# ARTHRITIS ACTION

England & Wales · Charity number 292569

## Details

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|---|---|
| **Other names** | THE ARTHRITIC ASSOCIATION, ARTHRITIC ASSOCIATION TREATING ARTHRITIS NATURALLY |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 01914825 |
| **Registered** | 1985-09-16 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Arthritis Action<br>Stroke Association House<br>240 City Road<br>London<br>EC1V 2PR |
| **Phone** | 020 3781 7120 |
| **Email** | info@arthritisaction.org.uk |
| **Website** | www.arthritisaction.org.uk |

## Activities

**Objects:** To relieve and promote the relief of people with arthritis and associated musculoskeletal (MSK) conditions by: • helping and supporting them through the provision of the best available evidence-based approaches and techniques for managing arthritis and associated MSK conditions; • monitoring arthritis related developments and initiatives, and promoting efforts to gain a better understanding of arthritis and associated MSK conditions and their impact on people's lives; and • raising awareness of arthritis and associated MSK conditions and disseminating evidence-based information about all matters relating to those conditions.

**Activities:** Founded in 1942, Arthritis Action is a UK charity helping people with arthritis to live a more active life with less pain. The Charity offers a holistic self-management approach to people living with all forms of arthritis, comprised of healthy eating and nutritional consultations, education and support groups, self-management events, and access to physical therapies across the UK.

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## Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

## Geography

- Scotland
- Throughout England And Wales

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2024-10-31 | £1,261,062 | £1,190,892 | £4,533,906 | 16 |
| 2023-10-31 | £602,004 | £1,221,356 | £4,047,559 | 18 |
| 2022-10-31 | £918,591 | £1,201,071 | £4,756,300 | 19 |
| 2021-10-31 | £606,007 | £1,108,175 | £5,174,814 | 19 |
| 2020-10-31 | £390,826 | £1,106,089 | - | - |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| Andrzej Kawalec | | 2025-11-20 |
| Caroline Alexia Langley | | 2024-08-13 |
| Colin Peter Beevor | | 2020-11-26 |
| Dirk Vennix | | 2025-06-19 |
| Elizabeth Takyi | | 2023-09-18 |
| Funmi Akinfenwa | | 2026-02-25 |
| Matthew John Myles-Brown | | 2023-02-06 |
| Pille Harrison | | 2025-11-20 |
| Professor Sarah Anne Vickerstaff | | 2021-02-08 |
| Ricardo Borges | | 2023-09-18 |
| Susan Powell | | 2024-09-11 |

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**ARTHRITIS ACTION**

England & Wales - Charity number 292569

# Accounts

**REGISTERED COMPANY NUMBER: 01914825 (England and Wales)**
**REGISTERED CHARITY NUMBER: 292569**

# REPORT OF THE TRUSTEES AND

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 OCTOBER 2024

# FOR

# ARTHRITIS ACTION

LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

**ARTHRITIS ACTION**

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**FOR THE YEAR ENDED 31 OCTOBER 2024**

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**ARTHRITIS ACTION**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 OCTOBER 2024**

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The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2024. The Trustees have adopted the provisions of 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 2019).

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**
01914825 (England and Wales)

**Registered Charity number**
292569

**Registered office**
5 Cornfield Terrace
Eastbourne
East Sussex
BN21 4NN

**Trustees**

| | |
|---|---|
| Prof S A Vickerstaff | Interim Chair from 19 May 2025 |
| Mr T O McLaughlan | Chair from 10 February 2025. Resigned 13 May 2025 |
| Mr G C Allen | Resigned 21 November 2023 |
| Mr C Beevor | |
| Mr R S Borges | |
| Miss L E Graham | Resigned 28 October 2024 |
| Ms C J Jones | Resigned 14 February 2024 |
| Ms C A Langley | Appointed 13 August 2024 |
| Mr R McNabb | |
| Mr M Myles-Brown | |
| Mr R H Nye | Resigned 21 November 2023 |
| Mr W Parker | Resigned 13 February 2024 |
| Ms S Powell | Appointed 11 September 2024 |
| Mrs D M C Rose | Resigned 21 November 2023 |
| Ms E Takyi | |
| Mr D G S Torjussen-Proctor | Resigned 10 February 2025 |
| Mr D Vennix | Appointed 19 June 2025 |

**Chief Executive**
Miss S Irwin

**Company Secretary**
Mrs H Littler

| **Auditors** | **Accountants** | **Solicitors** | **Bankers** | **Financial Advisors** |
|---|---|---|---|---|
| LMDB Limited<br>t/a LMDB Accountants<br>Statutory Auditors<br>Railview Lofts<br>19c Commercial Road<br>Eastbourne, East<br>Sussex, BN21 3XE | Cornfield Accountants<br>Limited<br>5 Cornfield Terrace<br>Eastbourne<br>East Sussex<br>BN21 4NN | So Legal<br>15 Gildredge Rd<br>Eastbourne<br>East Sussex<br>BN21 4RB | NatWest<br>Eastbourne Branch<br>96 Terminus Road<br>East Sussex<br>BN21 3LX | Schroders<br>1 London Wall<br>Place<br>London<br>EC2Y 5AU |

## TRUSTEES' REPORT

## Objectives and Activities

Arthritis Action was founded in 1942 and is a charitable company limited by guarantee as defined by the Companies Act 2006. It is governed by its Articles of Association, which were last amended on 8 July 2025.

Vision, Objectives and Priorities

Our vision is for people to live active lives, free from the impact of arthritis. We will relieve and promote the relief of people with arthritis and associated musculoskeletal (MSK) conditions by:-

- Helping and supporting people through the provision of the best available evidence-based approaches and techniques;
- Monitoring arthritis related developments and initiatives, and promoting efforts to gain a better understanding of the conditions and their impact on people's lives; and
- Raising awareness and disseminating evidence-based information about all matters relating to those conditions

Overview of Activities

The Trustees have carefully considered the Charity Commission's guidance on public benefit, as well as its general advice, when determining the activities Arthritis Action should undertake.

During the year ended 31 October 2024, the Charity spent £648,268 (2023: £908,072) on delivering its self-management health programme, £199,640 (2023: included in self-management) on raising awareness of arthritis and £20,607 (2023: £161,384) on research and other member grants.

Arthritis Action is the UK charity giving hands-on, practical help to improve the quality of life of people affected by arthritis. We offer an integrated self-management approach, which looks at both the physical and mental health impact of living with arthritis. Whilst we are a membership charity, we have transformed our services to benefit our membership and wider communities affected by arthritis and associated MSK conditions across the UK.

Last year, we launched our new three-year 2024-2026 strategy, which builds upon our previous strategy and elevates our efforts to support more adults affected by arthritis across the country.

Our 2024-2026 strategic priorities are:

- To empower people living with arthritis to better self-manage their condition.
- To reach more young adults across the UK and support more people in work of all ages.
- To have a self-management approach that attracts referrals from healthcare professionals.
- To raise awareness of the Charity and that of arthritis and MSK conditions.
- To actively reach out to and make a difference for diverse communities affected by arthritis across the UK.
- To achieve long-term financial sustainability.

Self-Management Approach

Although over 10 million people live with arthritis in the UK, each person is unique in the way they manage their symptoms. Our approach enables people to choose the techniques that work best for them.

Our self-management approach includes:

- A Personalised Member Pathway, a service that helps Members access the services that meet their needs;
- Nutrition and weight management consultations with our registered Dietitian;
- Self-management educational events to learn about various techniques for managing both the physical and mental health impact of arthritis;

- Online Arthritis Action Groups;
- Running online exercise classes and providing resources for exercising safely, signposting to activities in communities and collaborations with activity providers;
- Free, easy to follow online self-management videos;
- Quarterly webinars and a Podcast with expert speakers, covering a wide range of topics;
- Subsidised clinical appointments with our registered osteopaths, physiotherapists and acupuncturists; and
- Factsheets, our Members' magazine, electronic newsletters and informational leaflets on a variety of topics including self-management, physical activity, and mental wellbeing.

Raising Awareness of Arthritis

During the past year, we worked hard to raise awareness of arthritis and of the Charity's work in supporting people with the condition, through our efforts in securing media exposure in top tier publications; digital campaigns on the website and social media platforms; and notably a wide-scale, 3-month-long, pro bono outdoor advertising campaign with Clear Channel's generous support.

Our prominence in the MSK sector was also bolstered through our networking activity and supporting the influencing and policy work of umbrella organisations including the Arthritis and Musculoskeletal Alliance (ARMA) and National Voices, of which we are charity members.

We attended meetings to discuss policy developments including the NHS Constitution consultation and NHS Change; took part in influencing activities such as signing joint letters to policy makers to raise awareness of key issues affecting people with arthritis, and to ensure MSK is high on the agenda of healthcare reforms; and represented patients by feeding into reports that look at how MSK conditions affect health, work and wellbeing.

A highlight of the year was Interim CEO Noha Al Afifi representing the Charity at ARMA's long-awaited health inequalities 'Act Now' report launch which was held in the UK Parliament in April 2024.

We also reached out to a diverse audience to raise awareness of Arthritis Action and its self-management approach. This included Social Prescribers in Hounslow, Afro-Caribbean Elders' Groups, community groups in low-income areas in London and East Anglia, retired NHS staff members, carer's groups and homeless support centres. We would like to thank our Trustee, Colin Beevor, for his continued support in delivering presentations to healthcare professionals and community groups.

We continued to connect with healthcare professionals through our awareness training sessions for NHS Talking Therapy Teams. Alongside this, we delivered presentations to members of the Institute of Podiatry, to nurses in the Rheumatology team at Luton and Dunstable Hospital, and to rheumatology students at The University of Manchester. Our team and volunteers helped us achieve this through their intensive research and networking efforts.

## Achievements and Performance

Our achievements and performance, against our six strategic priorities, are:

Empowering people living with arthritis to better self-manage their condition

We continued to expand our services and the extent and methods by which we provide information to our Members and others living with arthritis, who are seeking help and advice.

We are pleased that 94% of our Members are satisfied with our services, based on our 2024 survey. "I appreciate you all very much. Being a member is probably the best £25 I have spent all year."

We have directly supported over 9,000 people last year through our Groups and Self-Management Events; community presentations; clinical appointments with our network of physiotherapists, osteopaths, and acupuncturists; webinars; 'Home Strength' exercise classes; nutrition and weight management consultations; our podcast and the Personalised Member Pathway service.

We have continued the development of our Online Arthritis Action Groups which meet on a regular basis and enable like-minded people to share their experiences of living with arthritis. These Groups continue to support people who are isolated at home, giving them a space to meet and learn from each other and our speakers. We are pleased that 94% of Group attendees felt the Groups

helped improve their confidence in managing their condition, and 93% felt they understood their arthritis better and are more in control of their symptoms. We look forward to continuing the Groups and ensuring a safe place for attendees to share hints, tips and experiences.

Arthritis Action remains committed to enhancing the lives of those affected by arthritis by providing access to clinical therapies. In addition, we offer a flexible, personalised approach to healthy eating and weight management, helping individuals to take control of their health and wellbeing.

We have been running the Arthritis Action Connect service, a volunteer-led peer support initiative, since the Covid-19 pandemic. However, with restrictions lifted and daily life returning to normal, demand for it has declined. As a result, we have decided to discontinue the service in 2024-2025.

We are pleased that our website provided advice and information to over 200,000 visitors, with 'arthritis and disability benefits' receiving 45,000 visits alone, highlighting the continuing need for financial support in the current economic climate. We introduced a 'work and arthritis' resource to help improve the working lives of people with arthritis whilst supporting their employers. Our electronic newsletter 'eNews' has 4,762 subscribers who receive it via monthly email.

We added four new videos to our popular Self-Management Video resource over the year, including Arthritis and Disability Benefits, and Food, Mood and Medication. The 31 evidence-based video resource aims to help people with arthritis self-manage different aspects of their condition and improve their daily life. Over the year, the videos have had over 6,450 plays, and our recorded webinars over 2,600 plays.

Reaching more young adults across the UK and supporting more people in work of all ages

To address the different needs of younger people with arthritis, we continued to develop our tailored services including Groups, introductory self-management events, a dedicated newsletter, the Young Adult Hub on our website, WhatsApp service, specialist webinars and a new season of our popular podcast. We covered a variety of topics including hormones and the impact they have on arthritis; aids, adjustments and adaptations; and an interview with a Paralympian.

We also continued to disseminate 'Arthritis & Me', a quarterly newsletter, and produced more content for our Young Adult Hub on our website. Our website attracted over 24,000 visits from younger adults. Our podcast and webinar series remained successful, with over 6,000 listeners, and 521 registrants and 240 attendees, respectively. We also delivered two Introductory events for young adults with 10 attending each event and approximately 30 sign-ups for each one, and continued to run our Young Adult Group meetings, with 42 attendees and 62 registrations.

Moreover, our Corporate Partnerships Manager is actively engaging with companies to promote our wellbeing programmes, designed to support more employees with arthritis in the workplace.

Having a self-management approach that attracts referrals from healthcare professionals

Over the year we have actively expanded our reach to healthcare professionals. We are very pleased to have introduced over 800 healthcare professionals to our self-management and wellbeing resources.

We delivered Arthritis Awareness Training to 30 Talking Therapy teams to include Staffordshire, Luton and Lincolnshire and communicated with 50 healthcare teams across the year. We continued to deliver talks to Social Prescribers and attended community events such as an International Women's Day Event funded by a local Integrated Care System in the Midlands.

Alongside this, we delivered an additional 11 presentations reaching 243 Healthcare Professionals including podiatrists, social prescribers and rheumatology nurses. We continue to attend meetings with local communities across London and in the Midlands by attending health events, delivering presentations and working with other charities.

Raising awareness of the Charity and that of arthritis and MSK conditions

We have continued our efforts to raise awareness of arthritis and that of the Charity, reaching over 2 million people on our social media channels, and a combined audience of 150 million through media coverage and PR activities.

During 2024, we secured national media coverage in various outlets, including the Daily Telegraph, The Guardian, Daily Mail, and the Sun, with a PR reach exceeding 152.7 million.

To improve the way we communicate with external audiences, particularly to the younger cohort, we have continued developing our social media channels and tailoring our activity to increase engagement and grow our reach. These include X (formerly Twitter), Facebook, Instagram, LinkedIn, Health Unlocked and YouTube.

