

Charity Registration No. 1134859/SC039721

Company Registration No. 07127101 (England and Wales)

**REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
NATIONAL RHEUMATOID ARTHRITIS SOCIETY**

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr S J Crowther
Ms K J Fox
Dr G Taylor
Ms Z C Ide
Mr R A Boucher
Mr S Collins
Mr R Flowerdew
Miss S Webb
Miss E Potter
Miss L Cook

CEO

Mrs C Jacklin

Charity number

1134859/ SC039721

Company number

07127101

Registered office

Ground Floor
4 The Switchback
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Maidenhead
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SL6 7RJ

Auditors

Moore Kingston Smith LLP
The Shipping Building
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UB3 1HA

Bankers

HSBC
35 High Street
Maidenhead
SL6 1JQ

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
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NATIONAL RHEUMATOID ARTHRITIS SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and audited consolidated accounts for the year ended 31 December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)."

Chair's Report

When my predecessor presented his valedictory Chair's Report on 2019's performance back in June 2020, the world was already in the grip of the COVID-19 pandemic and we were all too aware of the catastrophic impact it was wreaking across our communities, our livelihoods, our businesses and our charities. Here at NRAS we had already budgeted for income levels in 2020 to return to more normalised levels of around £1.2m after the record-breaking levels reported in 2019. Like many charities though, we then found ourselves facing huge uncertainty in the Spring of 2020 as the reality of the COVID-19 pandemic began to take effect; the country was effectively shut down and our lives changed beyond all recognition. For the Charity the impact was twofold: vital income sources were cut off when fundraising events across the country were cancelled whilst meanwhile demand for our services was increasing exponentially.

The Charity was fortunate that it was in a stronger position than many others having built up unrestricted reserves held in cash and investments which were equivalent to almost a year's worth of operating costs by December 2019. This gave both us, and more importantly our funders, the assurance that we were financially resilient and with some careful planning would be able to continue delivering our much-needed services to our beneficiaries. Indeed, as the pandemic took hold, we found the demand for our services reached levels never experienced before. At the peak of the pandemic, calls to our Helpline increased 600% and engagement with our Facebook Live events and the NRAS RA Awareness Week (RAAW) broke many records. Applications to join our Membership scheme went up by over 40% and traffic to our newly-launched websites has already increased significantly, despite the NRAS site only launching in December 2020.

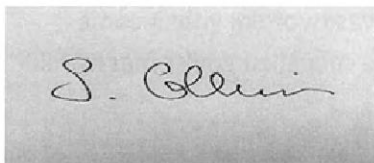
Our entire NRAS team worked hard throughout the year developing new and innovative ways of raising funds to enable us to continue to deliver these essential services. They also demonstrated great flexibility by adapting quickly to working from home. For the first time in our history, we ran a cash appeal which donors reacted very generously to. We held online fundraising events and our

wonderful supporters found many new ways of raising funds within the constraints of the COVID era. We developed relationships with new funders, and were successful in a number of grant applications, including the National Lottery Communities Fund. As well as all of this, we continued to work with our pharmaceutical partners who likewise responded generously to our call for core funding as well as helping us to deliver new services into the community.

As a result of this fantastic team effort by the whole NRAS community, the Charity generated income of £1.242m in 2020 which was just above our original target for the year - a result that seemed almost unimaginable back in March 2020. At the same time, through judicious management of our finances and strict control of costs, the Charity restricted its deficit in the year to £46,000 thus ensuring that our unrestricted reserves remain healthy and giving us comfort that we will be able to continue delivering our much-needed services into 2021 and beyond.

As we look to the future, we aim to continue working closely with all our partners, as well as developing relationships with new funders, to enable us to serve the whole RA and JIA communities, including reaching ethnic minorities and socially deprived communities that desperately need our help. With the future still uncertain, in terms of how quickly and how long it will be before we may return to old ways of living and engaging with people, we will continue to focus on developing and utilising digital mechanisms to deliver services to our communities.

On behalf of the Board of Trustees, I would like to extend my sincere thanks to all colleagues here at NRAS, as well as to our Members and Volunteers, and of course our very generous donors, who have all worked so hard to deliver vital services to all those people who need them.

A rectangular box containing a handwritten signature in dark ink. The signature appears to be 'S. Collins' written in a cursive, flowing style.

Simon Collins
Chair of Trustees

22 June 2021

Our purpose and activities

Guidance from the Charity Commission has been used to review and develop NRAS's aims and objectives so that activities are clearly focused to derive good public benefit.

Objectives and activities

The objects of the Charity (the "Objects") are for the public benefit to promote the relief of people living with RA and JIA by:

- Raising awareness and understanding of Rheumatoid Arthritis (RA) and Juvenile Idiopathic Arthritis (JIA), including awareness of the severity of the diseases and their social and economic costs;
 - Providing information on RA and JIA, including information on their treatments and drugs available;
 - Advancing all aspects of the care and treatment of RA and JIA and the management of these diseases in their totality;
 - Providing education on the diseases generally and to individuals and their families and carers in all aspects of RA and JIA, including their treatment and management, and providing information about available support;
 - Supporting individuals in relation to RA and JIA and their families and carers, including putting people in touch with each other to encourage self-help and support where appropriate;
- Working alongside NHS rheumatology health professionals to provide the best care for patients as well as support the clinical staff in their roles.

Our vision

Our vision is a world not burdened by RA and JIA.

Our mission is to enable the RA and JIA community to thrive by providing support, expert knowledge, engagement, campaigning, and research, all of which is informed by those living with these complex, and currently incurable, auto-immune diseases.

Our principal activities

We are committed to providing support, information, services, education, campaigning and patient advocacy of the highest quality to, and on behalf of all, those affected by RA and JIA as well as their families.

