4HB
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields, London WC2A 3LH

Foreword and executive summary Year ended 31 March 2013

We are pleased to report that due to a combination of cost reduction and control, and an improved performance in legacies and other fundraising, this year we have consolidated our position once again at around £31 million income and expenditure. The details supporting the figures are shown elsewhere in this Annual Report, but we saw an overall growth in fundraising and legacies income of around 9.6%, overall a creditable performance from the previous year's fall in legacies of 23%, and total voluntary income of 9%. This is especially encouraging as the previous financial year's income reductions had halted the pattern of income growth we had enjoyed over the previous eight years.

We conducted a mid-term strategy review during the year. There was much to consider as turmoil in the health and social care system in England in particular, made renewal of service contracts difficult and implementation of new services almost impossible. Despite this, we are on track for meeting most of our strategy objectives, but we have had to slightly modify some. The recession showed no sign of receding, making for a hostile fundraising environment. These factors have shaped our expectations within the rewritten strategy to 2015, agreed in December 2012. Our goal remains to push income over the next few years towards £40 million, and to direct more resource into research in stroke, which is so woefully under resourced given it is the world's second biggest killer.

Due to the turmoil around the health and social care system changes, community services contract income was impacted as we fought to retain contracts, and fell to £11.2 million (from £12.3 million). Despite this, our services were favourably recognised by national policy makers, being cited as models of good practice by the NHS "Future Forum". Yet services previously contracted for three years have been renewed for one year only, or even shorter. This is an unwelcome reversal of the trend in recent years, to receive contracts for longer periods, which had enabled security of service for stroke survivors and an ability to plan local developments. Nonetheless, we continue to innovate services, introducing a new pilot scheme for preventing readmissions to stroke units and conducting the six month reviews of stroke survivors as suggested in national stroke strategies. Over 3,000 of these reviews were conducted under contract in the first year of operation.

A number of efficiency measures and a redundancy programme initiated in the previous year totalling about £1.8 million helped us to contain expenditure this year.

Foreword and executive summary Year ended 31 March 2013

Despite the difficulties, we again had a very good year in terms of delivering our mission as an organisation. Nearly 40,000 people who have had a stroke were referred into our contract services, and with the help provided to people already within those services, we saw over 65,000 people throughout the year. Furthermore, nearly 20,000 more people called our helpline and a million used our website with 4.2 million views in total. With so many people using our services we have had to find ways to enable people to move on. We therefore support stroke clubs and our own network of Stroke Association Voluntary Groups to ensure on-going longer term support. Our own groups now total 97, although Stroke Clubs (autonomous local stroke charities that deliver long term social support to people affected by stroke) fell in number to 490 from 512 due to the pressures on the volunteers trying to maintain such initiatives in difficult times. Of these clubs in the UK, 300 are part of our Stroke Club Affiliation Scheme.

We hosted our second UK Stroke Assembly, in partnership with other charities and organisations, to provide a place for stroke survivors and their families to discuss issues that affect them, exchange information, and organise themselves to be better able to influence decision makers and other professionals working in the stroke world. Held in June 2012 the event was a resounding success with over 180 attendees over two days, a rise on the previous year.

We have seen more pressure on our welfare grants distribution scheme, and over £150k of grants were distributed to stroke survivors in dire need. We campaigned to try and ensure stroke survivors would not be adversely affected by the reforms of welfare benefits. We also distributed nearly 2.3 million pieces of literature on stroke throughout the year. Our action on stroke month alerted people to the problems stroke survivors face, our Struggling to Recover report received widespread coverage, and our media work throughout the year grew our coverage by 73% compared to the previous year. We successfully campaigned for stroke indicators to be present in the NHS outcomes and commissioning frameworks, and in the cardiovascular strategies in England. In Northern Ireland, a new All Party Parliamentary Group (APPG) on stroke and heart disease was initiated by us with some colleague organisations and we published a Scottish stroke charter and the UK stroke declarations written by stroke survivors around their needs.

Our stroke prevention activity featured radio advertising campaigns; Ask First alerted people to atrial fibrillation; we worked with every pharmacy in Wales to raise awareness of stroke, and held over 500 events with Rotary and other colleague organisations to raise awareness of blood pressure and the connection to stroke risk.

In December 2012, we hosted the 7th UK Stroke Forum Conference, a coalition of 32 organisations committed to improving stroke care in the UK, which was attended by over 1,100 mainly stroke care professionals, and inaugurated our first such event in Northern Ireland.

Foreword and executive summary Year ended 31 March 2013

In this, our 20th anniversary year, we published a very well received booklet on the impact and success arising from our research funding over the last two decades, as part of our 20th birthday celebrations, and increased our spend on research to over £2.8 million. We wrote the stroke support organisation toolkit for the Stroke Alliance for Europe and the World Stroke Organisation, which has now been translated into 12 languages to enable the growth of organisations like the Stroke Association in countries throughout the world. Stroke is a global epidemic and the numbers suffering continue to grow.

We re-launched our brand in the face of research that told us 40% of people didn't know we were a charity and 30% of funders did not understand we were a major funder of medical research. We presented a bold new identity to ensure people know we are a charity needing help, and that we primarily work in the spheres of stroke prevention, stroke research and in life after stroke. We hope to evaluate the overwhelming positive reception this has had, to see if there is more we can and should do.

Again our quality as an association has been recognised. We were successfully re-assessed and awarded Investors In People Bronze Standard; we continue to flourish with the Fundraising Standards Board, NHS Information Standard, Association of Medical Research Charities and Customer Service Excellence quality marks.

A massive thank you to all our thousands of volunteers, supporters and donors, without whom we couldn't run our services, would not have expanded our number of events to yet again our highest ever in one year, and would not have driven the boundaries of innovation. And thanks to our board of trustees who dedicate so much of their time and effort to our cause. Special thanks to our ex-chairman, Sir Charles George, who retired during the year, after more than four years at the helm. His drive, commitment, personal contribution, and unbridled support and encouragement were very much appreciated.

Finally of course, thank you to all our passionate, professional and dedicated work colleagues who have driven us back to a more balanced financial position in another difficult year.

Jon Barrick CEO

Trustees' report Year ended 31 March 2013

The trustees present their statutory report together with the consolidated financial statements of the Stroke Association for the year ended 31 March 2013.

The report has been prepared in accordance with the Companies Act 2006 and Part 8 of the Charities Act 2011 but equates to a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 45 to 47 of the attached financial statements and comply with the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

All figures in brackets in the trustees' report refer to the year ended 31 March 2012.

Structure

The Stroke Association is a charitable company limited by guarantee, incorporated on 25 March 1899 and registered as a charity on 14 January 1963. The company was established under a Memorandum of Association, which set out the objects and powers of the charitable company and is governed under its Articles of Association.

Principal aims

Public Benefit

The objects for which the Association is established are the relief of sickness and distress and the advancement of health by:-

- (A) working for the prevention of stroke;
- (B) educating the public in all matters concerning stroke;
- (C) carrying out, promoting or sponsoring research into the prevention or treatment of stroke or other conditions where the effects are similar to stroke, the rehabilitation and long-term care of stroke survivors and publishing the useful results of such research;
- (D) responding to the needs caused by the effects of stroke or other conditions where the effects are similar to stroke, by providing advice and support to those affected, their families and carers.

Trustees' report Year ended 31 March 2013

The trustees consider that all of the aims and objectives detailed in this report are there in order to benefit the public. The trustees believe that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Our vision statement

We want a world where there are fewer strokes and all those touched by stroke get the help they need.

Our mission statement

Our mission is to prevent strokes and reduce their effect, through providing services, campaigning, education and research.

Our Values

Professionalism

Passion

Innovation

Respect and Openness

Working Together

Summary of objectives and achievements over the five year strategy period

In December 2009 the trustees approved a strategy for the Stroke Association covering the five years from 2010/11 to 2014/15. During the year, trustees and officers held a mid-term strategy review, to consider whether any objectives or key performance indicators (KPIs) needed amending. The main thrust of the strategy was confirmed and where relevant, amendments have been incorporated below.

This strategy contains nine objectives in relation to the following areas:

1. Prevention
2. Services
3. Campaigning and influencing
4. Education, information and training
5. Research

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6. Partnerships
7. Awareness
8. Resources and income generation and management
9. Infrastructure and our workforce

We have a business plan for each objective with KPIs to measure progress towards achievement of the objectives. Progress towards objectives and their achievement is not expected to be made evenly over the five year period. The detailed objectives and our performance against them are set out in the sections below.

Achievement and performance over this year, and mid-term strategy review

Objective 1 – Prevention: We will campaign and provide services in support of more effective primary and secondary prevention.

In 2012/13 our *Know Your Blood pressure* activity continued to grow: we checked the blood pressure of 32,000 people through over 500 community events, the majority of which were run in conjunction with Rotary clubs around the UK. Work towards the 2013/14 events indicated that there will be further growth in this event, with over 550 events registered by the end of the financial year.

During the year in Scotland we have established a Know Your Blood Pressure Partnership with Scottish Rotary Districts, St. Andrew's First Aid and Community Pharmacy Scotland which allows us to significantly expand the reach of this campaign.

The *Ask First Atrial Fibrillation (AF)* campaign continued, albeit on a slightly smaller scale due to a drop in support from our pharmaceutical partners. This out of budget campaign relies on sponsorship for us to be able to proceed. Despite a lower investment, the campaign had a similar impact on awareness in the areas we ran the adverts and social marketing activity as last year. We worked closely with the Stroke Improvement Programme on this campaign, but this work tailed off as SIP (NHS's Stroke Improvement Programme) was wound down as a result of the reorganisation of the NHS in England.

In Scotland we have established an Atrial Fibrillation and Stroke Prevention Special Interest Group with a wide range of key stakeholders. This group has developed an action plan to support improved diagnosis and treatment of AF in the years ahead. We are active members of the Scottish Coalition on Tobacco Control (SCOT), which actively campaigns to reduce people's use and exposure to tobacco. Through this group we contributed to discussions on the Scottish Government's new tobacco strategy.

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In Northern Ireland we have further extended our reach and have been working with all stake holders within the Hospitals, GP's, Further Education, Schools, Libraries and local communities.

In Wales, we launched the 'One in Ten' campaign as a partnership with Community Pharmacy Wales, Public Health Wales, Diabetes UK Cymru and all seven Welsh Health Boards. It aimed to find the 10% of people in Wales who had an increased risk of either condition (stroke and diabetes). An estimated 50,000 people a day visit a local chemist in Wales and over 700 chemists participated in this two week campaign. Over 14,000 people completed the questionnaires and were provided with information and advice on stroke and diabetes risk factors. Of which, 2,579 (18%) of respondents were provided with a GP referral letter and advised to make an appointment at their GP practice for further advice/investigation. The final response rate was the largest for the National Campaigns so far in Wales.

We continued to focus a lot of our media work on prevention and achieved 2,237 media hits about stroke prevention during last year.

Objective 2 - Services: We want to support as full a life after stroke as possible for all stroke survivors and their families in the UK through our services. To do this we will improve the number of, and access to, a range of quality and innovative services, meeting the goals and needs of people affected by stroke.