After a critical look at X's practices over the course of the year, we deprioritised X as a social media platform and set up an account on Bluesky in December 2024.

*Research*

We are proud to have worked with 98 leisure centres across the country to transform them into local community MSK hubs, alongside GoodBoost, ukactive, Orthopaedic Research UK, and ESCAPE-pain. The project 'UKRI Transforming gyms into community MSK hubs: mobilising the UK leisure sector to deliver inclusive, accessible, personalised and gamified health services for Older Adults with MSK conditions' concluded on 31 March 2024, culminating in an important report that was published in September 2024. The report demonstrated the success of the project in supporting more people with MSK conditions and its potential to relieve pressures on the NHS.

The consortium continued to actively engage with both the outgoing and new governments to secure further investment and support to continue this vital work. Despite the ongoing efforts and the proven impact of the project, long-term government funding has not yet been secured. However, we remain deeply committed to advancing this work as we explore every possible avenue to sustain and grow its reach and impact. Consequently, our research and grant expenditure has decreased, reflecting the funding challenges we have faced in maintaining the momentum of this important work.

Throughout the year, we have also collaborated with universities, other charities and nonprofit organisations, in order to increase our evidence base about the self-management of arthritis and to ensure we are following best practice and the latest guidance. We are also a National Institute for Health and Care Excellence (NICE) stakeholder group and engage in many of their research programmes. We are currently supporting them with their Health Tech Programme, which focuses on the evaluation of medical and diagnostic technologies to help the NHS adopt clinically and cost-effective technologies. NICE is committed to involving national organisations that represent patients, like Arthritis Action, in the assessment of technologies.

Moreover, during the year, we were approached by 5 university undergraduates and postgraduates and 4 other researchers including EULAR and RAND Europe, on themes including the risk of developing psoriatic arthritis, the relationship between social support and exercise management, and experiences following knee replacement surgery. We also supported the University of York to deliver focus groups to address the administrative burdens of living with arthritis.

Reaching out to and making a difference for diverse communities affected by arthritis across the UK

We are pleased to have delivered self-management presentations to over 2,000 people, of which over a third represented ethnic minority groups and low-income communities. Our work on Equality, Diversity and Inclusion (EDI) has not stopped there. As a key strategic objective, we have focused our efforts to reach underserved communities through our resources and services, both digitally and in person.

The Charity also set up a Health Inequalities Working Group in 2021, which includes the Executive Management Team and key members of staff. The Working Group helps achieve the Charity's aims of: understanding the needs of diverse communities affected by arthritis; building a diverse and inclusive culture within the organisation; challenging racism and discrimination in its work internally and externally; and continuing to learn, improve and implement best practices in equality and inclusion.

Our Area Coordinators are actively networking with diverse communities through our self-management presentations, ensuring our resources reach those who need them most. Meanwhile, our Working Group continues to track key performance indicators to measure and enhance our impact. We remain dedicated to prioritising low-income and ethnically diverse areas, striving to make a greater difference. By working with our staff, Trustees, and partners, we are committed to expanding our reach and providing meaningful support to diverse communities living with arthritis across the UK.

Achieving long-term financial sustainability

*Financial Sustainability Working Group*

The Board of Trustees established a Financial Sustainability Working Group in January 2024, which aimed to reduce the Charity's annual deficits by developing new and existing sources of income, and, where possible, containing or reducing costs. This work culminated in a 5-year Financial Sustainability Plan that looks at investing in fundraising areas, such as trusts and foundations, philanthropy and corporate partnerships, and reducing operational expenditure.

*Fundraising*

Arthritis Action is committed to good fundraising practice and is registered with the Fundraising Regulator. We voluntarily subscribe to the Fundraising Regulator's Code of Fundraising Practice and have a Donations Acceptance Policy approved by the Board of Trustees, which can be viewed on our website. Our Fundraising Manager and Corporate Partnerships Manager adhere to all applicable laws and codes such as the Fundraising Regulator's Code of Fundraising Practice and data protection laws. Both staff members report directly to our Executive Management Team who, with regards to all members of the public, ensure that all fundraising activities do not result in unreasonable intrusions, unreasonably persistent approaches or any undue pressure being exerted. We do not use any external fundraising organisations or professional fundraisers and did not receive any complaints about fundraising activities carried out by Arthritis Action during 2023/24.

Our Fundraising Manager is focused on developing new fundraising activities to diversify our income streams, covering most areas of fundraising: individual giving, legacy fundraising, trust fundraising, and challenge events. Our Corporate Partnerships Manager is investing time in developing new corporate relationships and raising awareness of arthritis and its prevalence in the workplace.

Our largest income source continues to be legacies, making up 75% of our total income in 2023-2024; therefore, we are exploring new ways of leveraging this area of fundraising alongside other activities.

We were fortunate to receive funding from various corporates throughout 2024, including Amgen, for providing funding to help us develop more content for the Young Adult Hub; AbbVie, for funding our work with healthcare professionals and sponsoring one of our webinars, and UCB, for sponsoring one of our webinars and providing generous funding to help us advance our work with healthcare professionals.

We are also grateful to all our Members, donors, legators, and supporters for their dedication to making a difference to the lives of people affected by arthritis. We would also like to thank our fundraisers who took part in a variety of events, including the Edinburgh & Bournemouth Marathons, the Snowdon at sunrise challenge, a year-long series of 5k runs and to the Ladies of New Forest Golf Club for their year-long support.

*Operational Savings*

As a result of a break clause new premises have been secured from April 2025 which will significantly reduce our fixed costs going forwards without negatively impacting our ability to achieve our aims.

*Volunteers*

The Trustees volunteer their time and individual expertise freely to the governance and management of the Charity. The Charity also benefits from the help of a small number of volunteers. We benefitted from the valuable skills of our volunteers who made calls to Members through the Arthritis Action Connect service, especially during the Covid-19 pandemic. We also have a pool of expert patient volunteers who are interested in getting involved in research projects in their areas of expertise.

Arthritis Action maintains an Employer Supported Volunteering scheme designed to encourage staff to engage with a wide range of community activities, from local groups and charities to schools, supporting causes they care about. Our policy is dedicated to ensuring our team can contribute meaningfully both within and beyond our Charity.

## Financial Review

Arthritis Action's financial performance is set out on page 16 and the key accounting policies remain unchanged.

Income for the year ended 31 October 2024 was £1,261,062 (2023: £602,004), an increase of £659,058. Expenditure amounted to £1,190,892 (2023: £1,221,356), a decrease of £30,464. Expenditure on research and grants decreased almost 90% in the year, reducing from £161,384 to £20,607 as a result of the end of the Leisure Centre grant as discussed above. Offsetting this reduction, expenditure on fundraising has more than doubled from £151,900 to £322,377. This is because of both the first-time allocation of IT and premises costs against fundraising and the Charity focusing on diversifying income streams as part of our sustainable growth strategy. It is anticipated that this will lead to more predictable income levels in future.

The significant increase in income is as a result of legacies which amounted to £917,408 (2023: £277,821), an increase of £639,587. Legacies remain the Charity's single most important source of income, but their very nature means their timing is unpredictable. As the Charity receives a relatively small number of individual bequests, volume fluctuations have a marked effect on the total value of legacy receipts from one year to the next. Over the last 10 years annual legacy receipts have averaged £445,000 (2023: £373,000). Income from Donations, including gift aid increased by £29,171 to £140,755 however our income from Grants awards decreased by £21,910 to £49,370. The decrease in grant awards was disappointing but reflects the current highly competitive nature surrounding grant funding requests. Income from investments also increased by £10,275 to £134,339.

Investments had a net unrealised gain of £416,177 (2023: £89,389 loss). This in-year growth, equating to 11.2% of invested capital, was significantly ahead of the objective to retain capital in real terms with inflation (CPI) at 3.2% for the year to 31 October 2024.

Overall the net surplus for the year ended 31 October 2024 was £486,347 (2023: £708,741, deficit). This resulted in Arthritis Action's total funds increasing to £4,533,906 (2023: £4,047,559) of which £141,638 is restricted (2023: £70,981). This outcome significantly exceeded the Charity's 2024 deficit budget as a result of an exceptional year for legacy income.

Reserves Policy

Arthritis Action aims to utilise its reserves to help people live active lives, free from the effects of arthritis and raise awareness of the impact of arthritis both now and in the long term. The Trustees' underlying policy is, therefore, to closely monitor the reserves position to ensure that the level of cash reserves is appropriate to the operating costs and other commitments of the Charity, and to maintain an adequate level of reserves to provide security, covering the inherent volatility and uncertainty surrounding legacy income, upon which the Charity is highly dependent. This includes maintaining a level of reserves to provide income to support a proportion of expenditure, as a secure source of income this helps enable the charity to maximise efforts on charitable activities. It also allows that income raised through other methods can be focussed on charitable activities. The Trustees will continue to review this policy to ensure that it reflects the Charity's circumstances, external climate, and future plans.

As we provide services that span several months in their delivery, the Trustees believe it is crucial to maintain a minimum level of free reserves. These reserves are intended to cover orderly wind-up costs and at least six months of operating costs if required. This approach ensures the continuity of our services, safeguards our ability to fulfil partnership commitments, and mitigates the risks associated with fluctuating income streams.

*Designated Funds*

Designated funds have been created to ensure that the charity complies with the Charities' Statement of Recommended Practice (SORP) and best practice, and will continue as a going concern in perpetuity, as long as those living with arthritis need our support. These designated funds are set aside by the Trustees for specific purposes.

- Our Young Adult Fund, which enables us to support more young adults living with arthritis, which is expected to cost £90,000 over the next three years.
- The funding of our Health Inequalities Greater Impact programme to reach more people in low-income communities in areas of unmet needs through expansion of our regional outreach, which is expected to cost £250,000 over the next three years.
- The funding for our five-year Sustainable Growth Plan as approved by the Board through investment into broadening our income streams and our underlying IT infrastructure to build organisational resilience, which is expected to cost £550,000 over the next five years.

- An amount of £1m made available to support collaborative projects and initiatives that align with our strategic objectives.

The amounts allocated to the designated funds may be adjusted in response to changing priorities or circumstances and remain at the discretion of the Board of Trustees.

Investment Policy

At 31st October 2024 the Charity had approximately £4.2m of reserves for investment. A portion of these (£3.4m at 31.10.24) is held in long-term reserves, with the remainder as shorter-term cash reserves. Where long-term reserves need to be drawn down to support regular operational costs, including designated funds, this can be done in 2-3 weeks. When making investment decisions and placing deposits, careful consideration is given to credit, liquidity and cash flow risk and the Charity seeks to obtain the best financial return within an acceptable level of risk throughout the year. The investment objective for our long-term reserves was to preserve capital in real terms whilst producing a reasonable income, with an intermediate attitude to risk. Schroders, our financial advisors, have discretion to manage our investment within this framework. The Charity also required during the year that our financial advisors, as part of their investment research and analysis process, to take account of social, environmental, ethical and governance considerations in the selection, retention and realisation of investments.

In May 2025 the Trustees agreed to move to Schroder's Multi-Asset Sustainable Fund so that no income would be incurred from companies causing a negative social, environmental or ethical impact and actively invests in positive-impact organisations. It was felt that this brought the investment policy more into line with other Arthritis Action policies. The investment objective for this new fund is for long-term reserves to preserve capital in real terms whilst producing a reasonable distribution, with a medium to high attitude to risk. The long-term reserves invest sustainably, excluding some sectors. There is also a separate short term reserve account which only holds cash, or close to cash, and has a low attitude to risk.

Risk Management

The Trustees have a duty to identify and review the risks to which Arthritis Action is exposed and to ensure appropriate controls are in place to provide effective corporate governance and reasonable assurance against fraud and error. The Trustees maintain and regularly review a risk register which has identified that the principal risks are: -

- Loss of Funds: the majority of Arthritis Action's funds are managed by an accredited UK charity fund manager, and other funds are held with suitable first tier banks on a short-term basis. As a result, there is little risk in the short or medium term.
- Loss of Income: the Charity is dependent on income from legacies, donations, and membership fees, and remains actively engaged in fundraising activities in order to ensure the continuing flow of income from these sources. As discussed within this report efforts are being made to broaden the income sources to further reduce this risk.
- Loss of Reputation: the Charity takes great care to preserve the professionalism of the services it provides to its Members and others who seek help with their arthritis condition. It also actively monitors its interaction and relationships with 3rd parties and other stakeholders to ensure that high standards are maintained.

Other identified risks include cash flow management, health & safety of staff and Members, maintaining the IT infrastructure, and staff retention/development.

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place to help to identify, evaluate and manage these risks. The Executive Management Team reviews key strategic and operational risks on a regular basis, and considers new and emerging risks.

## Plans for the Future

Our future plans, in relation to our strategic priorities, are:

To empower people living with arthritis to better self-manage their condition

We will continue to support people living with arthritis through our integrated self-management approach, ensuring that our services remain relevant and meet the evolving needs of our Members and service users. Our support will include the ongoing delivery of our Personalised Member Pathway service, nutrition and weight management consultations, self-management events, and Arthritis Action Groups. We will also continue to offer our online exercise classes and resources, subsidised clinical appointments, and a wealth of information through our podcast, webinars, and website resources, in order to provide practical, accessible, and impactful support for the people we serve.

In November 2024, we introduced Movement Snacks, a new service developed to support people with arthritis through a structured series of guided exercises. Delivered by email over five weeks, the resource focuses on key

areas such as balance, core strength, upper body, and lower body exercises. The series is available in three progressive levels, with Level One launched in November, generating over 130 sign-ups from both our Members and the public. Levels Two and Three are scheduled for release in April 2025 at the British Society for Rheumatology Conference to further expand the programme's reach and impact.

To reach more young adults across the UK and support more people in work of all ages

To maximise our impact and engagement with young adults, we will continue to invest in our digital platforms. This includes enhancing our website, social media channels, and the Young Adult Hub, as well as maintaining our webinars, podcast, and distributing our self-management leaflets, all of which have demonstrated strong engagement.

Following a review of our young adult activities, the Executive Management Team made the decision to discontinue our Young Adult Groups and events due to consistently low levels of engagement and limited uptake. Feedback gathered from participants indicated that young adults prefer to access information that they can refer to and utilise at their convenience, rather than attending scheduled events. Therefore, we will focus on providing accessible, on-demand, evidence-based resources that better align with their needs

To have a self-management approach that attracts referrals from healthcare professionals

We will continue to engage with healthcare professionals, to ensure that we offer the most relevant and up-to-date information and guidance on self-management for arthritis.