Our front-line services, including the Helpline, online peer support community, local and now virtual groups, peer-to-peer telephone support programme, information booklets, websites and patient events (both in person and virtually) to continue to offer high quality, accessible and relevant support as a priority. Work is an important health outcome and we have specific resources relating to the workplace for employees and employers as well as up to date information on benefits

including Personal Independence Payments. Both of these important subjects are frequently raised by people calling our Helpline.

We are a membership organisation and provide a magazine three times per year to our Members, among other benefits. We also support health professionals in the field of rheumatology and primary care through training programmes and provision of free health professional membership of NRAS and free patient information so that we can 'help them to help their patients'.

Living with RA and JIA is not just about having physical and medical needs. These incurable diseases have a huge impact on emotional well-being and quality of life both of the individual and their family and our 2018 Report on Emotional Health And Wellbeing Matters addressed these issues in detail. The recent physical isolation of many living with inflammatory arthritis endured as a result of the COVID-19 pandemic has exacerbated mental health issues even further. NRAS has responded to this by offering online wellbeing sessions and other support tools. We will continue to strive to help people by supporting *all* their needs in a holistic way whether physical, medical, emotional, mental, social, economic and/or employment related needs as well as those relating to access to benefits and the built environment, housing and transport.

We are at the table at a national level whenever standards and guidelines, RA/JIA pathways and access to treatment are being discussed. We conduct our own social research and publish key reports on a topic of importance to people with RA/JIA periodically.

Translational scientific and medical research has revolutionised the field of auto-immune conditions such as RA and JIA in the past 20 years and whilst we do not conduct or fund medical research ourselves, we do support a growing number of academic and clinical research studies throughout the UK on an ongoing basis. We also support recruitment to clinical studies and provide expert volunteers to advise on issues of Patient and Public Involvement. We do conduct our own funded major social research studies often in partnership with an academic partnering institute. In 2020, we have played a pivotal role in COVID-19 research by supporting UK, European and Global data gathering.

We are providers of supported self-management group training programmes, but have experienced difficulty getting such courses commissioned by Clinical Commissioning Groups or Health Boards, principally due to the financial constraints in the NHS. We have now started development of these programmes into engaging and interactive online e-learning modules which ultimately health professionals will be able to 'prescribe' for the benefit of their patients.

Achievements and performance

It turned out to be incredibly fortuitous that in Autumn 2019 the Charity invested in new technology and new working practices to enable our colleagues to benefit from more flexible working, both in terms of time and location. This investment enabled us to move very swiftly to an operational model of full remote working at the start of the first lockdown in March 2020 without compromising the majority of the services we deliver.

We were able to continue work on developing our two new websites and these were both launched successfully in 2020 with the JIA website launched first in July, followed by the main NRAS website in December. We also continued the development of a suite of e-learning modules, pioneered by our National Patient Champion, Ailsa Bosworth, MBE. The launch of the first modules was unfortunately delayed by the COVID-19 pandemic and our first four modules are now expected to be launched in

mid-2021. The launch is much-anticipated by Health Care professionals as it will provide an important tool in improving patient outcomes, especially as we expect access to NHS services will continue to be affected for some time to come.

As a direct response to the impact that the pandemic was having on our beneficiaries, we accelerated work to introduce a number of new services. Here4U was launched in late spring 2020 which put patients in touch with peers who were able to provide support, information and reassurance at a time when access to hospital rheumatology services was heavily impacted by COVID-19. We also launched our Chatbot which provides a wealth of information on our website via an interactive tool which directs people to appropriate resource(s) by responding to key words in questions posed.

Our annual campaign to raise awareness of RA, usually held in June, was moved to September and focussed on mental health and wellbeing. The format was different to previous years due to COVID-19 restrictions and was held entirely online. It was hugely successful, tapping into a key concern amongst the RA community that we serve. We also moved our annual Wear Purple for JIA appeal from June to November. This event, held to raise funds for young people diagnosed with Juvenile Idiopathic Arthritis, has traditionally consisted of fundraising events held in schools or individuals' homes and thus presented our fundraisers with a unique challenge given that we were heading into our second lockdown at the same time. Not to be put off by such obstacles, they all did a fantastic job and we look forward to holding the event back at its usual time of June and in its usual format this year.

During 2020 we generated £698.7k of income through donations, pledges and gifts in kind, compared to £649.1k in 2019. This was an incredible achievement given that all our traditional fundraising events were cancelled in 2020. These figures also include donations received from pharmaceutical companies who manufacture and market medicines for RA and/or JIA. This income amounted to £239.8k in 2020 (2019: £172.3k). As well as helping to fund the core services that we deliver to our beneficiaries, these relationships provide NRAS with access to important information about clinical trial data and help to inform and educate our team members on RA and JIA. NRAS is now perceived by most pharmaceutical companies working in the area of immunology and rheumatology as a key expert partner in contributing to advisory boards and employee training, as well as providing support in the development of their own patient-facing support resources. We have teamed up with some pharmaceutical companies in 2020 to deliver exciting projects into communities to help raise awareness of RA. In one such project, we partnered with Fresenius Kabi to deliver training and information materials to 20 pharmacies as part of a trial to identify and signpost individuals suspected of or having RA to NRAS and hence onwards to appropriate health services. We hope to roll this service out more widely in 2021 if the feasibility study has proven the concept to be of benefit. We RA Priority was another highly successful public-facing awareness campaign which we partnered with Gilead Pharmaceuticals on, reaching many thousands of people via social media and mainstream media during RA Awareness Week.

Gifts from legacies are an important source of income for the Charity and we are immensely grateful to our very generous benefactors whose gifts in recent years have enabled us to secure the viability of the Charity and to continue to provide our services to those in need. Our income in 2020 from such gifts raised £139.6k, accounting for 11.2% of our total income.