Our community service contracts, mainly communication and information, advice and support services, are a direct help to stroke survivors, their families and carers. These services are contracted directly with the NHS primary health care trusts and successor NHS bodies, or directly to local authorities, or to other local funding agencies on a cost recovery basis.

The work involves the Stroke Association providing a cadre of trained specialist full time staff specifically for each contract or batch of contracts, each person is trained for the specific task they will have to undertake. The 600 staff in our Regions and the devolved nations work alongside around 3,000 volunteers many of whom have direct experience of stroke either as survivors of a stroke or being the carer of someone who has had a stroke.

Our network of contracted services covers England, Wales and Northern Ireland. It is the main provider of specialised long-term support for people affected by stroke, working alongside health and social care professionals. We established our Scotland operation in 2007. We provide direct support to people affected by stroke through our Stroke Information Service and we also facilitate improved life after stroke support in Scotland through projects including an advocacy and self-directed support project, which is funded by the Scottish Government.

Trustees' report Year ended 31 March 2013

In the continuing challenging external environment, statutory income from contracted services decreased by nearly £1.1 million compared with the previous year, coming in right on budget at £11.2 million. This moderate decrease in income followed a number of years of substantial growth in the number of services provided and contract income received. This reduction in funding reflects a general reduction in the contributions by statutory funders because of the squeeze on public finances, and the loss of contracts in the preceding financial year, the financial impact being experienced in this year.

During the year, despite the continuing squeeze on public finances and "planning blight" caused by the reorganisation of the NHS in England, the impact of the value of the service contracts lost was minimised by new contracts won, thus providing some stability to our budget in a difficult external environment.

The situations faced by statutory funders as detailed above had a deleterious consequence on the management of our services, and the staff and volunteers, as contract renewals for the year 2013/14 were issued very late in the financial year, and only then for relatively short extensions. Of 280 contracts covering 350 services, 265 (95%) were renewed for periods of 12 months or less i.e. out to March 2014. The charity does not consider that such short renewals pose a significant threat to their continuation, but nevertheless the load on its managers of having to regularly renegotiate contracts is considerable.

Despite the problems faced, the long-term prospect for the delivery of services is considered to be very good. The services provided by the Stroke Association are congruent with the priority outcomes for health and social care in England. Prospects for growth are also promising in Wales and Northern Ireland and opportunities are emerging for us to develop our service provision in Scotland.

Although more time than desirable was spent on the business of contract negotiations, the management and staff continue to develop innovative approaches to providing support to meet the long-term needs of people affected by stroke.

A review tool of individual need developed by the Collaboration for Leadership in Applied Health Research and Care (CLAHRC) for Greater Manchester, University of Manchester and National Institute for Health Research was singled out by the Secretary of State for Health in England as an exemplar of a research study leading to improved care. This tool was piloted with the support of the Stroke Association. This assessment tool is already being applied in 15 Stroke Association services, and bringing benefit to around 3,000 people a year.

An innovation of note was the development of a pilot Stroke Association service in Gateshead to prevent readmission to hospital by supporting patients and families in the 28 days following discharge from hospital. Early evaluations indicate the service was effective, and further testing is needed to determine whether the service can prove successful in other areas.

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We have continued our support for local Stroke Clubs, and complemented their activities by the development of Stroke Association Voluntary Groups, building capacity in communities to support the long-term recovery of people affected by stroke. This community and volunteering activity was bolstered by the award of a three year grant in 2012 to strengthen this area of our work. By March 2013 the number of Groups had grown to 97, compared with an initial target growth of 50 by 2015. We were also able to establish two stroke groups (one affiliated group and one Stroke Association voluntary group) in Scotland and plan to secure funding to allow us to support future growth in stroke clubs across Scotland.

Our network of around 350 services continued to deliver excellent care and support to our clients, achieving external recognition by again winning the externally validated award for Customer Service Excellence. Our services were recognised by national policy makers. Our managers were invited to a number of conferences and events to speak about our services and their impact on stroke survivors and their carers.

Just over 39,500 new clients were referred to our *Life After Stroke* services, and we remain committed, and within touching distance of our goal of reaching 40,000 people a year by 2015.

We undertook further work to improve the quality of support we offer to our clients, further refining how we measure quality and assure ourselves that our services meet the needs of clients and are of the highest possible quality. In addition to the formal measurements, unsolicited testimonials are received by our services staff and we remain confident of the good we are doing.

Objective 3 - Campaigning and influencing: We will campaign to achieve full implementation and resourcing of the stroke strategies and plans in the four countries of the UK. We will influence improvement in stroke services to make sure that everyone touched by stroke in the UK gets equal chances of survival and independent life after stroke.

In May 2012 we launched our *Life After Stroke* campaign with the publication of the *Struggling to Recover* report. The report was based upon a very large survey of 2,000 stroke survivors. The campaign highlighted the patchy provision of longer term support for people after their stroke and in particular the need for better integration between health and social care services.

The launch of the report garnered mass media coverage, with 46 national print pieces and 55 hits on national broadcast including TV and radio together with 615 regional print hits, 528 regional broadcast pieces and a further 480 online articles.

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The survey also yielded enough information for us to follow up in the Autumn with a short report (Short Changed by Stroke) on the financial impact of stroke which, again, raised awareness of the issues stroke survivors face in the long term. This was also very successful in helping us to put these issues in front of the general public through the media.

Our Parliamentary and influencing work was crucial during the year as major decisions about the health reforms in England were being made and a new Cardio-Vascular Disease Outcomes Strategy for England was being developed.

A key and hard won victory came with the publication of the Commissioning Outcomes Framework for England (subsequently renamed The CCG Outcomes Indicator Set) which contained an entire section dedicated to long term recovery from stroke – one of the only condition specific sections in the whole document.

The Outcomes Indicator Set outlines what the Clinical Commissioning Groups (CCGs – the replacement for Primary Care Trusts in England) should be looking at in 2013/14. It is intended to support CCGs in determining local priorities and levels of ambition with Health and Wellbeing Boards (the new forum where local authorities and the NHS come together to plan joint health and social care activity). It aims to provide transparent, comparative information on quality and outcomes to patients and the public. However the Commissioning Board admits that there is work to do on how best to present this information and the system will continue to evolve.

Within the Outcomes Indicator Set there are five top level areas – called domains – covering large challenges the NHS, public health and social care should be aiming to tackle.

Stroke indicators in domain 1 (preventing people dying prematurely) are:

- Under 75 mortality from cardiovascular disease
- Mortality within 30 days of hospital admission for stroke
- Myocardial infarction, stroke and stage 5 kidney disease in people with diabetes

The indicators in domain 3 (helping people to recover from episodes of ill health or following injury) are that people with stroke should: be admitted to an acute stroke unit within four hours of arrival to hospital; receive thrombolysis (if appropriate) following an acute stroke; be discharged from hospital with a joint health and social care plan; and receive a follow-up assessment between four and eight months after initial admission.

The latter two were key recommendations in our *Struggling to Recover* campaign briefing – and were referenced by the National Institute for Health and Care Excellence (NICE) (when they were advising the Department of Health on what to include in the CCG Outcomes Indicator Set).

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The Cardio-Vascular Disease Outcomes Strategy was launched in March 2013 and, despite having the overarching aim of integrating NHS approaches to all cardio vascular conditions, it also contained specific references to stroke and an on-going emphasis on the continuing prioritisation that should be given to the National Stroke Strategy.

Throughout the year we continued to work in a variety of coalitions concerned with disability benefits: care and support; cardiovascular issues; and, through the Richmond Group, influencing health policy in England.

In Scotland we secured a high level of media coverage and political engagement for both our *Struggling to Recover* and *Short Changed by Stroke* campaigns. We also worked with stroke survivors, allied health professionals and politicians to develop a new Scottish Stroke Charter, which sets out the type and level of care people affected by stroke, should receive. The Charter will be launched in 2013 and will complement the Association's UK Stroke Declaration and Scottish Agenda for Action for Stroke in Scotland.

Our Scottish Agenda for Stroke in Scotland sets out three key demands around stroke prevention, life after stroke and stroke research, with the aim of securing 13,000 pledges of support before the next Scottish Parliamentary elections in 2016. During 2012/13 we actively promoted the agenda to local councillors across Scotland, securing support from over 30 councillors, many of whom are now working with us to raise awareness of stroke and improve services in their local authority area.

Our campaigning in Northern Ireland has been strong and we have developed the All Party Group on Stroke and Heart Disease along with our partners British Heart Foundation (BHF) and Northern Ireland Chest Heart and Stroke (NICHHS). We have led and been partners in several stroke strategy lobbying meetings with the Minister of Health and Chief Medical Officer and their staff. These meetings have brought about positive change and further funding has been found for stroke.

In Wales, we facilitated more opportunities for stroke survivors to voice their views. For example, the Welsh NHS Five Year Stroke Delivery Plan was publically launched in December by the Minister of Health at one of our Communication Support service groups in Bridgend, which gave stroke survivors the opportunity to present their personal stories and concerns directly to the Minister and to the Deputy Chief Medical Officer for Wales.

The other initiatives during the year were:

- i. The first Wales regional Speak Out for Stroke pilot event in Ceredigion where stroke survivors and their carers were able to put their concerns forward to the Local Health Board, regional politicians and other decision makers.

Trustees' report Year ended 31 March 2013

- ii. Establishment of the Rehabilitation Sub-group of the National Assembly for Wales's Cross Party Group (CPG) on Stroke and continued in our secretariat role for the CPG.
- iii. Collaboration with the Welsh NHS1000 Lives + programme in organising and delivering two Life After Stroke listening events with over 160 stroke survivors and carers. These events provided a very open forum for individuals to voice their experiences of the NHS and put forward their recommendations. Eight themes emerged, including the impersonal nature of services, "focus on me", and the needs of carers, equity and fairness, dignity and access to information. The themes from these listening events became the keystone for the collaborative programme for professional development of NHS staff working in stroke services in Wales being implemented over 2012 and 2013.
- iv. We responded, in partnership with stroke survivors, to a number of key policy and legislation consultations including the Social Services and Wellbeing Bill (Wales) and the Public Health Bill (Wales).

Objective 4 - Education, information and training: We aim to be the leading UK provider and facilitator of quality stroke information and training to both the public and caring professions. We will increase the volume and range of quality stroke information, education, and training opportunities so that the public and stroke survivors have access to stroke related knowledge and are cared for by individuals with the appropriate knowledge and skills.

The Stroke Information Service (SIS), which includes our Stroke helpline, provides telephone, email or written support to 18,500 enquirers during the year. As usual these enquiries came predominantly from callers to the helpline, though now almost one in three enquiries are received by email or other means. As in previous years, the trend towards increased complexity of enquiries and the length of the calls continues.

SIS and the website once again achieved the UK Government's Customer Service Excellence quality award and retained the Department of Health England's Information Standard accreditation. This year we were also recognised by the British Medical Association's Patient Information Awards, receiving commendations for two of our publications. We have also begun the important work of making our publications more accessible – launching audio versions of a range of titles which we will add to over the coming months and by thoroughly revising and updating our website content. Our new Knowledge and Information Strategy was signed off in July 2012 and sets a clear framework for the development of our information work over the coming three years.