In November 2024 we commenced working with the strategic communications consultancy, Blue Lozenge, to address the communication needs of secondary healthcare professionals working with people who have inflammatory arthritis. This project has been kindly funded by UCB, enabling us to better understand the information needs and gaps for health professionals working in secondary care, to support them in signposting patients who live with arthritis. It will allow us to review the communication pathway for when an individual is diagnosed with arthritis and how they interact with healthcare professionals, in turn helping to improve the patient experience. UCB has had no influence over content or scope.

At the conclusion of this project, we will contact our extensive list of healthcare professionals, kindly compiled by volunteers, to disseminate key information about the Charity and arthritis. The resources and information we will provide will incorporate the key insights and recommendations from the project delivery report, to ensure our information makes a meaningful impact on care and support for those living with arthritis.
Our commitment to this strategic objective also includes the ongoing delivery of our presentations and training sessions, in line with our key performance indicators. Examples of upcoming talks to healthcare professionals include Physician Associates, healthcare students and Talking Therapies Teams.

To raise awareness of the Charity and that of arthritis and MSK conditions

We will continue to enhance the Charity's profile and raise awareness of arthritis and its impact on individuals and their communities at a national and regional level.

Through our close collaborations with ARMA and National Voices, we will advocate for people living with MSK conditions, working to influence policy on equitable access to healthcare, early diagnosis and prevention, surgical waiting times, mental health impact, and workforce challenges. Additionally, we will promote the importance of supported self-management, empowering those affected by arthritis to take an active role in their health and wellbeing.

In 2025, while we will maintain a presence on X, however our primary efforts in networking and audience engagement will focus on Bluesky, Meta (Facebook and Instagram), YouTube, Health Unlocked, and LinkedIn. This strategic shift aligns with the evolving digital landscape and the approach taken by peer organisations. We will also remain dedicated to strengthening our media presence at local, regional, and national levels to amplify awareness of arthritis and its impact on those with lived experience. By actively engaging with the media, we will ensure that the voices of those affected are heard, driving greater understanding and support for meaningful change and a better quality of life.

To actively reach out to and make a difference for diverse communities affected by arthritis across the UK.

Our EDI strategy is driven by our ongoing commitment to creating meaningful change, both within our organisation and in the communities we serve.

Internally, we will:

- create an environment where all individuals feel valued and supported to contribute to our mission.

continue to integrate equality, diversity, and inclusion into our governance structures and leadership practices, ensuring that inclusion is a fundamental consideration in all decision-making processes. By doing so, we will

- strengthen our accountability and create a more representative organisation that reflects the communities we serve.
- continue to learn, improve and implement best practice in equality, diversity and inclusion. This will include engaging with expert guidance, listening to the voices of underrepresented groups, and evaluating our policies and practices to ensure they remain relevant and impactful.

Externally, we will:

- work closely across our organisation and in partnership with other charities, community groups, and stakeholders to identify areas of greatest need. Through these collaborations, we aim to develop services and initiatives that make a meaningful difference in improving the lives of people affected by arthritis and MSK conditions.
- disseminate self-management information and organise events in areas of unmet need, both online and offline.
- deepen our understanding of the needs of diverse communities to further advance our work and increase our impact.

In January 2025 we appointed a new Area Coordinator in the Midlands who will be responsible for raising awareness of the Charity in the Midlands and making new contacts to promote our services. They will be delivering presentations and supporting our Groups and events. They are also working with a volunteer who will be supporting presentation delivery to Tamil communities in the region. Our aim for the year is for 25% of presentations to be dedicated to diverse communities. We have already exceeded this target in Q1 of 2025, achieving 33%.

To achieve long-term financial sustainability.

Arthritis Action's intention is to continue operating indefinitely, as we believe it is essential that we can fulfil our mission of supporting as many people with arthritis as possible over the longer term. Financial sustainability is an ongoing effort that requires effective financial management, continuous fundraising, and adapting to changing circumstances. As a result, consideration is always given to the long-term financial implications of our decisions and actions.

The Trustees' aim is to reach a break-even position by 2029, anticipated to leave the Charity with sufficient resources to provide security and income for future years. As mentioned above, a new corporate fundraiser has been recruited and we are working with a philanthropy consultant which we anticipate will lead to increased income and reduced reliance upon legacies. The Trustees have also tasked the Executive Management Team to undertake a workforce planning exercise to consider further changes in structure to allow the Charity to keep meeting its aims in a sustainable way.

Throughout 2025, the Executive Management Team will commence a review of our IT systems and database to meet the evolving needs of our supporters, including Members, donors and prospects. This will not only facilitate the development of our fundraising and membership functions but also improve our ability to turn in-memory donors into legacy prospects, corporate donors into major donors, and one-off donors to repeat community fundraisers. The Sustainable Growth Plan will fundamentally improve efficiencies across the fundraising team whilst helping us to grow our income potential from legacies, corporate fundraising, community fundraising, and major donor fundraising. We aim to increase our efficiency and ability to reach more people and develop long-term relationships, by automating processes that are available with improved technology. The Sustainable Growth Plan also includes investment into our website and ongoing monitoring of developments in technology that would be beneficial to the Charity.

This Plan is likely to incur some short terms costs for longer term improvements, and therefore, designated funds have been set aside for this work.

## Structure, Governance & Management

Trustees

The Trustees who served on the Board of Trustees during the year are shown on page 1. The Trustees did not receive any remuneration in their capacity as Trustees during the year ended 31 October 2024; (2023 £nil ) however, they have the option of being reimbursed for costs incurred in attending meetings on behalf of Arthritis Action.

Governance and Management

Members of the Board of Trustees are responsible, on behalf of the Members and people living with arthritis, for the good governance of the Charity. Board Members set and review the Charity's strategic objectives on a regular basis and establish policy for staff to implement in a manner that is in keeping with Arthritis Action's objectives.

The Articles of Association permit the appointment of up to 15 trustees, one of whom should be the Chair of the Board of Trustees. The Chair is elected by the Trustees for a period of three years and can be re-elected by mutual consent. All Trustees are elected by Members at the Charity's Annual General Meeting and are appointed for a period of three years. In accordance with the Articles of Association, new trustees can be appointed by the existing trustees during the year, but must then stand for election by the Members at the next Annual General Meeting. Trustees can put themselves forward for re-election at the end of each three-year period.

On appointment to the Board of Trustees, each trustee completes a "Register of Interests" and receives an appropriate induction. Further training needs are met, both individually and collectively, through regular Board training sessions and by trustees attending training days conducted by external training providers when appropriate.

The Board of Trustees is committed to continually improving its governance of the Charity and meets as a whole on a minimum of four occasions each calendar year. For efficient operational purposes, the Board of Trustees is divided into two working Committees - the Finance & Risk Committee and the Remuneration & Nominations Committee. The Board also established a Financial Sustainability Working Group in 2024.

The Finance & Risk Committee ("FRC") oversees and briefs the Board of Trustees on all aspects of financial, budgetary and risk management.

The FRC ensures that effective systems of accounting and internal control are established and maintained, and that the Board of Trustees is aware of any matters that might have a significant impact on the financial condition or affairs of the Charity.

The Remuneration & Nominations Committee ("RNC") oversees and briefs the Board of Trustees on all aspects of Human Resources. It is also required to advise and make recommendations to the Board of Trustees with regard to appointments to the Board, its Committees and Working Groups, and to ensure that the skills and experience required for these roles are identified.

The RNC regularly appraises the employee remuneration structure and makes recommendations to the Board regarding salary reviews and any other proposals which affect pay, benefits and conditions. The RNC also leads on appraising the Chief Executive's performance and salary. Any changes in organisation structure are proposed by the Chief Executive to the RNC before being submitted to the Board of Trustees for approval.

During the year the Trustees temporarily created the Financial Sustainability Working Group to review Arthritis Action's long-term vision and strategic roadmap, and to help it develop diverse and reliable income sources to reduce dependency on legacy income in the long run. The Working Group also identified strategies to reduce operating deficits and identify cost savings where possible. The Working Group merged with the FRC in September 2024.

The Trustees have delegated the day-to-day management of the charity to the Executive Management Team (EMT). The EMT was led by Shantel Irwin, CEO of Arthritis Action, until she went on Maternity leave in December 2023 at which point the Board appointed Noha Al Afifi, Director of Fundraising and Communications, as Interim CEO for the year. Shantel Irwin returned in December 2024.

Trustee Changes

This year brought positive developments to our Trustee Board, including the welcome addition of two skilled trustees - Caroline Langley and Susan Powell - whose skills, insights, and passion for our cause are already making a meaningful impact.

We extend our heartfelt thanks to Dan Torjussen-Proctor, who stepped down as Chair on 10th February 2025. Since joining the Board in June 2014, Dan has generously contributed his time, wisdom, and leadership, and we are deeply grateful for his many years of service. Tom McLaughlan, who joined the Board of Trustees in February 2022, was appointed by the Board to succeed Dan on 10th February 2025. Tom stepped down from the Board for personal reasons on 13th May 2025, and we sincerely thank him for his leadership and valuable contributions to Arthritis Action during his tenure.

Other trustees to step down (as noted on page 1) included long standing trustees such as Robin Nye, who had served as a trustee for 12 years, including 11 as Chair. We thank them all for their dedication and commitment to the Charity and to those we serve.

We are always looking to recruit Trustees with a suitable skill set in order to maintain an efficient, effective and diverse Board of Trustees. Please contact Shantel Irwin, our CEO, if you are interested in finding out more.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Arthritis Action for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## AUDITORS

The Auditors, LMDB Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on ....8th July 2025..... and signed on the Board's behalf by:

.....

Sarah Anne Vickerstaff, Interim Chair

**Opinion**

We have audited the financial statements of Arthritis Action (the 'charitable company') for the year ended 31 October 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2024 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on the actual and potential litigation and claims, and also any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in the course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**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. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Samuel David Jaquet FCCA (Senior
Statutory Auditor) for and on behalf of
LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Date: 15 July 2025

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
**FOR THE YEAR ENDED 31 OCTOBER 2024**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2024 Total funds £ | 2023 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | 4 | 960,719 | 97,444 | 1,058,163 | 389,405 |
| **Charitable activities** | 5 | | | | |
| Research and other grants | | 5,000 | 44,370 | 49,370 | 71,280 |
| Membership subscriptions | | 19,190 | - | 19,190 | 17,255 |
| Income from investments | 6 | 134,339 | - | 134,339 | 124,064 |
| **Total** | | 1,119,248 | 141,814 | 1,261,062 | 602,004 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 7 | 322,377 | - | 322,377 | 151,900 |
| **Charitable activities** | 8 | | | | |
| Research and development | | 20,607 | - | 20,607 | 161,384 |
| Self-management health programme | | 579,111 | 69,157 | 648,268 | 908,072 |
| Raising awareness of Arthritis | | 197,640 | 2,000 | 199,640 | - |
| **Total** | | 1,119,735 | 71,157 | 1,190,892 | 1,221,356 |
| Net gains/(losses) on investments | | 416,177 | - | 416,177 | (89,389) |
| **NET INCOME/(EXPENDITURE)** | | 415,690 | 70,657 | 486,347 | (708,741) |
| **RECONCILIATION OF FUNDS** | | | | | |
| **Total funds brought forward** | | 3,976,578 | 70,981 | 4,047,559 | 4,756,300 |
| **TOTAL FUNDS CARRIED FORWARD** | | 4,392,268 | 141,638 | 4,533,906 | 4,047,559 |

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL POSITION**
**31 OCTOBER 2024**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2024 Total funds £ | 2023 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 14 | 4,840 | - | 4,840 | 17,350 |
| Investments | 15 | 3,377,713 | - | 3,377,713 | 3,629,629 |
| | | 3,382,553 | - | 3,382,553 | 3,646,979 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 164,289 | - | 164,289 | 99,341 |
| Cash at bank and in hand | | 944,135 | 141,638 | 1,085,773 | 450,623 |
| | | 1,108,424 | 141,638 | 1,250,062 | 549,964 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (97,032) | - | (97,032) | (147,634) |
| **NET CURRENT ASSETS** | | 1,011,392 | 141,638 | 1,153,030 | 402,330 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 4,393,945 | 141,638 | 4,535,583 | 4,049,309 |
| **PROVISIONS FOR LIABILITIES** | 19 | (1,677) | - | (1,677) | (1,750) |
| **NET ASSETS** | | 4,392,268 | 141,638 | 4,533,906 | 4,047,559 |
| **FUNDS** | 20 | | | | |
| Unrestricted funds: | | | | | |
| General fund | | | | 1,849,512 | 3,572,368 |
| General fund – designated reserves | | | | 1,890,000 | 58,952 |
| Revaluation reserve | | | | 652,756 | 345,258 |
| | | | | 4,392,268 | 3,976,578 |
| Restricted funds | | | | 141,638 | 70,981 |
| **TOTAL FUNDS** | | | | 4,533,906 | 4,047,559 |

The financial statements were approved by the Board of Trustees and authorised for issue on 8th July 2025 and were signed on its behalf by:

Sarah Vickerstaff – Interim Chair

Ricardo Borges - Trustee

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 OCTOBER 2024**

| | Notes | 2024<br>£ | 2023<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | A | (163,223) | (670,726) |
| Provisions for liabilities | | (73) | 400 |
| **Net cash used in operating activities** | | (163,296) | (670,326) |
| **Cash flows from investing activities** | | | |
| Purchase of tangible fixed assets | | (3,987) | (3,014) |
| Purchase of fixed asset investments | | (677,245) | (848,696) |
| Sale of fixed asset investments | | 1,327,807 | 847,698 |
| Interest received | | 10,832 | 6,449 |
| Dividends received | | 123,507 | 117,615 |
| **Net cash provided by investing activities** | | 780,914 | 120,052 |
| **Change in cash and cash equivalents in the reporting period** | | 617,618 | (550,274) |
| **Cash and cash equivalents at the beginning of the reporting period** | | 479,040 | 1,029,314 |
| **Cash and cash equivalents at the end of the reporting period** | | 1,096,658 | 479,040 |
| **Cash and cash equivalent comprises the following:-** | B | | |
| Fixed asset investments – other deposits | | 10,885 | 28,417 |
| Cash at bank and in hand | | 1,085,773 | 450,623 |
| | | 1,096,658 | 479,040 |

The notes form part of these financial statements

**ARTHRITIS ACTION**

**NOTES TO THE STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 OCTOBER 2024**

**A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)** | 486,347 | (708,741) |
| **Adjustments for:** | | |
| Depreciation & impairment charges | 16,497 | 7,216 |
| Losses/(gain) on investments | (416,177) | 89,388 |
| Interest received | (10,832) | (6,449) |
| Dividends received | (123,507) | (117,615) |
| Decrease/(increase) in debtors | (64,949) | 12,754 |
| Increase/(decrease) in creditors | (50,602) | 52,721 |
| **Net cash used in operations** | (163,223) | (670,726) |

**B. ANALYSIS OF CHANGES IN NET FUNDS**

| | At 1.11.23 | Cash flow | At 31.10.24 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | 479,040 | 617,618 | 1,096,658 |

The notes form part of these financial statements

## 1. STATUTORY INFORMATION

Arthritis Action is a Charity registered in England and Wales. The Charity's registered number and registered office address can be found within the trustee report.