Support for NRAS was also received through grants from trusts, foundations and livery companies and in 2020 this amounted to £240.5k, including £40.6k of furlough grants received from HMRC. We would like to express particular thanks to the following organisations who all donated over £2,000 each: The Schroder Foundation, Health and Social Care Alliance Scotland, The National Lottery

Community Lottery Fund, James Tudor Foundation, Berkshire Community Foundation, The Leathersellers' Company Charitable Fund, The David Brownlow Charitable Foundation, Children's Arthritis Trust, PF Charitable Trust, The Willie and Mabel Morris Charitable Trust, Hospital Saturday Fund, Peter Harrison Foundation, Pilkington Charities' Fund, The John Coates Charitable Trust, Buckinghamshire Community Foundation, The Roger and Jean Jefcoate Trust, Edith Florence Spencer Memorial trust, The D'Oyly Carte Charitable Trust, The CM Lowe Charitable Foundation, The Lady Hind Trust, Joseph Strong Frazer Trust, St John's Beaumont School, Healthcare at Home, Royal Institute of Chartered Surveyors, PhonicsPlay and The 29th May 1961 Charitable Trust.

All income received through fundraising in 2020 contributed to enabling the Charity to provide a full programme of resources, activities and support, which benefits those living with RA and JIA in the UK, their families, schools and the healthcare professionals who support them. NRAS would like to acknowledge and thank all the individuals, companies, livery companies, trusts and foundations that have supported our work this year.

Financial Review

The principal funding sources of income for the Charity were donations and legacies of £838.3k, grants of £240.5k and membership income of £86.1k. Overall, consolidated income in 2020 was £1,242.4k compared to £1,841.5k in 2019. Whilst this is a decrease of 33% on prior year, 2019 figures did include a very generous legacy bequest and after adjusting for this amount, the like-for-like comparison reflects a decrease in income of 11%. This represents a commendable performance in a year overshadowed by the COVID-19 pandemic with all the associated curtailment of fundraising events and other restrictions on daily life.

Overall expenditure remained at similar levels in 2020 compared with the prior year reflecting the efforts made to constrain expenditure as far as possible without adversely impacting services.

The Charity reported a consolidated net deficit of £46.0k in 2020, compared with a net gain of £616.2k in 2019. Our balance sheet remains strong with unrestricted reserves of £1,600.4k and a healthy cash balance of £748.3k at the end of the year.

The Charity will retain its policy of a conservative approach to its reserves which has served it well during these challenging times. We will ensure that we retain at least six months' operating costs in cash and investments and we will work hard to ensure that our funds are used judiciously so that we return the biggest benefit to our beneficiaries for each pound invested. We will continue to enhance our websites and broaden our digital offerings as well invest in campaigns to raise awareness of RA and JIA. It is likely that the Charity will need to use some of its unrestricted reserves to enable it to continue to deliver its core services in 2021 whilst restrictions on daily life continue.

The Charity's wholly owned trading subsidiary, NRAS Community Services Limited, provided some research support to a number of companies in 2020. The company delivered a profit of £1.5k on its activities.

Investment Policy and Objectives

Investments are managed by professional fund managers as permitted by the relevant acts and the charity commission guidelines. The overall objective of the fund managers is to maintain an appropriate level of risk whilst retaining the real value of capital through long term investments. Reports are received quarterly from the fund managers and the Trustees review performance annually with the fund managers.

Reserves policy and going concern

The Charity's policy is to hold a minimum of six months' operating costs in cash and investments in order to ensure the sustainability of the Charity which was comfortably met in 2020, despite the pressures brought to bear from the COVID-19 pandemic. This policy is based on trustees' judgement given their knowledge of the organisation and its income streams and it is reviewed each year.

Whilst the pandemic will continue to have an impact on our income generated in 2021, our healthy cash balance has meant that we have sufficient liquidity to ensure that we can meet our future obligations as they become due for the foreseeable future.

Future plans

The Trustees approve and adopt strategic plans for the Charity every three years and detailed budgets are prepared annually to support these initiatives and demonstrate how the objectives will be delivered within the constraints of predicted funding available. The budget is reviewed on a quarterly basis and appropriate management decisions are taken in light of any material forecast variances.

The Charity's strategic plan for 2019 – 2021 was finalised in 2018 and set out that the Charity will continue to focus on providing the best support for people with RA and JIA, their families and the health professionals who care for them. It also set out an exciting future programme working with strategic partners to deliver transformational change to some of the key information resources that we provide by developing a suite of e-learning modules which will be available on a new digital platform.

Work is already underway to develop and refine our strategy for 2022 and beyond and this will revolve around the development of a comprehensive digital strategy and increasing our reach into more diverse communities.

The COVID-19 pandemic reinforced the importance of the work the Charity does in the RA and JIA community and we were pleased to be able to provide support, information and advice to many people in their hour of need. As described elsewhere in this report, the impact of the pandemic on the Charity has been far-reaching, not least in terms of its ability to raise the much-needed funds to enable it to continue to deliver these vital services. As a direct response to the crisis, in March 2020 the Charity reviewed its strategic plans and all its current projects in detail and took the difficult decision to temporarily suspend work on the development of some of its new services that were scheduled for release in early 2020, including its e-learning suite. These projects were all re-started in Summer 2020 and are expected to be launched in mid-2021.

Structure, governance and management

Governing document

The Charity is controlled by its governing documents, the memorandum and articles, and constitutes a limited by guarantee company as defined by the Companies Act 2006.

The Charity is a company limited by guarantee and does not have any share capital.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 each in the event of a winding up.

Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr RA Boucher
Mr S Collins (Chair)
Ms L Cook
Mr SJ Crowther (Treasurer resigning 22nd June 2021)
Mr R Flowerdew
Ms K Fox
Ms ZC Ide (resigning 22nd June 2021)
Ms E Potter
Dr G Taylor
Ms S Webb

As set out in the articles (as amended in June 2019), Trustees are required to retire after three years in office. A retiring trustee shall be eligible for re-election. No trustees are scheduled for retirement in 2021.

Mr SJ Crowther and Ms ZC Ide have both chosen to retire as Trustees at the AGM June 2021 and we thank them for outstanding contributions and wise counsel during the period that they both served.

Trustee induction and training

New Trustees undergo an orientation day to brief them on their legal obligations under Charity law, the content of the constitution and decision-making process, the business plan and recent financial performance of the Charity. As part of the process they meet key employees and other Trustees and may attend additional, relevant external training as required.

Organisation

The body of Trustees consists of not fewer than four and no more than twenty trustees and administers the Charity through the Senior Executives.

Related parties and co-operation with other organisations

None of our trustees receives remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a supplier or other party with which the Charity transacts must be disclosed to the full board of trustees. In the current year no such related party transactions were reported.

Pay policy for senior staff

Remuneration for key management personnel is benchmarked against the voluntary sector and is set by the Trustees. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings.

Risk management

The trustees have a risk management strategy including a formal risk evaluation which is carried out each year.

The key risks are identified below:

- Adequacy of cash to run the Charity. Costs are monitored closely throughout the year. The Charity constantly monitors the cash position and future cash requirements. Fundraising strategy is developed with an emphasis on the provision of regular and predictable income streams. Reserves of a minimum of 6 months operating costs are held as cash and realisable investments.
- Investment of surplus cash. Investments are managed by qualified external advisers with a view to maintaining an appropriate and prudent risk strategy for the Charity whilst retaining the real value of the capital.
- Reliance on key individuals. This is recognised and the senior management team work with staff to ensure teams are diverse as possible to reduce over reliance on any one individual. Key personnel have a three-month notice period. Succession planning is in place and is revised periodically to account for any senior staff movement.
- IT security. A support contract is in place with 3rd party IT experts covering all aspects of IT performance and security. Internal security is in place and monitored and updated where appropriate.
- Data protection. The charity carries out regular reviews to ensure that its policies and procedures are in line with regulations and best practice.
- Attracting and retaining Trustees. The Charity periodically reviews the number of Trustees to ensure that there is a minimum number of Trustees on the board with the right spread of skills and experience to meet the current and future needs of the Charity.

Auditors

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be re-appointed as auditor of the company will be put at a General Meeting.

Trustees' responsibilities in relation to the financial statements

The Trustees, who are also the directors of National Rheumatoid Arthritis Society for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that year.

In preparing these accounts the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our Trustees' annual report:

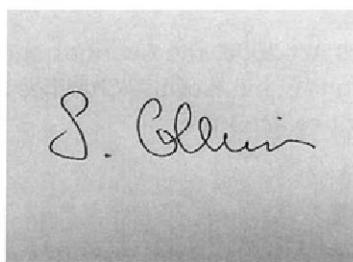
There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

The trustees, having made enquiries of fellow trustees and the group's auditor that they ought to have individually taken, have each taken all steps that he/ she is obliged to take as a trustee, in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

S Collins
Chair of Trustees

SJ Crowther
Treasurer/ Trustee

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22 June 2021

Independent Auditor's Report to the Members and Trustees of the National Rheumatoid Arthritis Society

Opinion

We have audited the financial statements of National Rheumatoid Arthritis Society for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities (including the Consolidated Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 December 2020 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 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page [x], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011,

the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council

- We obtained an understanding of how the charitable company and group complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial

statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; 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 in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Date: 22 June 2021

Mahmood Ramji (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

The Shipping Building
The Old Vinyl Factory
Blyth Road
Hayes, London
UB3 1HA

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds	funds	funds	funds	funds
		2020	2020	2020	2019	2019	2019
	Notes	£'000	£'000	£'000	As restated £'000	As restated £'000	As restated £'000
Income from:							
Donations and legacies	3	791.3	47.0	838.3	1,350.4	59.1	1,409.5
Charitable activities	4	299.9	43.9	343.8	313.9	40.7	354.6
Other trading activities	5	37.1	0.0	37.1	48.2	0.0	48.2
Investment income	6	23.2	0.0	23.2	29.2	0.0	29.2
Total income		1,151.5	90.9	1,242.4	1,741.7	99.8	1,841.5
Expenditure on:							
Raising funds	7	246.6	0.0	246.6	228.6	0.0	228.6
Charitable activities	8	895.3	146.4	1,041.7	996.2	67.0	1,063.2
Total resources expended		1,141.9	146.4	1,288.3	1,224.8	67.0	1,291.8
Net income/(expenditure)		9.6	(55.5)	(45.9)	516.9	32.8	549.7
Net gains/(losses) on investments	12	(0.1)	0.0	(0.1)	66.5	0.0	66.5
Gross transfers between funds		0.0	0.0	0.0	0.0	0.0	0.0
Net movement in funds		9.5	(55.5)	(46.0)	583.4	32.8	616.2
Fund balances at 1 January 2020		1,670.4	32.8	1,703.2	1,087.0	0.0	1,087.0
Transfer between funds		(79.5)	79.5	0.0	0.0	0.0	0.0
Fund balances at 31 December 2020		1,600.4	56.8	1,657.2	1,670.4	32.8	1,703.2