In Scotland we established a partnership with NHS Inform, NHS Scotland's public information service, to work with them to improve the quality of stroke information. This will include reference to our website and helpline which will increase use by people in Scotland.

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Our Scotland operation has also established an information partnership with RVS (Royal Voluntary Services) Scotland which supports older adults in communities across Scotland. RVS Scotland has 15 regional hubs and over 12,000 volunteers who are now distributing our information on stroke prevention and life after stroke across Scotland.

In December 2012, we hosted the 7th UK Stroke Forum Conference at Harrogate International Centre, Yorkshire. The UK Stroke Forum is hosted by the Stroke Association and is a coalition of thirty two organisations committed to improving stroke care in the UK. The conference achieved an attendance of 1,122 delegates from across the UK, which is on par with last year's delegate numbers and considered a success in the current financial climate.

During the year, the UK Stroke Forum held the first Northern Ireland Stroke Conference at Lagan Valley Centre, Lisburn. This was a joint conference with the Northern Ireland Multidisciplinary Association of Stroke Teams (NIMAST). The event was a great success, achieving 184 delegates and a surplus of over £12k, and will be repeated in 2013/14.

The UK Stroke Forum Education and Training (UKSFET) continues to grow and the 'quality marker' increase in currency. The initiative is now well established and has endorsed over 60 events, higher education and other stroke-specific training courses. The team continue to receive many enquiries from stroke professionals eager to use the UKSFET professional development tools, a number of which have been launched this year. The UKSFET activity allows us to remain at the forefront of stroke education and training in our drive to improve the quality of stroke services, and reinforces our position as leaders in the stroke community.

The UKSF team completed the triennial consultation with the 32 coalition members in 2012. Positive feedback about the Forum's activities was received and new ideas for building on the existing reputation and strengths of the Forum were developed. The Research & Information (R&I) Management Team are currently undertaking a review of the Association's education and training strategy, which will allow us to develop a clear stance on standards of professional development and to continue to grow and strengthen the UKSF and training areas of work.

This financial year has seen a significant period of change and challenge for the Stroke Training team. This has included a comprehensive review of the management and governance of the unit as well as the development and implementation of a new training portfolio. The team has striven to develop the unit with budgeted income for the year of £158k being exceeded by £18k and the overall department deficit being reduced from almost £250k in the previous year, to just £115k this year; a marked improvement and great achievement especially given the team was a trainer down in the last quarter.

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Key successes also include being selected for the UK Skills for Health quality mark pilot providing an assured way of confirming the quality of learning when commissioning learning provision and the successful completion of the Skills for Care project, providing approved training to care home staff offering participants a QCF Level 2 Award in Stroke Awareness.

In Scotland we secured significant funding to establish a new Vascular Health and Stroke training project to support improved stroke knowledge and skills in the social care and community support workforce across Scotland. This project will train staff in other organisations to become Stroke Association "Associate Trainers" who will then deliver our training to their staff and volunteers as appropriate. The training includes stroke prevention and life after stroke. The training will also support increased access and use of our information resources.

Stroke Training now has the foundations in place and we are working on the development of a robust training strategy and business plan. Recently commissioned market research will assist in developing our understanding of the market and will inform our direction for the future.

Objective 5 - Research: We will advance stroke care and prevention through research and innovation. We will continue to fund high quality research providing maximum benefit to people affected by stroke and encourage other funders to do the same.

2012, the 20th anniversary year of the Stroke Association was another positive year for research. We produced a comprehensive retrospective report on the impacts and successes that our research funding has produced over the past 20 years in celebration of the anniversary. The 65 page book was launched at the UK Stroke Forum conference in December; over 150 delegates attended the launch, and over 300 copies of the report were taken. Since then, the report has been warmly received by a diverse readership of stakeholders and stroke survivors. A blog about the report was published on the Association of Medical Research Charities website. The article received 260 views and was the most viewed page on the site for that quarter.

Dr Joanne Knight, Director of Research resigned in September 2012 to take up a post at the Triangle Trust. She was replaced by Dr Dale Webb, who joined us from the Health Foundation. Dr Webb has undertaken a thorough strategic review of all of the research divisions since his arrival, and we are currently in the process of producing a new strategic vision for Research.

Research grants approved during the year increased to £2.8 million. We were able to continue our collaborative funding agreements with the Medical Research Council (MRC) and the British Heart Foundation, generating £860k. This was more than last year, but a little short of the £925k target, due to a lack of suitable candidates for the MRC fellowships (of which we made a single award this year). Unfortunately, we were unable to appoint a joint Fellow with the Wellcome Trust due to the lack of a suitable candidate.

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We began to use the £783k accumulated into the Princess Margaret Fund for Research, by launching a new and innovative Princess Margaret Research Development Fellowship scheme. The prestigious awards are uniquely flexible and intended to provide a facility for capacity building in clinical stroke research. Two awards were made in 2012/13, one to the University of Edinburgh, and one to the University of Newcastle. We supported Dr Alex Leffe and the development of the ReadRight and EyeSearch web tools which went live during the year, providing a novel and easy online therapy tool for stroke survivors to improve their reading. The project was widely covered in the media at its launch.

The PISTE (Pragmatic Ischaemic Stroke Thrombectomy Evaluation) trial of physical clot retrieval in stroke was funded in 2012 and received considerable media interest. We hope that the study will contribute greatly towards improving outcome after stroke and subsequently, improving quality of life for stroke survivors.

In Scotland we supported delivery and dissemination of findings from the James Lind Alliance Stroke Research Priorities project which involved stroke survivors and carers across Scotland.

In Northern Ireland, we have continued to work with the Ulster University on the Experts in Aphasia program. Our new Director of Research & Information met with a group of local researchers and we were able to understand how we can build stroke research capacity in Northern Ireland. We have been in discussions with the Royal College of Speech and Language Therapists to do some research on the availability of post stroke services.

Several other Stroke Association funded projects attracted media coverage in 2012/13, including Dr David Werring (University College London) and his study of the use of Botulinum toxin in alleviating post stroke spasticity, and a joint article from Research and Professor Tony Rudd (Kings College London) on the future of stroke services in Health Services Journal.

We continued to fund internal research projects that are of strategic benefit to the organisation. This year we funded a variety of projects, including a review of our approach to evaluating our services, market research for training, and audience profiling.

Our Research operation was also successfully re-accredited with the Customer Service Excellence (CSE) Government standard following our annual assessment.

Objective 6 - Partnerships: We will develop or extend partnerships that will lead to improving the quality of life after stroke or will enhance prevention.

We work with many organisations in pursuit of our charitable objectives. Some of those with which we work and some of our key activities are listed here:

We hosted the UK Stroke Forum, a coalition of 32 organisations committed to improving stroke care in the UK. See "Objective 4" above.

Building on the first, successful, event in 2011, we hosted the 2012 UK Stroke Assembly in partnership with Speakability, Stroke Clubs from across the UK through their central consultative committee, the UK Stroke Research Network and representatives from Scotland and Northern Ireland. Once again, a key message from people affected by stroke was worry and concern about the impact of impending changes to the welfare system. Of particular concern was how assessments will cope with the hidden and non-physical impacts of stroke.

The Stroke Alliance for Europe (SAFE) is a group of 25 European patient organisations from 21 countries, dealing with stroke prevention, awareness raising and care. Its mission includes helping the European Union and its governments to combat stroke. We currently hold the role of Secretary and run the secretariat. SAFE is currently seeking funding to establish lobbying capacity at the European Parliament level, and to establish stroke patient organisations in all European countries. SAFE organises a European Stroke Awareness day on the second Tuesday in May each year with which we engage and actively promote.

We continue to support European Union funded research projects on behalf of SAFE to ensure the Service User perspective is considered throughout the project and the results disseminated throughout the SAFE network. SAFE also works in partnership with several other voluntary groups on individual projects. These have included the Atrial Fibrillation Association, Arrhythmia Alliance, AntiCoagulation Europe and World Heart Federation. SAFE also plays a leading role for patients in the European Stroke Research Network.

The World Stroke Organisation (WSO), organises a biennial world stroke congress, produces the International Journal of Stroke, and is committed to developing and being influenced by Stroke Support organisations from across the world. Through our engagement we deliberately set out to discover and share good practice across the world. Our CEO is a member of the Board of the WSO. We finished a project on behalf of WSO to develop a toolkit to help those wishing to set up a Stroke Support Organisation understand how to overcome social, political and economic barriers. The toolkit was presented and launched at the World Stroke Congress in Brazil in October 2012, where it was well received. We are also actively supporting the WSO with the development and delivery of the Stroke Solidarity String. As well as selling the string in the UK, we are supporting SAFE members to do so in their country.

Trustees' report Year ended 31 March 2013

Independent Stroke Clubs are autonomous local stroke charities that deliver long term social support to people affected by stroke. There are 492 such clubs in the UK and 300 have chosen to join our Stroke Club Affiliation Scheme. This figure is slightly down from 2011/12, partly due to the limits on resources in our regions to proactively support clubs over a very busy year. The scheme offers many benefits to clubs including ongoing support from our regional and national teams, the UK Stroke Club Conference, and a programme of training courses for club volunteers.

Our network of Stroke Association Voluntary Groups has continued to grow during the year, reaching 93, exceeding our original 2010-2015 target by 86%. These groups are run locally by volunteers as part of the Association, providing a clear exit strategy from many of our Life After Stroke services and ensuring long term peer and social support is available to those who need it. They benefit from a high level of support from our regional staff to ensure a high standard of support is offered and considerable work has been ongoing during 2012-13 to bring them closer to us.

During the year, we have encouraged clubs and groups to engage with us in our 20th anniversary year. Initiatives have included distributing pin badges and certificates to thank club and group members and volunteers for their work in their local stroke community, a specifically developed resource pack giving ideas on how to join in the celebrations, a strong birthday theme at the UK Stroke Club Conference, and circulating key publications from the year including the 'Big Get Together' pack and '20 years of stroke research' report.

In addition to the above, we work at many levels with a number of organisations, the prerequisite being that such activity must support the pursuit of our purpose. These include the Stroke Improvement Networks across the UK, the National Council for Voluntary Organisations in England, the Scottish Health and Social Care Alliance, the Intercollegiate Group on Stroke, the Association of Medical Research Charities, Neurological Alliances across the UK and the Voices network in England. We also work closely with organisations in the devolved nations, particularly those focussing on stroke care, multidisciplinary approaches and long term conditions.

In Scotland we have established formal partnerships with several organisations to support development and delivery of our work including Community Pharmacy Scotland, St. Andrew's First Aid and RVS Scotland. We have also developed a new Scottish Stroke Knowledge into Action initiative, in partnership with NHS Education Scotland and the University of Scotland and will be seeking core funding during 2013.

In Northern Ireland our partnership with Cruse Bereavement has led to the successful launch of the *Beyond Words* programme which is funded by Big Lottery for five years.

Trustees' report Year ended 31 March 2013

Objective 7 - Awareness: We will raise awareness of stroke, research, prevention, treatment and its consequences, and of the vital role the Stroke Association has in combating strokes in all countries of the UK.

We launched our new brand and the first ever Action on Stroke Month in May 2012. Both of these activities have had a significant impact on the charity.