The financial statements are presented in £ Sterling.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

**Going concern**
There are no material uncertainties that cast doubt on the charity's ability to continue as a going concern.

**Income**
All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds and it is probable that the income will be received, except where it cannot be measured with sufficient certainty.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except in so far as they cannot be measured with sufficient certainty. Tangible fixed assets donated or left in legacies are recognised at market value at the time title passes to the Charity.

Subscriptions received and Interest receivable is calculated on an accruals basis.

**Expenditure**
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

**Allocation and apportionment of costs**
The Charity's operating costs include staff costs, premises and other related costs. Such costs are allocated between different expenditure categories including fundraising, management and administration. Where costs cannot be directly attributable to direct charitable expenditure or other expenditure, they have been apportioned based on an estimate of time spent in each of these categories.

The cost of generating funds is the direct cost spent on fundraising activity. A proportion of central support cost is allocated to the cost of generating funds.


continued...

## 2. ACCOUNTING POLICIES - continued

**Allocation and apportionment of costs**
Governance costs are the costs associated with governance of the Charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Support costs, which comprise central office functions such as general management, administration, budgeting and accounting, information technology and human resources are allocated across the cost of generating funds, grant making and charitable activities costs.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | | |
|---|---|---|
| Short leasehold | - | 20% on cost |
| Fixtures and fittings | - | 20% on cost |
| Computer hardware | - | 50% on cost |
| Computer software | - | 20% on cost |

Tangible fixed assets are included at historical cost and assets are capitalised on a historical cost basis of value. Items costing less than £500 are generally not capitalised.

Bequeathed and donated assets are recognised at market value at the time title passes to the Charity. Gains or losses are recognised on disposal.

The Charity holds title to financial assets subject to life tenancy interests held by third parties. Therefore no values for these assets are shown on the balance sheet.

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit which the asset belongs.

Impairment losses are recognised in the year of impairment.

**Taxation**
The Charity is exempt from corporation tax on its charitable activities.

**Fund accounting**
General funds are unrestricted funds which can be used at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.


continued...

## 2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**
The Charity operates a defined contribution pension scheme. Contributions payable to the Charity pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above.

**Investments**
Investments are initially recorded at cost and thereafter restated to market value as at the relevant reporting date. The aggregate value of these investments may fluctuate significantly in line with prevailing market conditions.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

**Provisions**
Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

**Financial instruments**
The Charity recognises a financial asset or liability when it becomes party to the contractual provisions of the instrument. It initially measures the financial instrument at fair value.

**Subsidiary Undertakings**
Arthritis Action has two subsidiary companies, The Arthritis Association and The Arthritic Association. These subsidiaries have no assets or liabilities and are both dormant. As a result, the Charity is exempt from preparing group accounts under the Companies Act 2006 and under FRS 102.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates are underlying assumptions and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Following a review of the financial statements it is deemed there are no areas of estimation uncertainty.


continued...

## 4. DONATIONS AND LEGACIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Donations | 124,331 | 98,497 |
| Gift aid | 16,424 | 13,087 |
| Legacies | 917,408 | 277,821 |
| | 1,058,163 | 389,405 |

**Contingent Legacy assets**
The Charity has received notification of 22 (2023: 28) legacies which are regarded as contingent assets and for which income is expected to be received in future years but which had not met the income recognition criteria as at 31 October 2024. The actual timing of receipt and amounts to be received are unknown. The Charity maintains a record of expected legacies receivable based on the most recent correspondence received in relation to the estate. The value of legacies receivable has been estimated at £428,000 (2023: £546,000).

## 5. INCOME FROM CHARITABLE ACTIVITIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Research and other grants | 49,370 | 71,280 |
| Membership subscriptions | 19,190 | 17,255 |
| | 68,560 | 88,535 |

Grants received, included in the above, are as follows:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Abbvie | 5,000 | - |
| Amgen | 3,200 | - |
| Leisure Centre Project Arthritis Action | 34,170 | 67,970 |
| Cambridge Community project | - | 3,310 |
| UCB Biopharma | 2,000 | - |
| J Ainslie Trust | 5,000 | - |
| | 49,370 | 71,280 |

## 6. INCOME FROM INVESTMENTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Income from listed investments | 123,507 | 117,615 |
| Interest receivable | 10,832 | 6,449 |
| | 134,339 | 124,064 |


continued...

## 7. RAISING FUNDS

**Raising donations and legacies**

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Cost of generating donations and legacies | 146,915 | 17,257 |
| Investment management costs | 18,093 | 19,312 |
| Support costs | 157,369 | 115,331 |
| | 322,377 | 151,900 |

## 8. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Grant funding of activities (see note 9) | Support costs (see note 10) | Totals |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Research and development | 12,260 | - | 8,347 | 20,607 |
| Self-management health programme | 358,050 | 5,057 | 285,161 | 648,268 |
| Raising awareness of Arthritis | 103,659 | - | 95,981 | 199,640 |
| | 473,969 | 5,057 | 389,489 | 868,515 |

## 9. GRANTS PAYABLE

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Net subsidies paid to assist with physical therapy | 5,057 | 5,650 |

During the year ended 31 October 2024 subsidies paid to Members in respect of physical therapy consultations amounted to £5,130 (2023 £5,250) and the provision to cover unclaimed subsidies was decreased from £1,750 to £1,677.



continued...

## 10. SUPPORT COSTS

| | Management | Information technology | Premises | Governance costs | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Raising donations and legacies | 79,083 | 6,913 | 48,530 | 22,843 | 157,369 |
| Research and development | 4,194 | 368 | 2,574 | 1,211 | 8,347 |
| Self-management health programme | 143,302 | 12,527 | 87,939 | 41,393 | 285,161 |
| Raising awareness of Arthritis | 48,233 | 4,217 | 29,599 | 13,932 | 95,981 |
| | 274,812 | 24,025 | 168,642 | 79,379 | 546,858 |

Support costs, included in the above, comprise the following in note 11:

## 11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 6,616 | 6,006 |
| Depreciation - owned assets | 5,762 | 7,216 |
| Impairment – owned asset | 10,735 | - |

## 12. TRUSTEES' REMUNERATION AND BENEFITS

None of the Trustees received remuneration or received any other benefits in respect of the performance of their duties as a Trustee for either year ended 31 October 2024 or for the year ended 31 October 2023.

**Trustees' expenses**

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Trustees' expenses | 329 | 827 |

During the year, three (2023: four) Trustees were reimbursed for travel and subsistence expenses which were incurred wholly, exclusively and necessarily in the performance of their duties as a Trustee.


continued...

## 13. STAFF COSTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 701,984 | 731,659 |
| Social security costs | 59,751 | 71,595 |
| Other pension costs | 59,753 | 52,635 |
| | 821,488 | 855,889 |

The average monthly number of employees during the year was as follows:

| | 2024 | 2023 |
|---|---|---|
| Executive staff | 3 | 3 |
| Support staff | 13 | 15 |
| | 16 | 18 |

One employee was paid emoluments, including benefits in kind, of between £80,000 and £90,000 (2023 - One employee within the range £90,000 - £100,000 and two between £60,000 and £70,000).

This employee also participated in the defined contribution pension scheme and the employer's contributions for the year total £6,375 (2023: £4,888).

Included in defined contribution pension costs is an accrual for unpaid pensions of £5,735 (2023: £5,659). Pension costs are allocated between activities within the statement of Financial Activity based on staff hours dedicated to the relevant activity.

The only employee who is regarded as key management is the Chief Executive Officer for the purpose of FRS102. Whilst the Chief Executive Officer was on maternity leave, an existing employee has filled the role. The total remuneration paid to this employee and associated employer costs during the year was £101,850 (2023: £112,124 paid to the Chief Executive Officer).

During the year an ex gratia payment was made to an outgoing member of staff for £15,494 in relation to a settlement.


continued...

## 14. TANGIBLE FIXED ASSETS

| | Short leasehold £ | Fixtures and fittings £ | Computer hardware £ | Computer software £ | Totals £ |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 November 2023 | 111,278 | 68,646 | 31,561 | 1,008 | 212,493 |
| Additions | - | 853 | 3,134 | - | 3,987 |
| Disposals | - | - | - | - | - |
| At 31 October 2024 | 111,278 | 69,499 | 34,695 | 1,008 | 216,480 |
| **DEPRECIATION** | | | | | |
| At 1 November 2023 | 101,881 | 60,998 | 31,285 | 979 | 195,143 |
| Charge for year | 2,399 | 2,667 | 667 | 29 | 5,762 |
| Impairment | 5,799 | 4,936 | - | - | 10,735 |
| At 31 October 2024 | 110,079 | 68,601 | 31,952 | 1,008 | 211,640 |
| **NET BOOK VALUE** | | | | | |
| At 31 October 2024 | 1,199 | 898 | 2,743 | - | 4,840 |
| At 31 October 2023 | 9,397 | 7,648 | 276 | 29 | 17,350 |

Impairment

The Charity exercised a break clause on a leased property at the end of the third year into a five year agreement, with the lease on the premises coming to an end in April 2025. Assets previously capitalised in relation to short leasehold and Fixtures and Fittings within the premises have been impaired to its deemed value in use.


continued...

## 15. FIXED ASSET INVESTMENTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Listed investments | 3,343,963 | 3,595,879 |
| Investment property | 33,750 | 33,750 |
| | 3,377,713 | 3,629,629 |

Additional information as follows:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| **MARKET VALUE** | | | |
| At 1 November 2023 | 3,567,462 | 28,417 | 3,595,879 |
| Additions | 677,245 | - | 677,245 |
| Disposals | (1,327,807) | (17,532) | (1,345,339) |
| Revaluations | 416,177 | - | 416,177 |
| At 31 October 2024 | 3,333,077 | 10,885 | 3,343,962 |
| **NET BOOK VALUE** | | | |
| At 31 October 2024 | 3,333,077 | 10,885 | 3,343,962 |
| At 31 October 2023 | 3,567,462 | 28,417 | 3,595,879 |

Cost or valuation at 31 October 2024 is represented by:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| Valuation in 2024 | 3,333,077 | 10,885 | 3,343,962 |

There were no investment assets outside the UK.

Listed investments are accounted for at market value. The historical cost of listed investments and unit trusts is £2,680,321 (2023 - £3,222,203).

Investments (neither listed nor unlisted) were as follows:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Investment property | 33,750 | 33,750 |

Investment property comprises land bequeathed to the Charity. The land was valued at market value in July 2009 when title passed to the Charity and the Trustees are satisfied that there has been no significant change in the fair value of the land since that date.


continued...

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Legacies receivable | 76,938 | 2,355 |
| Rent deposits | 24,150 | 26,160 |
| Prepayments and accrued income | 46,742 | 70,826 |
| Other debtors | 16,459 | - |
| | 164,289 | 99,341 |

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Trade creditors | 28,952 | 74,953 |
| Social security and other taxes | 18,191 | 20,048 |
| Other creditors | 4,317 | 3,902 |
| Accruals and deferred income | 45,572 | 48,731 |
| | 97,032 | 147,634 |

## 18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Within one year | 60,956 | 126,488 |
| Between one and five years | - | 63,244 |
| | 60,956 | 189,732 |

The Charity entered into a new five year operating lease agreement in respect of its London premises in April 2022. The lease contains a break clause at the end of the third year, which has been activated. The aggregate lease and service charge payment commitments until this date are £60,956 until the end of the break clause.

## 19. PROVISIONS FOR LIABILITIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Provisions | 1,677 | 1,750 |

All members are entitled to claim subsidies for physical therapy consultations. Everyone who was a member as at 31 October 2024 is entitled to claim for subsidies of up to £30 each for up to two physical therapy consultations until their next annual membership expiry date. The provision is an estimate, based on the latest uptake statistics, of the likely aggregate amount of subsidy claims that the Charity will be obliged to honour in respect of members as at 31 October 2024.


continued...

## 20. MOVEMENT IN FUNDS

| | At 1.11.23 £ | Net movement in funds £ | At 31.10.24 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 3,572,368 | (1,722,856) | 1,849,512 |
| Revaluation reserve | 345,258 | 307,498 | 652,756 |
| Designated funds: | | | |
| Young Adult Fund | 58,952 | 31,048 | 90,000 |
| Health Inequalities Greater Impact Programme | - | 250,000 | 250,000 |
| Sustainable Growth Fund | - | 550,000 | 550,000 |
| MSK Impact Fund | - | 1,000,000 | 1,000,000 |
| | 3,976,578 | 415,690 | 4,392,268 |
| **Restricted funds** | | | |
| Restricted | 70,981 | 70,657 | 141,638 |
| **TOTAL FUNDS** | 4,047,559 | 486,347 | 4,533,906 |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Transfers between reserves £ | Movement in funds £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General fund | 1,119,248 | (1,086,957) | 108,679 | (1,863,826) | (1,722,856) |
| Revaluation reserve | - | - | 307,498 | - | 307,498 |
| Designated funds: | | | | | |
| Young People Fund | - | (32,778) | - | 63,826 | 31,048 |
| Health Inequalities Greater Impact Programme | - | - | - | 250,000 | 250,000 |
| Sustainable Growth Fund | - | - | - | 550,000 | 550,000 |
| MSK Impact Fund | - | - | - | 1,000,000 | 1,000,000 |
| | 1,119,248 | (1,119,735) | 416,177 | - | 415,690 |
| **Restricted funds** | | | | | |
| Restricted | 141,814 | (71,157) | - | - | 70,657 |
| **TOTAL FUNDS** | 1,261,062 | (1,190,892) | 416,177 | - | 486,347 |

During the year realised investment gains amounted to £108,679 (2023: £19,061).



continued...