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes at pages 21 to 35 form part of these accounts.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
COMPANY STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds	funds	funds	funds	funds
		2020	2020	2020	2019	2019	2019
	Notes	£'000	£'000	£'000	As restated £'000	As restated £'000	As restated £'000
Income from:							
Donations and legacies	3	797.6	47.0	844.6	1,366.2	59.1	1,425.3
Charitable activities	4	299.9	43.9	343.8	313.9	40.7	354.6
Other trading activities	5	30.9	0.0	30.9	25.9	0.0	25.9
Investment income	6	23.2	0.0	23.2	29.2	0.0	29.2
Total income		1,151.6	90.9	1,242.5	1,735.2	99.8	1,835.0
Expenditure on:							
Raising funds	7	246.6	0.0	246.6	228.6	0.0	228.6
Charitable activities	8	890.7	146.4	1,037.1	980.1	67.0	1,047.1
Total resources expended		1,137.3	146.4	1,283.7	1,208.7	67.0	1,275.7
Net income/(expenditure)		14.3	(55.5)	(41.2)	526.5	32.8	559.3
Net gains/(losses) on investments	12	(0.1)	0.0	(0.1)	66.5	0.0	66.5
Gross transfers between funds		0.0	0.0	0.0	0.0	0.0	0.0
Net movement in funds		14.2	(55.5)	(41.3)	593.0	32.8	625.8
Fund balances at 1 January		1,664.1	32.8	1,696.9	1,071.1	0.0	1,071.1
Transfer between funds		(79.5)	79.5	0.0	0.0	0.0	0.0
Fund balances at 31 December		1,598.8	56.8	1,655.6	1,664.1	32.8	1,696.9

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes at pages 21 to 35 form part of these accounts.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
CONSOLIDATED AND CHARITY BALANCE SHEETS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Group		Charity	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Tangible assets	13	120.7	67.0	120.7	67.0
Investments	14	871.9	798.8	871.9	798.8
		<u>992.6</u>	<u>865.8</u>	<u>992.6</u>	<u>865.8</u>
Current assets					
Debtors	16	114.7	619.3	120.9	650.5
Cash at bank and in hand		748.3	396.5	732.7	356.0
		<u>863.0</u>	<u>1,015.8</u>	<u>853.6</u>	<u>1,006.5</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(198.4)	(178.4)	(190.6)	(175.4)
Net current assets		<u>664.6</u>	<u>837.4</u>	<u>663.0</u>	<u>831.1</u>
Total assets less current liabilities		<u>1,657.2</u>	<u>1,703.2</u>	<u>1,655.6</u>	<u>1,696.9</u>
Income funds					
Unrestricted funds	19	1,600.4	1,670.4	1,598.8	1,664.1
Restricted funds	19	56.8	32.8	56.8	32.8
		<u>1,657.2</u>	<u>1,703.2</u>	<u>1,655.6</u>	<u>1,696.9</u>

The charity is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020, although an audit has been carried out under section 144 of the Charities Act 2011. No trustee of the charity has deposited notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011 and constitute the annual accounts required by the Companies Act 2006 and are for circulation to trustees of the company.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and are for circulation to the members of the company.

The notes at pages 21 to 35 form part of these accounts.

The accounts were approved by the Board of Trustees on 22 June 2021

SJ Crowther
Treasurer/Trustee

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Group		Charity	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cash flows from operating activities					
Cash generated from operations	25	474.4	27.8	493.1	6.9
Investing activities					
Purchase of tangible fixed assets		(72.6)	(68.6)	(72.6)	(68.6)
Purchase of investments		(73.2)	(28.8)	(73.2)	(28.8)
Interest received		23.2	29.2	23.2	29.2
Gift aid donation from subsidiary				6.2	15.8
Net cash used in investing activities		<u>(122.6)</u>	<u>(68.2)</u>	<u>(116.4)</u>	<u>(52.4)</u>
Net cash used in financing activities		0.0	0.0	0.0	0.0
Net increase/(decrease) in cash and cash equivalents		<u>351.8</u>	<u>(40.4)</u>	<u>376.7</u>	<u>(45.5)</u>
Cash and cash equivalents at beginning of year		396.5	436.9	356.0	401.5
Cash and cash equivalents at end of year		<u>748.3</u>	<u>396.5</u>	<u>732.7</u>	<u>356.0</u>

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

National Rheumatoid Arthritis Society is a private company limited by guarantee incorporated in England and Wales and Scotland. The registered office is Ground Floor, 4 Switchback, Gardner Road, Maidenhead, Berks, SL6 7RJ.

1.1 Accounting convention

These accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £,000.

The comparative figures for 2019 have been restated in respect of the split of income to ensure consistency with the current year classifications.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Preparation of consolidated financial statements

These consolidated financial statements incorporate the financial statements of the Charity and its subsidiary undertaking, NRAS Community Services Limited, made up to 31 December 2020. Intercompany transactions, balances and unrealised gains on transactions between the Charity and its subsidiary are eliminated. Accounting policies of subsidiary undertakings have been changed where necessary to ensure consistency with the policies adopted by the Group. The income of the trading subsidiary is included in the Consolidated Statement of Financial Activities within other trading activities. Expenditure is included in wages and support costs.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, despite the ongoing challenges presented by Covid-19 and its potential impact on income generation in the short-term. This expectation is based on the strong investments and cash position, reflecting a significant amount of unrestricted funds and the financial performance of the Charity since the start of the pandemic. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Improvements to property	20% straight line or lease period if shorter
Website development	25% straight line
Fixtures, fittings & equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Group		Charity	
	2020	2019 As restated	2020	2019 As restated
	£'000	£'000	£'000	£'000
Donations and gifts	698.7	649.1	705.0	664.9
Legacies receivable	139.6	760.4	139.6	760.4
	<u>838.3</u>	<u>1,409.5</u>	<u>844.6</u>	<u>1,425.3</u>
<i>Analysis by fund</i>				
Restricted funds	47.0	59.1	47.0	59.1
Unrestricted funds	<u>791.3</u>	<u>1,350.4</u>	<u>797.6</u>	<u>1,366.2</u>
	<u>838.3</u>	<u>1,409.5</u>	<u>844.6</u>	<u>1,425.3</u>