We entered the top 50 charity brands for the first time and saw an increase of 23% in familiarity of our brand, according to the Charity Brand Index. The new brand also helped in the recruitment of campaign supporters (up by 4,500) and volunteers (a 50% increase in enquiries about volunteering for us during May 2012). We also saw a steep rise in our social media interactions – we now have almost 30,000 Twitter followers (an increase of nearly 200%) and over 16,000 Facebook fans.

Partly as a result of Action on Stroke Month, and also due to particularly successful and targeted media work throughout the year, we increased our overall media coverage by 73% according to our media monitoring service Metrica with, for example, over 70 pieces of coverage in the Daily Mail. Prompted awareness of the Stroke Association increased by four points to 40% while awareness of stroke remained static at 63%.

In Scotland, we secured funding to develop a new volunteer “Stroke Ambassador” initiative, through which we recruit, train and support volunteers to distribute information, organise stalls at local events, provide awareness talks and support media coverage in their local communities and nationally if appropriate. By March 2013 we had trained 21 volunteers, many of whom are very active. We plan to increase volunteer numbers each year. The reach of our ambassadors, combined with high levels of media coverage in Scotland, should support improved awareness of stroke and the Association year on year.

We are also developing stroke awareness activities through the arts in Scotland, including production of a play about a stroke survivor with locked in syndrome following stroke, which had its gala performance in Edinburgh in June 2012, securing major media coverage.

In Wales, our awareness raising has also grown due to a significant increase in our media activity. Over the year our new brand largely contributed to this, but importantly the experiences and personal stories of stroke survivors are increasingly engaging the interest of the public. For example, Emily Shepherd's stroke victory of winning a beauty pageant and overcoming the barriers that she was faced with after her stroke. This story received great attention from the media and has contributed to busting some of the myths around strokes.

Objective 8 - Resources and income generation and management: We will generate the resources to sustain the Stroke Association, fund more research, prevent strokes, raise awareness, do more campaigning, and enable and supply more services to stroke survivors and their carers.

This objective relates to a number of different areas discussed throughout this report. Following the dip in voluntary income in 2011/12, last year fundraising was much stronger with growth of 9.6% overall. The launch of our new brand in May 2012 has improved our image and has undoubtedly helped us to engage better with supporters and potential supporters, particularly in the corporate sector.

Legacy income at £6.8 million was up by 16% on the previous year and it is very encouraging that, at year end, our legacy pipeline is still very healthy with over £4 million worth of known notified bequests.

We also saw the first residuary gift of £44k from a donor recruited through our Free Will scheme and, with the number of legacy pledgers increasing from 1,817 to 2,300, it gives us increased confidence for the future.

Other fundraising activities (excluding legacies) raised a net total of £4.6 million, up 11% on the previous year. Major Gifts and Trusts in particular had a very good year. We were able to meet with our major supporters at a reception at 10 Downing Street hosted by Samantha Cameron and held a reception at Buckingham Palace Galleries, in addition to our regular programme of events.

Corporate fundraising was once again a difficult area for us, though income increased from £617k to £791k. We were pleased to secure support of over £200k from the ICAP charity trading day which has funded a project working with stroke in childhood.

We also commenced a new corporate partnership with the Balhousie Care Group in Scotland. This is our first corporate partnership in Scotland which we anticipate will bring in up to £75k a year and we expect the partnership to continue for at least three years. We won the pitch to be the charity of the year partner of law firm Herbert Smith Freehills, which commenced at the end of 2012.

Once again we secured sponsorship for the UK Stroke Forum, Life After Stroke Awards, and DIVA.

We completed a merger of our Community and Events fundraising teams and have already seen benefits in a more unified approach to events management. We continued our programme of Resolution Runs and Abseils and our abseil at Battersea Power station generated over £200k, more income than any previous abseil event. Our fundraising in Jersey took off particularly with a bike ride led by Jersey stroke survivor and supporter Ant Lewis which raised £150k and helped enormously with our profile on the island. We capitalised on this with our first ever charity ball on the island in March 2013.

Trustees' report Year ended 31 March 2013

We secured a regional corporate partnership with Thomson Holidays North East and, as a result, 251 Thomson shops have adopted us for a year.

Total income raised by Community and Events was £3.3 million, an increase of 21%.

Our Appeals to warm supporters performed particularly well, but income from In Memoriam giving did not perform as expected and at £949k was a reduction on the previous year.

Donor recruitment was also a difficult area for us and we understand this is common for charities across the sector with money still tight.

On a brighter note, income from committed giving rose to £1.0 million from £829k the previous year.

Raffle income at £824k was an increase of 8.9% on the previous year.

Total income from appeals was £5.0 million, an increase of 5% on the previous year.

Following the opening of the main part of the Life After Stroke centre in Bromsgrove last year, we secured £100k funding to convert the "White House" building to become a multimedia production centre and social space (see Life After Stroke Centre section, below).

Corporate sponsorship and Christmas card sales also produced a net surplus of £238k compared with £429k the previous year, a reduction of 44%.

In Wales, in addition to the successes of our events, we secured over £196k from statutory and trust funds to build our volunteering capacity develop our Speak Out for Stroke programme and sustain our Community Integration services. Also, we achieved a Charity of the Year adoption with Wales and West Housing Association which by the end the 2012 financial year period had already raised more than £10k; we expect this to more than double in the year ahead.

The performance for Services is detailed under "Objective 2" above.

Objective 9 - Infrastructure and our workforce: We will ensure maximum use of resources for achieving our charitable purposes by maintaining excellent staff and volunteer relations, internal effectiveness and efficiency.

We are finalising work on the full integration of our systems and databases, to drive cost and efficiency savings across the whole organisation, and to maximise cross-selling opportunities. The use of video conferencing and web cams is the norm, and continues to save us accommodation and travel costs as well as travel time.

Trustees' report Year ended 31 March 2013

We are utilising business intelligence software to enhance our ability to access, analyse and drill down into various information sources, to create personalised real-time dashboards, and to improve the quality and timeliness of decision making. We should ultimately be better able to understand who our customers and donors are, and how we might segment that information against our strategic performance objectives.

A new "Improvement Board" has been established, that meets on a regular basis to drive business process improvement to help the organisation become more efficient and to ensure we remain fit for purpose. The Improvement Board will provide the leadership necessary to support real change in the way we do business and in providing practical solutions.

A new Performance and Development Unit will also support the above, it's focus being: (a) Business Strategy Support; (b) Market Analysis and Insight; (c) Business Improvement and Quality; and (d) Business Development.

In staff training and development we have continued to ensure that the right selection of quality programmes is available to support our people. A comprehensive selection of over 40 face-to-face programmes are offered, which is complemented with over 230 online courses which can be accessed through our i-Learn system. We have continued to roll out, develop and give greater access to learning through our core training portfolio including induction, our online provision, role-specific training, management and senior leadership programmes, health and safety and client assist training.

Learning and Development provide a strong leadership series which supports managers and supervisors in their key role in the learning cycle. This incorporates a range of management skills training such as Effective Appraisals Performance Management, Choosing the Right People, Taking the Lead, our tailored Foundation Management Development Programme and a new Senior Leadership Programme delivered by the Leadership Trust. During 2012/13 six senior managers have attended the Senior Leadership Programme with the Leadership Trust with a further seven places being provided for 2013/14. This series will ensure that managers have the appropriate knowledge and skills in order to manage and lead projects, tasks and most importantly the people that they supervise or manage directly.

A key project for Learning & Development in 2012/13 has been the introduction and embedding of a comprehensive Knowledge and Skills Framework for Life After Stroke Services Coordinators. The framework currently covers the knowledge and skills of colleagues working in 39 different roles. With the introduction of our Knowledge and Skills Framework, we have introduced a new suite of training courses which have been developed and linked specifically to the knowledge and skills required by our staff.

Financial review for the year

The net deficit for the year, before foreign exchange gains and investment gains, was £399k compared to a deficit of £1.9 million in the previous year. This was significantly better than budgeted and included the planned investment in our brand relaunch.

Incoming resources - Total incoming resources for the year were £31.1 million compared with £30.6 million last year.

The principal sources of revenue are legacies, fundraising activities and community services contracts.

Legacy income this year was £6.8 million (£5.9 million), a significant improvement on last year and ahead of budget.

Other fundraising activities contributed £11.0 million (£10.4 million) of gross income, 6% up on the previous year, in what was and still very much remains a really tough external environment.

See "Objective 8" above for further details on fundraising.

Our community services contracts, mainly communication and family support services, are a direct help to stroke survivors, their families and carers, and a major source of income and expenditure. Community services contract income fell to £11.2 million against £12.3 million last year. See "Objective 2" above for further details on services.

The net increase in market values of the Association's investments was £1,755k (decrease of £355k in 2011/12). Also see "Investment policy" note below.

These, and a £51k foreign exchange gain, has meant that the funds position increased by £1.4 million (decrease of £2.2 million in 2011/12) at the end of the year.

Resources expended - Expenditure on charitable activities was £31.5 million (£32.5 million), supporting the key objectives of the charity.

The new ways of working introduced in 2011/12 benefited the financial management across the Association leading to further savings against budget. In total net expenditure was almost £1.1 million under budget. Salary increments and bonuses were not awarded nor was a general cost of living award.

The costs of generating voluntary income in relation to the income generated were 40% (44%). The decrease was primarily a result of the increase in income during the year. Additionally, the costs of generating voluntary income include items that will show benefit to us in future years.

Trustees' report Year ended 31 March 2013

Prices of goods and services purchased are subject to contracts with suppliers based on market prices, and salary costs are subject to a formal annual review. Our standard payment terms are 30 days.

The commercial trading operations carried out through the Association's trading subsidiary, Stroke Association (Trading) Limited, contributed £238k (£429k) net income as detailed in note 2 to the financial statements.

The trustees have authorised research expenditure at an average level of £2.5 million per year, over a rolling three year period (although, an additional £300k was approved for spending in 2012/13 funded by the Princess Margaret Fund). As the actual expenditure in each year will vary from this figure there will be a consequential effect on the net surplus or deficit for each year. This year there was a research under-spend against budget of £157k (over-spend in 2011/12 of £29k). A £876k (£719k) under-spend can be carried forward to next year and beyond to be utilised against suitable new projects should they arise and the general economic climate makes such expenditure prudent.

Financial position

The consolidated balance sheet shows total group funds of £14.9 million (£13.5 million).

Included in total funds is an amount of £1,588k (£1,693k), which is restricted. These monies have either been raised for, and their use restricted to, specific purposes or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in the restricted funds note to the financial statements together with an analysis of movements in the year.

Unrestricted funds of the charity at 31 March 2013 amounted to £13.3 million (£11.8 million). These funds are represented by tangible fixed assets with a net book value of £2.6 million (£2.8 million) and "free reserves" of £10.7 million (£9.0 million).

Future plans

This year we celebrated our 20th Anniversary and rolled out our new brand. This has been of great benefit to us in terms of awareness of both stroke itself, and the Stroke Association. This should ultimately have a positive impact on our future income streams, but we suspect this will be a slow-burn process.