## 20. MOVEMENT IN FUNDS - continued

**Comparatives for movement in funds**

| | At 1.11.22 £ | Net movement in funds £ | At 31.10.23 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,131,709 | (559,341) | 3,572,368 |
| Revaluation reserve | 453,707 | (108,449) | 345,258 |
| Designated funds: | | | |
| Young Adult Fund | 79,946 | (20,994) | 58,952 |
| | 4,665,362 | (688,784) | 3,976,578 |
| **Restricted funds** | | | |
| Restricted | 90,938 | (19,957) | 70,981 |
| **TOTAL FUNDS** | 4,756,300 | (708,741) | 4,047,559 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 534,034 | (1,112,435) | 19,060 | (559,341) |
| Revaluation reserve | - | - | (108,449) | (108,449) |
| Designated funds: | | | | |
| Young Adult Fund | - | (20,994) | - | (20,994) |
| | 534,034 | (1,133,429) | (89,389) | (688,784) |
| **Restricted funds** | | | | |
| Restricted | 67,970 | (87,927) | - | (19,957) |
| **TOTAL FUNDS** | 602,004 | (1,221,356) | (89,389) | (708,741) |



continued...

## 20. MOVEMENT IN FUNDS - continued

The movement in funds for the 2 years between 1 November 2022 and 31 October 2024 is as follows:

| | At 1.11.22 £ | Net movement in funds £ | At 31.10.24 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,131,709 | (2,282,197) | 1,849,512 |
| Revaluation reserve | 453,707 | 199,049 | 652,756 |
| Designated funds: | | | |
| Young Adult Fund | 79,946 | 10,054 | 90,000 |
| Health Inequalities Greater Impact Programme | - | 250,000 | 250,000 |
| Sustainable Growth Fund | - | 550,000 | 550,000 |
| MSK Impact Fund | - | 1,000,000 | 1,000,000 |
| | 4,665,362 | (273,094) | 4,392,268 |
| **Restricted funds** | | | |
| Restricted | 90,938 | 50,700 | 141,638 |
| **TOTAL FUNDS** | 4,756,300 | (222,394) | 4,533,906 |

The movement in funds for the 2 years between 1 November 2022 and 31 October 2024, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Transfers between reserves £ | Movement in funds £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General fund | 1,653,282 | (2,199,392) | 127,739 | (1,863,826) | (2,282,197) |
| Revaluation reserve | - | - | 199,049 | - | 199,049 |
| Designated Funds: | | | | | |
| Young Adult Fund | - | (53,772) | - | 63,826 | 10,054 |
| Health Inequalities Greater Impact Programme | - | - | - | 250,000 | 250,000 |
| Sustainable Growth Fund | - | - | - | 550,000 | 550,000 |
| MSK Impact Fund | - | - | - | 1,000,000 | 1,000,000 |
| | 1,653,282 | (2,253,164) | 326,788 | - | (273,094) |
| **Restricted funds** | | | | | |
| Restricted | 209,784 | (159,084) | - | - | 50,700 |
| **TOTAL FUNDS** | 1,863,066 | (2,412,248) | 326,788 | - | (222,394) |



continued...

Designated Funds

Designated funds have been created to ensure that the charity complies with the Charities' Statement of Recommended Practice (SORP) and best practice, and will continue as a going concern in perpetuity, as long as those living with arthritis need our support. These designated funds are set aside by the Trustees for specific purposes.

- Our Young Adult Fund, which enables us to support more young adults living with arthritis, which is expected to cost £90,000 over the next three years.

- The funding of our Health Inequalities Greater Impact programme to reach more people in low-income communities in areas of unmet needs through expansion of our regional outreach, which is expected to cost £250,000 over the next three years.

- The funding for our five-year Sustainable Growth Plan as approved by the Board through investment into broadening our income streams and our underlying IT infrastructure to build organisational resilience, which is expected to cost £550,000 over the next five years.

- An amount of £1m made available to support collaborative projects and initiatives that align with our strategic objectives.

## 21. RELATED PARTY DISCLOSURES

During the year one (2023: two) Trustee provided services to the Charity for which they received payment, whilst an acting Trustee.

R Nye received £163 (2023: £2,800) for human resource services in relation to his time as an acting Trustee.

## 22. SUBSIDIARY UNDERTAKINGS

On 7 October 2014 Arthritis Action incorporated the following subsidiary companies:

The Arthritis Association
The Arthritic Association

These subsidiaries~~,~~ which were created to protect the trading names, have no assets or liabilities and were both dormant during the year. It is anticipated that these subsidiaries will remain dormant for the foreseeable future.

Exemption has been claimed from preparing consolidated group accounts under section 9 of FRS102.

## 23. OTHER FINANCIAL COMMITMENTS

The charity has a contractual obligation in relation to IT related costs. The commitment totals £9,675 (2023 - £18,896) and ceases in November 2026.

**ARTHRITIS ACTION**

England & Wales - Charity number 292569

# Accounts

**REGISTERED COMPANY NUMBER: 01914825 (England and Wales)**
**REGISTERED CHARITY NUMBER: 292569**

# REPORT OF THE TRUSTEES AND

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 OCTOBER 2023

# FOR

# ARTHRITIS ACTION

LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

**ARTHRITIS ACTION**

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**FOR THE YEAR ENDED 31 OCTOBER 2023**

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**ARTHRITIS ACTION**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 OCTOBER 2023**

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The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2023. The Trustees have adopted the provisions of 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 2019).

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**
01914825 (England and Wales)

**Registered Charity number**
292569

**Registered office**
5 Cornfield Terrace
Eastbourne
East Sussex
BN21 4NN

**Trustees**

| | |
|---|---|
| Mr D G S Torjussen-Proctor | Chair |
| Mr G C Allen | Resigned 21 November 2023 |
| Mr R Badiani | Resigned 9 May 2023 |
| Mr C Beevor | |
| Mr R B Borges | Appointed 18 September 2023 |
| Miss L E Graham | Appointed 18 September 2023 |
| Ms C J Jones | Resigned 14 February 2024 |
| Ms S E Jones | Resigned 27 June 2023 |
| Mr T O McLaughlan | |
| Mr R McNabb | Appointed 18 September 2023 |
| Mr M Myles-Brown | Appointed 6 February 2023 |
| Mr R H Nye | Resigned 21 November 2023 |
| Mr W Parker | Appointed 18 September 2023<br>Resigned 13 February 2024 |
| Mrs D M C Rose | Resigned 21 November 2023 |
| Ms E Takyi | Appointed 18 September 2023 |
| Prof S A Vickerstaff | |

**Chief Executive**
Miss S Irwin

**Company Secretary**
Mr G Weir

| **Auditors** | **Accountants** | **Solicitors** | **Bankers** | **Financial Advisors** |
|---|---|---|---|---|
| LMDB Limited<br>t/a LMDB Accountants<br>Statutory Auditors<br>Railview Lofts<br>19c Commercial Road<br>Eastbourne, East<br>Sussex, BN21 3XE | Cornfield Accountants<br>Limited<br>5 Cornfield Terrace<br>Eastbourne<br>East Sussex<br>BN21 4NN | So Legal<br>15 Gildredge Rd<br>Eastbourne<br>East Sussex<br>BN21 4RB | NatWest<br>Eastbourne Branch<br>96 Terminus Road<br>East Sussex<br>BN21 3LX | Schroders<br>1 London Wall<br>Place<br>London<br>EC2Y 5AU |

## TRUSTEES' REPORT

### Structure

Arthritis Action was set up in 1942 and is a charitable company limited by guarantee as defined by the Companies Act 2006. It is governed by its Articles of Association, which were last amended on 13 June 2019.

### Trustees

The Trustees who served on the Board of Trustees during the year are shown on page 1. The Trustees did not receive any remuneration in their capacity as Trustees during the year ended 31 October 2023; (2022 nil) however, they have the option of being reimbursed for costs incurred in attending meetings on behalf of Arthritis Action.

In accordance with Article 8.5 of the Articles of Association the Board of Trustees appointed Ricardo Borges, Lynsey Graham, Rob McNabb and Elizabeth Takyi as Trustees on 18 September 2023. They are eligible for election at the next Annual General Meeting on 3rd July 2024. William Parker was also appointed as a Trustee on 18 September 2023 but subsequently resigned on 13th February 2024. Matthew Myles-Brown was appointed as a Trustee on 6 February 2023 and was formally elected at the 2023 Annual General Meeting.

### Objects and Key Aims

Our vision is for people to live active lives, free from the impact of arthritis. We aim to relieve and promote the relief of people with arthritis by:-

- Helping and supporting people with arthritis through the provision of the best available evidence-based approaches and techniques for managing arthritis;
- Monitoring arthritis related developments and initiatives, and promote efforts to gain a better understanding of arthritis and its impact on people's lives; and
- Raising awareness of arthritis and disseminate evidence-based information about all matters relating to the condition

### Overview of Activities

During 2023, the Charity spent £908,072 (2022: £885,067) on delivering its self-management health programme and £161,384 (2022: £163,072) on research and other member grants.

Arthritis Action is the UK charity giving hands-on, practical help to improve the quality of life of people affected by arthritis. We offer an integrated self-management approach, which looks at both the physical and mental health impact of living with arthritis. Whilst we are a membership charity, we have transformed our services to benefit our membership and wider communities affected by arthritis and other musculoskeletal (MSK) conditions across the UK.

Although over 10 million people live with arthritis in the UK, each person is unique in the way they manage their symptoms. Our approach enables people to choose the techniques that work for them best. Our self-management approach includes: healthy eating and nutritional consultations; access to clinical appointments with our network of osteopaths, physiotherapists, and acupuncturists; mental health resources; pain management techniques; Groups; online exercise classes and resources; and a personalised pathway for goal setting and self-management support, to help people take control of their arthritis, manage the pain it can cause, and enjoy life to the full. We are pleased that 92% of our Members are satisfied with our services, based on our survey in 2023. “I am spreading the word about Arthritis Action as in the short time I have been with you, I have seen pain levels reduced and my mobility improved, and it is all down to the Arthritis Action team. I am so grateful I found you.”

Whilst we have emerged from the Covid-19 pandemic, people affected by arthritis have continued to be impacted by the ongoing cost of living crisis. Arthritis Action has worked tirelessly throughout the year to support people living with arthritis across the UK, and we remain deeply committed to helping as many people as possible.

We are proud to have continued to support people through our self-management approach. We have directly supported over 4,000 people this year through Groups and Self-Management Events; clinical appointments with our network of physiotherapists, osteopaths, and acupuncturists; webinars; 'Home Strength' exercise classes; nutrition and weight management consultations; self-management presentations; and our personalised member pathway service.

Our website has once again proved to be a powerful resource for people affected by arthritis, reaching 370,000 visitors this past year. Our popular page, 'arthritis and disability benefits', has had 46,000 visits alone, highlighting the need for financial support during these difficult times.

We are pleased to have delivered 92 presentations to over 2,000 people. We delivered 30% of these to ethnic minority and low-income communities. Our work on Equality, Diversity and Inclusion (EDI) has not stopped there. This year has seen us implement our first EDI strategy, amplifying our efforts to reach underserved communities and support more people through our resources and services.

To expand our offer to a younger audience, we are pleased to have introduced young adult online groups, and to launch 'Arthritis & Me', a new quarterly newsletter for the young adult community. We have also released our first ever Podcast, covering topics from pain management to artificial intelligence, which has had two successful seasons so far and reached over 2,700 people.

We are grateful for the gifts in Wills we receive as they go towards supporting others affected by arthritis and to families and friends who honour their loved ones with donations in their memory. Thanks to a grant from London Catalyst we were able to grow our work with YMCA Central this year, helping a new audience learn about self-management. We are thankful for the continued support from the Joan Ainslie Charitable Trust and other Trusts and Foundations who continue to fund our work. We are also grateful to have received corporate support from Abbvie and Amgen this year to deliver our young adult services.

We have continued our efforts to raise awareness of arthritis and that of the Charity, reaching over 1.7 million people on our social media channels, and a combined audience of 70.8 million through media coverage and PR activities.

We are also extremely proud to have worked on the UKRI 'Transforming gyms into community MSK hubs: mobilising the UK leisure sector to deliver inclusive, accessible, personalised and gamified health services for Older Adults with MSK conditions' project, joining leading organisations Good Boost, ukactive, Orthopaedic Research UK, and ESCAPE-pain to work with the leisure sector to support over 20 million people living with arthritis and musculoskeletal (MSK) conditions, and transform leisure centres into local community MSK hubs.

We have recently launched our new three-year 2024-2026 strategy, which builds upon our existing strategy and will elevate our efforts to support more adults affected by arthritis across the country.

We are very proud of everything we have achieved this past year. But there's still more to be done to support the millions of people affected by arthritis in the UK. Working alongside our wonderful Members, partners, volunteers, supporters and service users, we will continue to achieve amazing things together to help people live a happier, healthier life with arthritis.

The Trustees have also paid due regard to the Charity Commission's guidance on public benefit and its general guidance when deciding what activities Arthritis Action should undertake.

**Self-Management Approach**
We are the UK charity giving hands-on, practical help to improve the quality of life of people affected by arthritis. We offer an integrated self-management approach to help people with arthritis gain the knowledge and confidence to manage their condition themselves, and live life to the full.

We tailor our self-management approach to meet individual needs, and our approach encompasses the following services:-

- Personalised Member Pathway, a service that helps members access the services that meet their needs;
- Nutrition and weight management consultations with our registered Dietitian;
- Arthritis Action Groups in locations across the country;
- Self-management educational events to learn about various techniques for managing both the physical and mental health impact of arthritis;
- Arthritis Action Connect telephone service;
- Running online exercise classes and resources for exercising safely, signposting to activities in communities and collaborations with activity providers
- Free, easy to follow online self-management videos;
- Quarterly webinars with expert speakers, covering a wide range of topics;
- Subsidised clinical appointments with our registered Osteopaths, Physiotherapists and Acupuncturists; and
- Factsheets, our Members' magazine, E-newsletters and informational leaflets on a variety of topics including self-management, physical activity, and mental well-being.