4 Income from charitable activities

	Group		Charity	
	2020	2019 As restated	2020	2019 As restated
	£'000	£'000	£'000	£'000
Appeals	0.0	3.5	0.0	3.5
Subscriptions	86.1	80.0	86.1	80.0
Lottery income	17.2	16.3	17.2	16.3
Grants	240.5	254.8	240.5	254.8
	<u>343.8</u>	<u>354.6</u>	<u>343.8</u>	<u>354.6</u>
<i>Analysis by fund</i>				
Restricted funds	43.9	40.7	43.9	40.7
Unrestricted funds	<u>299.9</u>	<u>313.9</u>	<u>299.9</u>	<u>313.9</u>
	<u>343.8</u>	<u>354.6</u>	<u>343.8</u>	<u>354.6</u>

5 Other trading activities

	Group		Charity	
	2020	2019 As restated	2020	2019 As restated
	£'000	£'000	£'000	£'000
Merchandising and other trading income	30.9	25.9	30.9	25.9
Trading subsidiary income	<u>6.2</u>	<u>22.3</u>	<u>0.0</u>	<u>0.0</u>
	<u>37.1</u>	<u>48.2</u>	<u>30.9</u>	<u>25.9</u>

6 Investments

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Income from listed investments	23.1	28.8	23.1	28.8
Interest receivable	<u>0.1</u>	<u>0.4</u>	<u>0.1</u>	<u>0.4</u>
	<u>23.2</u>	<u>29.2</u>	<u>23.2</u>	<u>29.2</u>

7 Expenditure on raising funds

	Group and Charity	
	2020	2019
	£'000	£'000
Staging fundraising events	20.1	33.8
Staff costs	168.8	144.0
Support costs	48.5	42.6
Governance costs	9.2	8.2
Expenditure on raising funds	246.6	228.6
<i>Analysis by fund</i>		
Restricted funds	0.0	0.0
Unrestricted funds	246.6	228.6
	246.6	228.6

8 Expenditure on charitable activities

Group	Provision of info & support	Digital innovations	Raising awareness	Community support	Supporting our young people	Total
	2020	2020	2020	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Direct costs	34.6	73.4	35.4	0.3	7.4	151.1
Staff costs	222.8	38.7	228.2	78.2	83.6	651.5
Share of support costs (see note 9)	75.3	8.5	65.4	25.6	26.3	201.1
Share of governance costs (see note 9)	14.2	1.6	12.4	4.8	5.0	38.0
	346.9	122.2	341.4	108.9	122.3	1,041.7
<i>Analysis by fund</i>						
Restricted funds	1.1	122.2	23.1	0.0	0.0	146.4
Unrestricted funds	345.8	0.0	318.3	108.9	122.3	895.3
	346.9	122.2	341.4	108.9	122.3	1,041.7

Group	Provision of info & support	Digital innovations	Raising awareness	Community support	Supporting our young people	Total
	2019	2019	2019	2019	2019	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Direct costs	123.0	15.4	31.8	13.8	27.1	211.1
Staff costs	204.1	36.0	94.2	192.0	85.9	612.2
Share of support costs (see note 9)	67.1	0.0	46.5	59.1	28.7	201.4
Share of governance costs (see note 9)	12.9	0.0	8.9	11.3	5.4	38.5
	407.1	51.4	181.4	276.2	147.1	1,063.2
<i>Analysis by fund</i>						
Restricted funds	15.6	51.4	0.0	0.0	0.0	67.0
Unrestricted funds	391.5	0.0	181.4	276.2	147.1	996.2
	407.1	51.4	181.4	276.2	147.1	1,063.2

8 Expenditure on charitable activities

Charity	Provision of info & support	Digital innovations	Raising awareness	Community support	Supporting our young people	Total
	2020	2020	2020	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Direct costs	34.6	73.4	35.4	0.3	7.4	151.1
Staff costs	222.8	38.7	228.2	78.2	83.6	651.5
Share of support costs (see note 9)	75.3	8.5	65.4	25.6	26.3	201.1
Share of governance costs (see note 9)	9.6	1.6	12.4	4.8	5.0	33.4
	342.3	122.2	341.4	108.9	122.3	1,037.1
Analysis by fund						
Restricted funds	1.1	122.2	23.1	0.0	0.0	146.4
Unrestricted funds	341.2	0.0	318.3	108.9	122.3	890.7
	342.3	122.2	341.4	108.9	122.3	1,037.1

Charity	Provision of info & support	Digital innovations	Raising awareness	Community support	Supporting our young people	Total
	2019	2019	2019	2019	2019	2019
	As restated	As restated	As restated	As restated	As restated	As restated
	£'000	£'000	£'000	£'000	£'000	£'000
Direct costs	123.0	15.4	31.8	13.8	27.1	211.1
Staff costs	193.0	36.0	94.2	192.0	85.9	601.1
Share of support costs (see note 9)	67.1	0.0	46.5	59.1	28.7	201.4
Share of governance costs (see note 9)	7.9	0.0	8.9	11.3	5.4	33.5
	391.0	51.4	181.4	276.2	147.1	1,047.1
Analysis by fund						
Restricted funds	51.6	15.4	0.0	0.0	0.0	67.0
Unrestricted funds	339.4	36.0	181.4	276.2	147.1	980.1
	391.0	51.4	181.4	276.2	147.1	1,047.1

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

Group	Support costs	Governance costs	Total	Support costs	Governance costs	Total
	2020	2020	2020	2019	2019	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs		23.6	23.6		15.9	15.9
IT	59.1		59.1	45.9		45.9
Office	121.8		121.8	115.3		115.3
Other overheads	49.8		49.8	67.2		67.2
Depreciation & dilapidations	18.9		18.9	15.6		15.6
Insurance		5.8	5.8		5.6	5.6
Professional fees		0.0	0.0		9.3	9.3
Auditors' remuneration:			0.0			
Audit fees		13.0	13.0		15.8	15.8
Other services		4.8	4.8		0.0	0.0
Trustee expenses			0.0		0.1	0.1
	249.6	47.2	296.8	244.0	46.7	290.7
Analysed between						
Fundraising (note 7)	48.5	9.2	57.7	42.6	8.2	50.8
Charitable activities (note 8)	201.1	38.0	239.1	201.4	38.5	239.9
	249.6	47.2	296.8	244.0	46.7	290.7

The above costs were allocated on a headcount basis.