Trustees' report Year ended 31 March 2013

The continuing unsettled and difficult external environment shows little sign of abating, and has affected in particular some of our fundraising income streams. The revised NHS structures in England have caused further uncertainties and impacted our contracted income. These issues will undoubtedly continue into the next financial year. We have and will continue to closely monitor our financial position, to keep a close eye on our cash flow forecasting in particular, and put in place measures to limit any potentially adverse impacts, to try and improve income and cash receipts where possible, and to find ways of making cost savings. Colleagues across the organisation deserve credit in continuing to find and implement cost saving and income generating ideas, to ensure we continue to strive to be lean and efficient.

Despite the current environment, we have still continued to invest in stroke research, awareness, education, information and service provision and we have continued to make substantial progress towards many of our key objectives. We entered the new strategy period with a firm basis for further expansion and progress, confident that our strategic objectives while ambitious are achievable. There are, however, continuing uncertainties and external factors which pose significant challenges for us. The need to engage with the UK and devolved country Governments and their varying policies and priorities remains as critical as ever; general financial uncertainties could adversely affect our ability to fundraise; and cuts to health and social care budgets across the UK could impact on our contracted services.

Nevertheless, we are confident in our objective: to push our turnover into the £40m+ bracket over the next few years; to expand and improve the quality of our service provision; to campaign and use our influence to improve outcomes for everyone who has a stroke in the UK; to expand on stroke prevention work; and to further raise awareness of stroke and the Stroke Association.

UK Stroke Assembly

Building on the success of our first, the second UK Stroke Assembly took place in July 2012. The Assembly is an opportunity for stroke survivors and their carers to discuss the issues that affect them and influence professionals and decision makers working in the field of stroke. Key messages this year again centred on concerns about impending changes to the welfare system. Delegates were particularly concerned about the understanding of the impact of stroke and how changes to assessments would take the hidden effects of stroke into account. Delegates continue to feel positive about their ability to make a difference in effecting change locally. We also increased links with the UK Stroke Forum, with Assembly delegates choosing a topic for the 2013 UK Stroke Forum. The voice of stroke survivors drives the event and the messages and actions that follow.

We are also developing plans to establish Stroke Assemblies in the devolved countries.

Life After Stroke Centre

The Stroke Association's Life After Stroke Centre in Bromsgrove, Worcestershire, the only such bespoke centre in the UK, was opened at the end of 2011. The Centre is utilised to help to improve life after stroke for thousands of stroke survivors through services, training and information. While many of our services supporting stroke survivors continue in the local communities, the Life After Stroke Centre offers an additional facility for support groups, workshops, training and a venue for stroke clubs. Carers and professionals are benefiting from up-to-date knowledge through training services, while stroke survivors and their families are gaining information, support and advice. Stroke survivors are relearning old skills and developing new ones, from mobility and communication therapies to IT and vocational skills.

We will shortly be developing the on-site premises known as the "White House" for use as a multimedia production centre and social space, and this will further enhance the value of the Life After Stroke Centre. This centre will create a whole host of opportunities that will directly benefit people affected by stroke, helping us to reach an even wider community of stroke survivors in need of information, advice and support. For example, developing information in audio and video format will greatly assist stroke survivors with communication difficulties. It will enable us to produce videos, podcasts, blogs and images for our own website and other social media sites, and create much-needed information to help people with everyday challenges following a stroke. Further, we intend that all of our booklets and factsheets will eventually be available in audio format on our website. The hub will also help the Stroke Association save money by bringing in-house the filming and editing we already do to create films for key events and activities such as the Life After Stroke Awards and Action on Stroke Month.

The ground floor of the White House will be developed into a relaxing social space for stroke survivors, their carers and families. Our vision for the Life After Stroke Centre as a whole is for a one-stop space where stroke survivors can experience a variety of social and leisure activities and events, as well as a place to learn and to access Stroke Association services. Current users of the centre, and in particular the Young Stroke Survivors Group, have identified the need for a social space in the centre - and the ground floor of the White House is the ideal location to establish this. We anticipate ultimately utilising the more intimate spaces in the White House for activities ranging from one-to-one therapy sessions through to group art therapy.

Research grant policy

Grant applications are assessed for quality by the Research Awards Committee (RAC). The RAC is made up of external experts and chaired by a trustee, all with specific clinical and scientific expertise relevant to stroke research.

Trustees' report Year ended 31 March 2013

Project grant applications are submitted to the RAC, which meets three times a year. An individual member of the RAC leads the internal and external peer review of each application. The external peer review follows the Association of Medical Research Charities guidelines. Short-listed applicants for Fellowships are also interviewed by a panel of experts, including members of the RAC. The RAC operates by a system of point scoring each application. Only those applications which reach a certain minimum level of points are considered fundable. When more applications meet the quality threshold than we can afford to fund, the RAC and our Service Users Review Panel jointly prioritise which applications should be funded. If a member of the RAC is connected with a particular application he/she takes no part in that decision.

Grants can be awarded for a project covering a number of years (up to a maximum of five) or for a Junior or Senior Research Training Fellowship. The Research Department also allocates a small proportion of its budget to internal flexible funding grants. In the past the Association has supported infrastructure costs for the development of research centres. The current research strategy does not include such initiatives as a priority, but we are continuing to support the Chair in Stroke Medicine at the University of Nottingham.

Once awarded, all grants are monitored for progress via annual reports. Queries arising from on-going awards are addressed by the Chairman of the RAC, or the full committee as appropriate.

Reserves policy

The Association has no endowment funding being largely dependent for income upon donor funding including legacies and these income streams are subject to fluctuation from year to year. As a result the trustees believe the Association should hold reserves to provide protection against such fluctuations and enable the Association to continue operating in all circumstances and following all eventualities including, inter alia, any significant unexpected fall in income.

The Association awards research grants and Fellowships each year, which run for periods of up to five years. Such awards are accrued in full when granted, and this effectively ensures the funds required for the full term of the awards are set aside from the Association's unrestricted funds. It is the Council's policy to hold in money market deposits the amount of such awards not yet drawn down that is estimated to be payable within the following twelve months. The balance of such awards is held in investments.

On-going research commitments such as those relating to the Chair in Stroke Medicine held at the University of Nottingham are written off to the Statement of Financial Activities as they are incurred. As such, they are set aside and form part of the operational expenditure referred to below.

Trustees' report Year ended 31 March 2013

Over the past five years, the Association has developed a broader spread of income streams, improved levels of management reporting, greater understanding of the operating risks faced and more management experience.

The trustees decided to re-evaluate the real economic risks and the risk profile of the Association in following its business model. Consequently in 2011/12, the reserves policy relating to the minimum essential reserves was amended to make it more appropriate for our current and future needs.

The Council believes that after setting aside research grants etc. as described in the previous paragraph plus any major capital expenditure planned for the next three years, the level of Unrestricted Income Funds should be:-

- a) at least equivalent to the community services direct contract staff costs for a period of two months; and
- b) all other operational expenditure for a period of six months based on the budgeted expenditure for the year ahead.

The former has been selected after consideration of the period of notice contained in community service contracts. The latter after taking account of the high proportion of salaries within the Association's remaining operating costs.

In determining our minimum reserves target, after deducting total fixed assets, we add back to unrestricted reserves, the mortgageable value of properties owned. However, to ensure we maintain acceptable levels of liquidity, we limit the amount of the property value added back to reserves to a maximum 10% of reserves.

Designated funds: In certain circumstances, it is acknowledged that reserves may be utilised as working capital and trustees may approve the use of a specific amount of reserves for an agreed purpose.

As at 31 March 2013, the balance of the Unrestricted Income Funds, including designated funds, and after deducting two months of budgeted community service direct contract salary costs and adjusting for the mortgageable value of properties, represents 5.7 (5.3) months of the budgeted operating expenditure, excluding community services direct contract salary costs. It should be noted that the level of 5.7 months compares with our guideline policy of six months referred to above (also see "Financial position" above). The reserves policy is reviewed annually by our Audit Committee. At each five year strategy review, a report is made to Council to confirm the appropriateness of the policy over the next strategy period.

Trustees' report Year ended 31 March 2013

Investment policy

The charity has a portfolio of investments with a market value at 31 March 2013 of £18.5 million (£16.3 million). There are no restrictions on the charity's power to invest. However, we have made a policy decision not to invest in tobacco-related stocks. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment managers' view of market prospects in the medium term. The long term investment objective is to achieve total returns of CPI +3.5% through a diversified portfolio of assets, whilst maintaining a prudent and balanced investment strategy.

A committee of trustees meets with the investment managers four times a year to review the performance of the portfolio and the investment strategy.

During the year ended 31 March 2013, stock market volatility continued, but principally in our favour, and this helped increase the market value of the Association's investment assets by £1,755k.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. Running risks is unavoidable. The trustees believe that by monitoring reserve levels, ensuring controls exist over key financial systems and by examining the operational and business risks faced by the charity on a regular basis, they have established effective systems to mitigate those risks. The trustees also approved a recommendation from the Audit Committee to enhance the role of internal audit that had been developed by the CEO and Director of Finance and Resources.

Governance and management

The senior body of the charity is the Council, consisting of all trustees, which meets four times a year. The Council delegates some of its powers to seven committees of trustees. These are the Finance and General Purposes, Audit, Investment, Nominations, Remuneration, Research and Development Strategy and Research Awards Committees.

The Finance and General Purposes Committee generally meets four times a year and acts on behalf of the Council in governing the Association.

The Audit Committee is an advisory committee without executive powers. It normally meets four times a year and is responsible for advising on internal control matters, risk management, the relationship with the external auditors and any other matters referred to it by Council.

Trustees' report Year ended 31 March 2013

The Investment Committee meets four times a year and is responsible for the charity's investments and the relationship with the external investment managers.

The Nominations Committee meets as necessary to consider the governance of the Association and makes recommendations to Council with regard to the appointment of trustees and succession, in particular for the trustee office-holders and the Chief Executive.

The Remuneration Committee meets twice a year to review the Association's policy with regard to the pay and conditions of service of all employees, and specifically the Chief Executive and other members of the senior management team.

The Research Strategy Committee meets twice a year to develop and implement a research promotion strategy in relation to stroke illness and to advise Council on research and development matters which relate to the Association's activities.

The Research Awards Committee meets three times a year and carries out research application reviews as referred to above. Members also provide advice on stroke related issues.

We also have advisory committees operating in Jersey, Northern Ireland, Scotland and Wales, which support our activities in those areas, and are represented on the Trustee Board.

The day-to-day affairs of the charity are run by the Chief Executive assisted by five directors each heading up a directorate.

Trustees set overall strategy. Objectives within that strategy each have a business plan. Progress in these various areas is reviewed on a regular basis, as are unexpected risks or opportunities when they arise. Officers will gather appropriate information and present this along with recommendations to trustees, who debate the issues and generally seek to reach consensus on recommendations and proposals for the next steps.

Recruitment and appointment of trustees

The trustees are directors of the charity for the purposes of the Companies Act.