**Governance and Management**
Members of the Board of Trustees are responsible, on behalf of the Members and people living with arthritis, for the good governance of the Charity. Board Members set and review the Charity's strategic objectives on a regular basis and establish policy for staff to implement in a manner that is in keeping with Arthritis Action's objectives.

The Articles of Association permit the appointment of up to 15 Trustees, one of whom should be the Chair of the Board of Trustees. The Chair is elected by the Trustees for a period of three years and can be re-elected by mutual consent. All Trustees are elected by Members at the Charity's Annual General Meeting and are appointed for a period of three years. In accordance with the Articles of Association, new Trustees can be appointed by the existing Trustees during the year, but must then stand for election by the Members at the next Annual General Meeting. Trustees can put themselves forward for re-election at the end of each three-year period.

The Board of Trustees is committed to continually improving its governance of the Charity and meets as a whole on a minimum of four occasions each calendar year. For efficient operational purposes, the Board of Trustees is divided into two working Committees - the Finance & Risk Committee and the Remuneration & Nominations Committee. The Board also established a Financial Sustainability Working Group in 2024.

The Finance & Risk Committee ("FRC") comprises three Trustees as well as the Chief Executive and the Company Secretary. The purpose of the FRC is to oversee and brief the Board of Trustees on all aspects of financial, budgetary and risk management. In particular, the FRC:

- Reviews the management accounts;
- Oversees the preparation of the annual budget;
- Monitors the performance of the Charity's Investments;
- Formulates the Charity's Risk Management Policy;
- Oversees the preparation of the annual financial statements;
- Monitors the Charity's Information Technology requirements;
- Oversees the process of selection or re-selection of an Auditor.

The FRC ensures that effective systems of accounting and internal control are established and maintained, and that the Board of Trustees is aware of any matters that might have a significant impact on the financial condition or affairs of the Charity.

The Remuneration & Nominations Committee ("RNC") comprises four Trustees and the Chief Executive. The main purpose of the RNC is to oversee and brief the Board of Trustees on all aspects of Human Resources. It is also required to advise and make recommendations to the Board of Trustees with regard to appointments to the Board, its Committees and Working Groups, and to ensure that the skills and experience required for these roles are identified.

The RNC considers the appointment of all staff for Arthritis Action following presentation of a formal proposal for recruitment by the Chief Executive. The RNC then recommends agreed proposals to the Board for approval. Any changes in organisation structure are similarly proposed by the Chief Executive to the RNC before being submitted to the Board of Trustees for approval.

The RNC regularly appraises the employee remuneration structure and makes recommendations to the Board regarding salary reviews and any other proposals which affect pay, benefits and conditions. The RNC also leads on appraising the Chief Executive's performance and salary.

The RNC is also responsible for ensuring that all employment policies and practices comply with current UK Employment Law, and regularly reviews HR strategy and the implementation of HR policies & practices. Any significant changes to HR policies & practices are proposed for approval by the Board.

The Financial Sustainability Working Group (“FSWG”) comprises four Trustees, the Chief Executive and the Company Secretary. The purpose of the FSWG is to review Arthritis Action’s long-term vision and strategic roadmap, and to help it develop diverse and reliable income sources to reduce dependency on legacy income in the long run. The FSWG also aims to reduce operating deficits and identify cost savings where possible.

**Trustee Induction**
On appointment to the Board of Trustees, each Trustee completes a "Register of Interests" and receives appropriate induction. Further training needs are met, both individually and collectively, through regular Board training sessions and by Trustees attending training days conducted by external training providers as and when appropriate.

**Professional Services**
During the year ended 31 October 2023, Arthritis Action retained the professional services of Cornfield Accountants, to ensure effective segregation of accounting duties. They were responsible for maintaining the financial records, while the Company Secretary was responsible for statutory and other financial matters. The names and addresses of organisations which provide banking services and professional advice to the Charity are detailed on page 1 of this report.

**Staff and Trustee Changes**

Arthritis Action currently has 16 full and part time members of staff. There have been several changes to the staff team in 2023-24. Eoin Buckley, Communications Officer, and Ruth Smith, Engagement Coordinator, left the Charity in 2023. They were replaced with Ann Sonania and Jo Staniforth, respectively. On the Executive Management Team, Shantel Irwin, CEO of Arthritis Action, is on maternity leave during 2024. The Board of Trustees therefore appointed Noha Al Afifi, Director of Fundraising and Communications, as Interim CEO for the year. Finally, Heather Baumohl-Johnson, Director of Services, left the Charity in February 2024. The Charity will undergo a staff re-structure later this year.

The Charity has a multi skilled Board of Trustees which provides a pool of specialist knowledge that the Executive Management Team and the Charity as a whole can call upon for help and advice, and which is capable of continuing the development of Arthritis Action as a leading arthritis charity in the UK.

There were several changes to the Board of Trustees during the year.

As a result of work commitments, Greg Allen, Cerys Jones and Sarah Jones decided to resign as trustees. Debbie Rose decided to retire and Rajiv Badiani and William Parker both decided to resign for personal reasons.

Cerys Jones and Sarah Jones were trustees for over 8 years and for most of this time, chaired the Remuneration & Nominations Committee and Finance and Risk Committee respectively. Deborah Rose was a trustee for 12 years and was instrumental in establishing and helping to run our Self-Management programme.

The Trustees and staff would like to thank all these Trustees for their contributions and guidance.

At our Annual General Meeting on 19 June 2023 Robin Nye indicated that he intended to step down as Chair of Trustees and handed over this role to Dan Torjussen- Proctor in July 2023. Robin formally resigned as a Trustee on 21st November 2023 after 13 years as a Trustee and 12 years as Chair. The Trustees and staff of Arthritis Action are very grateful to Robin for his invaluable support and leadership throughout the years. He will be greatly missed by all at Arthritis Action, and we wish him well for the future.

During the year we welcomed 6 new trustees to the Board, five of whom have remained with us following William Parker's departure and they are already making a significant and valuable contribution to the Charity. Rick Borges has been appointed Chair of the Finance and Risk Committee and Rob McNabb will chair the Financial Sustainability Working Group. Sarah Vickerstaff, who joined the board in February 2020 has taken on the role of Chair of the Remuneration & Nominations Committee.

We are always looking to recruit Trustees with a suitable skill set in order to maintain an efficient, effective and diverse Board of Trustees. Please contact Noha Al Afifi, our interim CEO, if you are interested in finding out more.

**Risk Management**
The Trustees have a duty to identify and review the risks to which Arthritis Action is exposed and to ensure appropriate controls are in place to provide effective corporate governance and reasonable assurance against fraud and error. The principal risks are: -

- Loss of Funds: the majority of Arthritis Action's funds are managed by an accredited UK charity fund manager, and other funds are held with suitable first tier banks on a short-term basis. As a result, there is little risk in the short or medium term.
- Loss of Income: the Charity is dependent on income from legacies, donations, and membership fees, and remains actively engaged in fundraising activities in order to ensure the continuing flow of income from these sources. Efforts are being made to broaden the income sources to further reduce this risk.
- Loss of Reputation: the Charity takes great care to preserve the professionalism of the services it provides to its Members and others who seek help with their arthritis condition. It also actively monitors its interaction and relationships with 3rd parties and other stakeholders to ensure that high standards are maintained.

Other identified risks include cash flow management, health & safety of staff and Members, maintaining the IT infrastructure, and staff retention/development.

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place to help to identify, evaluate and manage these risks. The Executive Management Team reviews key strategic and operational risks on a regular basis, and considers new and emerging risks. These risks are recorded on a 'Risk Register' and the Board reviews this Register and receives updates on any changes to or re-assessments of all recorded risks on a regular basis.

A rigorous set of financial authorities and procedures is also in place.

**Volunteers**
The Trustees volunteer their time and individual expertise freely to the governance and management of the Charity. The Charity also benefits from the help of a small number of volunteers. We benefitted from the valuable skills of our volunteers making calls to Members through the Arthritis Action Connect service. We also have a pool of expert patient volunteers who are interested in getting involved with research projects in their areas of expertise.

Arthritis Action maintains an Employer Supported Volunteering scheme which is aimed at supporting employees who wish to volunteer or continue to volunteer to support a wide range of community activities such as a local community group, another charity or school. The purpose of this policy is to encourage and support employees of Arthritis Action who wish to become involved in, or continue to be involved with, volunteering.

**Assistance and Support for Members & People Living With Arthritis**

We have continued to expand our services and the extent and methods by which we provide information to our members and others living with arthritis, who are seeking help and advice.

Our Self-Management Video resource continues to be popular. The resource includes 27 evidence-based videos, to help people with arthritis self-manage different aspects of their condition and improve their daily life. The resource has been visited on our website over 42,000 times, with average session times exceeding 4 minutes. Topics range from X-rays, Medication, Aids and Devices, Work and Arthritis, to Weight Management and Positive Thinking.

We also shared quick personal story videos throughout 2023, depicting young people living with arthritis, with our impactful #ShareToCare campaign, featuring 22-year-old Tanya and 24-year-old Cat.

Over 370,000 people were supported through our website, which we have continued to update with relevant and useful information for people affected by arthritis. Our popular page, 'arthritis and disability benefits', has had 46,000 visits. To reach more people under 45, we introduced 'Arthritis & Me', a new quarterly newsletter, and developed a Young Adult Hub on our website, which has been viewed 9,000 times. We also released our first ever Podcast, covering topics from pain-management, work and arthritis, to how to maintain emotional wellbeing. Our webinar series continues to be very successful with sold-out bookings. A total of 1,042 registrations and 560 attendees engaged in topics including Arthritis and Podiatry, Home Strength, Arthritis and Anxiety, and Arthritis and the Gut. Our electronic newsletter 'eNews' has 3,800 subscribers, who receive it via monthly email.

In light of the ongoing Cost of Living Crisis, we have added a Cost of Living Hub to our website, providing content and support for people affected by arthritis during this difficult time. This includes tips and resources to help people stay warm, find support with rising energy costs, stay active and eat well. Since its launch late 2022, the resource has been viewed over 6,000 times.

During 2023, we secured national media coverage in various outlets, including the Daily Telegraph, Financial Times, Daily Express, and the Metro, with a PR reach exceeding 70.8 million.

We have also continued the development of Online Arthritis Action Groups ("AAGs") which meet on a regular basis and enable like-minded people to share their experiences of living with arthritis. With the aim of increasing confidence and improving mental well-being, these Groups continue to support people who are isolated at home, giving them a space to meet and learn from each other and our speakers. We are pleased that 100% of Group attendees felt the Groups helped them to understand their arthritis better. Ninety-five percent (95%) felt more in control of their arthritis and would recommend Arthritis Action to a friend. We look forward to continuing the Groups and ensuring a safe place for attendees to share hints, tips and experiences.

Arthritis Action has continued to expand the availability of therapies which complement our objective of relieving the pain of arthritis, and we also provide mental wellbeing support and a flexible healthy eating and weight management service. We raise awareness, disseminate information and give presentations around the country to people living with, and impacted by, arthritis. To improve the way we communicate with external audiences we have also continued developing our social media channels such as Twitter, Facebook, Instagram, LinkedIn, Health Unlocked and YouTube.

We are developing ways to connect and work more with Healthcare Professionals. We have communicated with 28 NHS Talking Therapy Services and co-produced webinars and podcasts with a variety of them, including in Hertfordshire, Mid Essex, and Stoke-on-Trent. We also developed and delivered eight training sessions to Talking Therapies' staff. We attend meetings with local communities across London and in the Midlands by attending health events, delivering presentations and working with other charities.

**Research**

The Board of Trustees is keen for research to form an integral part of the Charity's activities and a budget allocation for research has been made available year-on-year since 2014. Through our research funding we are constantly looking for ways to support people with arthritis and develop a better understanding of arthritis and its effects on people's lives.

We were approached by 18 university undergraduates and postgraduates, and 17 other researchers including: BSR; EULAR; NICE; and the Arthritis and Musculoskeletal Alliance (ARMA). We have received three expert patient requests and have also been approached by universities to support their research.

**Fundraising**

Arthritis Action is committed to good fundraising practice and is registered with the Fundraising Regulator. We voluntarily subscribe to the Fundraising Regulator's Code of Fundraising Practice and have a Donations Acceptance Policy approved by the Board of Trustees, which can be viewed on our website. Our Fundraising Manager and Corporate Partnerships Manager adhere to all applicable laws and codes such as the Fundraising Regulator's Code of Fundraising Practice and data protection laws. Both staff members report directly to our Executive Management Team who, with regards to all members of the public, ensure that all fundraising activities do not result in unreasonable intrusions, unreasonably persistent approaches or any undue pressure being exerted. We do not use any external fundraising organisations or professional fundraisers and did not receive any complaints about fundraising activities carried out by Arthritis Action during 2022/23.

Our Fundraising Manager is focused on developing new fundraising activities to diversify our income streams, covering most areas of fundraising: individual giving, legacy fundraising, trust fundraising, and challenge events. Our Corporate Partnerships Manager is investing time in developing new corporate relationships and raising awareness of arthritis and its prevalence in the workplace. Our largest income source continues to be legacies; therefore, we are exploring new ways of leveraging this area of fundraising alongside other activities.

We are very grateful for the continuing support of our donors and fundraisers who took part in a variety of events, including the Edinburgh Marathon, the Family Trek across the South Downs, the Three Peaks Challenge and the London to Brighton Cycle ride. We wish to express our thanks as well to all those who have donated in memory of their loved ones, as it offers a precious opportunity to remember and honour those who recently passed away, while helping others affected by arthritis.

We gratefully acknowledge the grants we received from the Joan Ainsely Charitable Foundation; the Cambridgeshire Community Fund; Abbvie and Amgen, to help us run our vital services to support people living with arthritis.

**Financial Review**
Arthritis Action's financial performance is set out on page 17 and the key accounting policies remain unchanged.

Income for the year ended 31 October 2023 was £602,004 (2022: £918,591), a decrease of £316,587 and Expenditure amounted to £1,221,356 (2022: £1,201,071), an increase of £20,285.