Charity	Support costs	Governance costs	Total	Support costs	Governance costs	Total
	2020	2020	2020	2019	2019	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs		23.6	23.6		15.9	15.9
IT	59.1		59.1	45.9		45.9
Office	121.8		121.8	115.3		115.3
Other overheads	49.8		49.8	67.2		67.2
Depreciation & dilapidations	18.9		18.9	15.6		15.6
Insurance		5.8	5.8		5.6	5.6
Professional fees			0.0		9.3	9.3
Auditors' remuneration:			0.0			
Audit fees		8.4	8.4		10.8	10.8
Other services		4.8	4.8		0.0	0.0
Trustee expenses			0.0		0.1	0.1
	249.6	42.6	292.2	244.0	41.7	285.7
Analysed between						
Fundraising (note 7)	48.5	9.2	57.7	42.6	8.2	50.8
Charitable activities (note 8)	201.1	33.4	234.5	201.4	33.5	234.9
	249.6	42.6	292.2	244.0	41.7	285.7

The above costs were allocated on a headcount basis.

10 Trustees

None of the Trustees (nor any persons connected with them) received any remuneration during the year, and they were reimbursed a total of £nil travelling expenses (2019: £96).

11 Employees

Number of employees

The average monthly number of full-time equivalent employees during the year was:

	2020 Number	2019 Number As restated
All employees - Group and Charity	23	21

Employment costs

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Wages and salaries	761.5	699.6	761.5	688.5
Social security	66.9	56.9	66.9	56.9
Pension costs	15.5	14.6	15.5	14.6
	<u>843.9</u>	<u>771.1</u>	<u>843.9</u>	<u>760.0</u>

The total amount of redundancy payments made by the Company in the year was £nil (2019: £1.1k).

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2020 Number	2019 Number
£60,001 - £70,000	1	-

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2020 £'000	2019 £'000 As restated
Aggregate Compensation	214.5	252.3

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12 Net gains/(losses) on investments

	2020	2019
	£'000	£'000
Revaluation of investments	(0.1)	66.5

13 Tangible fixed assets - Group and Charity

	Improvements to property	Website development	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 31 December 2019	61.7	207.7	124.0	393.4
Additions	0.0	66.5	6.1	72.6
At 31 December 2020	61.7	274.2	130.1	466.0
Depreciation				
At 31 December 2019	58.3	164.2	103.9	326.4
Charge for the year	0.7	12.0	6.2	18.9
At 31 December 2020	59.0	176.2	110.1	345.3
Carrying amount				
At 31 December 2020	2.7	98.0	20.0	120.7
At 31 December 2019	3.4	43.5	20.1	67.0

14 Fixed asset investments - Group and Charity

	2020	2019
	£'000	£'000
Listed investments		
Market value at 1 January	798.8	703.5
Additions	73.2	28.8
Revaluation	(0.1)	66.5
Market value at 31 December	871.9	798.8

15 Financial instruments

	2020	2019
	£'000	£'000
Carrying amount of financial assets		
Instruments measured at amortised cost	70.6	575.6
Instruments measured at fair value through profit or loss	871.9	798.8
Carrying amount of financial liabilities		
Measured at amortised cost	179.3	160.8

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16 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	14.3	22.6	14.3	22.6
Amounts owed by group undertakings	0.0	0.0	6.2	31.2
Other debtors	56.3	553.0	56.3	553.0
Prepayments and accrued income	44.1	43.7	44.1	43.7
	114.7	619.3	120.9	650.5

17 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	51.9	84.8	51.9	84.8
Other taxes and social security costs	19.1	17.6	19.1	17.6
Other creditors	22.6	21.0	17.8	18.0
Accruals and deferred income	104.8	55.0	101.8	55.0
	198.4	178.4	190.6	175.4

	2020	2019
	£'000	£'000
Deferred income included in the financial statements as follows:		
At 1 January	0.0	0.0
Movement during the year	41.1	0.0
At 31 December	41.1	0.0

Income had been deferred in relation to grants received which relate to services that will be delivered in 2021.

18 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £15.5k (2019: £14.6k).

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19 Fund reconciliation

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Unrestricted Funds

	Movement in funds				Balance at 31 December 2020
	Balance at 1 January 2020	Incoming resources 2020	Resources expended 2020	Transfer of funds 2020	
	£'000	£'000	£'000	£'000	£'000
Unrestricted	1,670.4	1,095.5	(1,019.7)	(145.8)	1,600.4
Designated - Juvenile Idiopathic Arthritis activities	0.0	56.0	(122.3)	66.3	0.0
	1,670.4	1,151.5	(1,142.0)	(79.5)	1,600.4