Trustees' report Year ended 31 March 2013

New trustees are appointed by the members of the Association who are the members of Council. Under the Articles of Association, one third of the trustees retires each year by rotation and may be eligible to stand for re-election. Trustees serve a maximum of three three-year terms, with office-holders having a three-year term of office, renewable for one further term of three years. No trustee should normally serve for more than nine years. In order to ensure that the Council has the necessary broad spread of skills, trustees will take account of any gaps in skills when appointing new trustees.

Trustee induction and training

Some trustees when appointed are already familiar with the work of the charity in their professional capacities or having served as external members of the Research Awards Committee.

All new trustees are sent a series of "core" documents containing the governing documents and policies of the Association, the terms of reference of the Council and the various committees, the latest statutory and management accounts, the five year strategy and related business plans and a list of other documentation that is available. These documents are also available within a dedicated area for trustees on the Association's intranet.

An induction programme tailored to the needs of each new trustee is available to them. This may include:-

- Attending an induction training day
- Briefings from the Chief Executive and members of the management team on the work of the Association and individual departments
- Visiting offices in London, centres outside London and Country headquarters in Northern Ireland, Wales and Scotland
- Visiting communication support groups

In addition, details of seminars and other training covering such areas as charity law and governance are forwarded to trustees and booked for them.

Trustees' report Year ended 31 March 2013

Trustees

The following trustees were in office at 31 March 2013 and served throughout the year, except where stated.

Trustee	Appointed/Resigned
John M Bamford MD FRCP	
Ian Black BSc CIPFA	
Michael A Cornbleet BSc MD FRCP	
Andrew M B Daws LLB Solicitor (Hons)	
Susan M A Duncan MA BSc Hon DSc	
Robert J Empson MBA BSc	
Stuart Fletcher OBE MA AMIHM	
Jacqueline A Fowler BA MInstF	
E Anne Freeman OBE MB ChB FRCP	
Professor Sir Charles F George MD FRCP Hon FFPH FMedSci	Resigned 31 March 2013
Vivien M Gould	
Damian F Jenkinson BSc MB BS PhD FRCP	
Professor Keith W Muir MB ChB MSc MD FRCP	
Sue Nyfield BA MBA	
Peter Rawlinson PhD BSc CEng FRSA FIET	
Professor Anthony G Rudd MA MB Bchir FRCP	
Professor Robert W Stout MD DSc FRCP FMedSci	
Eric F Tracey M Com FCA ACIS	
Professor Phillipa J Tyrrell MA MB BS MD FRCP	
Sir David Varney Kt BSc MBA Hon.LLD FIPD FRSM	Appointed 17 July 2012 Chairman w.e.f. 1 April 2013
Professor Marion F Walker MBE PhD MPhil FCOT	
Michael J C Watts MA FCA	

Trustees' report Year ended 31 March 2013

Statement of trustees' responsibilities

The trustees (who are also directors of Stroke Association 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 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities, the Charities SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 maintaining adequate 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 the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. The trustees are also responsible for safeguarding the assets of the charity and the group 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 Stroke Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' report Year ended 31 March 2013

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which Stroke Association's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that Stroke Association's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Management team

The following members of the management team were in office at 31 March 2013 and served throughout the year, except as stated below.

Jon Barrick BSc MBA FCMI	Chief Executive
Christopher R Clark	Life After Stroke Services
Dale Webb BA MSc PhD*	Research and Information
Joe Korner BA	Communications
Roy Quiddington BA FCA	Finance and Resources
James Swindells MInstF	Fundraising

* Dale Webb joined the Association on 3 September 2012 replacing Joanne Knight who left the Association on 20 September 2012.

Employees

The charity provides information to its staff by briefings through the management structure, reports, newsletters and its intranet. The CEO sends round a blog to all staff, and key matters coming out of Directors team meetings are communicated via "all users" email messages. Management papers, minutes and agendas are available to all staff via the intranet. A staff consultative group has been running since 2001 with members elected from agreed constituencies, and is compliant with the Employer Information and Consultation Regulations.

Trustees' report Year ended 31 March 2013

The charity is an equal opportunities employer and applies wholly objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favoured treatment on any grounds whatsoever. A Diversity and Equality working party has met regularly to ensure we meet the ideals and requirements of the Equality Act 2010 (which came into force on 1 October 2010, with some additional provisions in April 2011), and any subsequent updates to the Act.

Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities in line with legislation and best practice. All employees are given equal opportunity and, where appropriate and practical, training to enable them to progress both within and outside the organisation. The charity has informed all employees of its policies.

We hold the prestigious Investors in People Bronze Award which reflects people and leadership excellence in an organisation, and demonstrates our on-going commitment to quality, staff and volunteers, whose passion, commitment and enthusiasm make the Stroke Association such an outstanding organisation. Becoming an 'Investor in People' is the goal that thousands of employers hope to achieve every year. We aim to achieve even higher standards in people and leadership excellence over the next few years.

Volunteers

Volunteers continue to be crucial in helping us to meet our objectives. In 2012/13 5,388 volunteers UK wide gave their time supporting our activities. Volunteers work across the organisation including within Life After Stroke services, campaigning, fundraising, informing our information provision and working with the media. Over the last year 14,203 people have taken part in our fundraising activities.

Approved by the trustees and signed on their behalf by:

Sir David Varney

Chairman of Council

Approved on 16 July 2013

Independent auditor's report to the trustees and members of the Stroke Association

We have audited the financial statements of the Stroke Association for the year ended 31 March 2013 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees as a body, in accordance with Section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members and trustees 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, the charity's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Scope of the audit of the financial statements

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

Opinion

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- ◆ the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or

Independent auditor's report Year ended 31 March 2013

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

Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities Year ended 31 March 2013

	Notes	Unrestricted funds £000	Restricted funds £000	2013 Total funds £000	2012 Total funds £000
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
- Donations and appeals	1	9,259	1,757	11,016	10,430
- Legacies		6,599	215	6,814	5,895
- Grants		—	438	438	339
Total voluntary income		15,858	2,410	18,268	16,664
Activities for generating funds					
- Trading operations	2	208	—	208	177
Investment income and interest receivable	3	494	—	494	394
Total incoming resources from generated funds		16,560	2,410	18,970	17,235
Incoming resources from charitable activities					
- Community services contracts		—	11,177	11,177	12,253
Other incoming resources		904	—	904	1,099
Total incoming resources		17,464	13,587	31,051	30,587
Resources expended					
Costs of generating funds					
- Costs of generating voluntary income	4,7	(7,260)	—	(7,260)	(7,149)
- Fundraising trading: costs of goods sold and other costs	2	(145)	—	(145)	(120)
- Investment management costs		(76)	—	(76)	(88)
		(7,481)	—	(7,481)	(7,357)
Charitable activities					
- Research, grants etc.	7	(2,507)	(1,590)	(4,097)	(4,264)
- Community services	6,7	(4,999)	(12,010)	(17,009)	(18,078)
- Information and awareness	7	(2,667)	(92)	(2,759)	(2,714)
Governance costs	8	(104)	—	(104)	(97)
Total resources expended		(17,758)	(13,692)	(31,450)	(32,510)
Net expenditure for the year	9	(294)	(105)	(399)	(1,923)
Other recognised gains					
- Foreign exchange gains		51	—	51	72
- Realised and unrealised gains/(losses) on investment assets	13	1,755	—	1,755	(355)
Net movement in funds		1,512	(105)	1,407	(2,206)
Reconciliation of funds					
Funds at 1 April 2012		11,802	1,693	13,495	15,701
Funds at 31 March 2013		13,314	1,588	14,902	13,495

Consolidated statement of financial activities Year ended 31 March 2013

Historical cost net movement in funds	2013 £000	2012 £000
Net expenditure for the year	(399)	(1,923)
Realised losses on sales of investment assets based on historical cost	(41)	(71)
	<u>(440)</u>	<u>(1,994)</u>

This schedule shows the net movement in funds after charging the realised losses on sales of investment assets based on historical cost.

Consolidated balance sheet 31 March 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	12	2,600	2,762
Investments:			
- General fund		10,550	8,991
- Research fund	5	7,907	7,297
	13	18,457	16,288
Total fixed assets		21,057	19,050
Current assets			
Debtors	14	1,318	1,541
Cash at bank & short term deposits	15	4,059	3,933
		5,377	5,474
Creditors: amounts falling due within one year	16	(6,071)	(6,128)
Net current liabilities		(694)	(654)
Total assets less current liabilities		20,363	18,396
Creditors: amounts falling due after one year:			
- Research grants	5	(5,461)	(4,901)
Total net assets		14,902	13,495
Represented by:			
Income funds:			
- Restricted funds	17	1,588	1,693
- Unrestricted funds			
- General funds		13,300	11,788
		14,888	13,481
- Funds retained within a non-charitable subsidiary		14	14
		14,902	13,495

Approved by the trustees of Stroke Association, Company Registration No. 00061274,
and signed on their behalf by:

Approved on:

Charity balance sheet 31 March 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	12	2,600	2,762
Investments:			
- General fund		10,550	8,991
- Research fund	5	7,907	7,297
	13	18,457	16,288
Total fixed assets		21,057	19,050
Current assets			
Debtors	14	1,278	1,493
Cash at bank and short term deposits	15	4,059	3,933
		5,337	5,426
Creditors: amounts falling due within one year	16	(6,045)	(6,094)
Net current liabilities		(708)	(668)
Total assets less current liabilities		20,349	18,382
Creditors: amounts falling due after one year:			
- Research grants	5	(5,461)	(4,901)
Total net assets		14,888	13,481
Represented by:			
Income funds:			
- Restricted funds	17	1,588	1,693
- Unrestricted funds			
- General funds		13,300	11,788
		14,888	13,481

Approved by the trustees of Stroke Association, Company Registration No. 00061274 and signed on their behalf by:

Approved on:

Consolidated cash flow statement Year ended 31 March 2013

	Notes	2013 £000	2012 £000
Net cash inflow/(outflow) from operating activities	A	1	(2,300)
Returns on investments	B	131	394
Capital expenditure	B	(6)	(1,762)
Financial investment	B	—	500
Increase/(decrease) in short term deposits and cash at bank	C	<u>126</u>	<u>(3,168)</u>

Notes to the consolidated cash flow statement for the year ended 31 March 2013

A. Adjustment of net expenditure to net cash inflow/(outflow) from operating activities

	2013 £000	2012 £000
Net expenditure for the year	(399)	(1,923)
Depreciation charge	168	329
Interest receivable	(66)	(74)
Investment income receivable	(428)	(320)
Refund of investment management fees	—	(139)
Decrease in debtors	223	507
Increase in research grant commitments	610	919
Decrease in creditors	(107)	(1,599)
Net cash inflow/(outflow) from operating activities	<u>1</u>	<u>(2,300)</u>

Consolidated cash flow statement Year ended 31 March 2013

B. Gross cash flows

	2013	2012
	£000	£000
Returns on investments		
Interest received	66	74
Investment income received	65	320
	131	394
Capital expenditure		
Payments to acquire tangible fixed assets	(6)	(1,762)
Financial investment		
Net payments out of the investment funds	—	500

C. Analysis of changes in short term deposits and cash at bank

	2013	2012
	£000	£000
Balance at 1 April	3,933	7,101
Balance at 31 March:		
- Cash at bank and short term deposits	4,059	3,933
Net increase/ (decrease)	126	(3,168)

Principal accounting policies Year ended 31 March 2013

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value and in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the regulations thereunder. Applicable United Kingdom Accounting Standards (Generally Accepted Accounting Practice) and the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005 have been followed in these financial statements.