The decrease in income is due to the £326,035 gain on sale of our former head office in Eastbourne during the previous financial year. Income from Legacies amounted to £277,821 (2022 £332,367), a fall of £54,546. Legacies remain the Charity's single most important source of income, but their very nature means their timing is unpredictable. As the Charity receives a relatively small number of individual bequests, volume fluctuations have a marked effect on the total value of legacy receipts from one year to the next. Over the last 10 years annual legacy receipts have averaged £373,000. Income from Donations increased by £1,872 to £98,479 and our income from Grants awards increased by £27,343 to £71,280. These increases reflect our efforts to develop new fundraising activities to diversify our income streams and we expect this trend to continue. Income from investments also increased by £24,504 to £124,064.

After including a net unrealised loss on investments of £89,389 (2022: £136,034 loss) the net deficit for the year ended 31 October 2023 was £708,741 (2022: £418,514). This resulted in Arthritis Action's total funds falling to £4,047,559 (2022: £4,756,300). This outcome was in line with the Charity's 2023 budget. However, over the next few years, through the work of the Financial Sustainability Working Group, the Charity aims to reduce annual deficits by developing our other existing sources of income, identifying new income streams and, where possible, containing or reducing costs.

**Reserves Policy**
Arthritis Action aims to utilise its reserves to help people live active lives, free from the effects of arthritis and raise awareness of the impact of arthritis. The Trustees' underlying policy is, therefore, to closely monitor the reserves position to ensure that the level of cash reserves is appropriate to the operating costs and other commitments of the Charity, and to maintain an adequate level of reserves to cover the inherent volatility and uncertainty surrounding legacy income, upon which the Charity is highly dependent. The Trustees will continue to review this policy to ensure that it reflects the Charity's circumstances, external climate, and future plans.

**Anticipated Funding Deficits**
To achieve our new 3-year strategy, which aims to increase the level of assistance we can provide to people living with arthritis across the UK, the Trustees have set an ambitious budget that involves incurring expenditure which will exceed operating income by approximately 190% for 2023/24 and approximately 180% pa for the following 2 financial years. Our new strategic priorities focus on expanding our service offering to support more people with arthritis in the UK, reaching more diverse communities and people of working age, and improving the Charity's financial sustainability by investing in additional fundraising initiatives, to enable us to support people with arthritis for as long as possible.

These activities will result in an annual operating deficit of c.£570,000 for the next three years and a corresponding reduction in our reserves. Therefore, to minimise this reduction in the short term and ultimately eliminate it so that the Charity can continue to provide its vital services to meet the everyday needs of people living with the debilitating effects of arthritis, senior management are making strenuous efforts to identify and secure additional revenue streams.

**Investment Policy**
The Charity has approximately £4.05m of reserves for investment. A portion of these (currently £3.6m) is regarded as long-term reserves, with the remainder being held as shorter-term reserves. When making investment decisions and placing deposits, careful consideration is given to credit, liquidity and cash flow risk and the Charity seeks to obtain the best financial return within an acceptable level of risk. The investment objective for our long-term reserves is to preserve capital in real terms whilst producing a reasonable income, with an intermediate attitude to risk. Schroders, our financial advisors, have discretion to manage our investment within this framework. The Charity also requires our financial advisors, as part of their investment research and analysis process, to take account of social, environmental, ethical and governance considerations in the selection, retention and realisation of investments.

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**Plans for the Future**
Arthritis Action's strategic priorities are:-

- **To empower people living with arthritis to better self-manage their condition.**

There can be a physical and emotional burden when living with the pain of arthritis, and many people with the condition can feel lonely. They will spend the majority of their time managing the symptoms of their condition on their own. Arthritis Action is here to support people with information and advice they can trust; connect them with each other through events and Groups; and give hands-on help to improve their symptoms. Ensuring people have the information and resources they need to self-manage their condition is key to improving their wellbeing.

- **To reach more young adults across the UK and support more people in work of all ages**

Arthritis affects people of all ages, not just older people. Developing arthritis at a younger age can affect a person's education, career, relationships, and their ability to socialise or perform their favourite activity. This can have a profound effect on mental health. We will continue to reach out to young adults living with arthritis and support more people in the workforce, of all ages, to help them thrive at work.

- **To have a self-management approach that attracts referrals from healthcare professionals.**

We promote evidence-based approaches that help control the symptoms of arthritis and manage its effects. We work with experts in health, therapies and nutrition and the wider sector, and follow the latest NICE guidelines, to ensure that we give the most up-to-date information about arthritis. We will work alongside healthcare professionals to promote the wider adoption of our self-management approach, to improve the daily life of those living with arthritis.

- **To raise awareness of the Charity and that of arthritis and MSK conditions.**

We aim to generate awareness of arthritis, both nationally and regionally, and the importance of adopting a supported self-management approach, to empower communities living with arthritis to take control of their health and care.

- **To actively reach out to and make a difference for diverse communities affected by arthritis across the UK.**

Internally, we will do this by:
- building a diverse and inclusive culture within the organisation
- continuing to embed equity and diversity across our governance and leadership and ensuring that inclusion is a core part of our decision making
- continuing to learn, improve and implement best practice in equality, diversity and inclusion

Externally, we will do this by:
- working collaboratively across the Charity and with other organisations to identify areas of need and develop services and partnerships that have a real impact
- disseminating self-management information and organising events in areas of unmet need, both online and offline
- deepening our understanding of the needs of diverse communities to further advance our work and increase our impact

- **To achieve long-term financial sustainability.**

Arthritis Action's intention is to continue operating indefinitely, as we believe it is essential that we can fulfil our mission of supporting as many people with arthritis as possible over the longer term. Financial sustainability is an ongoing effort that requires effective financial management, continuous fundraising, and adapting to changing circumstances. As a result, consideration is always given to the long-term financial implications of our decisions and actions. Although we currently have an ambitious budget that involves incurring annual expenditure which will exceed operating income, steps are being taken to achieve a balanced budget within the next few years.

In line with our strategic aim of reaching young adults, we will continue to devote greater resource to support them. In 2020 we set aside £110,000 as a designated reserve entitled the Young Adults Fund. During 2022-2023 we used £21,000 of this Fund and in total we have now spent £51,000–to undertake research and develop new services for young adults under the age of 45. In addition to this, we received funding from Abbvie and Amgen to help us further the work with young adults and for which we are very grateful. Learning from the valuable research we gathered from surveys and focus groups in 2021, we developed specific content to support the physical health and mental well-being of young adults, complementing Arthritis Action's self-management approach and services that are suitable for all ages.

We aim to continue gaining a better understanding of issues affecting younger people living with arthritis, and to develop new services to support this important cohort. In 2024 we will be delivering two Introductory events for young adults, continuing to run our Group meetings, engaging in campaigns representing the voices of young adults, and growing the readership of our Young Adult newsletter and Podcast series.

In response to the heightened health inequalities brought about by the Covid pandemic, the Charity set up a Health Inequalities Working Group which includes the Executive Management Team and three members of staff in 2021. The purpose of the Working Group is to set out the Charity's aims of: understanding the needs of diverse communities affected by arthritis; building a diverse and inclusive culture within the organisation; challenging racism and discrimination in its work internally and externally; and continuing to learn, improve and implement best practices in equality and inclusion. The Charity launched its first ever Equality, Diversity and Inclusion (EDI) Strategy in Spring 2022, and conducted surveys with Trustees, Staff and Members to determine our baseline data. Our Area Coordinators have been actively engaging with diverse communities through our self-management presentations, and the Working Group have set new KPIs for this activity. We will be focusing our efforts on areas with income deprivation and ethnic minority populations. We are committed to making a bigger impact in this space by working with our staff, Trustees and partners to reach more diverse communities affected by arthritis throughout the UK. We delivered 92 presentations to over 2,000 people, 30% of these to ethnic minority and low-income communities, exceeding our target for the year.

We will continue to improve the way in which the Trustees govern Arthritis Action, particularly through the continuing, ongoing development of the role and function of our Committees, increased risk awareness, and by ensuring that Board Members have the collective skills which enhance the overall effectiveness of the Board of Trustees. We will recruit new Trustees to ensure a diverse range of skills and experience on the Board.

Working together, the Board of Trustees and the Executive Management Team will ensure the continued growth of Arthritis Action as it delivers upon its strategic objectives to existing and future beneficiaries of the Charity.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of Arthritis Action for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The Auditors, LMDB Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 25 April 2024 and signed on the Board's behalf by:

Daniel Torjussen-Proctor

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Daniel Torjussen-Proctor - Trustee

**Opinion**

We have audited the financial statements of Arthritis Action (the 'charitable company') for the year ended 31 October 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2022 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on the actual and potential litigation and claims, and also any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in the course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**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. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

S Jacquet

S Jaquet FCCA (Senior Statutory Auditor)
for and on behalf of LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Date: 9 May 2024

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
**FOR THE YEAR ENDED 31 OCTOBER 2023**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | 4 | 389,405 | - | 389,405 | 431,060 |
| **Charitable activities** | 5 | | | | |
| Research and other grants | | 3,310 | 67,970 | 71,280 | 43,937 |
| Membership subscriptions | | 17,255 | - | 17,255 | 17,999 |
| Income from investments | 6 | 124,064 | - | 124,064 | 99,560 |
| Disposal of property | | - | - | - | 326,035 |
| **Total** | | 534, 034 | 67,970 | 602,004 | 918,591 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 7 | 151,900 | - | 151,900 | 152,932 |
| **Charitable activities** | 8 | | | | |
| Research and other grants | | 161,384 | - | 161,384 | 163,072 |
| Self-management health programme | | 820,145 | 87,927 | 908,072 | 885,067 |
| **Total** | | 1,133,429 | 87,927 | 1,221,356 | 1,201,071 |
| Net gains/(losses) on investments | | (89,389) | - | (89,389) | (136,034) |
| **NET INCOME/(EXPENDITURE)** | | (688,784) | (19,957) | (708,741) | (418,514) |
| **RECONCILIATION OF FUNDS** | | | | | |
| **Total funds brought forward** | | 4,665,362 | 90,938 | 4,756,300 | 5,174,814 |
| **TOTAL FUNDS CARRIED FORWARD** | | 3,976,578 | 70,981 | 4,047,559 | 4,756,300 |

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL POSITION**
**31 OCTOBER 2023**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 14 | 17,350 | - | 17,350 | 21,552 |
| Investments | 15 | 3,629,629 | - | 3,629,629 | 3,737,329 |
| | | 3,646,979 | - | 3,646,979 | 3,758,881 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 76,807 | 22,534 | 99,341 | 112,094 |
| Cash at bank and in hand | | 402,176 | 48,447 | 450,623 | 981,587 |
| | | 478,983 | 70,981 | 549,964 | 1,093,681 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (147,634) | - | (147,634) | (94,912) |
| **NET CURRENT ASSETS** | | 331,349 | 70,981 | 402,330 | 998,769 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 3,978,328 | 70,981 | 4,049,309 | 4,757,650 |
| **PROVISIONS FOR LIABILITIES** | 19 | (1,750) | - | (1,750) | (1,350) |
| **NET ASSETS** | | 3,976,578 | 70,981 | 4,047,559 | 4,756,300 |
| **FUNDS** | 20 | | | | |
| Unrestricted funds: | | | | | |
| General fund | | | | 3,572,368 | 4,131,709 |
| Revaluation reserve | | | | 345,258 | 453,707 |
| Young People Fund | | | | 58,952 | 79,946 |
| | | | | 3,976,578 | 4,665,362 |
| Restricted funds | | | | 70,981 | 90,938 |
| **TOTAL FUNDS** | | | | 4,047,559 | 4,756,300 |

The financial statements were approved by the Board of Trustees and authorised for issue on 25 April 2024 and were signed on its behalf by:

Daniel Torjussen-Proctor

Daniel Torjussen-Proctor - Trustee

Ricardo Borges

Ricardo Borges - Trustee

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 OCTOBER 2023**

| | Notes | 2023<br>£ | 2022<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | A | (670,726) | (513,455) |
| Provisions for liabilities | | 400 | (150) |
| **Net cash used in operating activities** | | (670,326) | (513,605) |
| **Cash flows from investing activities** | | | |
| Purchase of tangible fixed assets | | (3,014) | (18,555) |
| Purchase of fixed asset investments | | (848,696) | (747,992) |
| Sale of tangible fixed assets | | - | 574,952 |
| Sale of fixed asset investments | | 847,698 | 1,097,475 |
| Interest received | | 6,449 | 285 |
| Dividends received | | 117,615 | 99,275 |
| **Net cash provided by investing activities** | | 120,052 | 1,005,440 |
| **Change in cash and cash equivalents in the reporting period** | | (550,274) | 491,835 |
| **Cash and cash equivalents at the beginning of the reporting period** | | 1,029,314 | 537,479 |
| **Cash and cash equivalents at the end of the reporting period** | | 479,040 | 1,029,314 |
| **Cash and cash equivalent comprises the following:-** | B | | |
| Fixed asset investments – other deposits | | 28,417 | 47,727 |
| Cash at bank and in hand | | 450,623 | 981,587 |
| | | 479,040 | 1,029,314 |

The notes form part of these financial statements

## NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2023

### A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| **Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)** | (708,741) | (418,514) |
| **Adjustments for:** | | |
| Depreciation charges | 7,216 | 24,655 |
| Losses/(gain) on investments | 89,388 | 136,034 |
| Profit on disposal of fixed assets | - | (326,035) |
| Interest received | (6,449) | (285) |
| Dividends received | (117,615) | (99,275) |
| Decrease/(increase) in debtors | 12,754 | 142,418 |
| Increase/(decrease) in creditors | 52,721 | 27,547 |
| **Net cash used in operations** | (670,726) | (513,455) |

### B. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.11.22 | Cash flow | At 31.10.23 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | 1,029,314 | (550,274) | 479,040 |

The notes form part of these financial statements

## 1. STATUTORY INFORMATION

Arthritis Action is a Charity registered in England and Wales. The Charity's registered number and registered office address can be found within the trustee report.

The financial statements are presented in £ Sterling.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

**Going concern**
There are no material uncertainties that cast doubt on the charity's ability to continue as a going concern.

**Income**
All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds and it is probable that the income will be received, except where it cannot be measured with sufficient certainty.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except in so far as they cannot be measured with sufficient certainty. Tangible fixed assets donated or left in legacies are recognised at market value at the time title passes to the Charity.

Subscriptions received and Interest receivable is calculated on an accruals basis.