	Movement in funds				Balance at 31 December 2019
	Balance at 1 January 2019	Incoming resources 2019	Resources expended 2019	Transfer of funds 2019	
	£'000	£'000	£'000	£'000	£'000
Unrestricted	1,087.0	1,627.4	(977.3)	(66.7)	1,670.4
Designated - Juvenile Idiopathic Arthritis activities	0.0	89.3	(147.1)	57.8	0.0
Designated - Rheum4U events	0.0	8.0	(8.0)	0.0	0.0
Designated - Conference attendance	0.0	8.4	(16.9)	8.5	0.0
Designated - webinar programme	0.0	5.0	(5.1)	0.1	0.0
Designated - video development	0.0	3.6	(3.9)	0.3	0.0
	1,087.0	1,741.7	(1,158.3)	0.0	1,670.4

Restricted Funds

	Movement in funds				Balance at 31 December 2020
	Balance at 1 January 2020	Incoming resources 2020	Resources expended 2020	Transfer of funds 2020	
	£'000	£'000	£'000	£'000	£'000
Development of elearning suite	2.8	15.0	(97.3)	79.5	0.0
Development of online self-management course in Scotland	9.7	19.4	(16.9)	0.0	12.2
Re-development of DAS app	19.3	0.0	(8.0)	0.0	11.3
JIA publications	0.0	9.5	0.0	0.0	9.5
JIA family support day	1.0	0.0	0.0	0.0	1.0
Information video in Hindi	0.0	5.0	0.0	0.0	5.0
Blood Monitoring publication	0.0	10.0	(1.1)	0.0	8.9
Community pharmacy engagement	0.0	32.0	(23.1)	0.0	8.9
	32.8	90.9	(146.4)	79.5	56.8

	Movement in funds				Balance at 31 December 2019
	Balance at 1 January 2019	Incoming resources 2019	Resources expended 2019	Transfer of funds 2019	
	£'000	£'000	£'000	£'000	£'000
Development of elearning suite	0.0	50.0	(47.2)	0.0	2.8
Development of online self-management course in Scotland	0.0	9.7	0.0	0.0	9.7
Re-development of DAS app	0.0	24.1	(4.8)	0.0	19.3
JIA family support day	0.0	1.0	0.0	0.0	1.0
Production of Patient Survey	0.0	15.0	(15.0)	0.0	0.0
	0.0	99.8	(67.0)	0.0	32.8

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20 Analysis of net assets between funds - Group

	Restricted £'000	Unrestricted £'000	Total £'000
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	0.0	120.7	120.7
Investments	0.0	871.9	871.9
Current assets/(liabilities)	56.8	607.8	664.6
	56.8	1,600.4	1,657.2

Fund balances at 31 December 2019 are represented by:

	Restricted £'000	Unrestricted £'000	Total £'000
Tangible fixed assets	0.0	67.0	67.0
Investments	0.0	798.8	798.8
Current assets/(liabilities)	32.8	804.6	837.4
	32.8	1,670.4	1,703.2

Analysis of net assets between funds - Charity

	Restricted £'000	Unrestricted £'000	Total £'000
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	0.0	120.7	120.7
Investments	0.0	871.9	871.9
Current assets/(liabilities)	56.8	606.2	663.0
	56.8	1,598.8	1,655.6

Fund balances at 31 December 2019 are represented by:

	Restricted £'000	Unrestricted £'000	Total £'000
Tangible fixed assets	0.0	67.0	67.0
Investments	0.0	798.8	798.8
Current assets/(liabilities)	32.8	798.3	831.1
	32.8	1,664.1	1,696.9

21 Commitments under operating leases

At the reporting end date the group and charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £'000	2019 £'000
Within one year	101.7	90.2
Between two and five years	116.2	194.9
Over five years	2.9	0.6
	220.8	285.7

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22 Subsidiary company

The charity owns the whole of the issued ordinary share capital of NRAS Community Services Ltd (company number: 8953247), a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the Statement of financial activities.

The total net profit is gifted to the charity.

A summary of the results of the subsidiary is shown below:

	2020	2019
	£'000	£'000
Turnover	6.1	22.3
Cost of sales	<u> </u>	<u>0.0</u>
Gross profit	6.1	22.3
Administrative expenses	<u>(4.6)</u>	<u>(16.1)</u>
Net profit	<u>1.5</u>	<u>6.2</u>
Retained earnings brought forward in subsidiary	6.2	15.8
Gift aid to National Rheumatoid Arthritis Society	<u>(6.2)</u>	<u>(15.8)</u>
Retained earnings carried forward in subsidiary	<u>1.5</u>	<u>6.2</u>
The assets and liabilities were:		
The aggregate of the assets, liabilities and funds was:		
Assets	15.6	40.4
Liabilities	<u>(14.1)</u>	<u>(34.2)</u>
Total net assets	<u>1.5</u>	<u>6.2</u>
Called up share capital	0.0	0.0
Profit and loss reserve	<u>1.5</u>	<u>6.2</u>
	<u>1.5</u>	<u>6.2</u>

23 Related party transactions

There were no related party transactions in the year (2019: nil) requiring disclosure.

24 Capital Commitments

As at 31 December 2020 the Charity had capital commitments of £nil (2019: £28.8k relating to the development of a new website).

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25 Cash generated from operations

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
(Loss)/ Surplus for the year	(46.0)	616.2	(41.3)	625.8
Adjustments for:				
Investment income recognised in profit or loss	(23.2)	(29.2)	(23.2)	(29.2)
Fair value gains and losses on investments	0.1	(66.5)	0.1	(66.5)
Gift aid donation from subsidiary			(6.2)	(15.8)
Depreciation and impairment of tangible fixed assets	18.9	15.6	18.9	15.6
Movements in working capital:				
(Increase)/ decrease in debtors	504.6	(564.3)	529.5	(580.5)
Increase/ (decrease) in creditors	20.0	56.0	15.3	57.5
Cash generated from operations	474.4	27.8	493.1	6.9

26 Analysis of changes in net funds

	At start of year £'000	Cash flows £'000	At end of year £'000
Cash	396.5	351.8	748.3
Total	396.5	351.8	748.3