Basis of consolidation

The statement of financial activities and the balance sheet consolidate the financial statements of the Association and its subsidiary undertaking made up to the balance sheet date. No separate statement of financial activities has been prepared for the charity as the results of the subsidiary are clearly shown in the consolidated statement of financial activities and supporting notes.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to their receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives where these amount to a contract for services.

Legacies are included in the statement of financial activities when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Donations in kind in the form of volunteers' time are not evaluated or included in the financial statements due to the difficulty and time involved in obtaining a meaningful figure.

Resources expended and basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes VAT which cannot be recovered.

Principal accounting policies Year ended 31 March 2013

Resources expended comprise the following:

- a. The cost of generating funds includes the salaries, direct costs and overheads associated with generating donated income and the costs incurred by the trading subsidiary.
- b. Charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include grants payable which are included in the statement of financial activities when approved, salaries, direct costs and overheads.
- c. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with the constitutional statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, primarily head count and expenditure ratios.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to charitable activities. Staff related costs are allocated in the same proportion as directly attributable staff costs.

Research grants etc.

The Association awards research grants and Fellowships each year, which run for periods of up to five years. Such grants etc. are accrued in full at the time of their award and by this action the funds required for the full term of the grants etc. are set aside from the Unrestricted Income Funds of the Association.

Tangible fixed assets

All assets costing more than £5k and with an expected useful life exceeding one year are capitalised.

Short leasehold premises consist of the costs of entering into the leases of the head office in London and Country and regional centres together with associated fitting-out costs. These costs are written off over eight years reflecting the useful life of the underlying asset to the business.

Other tangible fixed assets are capitalised and depreciated at the following rates in order to write them off over their estimated useful lives:

- Freehold premises 2% per annum based on cost
- All Fixtures, Furniture & Fittings 12.5% per annum based on cost

Principal accounting policies Year ended 31 March 2013

Fixed asset investments

Fixed asset investments listed on a recognised stock exchange are included in the financial statements at their market value as at the balance sheet date. Realised and unrealised losses and gains on investment assets are shown net in the statement of financial activities. The investment in the charity's trading subsidiary is valued at the cost of £7.

Fund accounting

Restricted funds comprise monies raised for, or where their use is restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are available for application towards achieving any charitable purpose that falls within the charity's charitable objectives.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Pension costs

Contributions are paid to a group money purchase personal pension plan for employees. Contributions payable during the year are charged to the statement of financial activities.

Notes to the financial statements Year ended 31 March 2013

1 Donations and appeals

	2013	2012
	£000	£000
General	982	1,562
In memoriam	949	996
National raffle	824	757
Direct mail	1,417	1,332
Committed giving	1,036	829
Companies and trusts	1,646	1,365
Events	1,691	1,661
Regional fundraising	1,645	1,098
Gift aid	743	683
Community services miscellaneous income	83	147
	11,016	10,430

Donated services by 5,388 (4,721) volunteers have not been evaluated and are excluded from these financial statements.

2 Trading operations

The Association owns 7 ordinary shares of £1 each (100%) of Stroke Association (Trading) Limited, a company incorporated in England and Wales. The company sells Christmas cards and raises corporate sponsorship monies to fund the activities of the charity. The trading company gift aids its taxable profits to the charity. A summary of its trading results is shown below.

	2013	2012
	£000	£000
Sales of Christmas cards	208	177
Cost of sales	(118)	(100)
Gross profit	90	77
Other income – corporate sponsorship	175	372
	265	449
Selling, distribution and administration expenses	(27)	(20)
Net profit paid to The Stroke Association under gift aid	238	429
Net assets	14	14

Notes to the financial statements Year ended 31 March 2013

3 Investment income and interest receivable

	2013	2012
	£000	£000
Investment income receivable	428	320
Interest receivable	66	74
	494	394

4 Costs of generating voluntary income

	2013	2012
	£000	£000
Fundraising costs:		
- Staff costs	(2,653)	(2,782)
- Brochures, materials and other costs	(4,221)	(4,008)
- Support	(386)	(359)
	(7,260)	(7,149)

5 Research grants and awards

A full list of the grants is contained within the Annual Review, which is available from the charity's registered office on request.

	2013	2012
	£000	£000
Commitments at 1 April	(7,297)	(6,378)
Written back during the year	118	—
Paid during the year	2,097	1,861
Approved during the year	(2,825)	(2,780)
Commitments at 31 March	(7,907)	(7,297)
Payable as follows:		
Within one year	(2,446)	(2,396)
After more than one year	(5,461)	(4,901)
	(7,907)	(7,297)

5 Research grants and awards (continued)

- a) It is the Association's policy that the total of undrawn grants be covered by investments and short term deposits.
- b) Related party transactions

During the year ended 31 March 2013 the Stroke Association approved the following project grants:

- ◆ At a contracted cost of £86k with the Institute of Neurology, UCL, with which Martin Brown (member of Research Awards Committee) is named on the application.
- ◆ At a contracted cost of £171k with the University of Nottingham, with which Avril Drummond and Martin Kelly (members of the Research Awards Committee) and Pippa Tyrrell (Chair of the Research Awards Committee and Trustee) are named on the application.
- ◆ At a contracted cost of £205k with the University of Manchester, with which Pippa Tyrrell (Chair of the Research Awards Committee and Trustee) is named on the application.

The Association also approved the following Fellowships:

- ◆ At a contracted cost of £156k with the University of Nottingham, with which Avril Drummond (member of the Research Awards Committee) was named on the application as supervisor of the Fellow.
- ◆ At a contracted cost of £189k with the University of Edinburgh, with which Peter Sandercock (member of the Research Awards Committee) was named on the application as an additional supervisor of the fellow.

None of the above mentioned research committee members took part in the review or adjudication of their project or fellowship applications, and were not present whilst the applications were discussed. Committee members from the same institutions but not named on the applications were also required to leave the room during the discussions.

6 Community services

	Unrestricted £000	Restricted £000	2013 Total £000	2012 Total £000
Contracts	(1,887)	(11,177)	(13,064)	(14,326)
Education and training	(380)	—	(380)	(720)
Regional and management support	(2,732)	(833)	(3,565)	(3,032)
	<u>(4,999)</u>	<u>(12,010)</u>	<u>(17,009)</u>	<u>(18,078)</u>

Notes to the financial statements Year ended 31 March 2013

7 Allocation of support costs

	Cost of Generating funds £000	Research grants and awards £000	Community services £000	Information and awareness £000
Direct costs	(6,875)	(3,995)	(15,240)	(2,588)
Support costs:				
- Management	(142)	(15)	(807)	(67)
- IT	(66)	(7)	(373)	(31)
- HR	(58)	(6)	(329)	(28)
- Finance	(119)	(74)	(260)	(45)
	(7,260)	(4,097)	(17,009)	(2,759)
2012	(7,149)	(4,264)	(18,078)	(2,714)

Head count forms the basis of allocation for the functions listed above excluding Finance, which is based on expenditure ratios.

8 Governance costs

	2013 £000	2012 £000
Auditor's remuneration:		
- Statutory audit services	(24)	(23)
- Non statutory audit services	—	(3)
- Other services	(3)	(2)
General costs incurred servicing the Association's committees and statutory affairs of the charity	(77)	(69)
	(104)	(97)

Notes to the financial statements Year ended 31 March 2013

9 Net expenditure for the year

This is stated after charging:

	2013 £000	2012 £000
Auditor's remuneration	(27)	(28)
Depreciation	(168)	(329)
Operating lease rentals	(1,071)	(1,094)

10 Employees and staff costs

Staff costs during the year were as follows:

	2013 £000	2012 £000
Wages and salaries	(15,307)	(15,712)
Social security costs	(1,343)	(1,463)
Pension costs	(716)	(667)
Redundancy costs	(71)	(177)
	(17,437)	(18,019)
Payments to agency staff	(186)	(260)
	(17,623)	(18,279)

The average number of employees during the year, analysed by function, was as follows:

	2013 Full time equivalent	2012 Full time equivalent	2013 Headcount	2012 Headcount
Research	19	11	23	11
Community Services	464	491	584	621
Information and awareness	42	43	44	44
Fundraising	94	89	104	103
	619	634	755	779

In addition to the above, a considerable amount of time, the value of which it is not practical to quantify, was donated by 5,388 (4,721) volunteers throughout the year.

10 Employees and staff costs (continued)

The number of employees who earned between the amounts stated below (including taxable benefits but excluding employer pension contributions) during the year were:

	2013	2012
	Number	Number
£60,001 - £70,000	3	3
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1

Employer contributions of £78k (£61k) were made to a money purchase personal pension plan in respect of these employees.

11 Trustees' remuneration

None of the trustees received any remuneration in respect of their services during the year. Travelling expenses amounting to £5k (£3k) were reimbursed to six (seven) trustees.

The charity has purchased insurance to protect it from any loss arising from the neglect or default of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £8k (£8k) and provides cover of up to a maximum of £5m in any one year.

Notes to the financial statements Year ended 31 March 2013

12 Tangible fixed assets

Group and Charity	Freehold premises £000	Short leasehold premises £000	Fixtures furniture and fittings £000	Total £000
Cost				
At 1 April 2012	2,007	1,109	935	4,051
Additions	—	—	6	6
At 31 March 2013	<u>2,007</u>	<u>1,109</u>	<u>941</u>	<u>4,057</u>
Depreciation				
At 1 April 2012	(40)	(913)	(336)	(1,289)
Charge for year	(40)	(43)	(85)	(168)
At 31 March 2013	<u>(80)</u>	<u>(956)</u>	<u>(421)</u>	<u>(1,457)</u>
Net book values				
At 31 March 2013	<u>1,927</u>	<u>153</u>	<u>520</u>	<u>2,600</u>
At 1 April 2012	<u>1,967</u>	<u>196</u>	<u>599</u>	<u>2,762</u>

13 Fixed asset investments

These comprise investments at market value and cash held for re-investment.

	2013 £000	2012 £000
Market value at 1 April	14,182	15,272
Acquisitions	8,001	10,697
Sales proceeds	(6,252)	(11,432)
Net movement in market values	<u>1,755</u>	<u>(355)</u>
Market value at 31 March	17,686	14,182
Cash held by investment managers for re-investment	<u>771</u>	<u>2,106</u>
	<u>18,457</u>	<u>16,288</u>
Cost of investments at 31 March	<u>15,327</u>	<u>13,102</u>

The net movement in market values is made up of £92k of realised losses (£143k of realised losses) and £1,847k of unrealised gains (£212k of unrealised losses).

13 Fixed asset investments (continued)

All investments, except those in the property funds, the funds of hedge funds and the multi asset holding, were listed and dealt in on recognised stock exchanges and comprised the following:

	2013	2012
	£000	£000
Equities	11,367	9,647
Government bonds	290	790
Corporate bonds	3,094	1,223
UK Property funds	768	803
Hedge funds	820	1,274
Multi asset holding	1,347	445
	17,686	14,182
UK stock exchange	6,980	7,063
Non-UK stock exchanges	7,771	4,597
UK Property funds	768	803
Hedge funds	820	1,274
Multi asset holdings	1,347	445
	17,686	14,182

At 31 March 2013 the following investments had a market value in excess of 3% of the portfolio:

	Market value of holding	% of listed portfolio
	£000	
Findlay Park American Fund USD	988	5.4
Artemis UK Special Situations	641	3.5
Aberdeen Asia Pacific Fund "D2"	581	3.2
Prudential PLC	564	3.1
	2,774	15.2

Notes to the financial statements Year ended 31 March 2013

14 Debtors

	Group 2013 £000	Group 2012 £000	Charity 2013 £000	Charity 2012 £000
Community services contract purchasers	287	329	287	329
Amount owed by trading subsidiary	—	—	9	149
Other debtors	80	120	44	76
Prepayments and accrued income	951	1,092	938	939
	1,318	1,541	1,278	1,493

15 Cash at bank & short term deposits

	Group 2013 £000	Group 2012 £000	Charity 2013 £000	Charity 2012 £000
Cash at bank and in hand	3,444	3,565	3,444	3,565
Short term deposits	615	368	615	368
	4,059	3,933	4,059	3,933

16 Creditors: amounts falling due within one year

	Group 2013 £000	Group 2012 £000	Charity 2013 £000	Charity 2012 £000
Trade creditors	(798)	(928)	(798)	(928)
Research grants	(2,446)	(2,396)	(2,446)	(2,396)
Other creditors	(477)	(554)	(451)	(520)
Accruals and deferred income	(2,350)	(2,250)	(2,350)	(2,250)
	(6,071)	(6,128)	(6,045)	(6,094)

17 Restricted funds

	At 1 April 2012 £000	Incoming resources £000	Resources expended and transferred £000	At 31 March 2013 £000
Life after stroke centre				
- Valerie Sill	—	50	—	50
- The Edith Murphy Foundation	—	50	—	50
	—	100	—	100
Medical research				
- The Bryan Guinness Charitable Trust	—	5	—	5
- Eranda Foundation	70	35	(35)	70
- European Research Council	18	—	(18)	—
- Eveson Charitable Trust	—	15	—	15
- F & A Newman Foundation	—	25	—	25
- Frances & Augustus Newman Foundation	1	—	(1)	—
- The Henry Lumley Charitable Trusts	—	5	(5)	—
- Herbert & Peter Blagrove	22	22	(9)	35
- The Inman Charity	—	5	(1)	4
- The Kirby Laing Foundation	—	50	—	50
- The Manx Stroke Foundation	—	10	(10)	—
- Masonic Samaritan Fund	29	—	(29)	—
- Mothercare Group Foundation	42	—	(29)	13
- Other donations & legacies	1	874	(871)	4
- Private Physiotherapy Educational Foundation	—	22	—	22
- Sir Samuel Scott of Yews Trust	—	5	—	5
- Rosetrees Trust	15	22	(21)	16
- Thompson Family Trust	200	—	(200)	—
- Violet M Richards Charity	69	—	(11)	58
- World Stroke Organisation	2	40	(42)	—
	469	1,135	(1,282)	322

Notes to the financial statements Year ended 31 March 2013

17 Restricted funds (continued)

	At 1 April 2012 £000	Incoming resources £000	Resources expended and transferred £000	At 31 March 2013 £000
Princess Margaret Fund				
- Annabels Berkley Square	31	—	(31)	—
- Arora Charity Foundation	5	—	(5)	—
- Barbara & Stanley Fink Foundation	15	—	(15)	—
- The Barclay's Foundation	15	—	(15)	—
- Basil Samuel Charitable Trust	10	—	(10)	—
- Blakey Foundation	23	—	(23)	—
- C.F. George	6	20	(6)	20
- David Tang	15	—	(15)	—
- Gerald Ronson Foundation	10	—	(10)	—
- Hinduja Foundation	6	—	—	6
- IPGL Limited	15	—	(15)	—
- K10 Developments Limited	12	—	(12)	—
- Lord & Lady Harris of Peckham	35	—	(20)	15
- M Spencer	80	—	—	80
- Michael Sherwood	7	—	(7)	—
- Other donations & legacies	156	—	—	156
- PMFound	15	—	—	15
- Residential Land	85	—	—	85
- Rightlane Limited	35	—	(16)	19
- Rogge Global Partners PLC	15	—	(15)	—
- Ruffer LLP Account	10	—	(10)	—
- Tangent Charitable Trust	15	—	—	15
- Thompson Family Charitable Trust	100	—	(16)	84
- B Townsley	12	—	(12)	—
- Vatche and Tam	46	—	(46)	—
- Watermelon Sieff	9	—	(9)	—
	783	20	(308)	495

Notes to the financial statements Year ended 31 March 2013

17 Restricted funds (continued)

	At 1 April 2012 £000	Incoming resources £000	Resources expended and transferred £000	At 31 March 2013 £000
Other restricted funds				
- The Alice Ellen Cooper Dean Charitable Foundation	—	5	—	5
- Awards for All	10	—	(10)	—
- Ballinger Charitable Trust	—	2	(2)	—
- The Band Trust	21	—	(21)	—
- Bank of Scotland Foundation	—	16	(4)	12
- Barnwood House Charitable Trust	3	—	(3)	—
- Big Lottery Fund	17	63	(55)	25
- The Childwick Trust	8	—	—	8
- Community services contracts	—	11,177	(11,177)	—
- Department of Health Section 64	27	25	(52)	—
- Department of Health Section 64 grant (5)	6	—	(6)	—
- Department of Health Section 64 grant (6)	—	45	(26)	19
- ED Ellis	23	—	—	23
- The Grocer's Charity	1	—	(1)	—
- ICAP	—	165	—	165
- John Ellerman Foundation	—	30	(30)	—
- Legal and General	—	10	(10)	—
- Maysel E Radcliff	109	—	(26)	83
- Mrs T A Briggs Deceased Will Trust	4	—	(4)	—
- Other donations & legacies	96	584	(571)	109
- Pilkington Family Trust	—	3	(3)	—
- Ray Gravell & Friends Charitable Trust	2	—	(2)	—
- The Scottish Council on Visual Impairment	—	5	(4)	1
- Scottish Government (1)	—	145	—	145
- Scottish Government (2)	—	30	(29)	1
- S Beer	4	—	—	4

Notes to the financial statements Year ended 31 March 2013

17 Restricted funds (continued)

	At 1 April 2012 £000	Incoming resources £000	Resources expended and transferred £000	At 31 March 2013 £000
Other restricted funds (continued)				
- Summary Limited	27	—	(15)	12
- Voluntary Action Fund	—	10	(10)	—
- Wales Council for Voluntary Action	—	17	(11)	6
- W G P McGowan	61	—	(27)	34
- William Avery Legacy	19	—	(3)	16
- Wimbledon District Nursing and Midwifery Benevolent Society	3	—	—	3
	<u>441</u>	<u>12,332</u>	<u>(12,102)</u>	<u>671</u>
Total	<u>1,693</u>	<u>13,587</u>	<u>(13,692)</u>	<u>1,588</u>

Other restricted donations were received for the following projects:

- The Alice Ellen Cooper-Dean Charitable Foundation – Towards our work in Dorset.
- Awards for All – For the Speak Out for Stroke Project.
- Ballinger Charitable Trust – For our work in the North East.
- The Band Trust – For our Working Age Project in Oxfordshire.
- Bank of Scotland Foundation – For the Speak out for Stroke Project.
- Barnwood House Trust – Towards the funding of our Resource & Participation Co-Ordinator in Gloucestershire.
- Big Lottery Fund – For our Stroke Health Improvement Programme in Ceredigion. The exact amount received was £62,388.
- The Childwick Trust – Towards supporting people with aphasia.
- Community services contracts – For operating communication and family support services.

Notes to the financial statements Year ended 31 March 2013

17 Restricted funds (continued)

- Department of Health Section 64 grant – Modernisation of our communication support services.
- Department of Health Section 64 grant (5) - Towards Stroke User representation.
- Department of Health Section 64 grant (6) – Towards our work in Communities, Volunteering and Localism.
- ED Ellis – Towards our work in Cambridgeshire.
- The Grocers' Charity – For our Sound and Song communication project.
- ICAP – Towards our Childhood Stroke Project.
- The John Ellerman Foundation– Towards our Stroke Information Helpline Service.
- Legal & General – Towards our Stroke Information Helpline.
- Maysel E Radcliff – For our work in Sheffield.
- Mrs T A Briggs Deceased Will Trust – For our work in Chester.
- Other Donations and Legacies – received for community services, education and training, support, information and awareness.
- Pilkington Charitable Trust – For our work on Merseyside.
- Ray Gravell and Friends Charitable Trust – Towards our Community Integration Group in Carmarthenshire.
- S Beer – For our work in Cornwall.
- The Scottish Council on Visual Impairment – To fund the Scottish Vision and Stroke Network.
- Scottish Government (1) – Vascular Health and Stroke Training Project in Scotland.
- Scottish Government (2) – Stroke Advocacy and Self-Directed Support Project.
- Summary Ltd – For our Hertsmere Communications Support Group.
- Voluntary Action Fund – For the Speak out for Stroke project.

Notes to the financial statements Year ended 31 March 2013

17 Restricted funds (continued)

- W G P McGowan – For our work locally at Queens Park Hospital, Blackburn.
- Wales Council for Voluntary Action – Towards our Volunteer Coordinator in Wales.
- William Avery legacy - For stroke services in Croydon.
- Wimbledon District Nursing and Midwifery Benevolent Society – For our Art Therapy Group in Merton.

18 Group analysis of net assets between funds

	Restricted funds £000	Unrestricted funds £000	Total 2013 £000
Tangible fixed assets	—	2,600	2,600
Fixed asset investments	—	18,457	18,457
Current assets	1,956	3,421	5,377
Creditors: amounts falling due within one year	(368)	(5,703)	(6,071)
Creditors: amounts falling due after one year	—	(5,461)	(5,461)
	1,588	13,314	14,902

19 Tax

The charity is unable to reclaim all VAT suffered on expenditure. Irrecoverable VAT suffered during the year amounted to £885k (£858k).

Notes to the financial statements Year ended 31 March 2013

20 Leasing commitments

At 31 March 2013 the charity had annual commitments under non-cancellable operating leases as follows:

	Property	Property	Cars	Cars
	2013	2012	2013	2012
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	(234)	(311)	(11)	(17)
Within two to five years	(437)	(100)	(244)	(157)
After five years	(227)	(524)	—	—
	(898)	(935)	(255)	(174)

21 Pension commitments

The charity operates a group personal money purchase pension scheme with contributions from employees from 3% upwards. The charity contributes 3% over the contribution from the employee, with a maximum of 9%, for those employees who have chosen to join.

22 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding 5p.

23 Dormant subsidiary companies

The Association owns 100% of The Chest Heart and Stroke Association, British Stroke Foundation and Stroke UK Limited, dormant companies incorporated in England and Wales and 100% of Speechmatters Limited, a dormant company incorporated in Northern Ireland.