**Expenditure**
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

**Allocation and apportionment of costs**
The Charity's operating costs include staff costs, premises and other related costs. Such costs are allocated between different expenditure categories including fundraising, publicity, management and administration. Where costs cannot be directly attributable to direct charitable expenditure or other expenditure, they have been apportioned based on an estimate of time spent in each of these categories.

The cost of generating funds is the direct cost spent on fundraising activity. A proportion of central support cost is allocated to the cost of generating funds.


continued...

## 2. ACCOUNTING POLICIES - continued

**Allocation and apportionment of costs**
Governance costs are the costs associated with governance of the Charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Support costs, which comprise central office functions such as general management, administration, budgeting and accounting, information technology and human resources are allocated across the cost of generating funds, grant making and charitable activities costs.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | | |
|---|---|---|
| Freehold property | - | 2% on cost |
| Short leasehold | - | 20% on cost |
| Fixtures and fittings | - | 20% on cost |
| Computer hardware | - | 50% on cost |
| Computer software | - | 20% on cost |

Included within freehold property is land at a historical cost of £76,667 (2022: £76,667) which is not depreciated.

Tangible fixed assets are included at historical cost and assets are capitalised on a historical cost basis of value. Items costing less than £500 are generally not capitalised.

Bequeathed and donated assets are recognised at market value at the time title passes to the Charity. Gains or losses are recognised on disposal.

The Charity holds title to financial assets subject to life tenancy interests held by third parties. Therefore no values for these assets are shown on the balance sheet.

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit which the asset belongs.

Impairment losses are recognised in the year of impairment.

**Taxation**
The Charity is exempt from corporation tax on its charitable activities.

**Fund accounting**
General funds are unrestricted funds which can be used at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.


continued...

## 2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**
The Charity operates a defined contribution pension scheme. Contributions payable to the Charity pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above.

**Investments**
Investments are initially recorded at cost and thereafter restated to market value as at the relevant reporting date. The aggregate value of these investments may fluctuate significantly in line with prevailing market conditions.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

**Provisions**
Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

**Financial instruments**
The Charity recognises a financial asset or liability when it becomes party to the contractual provisions of the instrument. It initially measures the financial instrument at fair value.

**Subsidiary Undertakings**
Arthritis Action has two subsidiary companies, The Arthritis Association and The Arthritic Association. These subsidiaries have no assets or liabilities and are both dormant. As a result, the Charity is exempt from preparing group accounts under the Companies Act 2006 and under FRS 102.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates are underlying assumptions and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Following a review of the financial statements it is deemed there are no areas of estimation uncertainty.


continued...

## 4. DONATIONS AND LEGACIES

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Donations | 98,497 | 96,625 |
| Gift aid | 13,087 | 2,068 |
| Legacies | 277,821 | 332,367 |
| | 389,405 | 431,060 |

**Contingent Legacy assets**
The Charity has received notification of 28 (2022: 19) legacies which are regarded as contingent assets and for which income is expected to be received in future years but which had not met the income recognition criteria as at 31 October 2023. The actual timing of receipt and amounts to be received are unknown. The Charity maintains a record of expected legacies receivable based on the most recent correspondence received in relation to the estate. The value of legacies receivable has been estimated at £546,000 (2022: £302,000).

## 5. INCOME FROM CHARITABLE ACTIVITIES

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Research and other grants | 71,280 | 43,937 |
| Membership subscriptions | 17,255 | 17,999 |
| | 88,535 | 61,936 |

Grants received, included in the above, are as follows:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Kickstart YMCA | - | 3,362 |
| Good Boost Arthritis Action | - | 16,352 |
| Leisure Centre Project Arthritis Action | 67,970 | 16,223 |
| London Catalyst | - | 3,000 |
| HSF Hospital | - | 5,000 |
| Cambridge Community project | 3,310 | - |
| | 71,280 | 43,937 |

## 6. INCOME FROM INVESTMENTS

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Income from listed investments | 117,615 | 99,275 |
| Interest receivable | 6,449 | 285 |
| | 124,064 | 99,560 |


continued...

## 7. RAISING FUNDS

**Raising donations and legacies**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Cost of generating donations and legacies | 17,257 | 12,782 |
| Investment management costs | 19,312 | 18,824 |
| Support costs | 115,331 | 121,326 |
| | 151,900 | 152,932 |

## 8. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Grant funding of activities (see note 9) | Support costs (see note 10) | Totals |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Research and other grants | 103,865 | 5,650 | 51,869 | 161,384 |
| Self-management health programme | 438,356 | - | 469,716 | 908,072 |
| | 542,221 | 5,650 | 521,585 | 1,069,456 |

## 9. GRANTS PAYABLE

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Net subsidies paid to assist with physical therapy | 5,650 | 5,820 |

During the year ended 31 October 2023 subsidies paid to Members in respect of physical therapy consultations amounted to £5,250 (2022 £5,820) and the provision to cover unclaimed subsidies was increased from £1,350 to £1,750.



continued...

## 10. SUPPORT COSTS

| | Management | Information technology | Premises | Governance costs | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Raising donations and legacies | 107,966 | - | - | 7,365 | 115,331 |
| Research and other grants | 51,869 | - | - | - | 51,869 |
| Self-management health programme | 173,054 | 50,663 | 173,897 | 72,102 | 469,716 |
| | 332,889 | 50,663 | 173,897 | 79,467 | 636,916 |

Support costs, included in the above, are as follows:

## 11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 6,006 | 5,671 |
| Depreciation - owned assets | 7,216 | 24,654 |
| Surplus on disposal of fixed assets | - | (326,035) |

## 12. TRUSTEES' REMUNERATION AND BENEFITS

None of the Trustees received remuneration or received any other benefits in respect of the performance of their duties as a Trustee for either year ended 31 October 2023 or for the year ended 31 October 2022.

**Trustees' expenses**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Trustees' expenses | 827 | 542 |

During the year, four (2022: three) Trustees were reimbursed for travel and subsistence expenses which were incurred wholly, exclusively and necessarily in the performance of their duties as a Trustee.



continued...

## 13. STAFF COSTS

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 731,659 | 728,914 |
| Social security costs | 71,595 | 67,733 |
| Other pension costs | 52,635 | 53,091 |
| | 855,889 | 849,738 |

The average monthly number of employees during the year was as follows:

| | 2023 | 2022 |
|---|---|---|
| Executive staff | 3 | 3 |
| Support staff | 15 | 16 |
| | 18 | 19 |

One employee was paid emoluments, including benefits in kind, of between £90,000 and £100,000 and two other employees were paid emoluments between £60,000 and £70,000 (2022 - One employee within the range £80,000 - £90,000 and another between £60,000 and £70,000).

These employees also participated in the defined contribution pension scheme and the employer's contributions for the year total £16,151 (2022: £11,233).

Included in defined contribution pension costs is an accrual for unpaid pensions of £5,659 (2022: £5,172). Pension costs are allocated between activities within the statement of Financial Activity based on staff hours dedicated to the relevant activity.

The only employee who is regarded as key management is the Chief Executive Officer for the purpose of FRS102. The total remuneration paid to this employee and associated employer costs during the year was £112,214 (2022: £107,270).



continued...

## 14. TANGIBLE FIXED ASSETS

| | Freehold property £ | Short leasehold £ | Total land and buildings £ |
|---|---|---|---|
| **COST** | | | |
| At 1 November 2022 | - | 111,278 | 111,278 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 October 2023 | - | 111,278 | 111,278 |
| **DEPRECIATION** | | | |
| At 1 November 2022 | - | 99,482 | 99,482 |
| Charge for year | - | 2,399 | 2,399 |
| Elimination on disposal | - | - | - |
| At 31 October 2023 | - | 101,881 | 101,881 |
| **NET BOOK VALUE** | | | |
| At 31 October 2023 | - | 9,397 | 9,397 |
| At 31 October 2022 | - | 11,796 | 11,796 |

| | Total land and buildings £ | Fixtures and fittings £ | Computer hardware £ | Computer software £ | Totals |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 November 2022 | 111,278 | 65,632 | 31,561 | 1,008 | 209,479 |
| Additions | - | 3,014 | - | - | 3,014 |
| Disposals | - | - | - | - | - |
| At 31 October 2023 | 111,278 | 68,646 | 31,561 | 1,008 | 212,493 |
| **DEPRECIATION** | | | | | |
| At 1 November 2022 | 99,482 | 59,051 | 28,500 | 894 | 187,927 |
| Charge for year | 2,399 | 1,947 | 2,785 | 85 | 7,216 |
| Elimination on disposal | - | - | - | - | - |
| At 31 October 2023 | 101,881 | 60,998 | 31,285 | 979 | 195,143 |
| **NET BOOK VALUE** | | | | | |
| At 31 October 2023 | 9,397 | 7,648 | 276 | 29 | 17,350 |
| At 31 October 2022 | 11,796 | 6,581 | 3,061 | 114 | 21,552 |



continued...

## 15. FIXED ASSET INVESTMENTS

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Shares | 3,595,879 | 3,703,579 |
| Other deposits | 33,750 | 33,750 |
| | 3,629,629 | 3,737,329 |

Additional information as follows:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| **MARKET VALUE** | | | |
| At 1 November 2022 | 3,655,852 | 47,727 | 3,703,579 |
| Additions | 848,695 | - | 848,695 |
| Disposals | (847,697) | (19,310) | (867,007) |
| Revaluations | (89,388) | - | (89,388) |
| At 31 October 2023 | 3,567,462 | 28,417 | 3,595,879 |
| **NET BOOK VALUE** | | | |
| At 31 October 2023 | 3,567,462 | 28,417 | 3,595,879 |
| At 31 October 2022 | 3,655,852 | 47,727 | 3,703,579 |

Cost or valuation at 31 October 2023 is represented by:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| Valuation in 2023 | 3,567,462 | 28,417 | 3,595,879 |

There were no investment assets outside the UK.

Listed investments are accounted for at market value. The historical cost of listed investments and unit trusts is £3,222,203 (2022 - £3,202,081).

Investments (neither listed nor unlisted) were as follows:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Investment property | 33,750 | 33,750 |

Investment property comprises land bequeathed to the Charity. The land was valued at market value in July 2009 when title passed to the Charity and the Trustees are satisfied that there has been no significant change in the fair value of the land since that date.



continued...

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Trade debtors | - | 192 |
| Legacies receivable | 2,355 | 42,456 |
| Rent deposits | 26,160 | 30,660 |
| Prepayments and accrued income | 70,826 | 38,786 |
| | 124,341 | 112,094 |

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Trade creditors | 74,953 | 26,252 |
| Social security and other taxes | 20,048 | 20,257 |
| Other creditors | 3,902 | 3,636 |
| Accruals and deferred income | 48,731 | 44,767 |
| | 147,634 | 94,912 |

## 18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Within one year | 126,488 | 112,500 |
| Between one and five years | 63,244 | 168,750 |
| | 189,732 | 281,250 |

The Charity entered into a new five year operating lease agreement in respect of its London premises in April 2022. The lease contains a break clause at the end of the third year. The aggregate lease and service charge payment commitments are £189,732 until the end of the break clause.

## 19. PROVISIONS FOR LIABILITIES

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Provisions | 1,750 | 1,350 |

All members are entitled to claim subsidies for physical therapy consultations. Everyone who was a member as at 31 October 2023 is entitled to claim for subsidies of up to £30 each for up to two physical therapy consultations until their next annual membership expiry date. The provision is an estimate, based on the latest uptake statistics, of the likely aggregate amount of subsidy claims that the Charity will be obliged to honour in respect of members as at 31 October 2023.



continued...

## 20. MOVEMENT IN FUNDS

| | At 1.11.22 £ | Net movement in funds £ | At 31.10.23 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,131,709 | (559,341) | 3,572,368 |
| Revaluation reserve | 453,707 | (108,449) | 345,258 |
| Young People Fund | 79,946 | (20,994) | 58,952 |
| | 4,665,362 | (688,784) | 3,976,578 |
| **Restricted funds** | | | |
| Restricted | 90,938 | (19,957) | 70,981 |
| **TOTAL FUNDS** | 4,756,300 | (708,741) | 4,047,559 |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 534,034 | (1,112,435) | 19,060 | (559,341) |
| Revaluation reserve | - | - | (108,449) | (108,449) |
| Young People Fund | - | (20,994) | - | (20,994) |
| | 534,034 | (1,133,429) | (89,389) | (688,784) |
| **Restricted funds** | | | | |
| Restricted | 67,970 | (87,927) | - | (19,957) |
| **TOTAL FUNDS** | 602,004 | (1,221,356) | (89,389) | (708,741) |



continued...

## 20. MOVEMENT IN FUNDS - continued

**Comparatives for movement in funds**

| | At 1.11.21 £ | Net movement in funds £ | At 31.10.22 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,343,141 | (211,432) | 4,131,709 |
| Revaluation reserve | 716,643 | (262,936) | 453,707 |
| Young People Fund | 97,500 | (17,554) | 79,946 |
| | 5,157,284 | (491,922) | 4,665,362 |
| **Restricted funds** | | | |
| Restricted | 17,530 | 73,408 | 90,938 |
| **TOTAL FUNDS** | 5,174,814 | (418,514) | 4,756,300 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 819,879 | (1,158,213) | 126,902 | (211,432) |
| Revaluation reserve | - | - | (262,936) | (262,936) |
| Young People Fund | - | (17,554) | - | (17,554) |
| | 819,879 | (1,175,767) | (136,034) | (491,922) |
| **Restricted funds** | | | | |
| Restricted | 98,712 | (25,304) | - | 73,408 |
| **TOTAL FUNDS** | 918,591 | (1,201,071) | (136,034) | (418,514) |



continued...

## 20. MOVEMENT IN FUNDS - continued

The movement in funds for the 2 years between 1 November 2021 and 31 October 2023 is as follows:

| | At 1.11.21 £ | Net movement in funds £ | At 31.10.23 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,343,141 | (770,773) | 3,572,368 |
| Revaluation reserve | 716,643 | (371,385) | 345,258 |
| Young People Fund | 97,500 | (38,548) | 58,952 |
| | 5,157,284 | (1,180,706) | 3,976,578 |
| **Restricted funds** | | | |
| Restricted | 17,530 | 53,451 | 70,981 |
| **TOTAL FUNDS** | 5,174,814 | (1,127,255) | 4,047,559 |

The movement in funds for the 2 years between 1 November 2021 and 31 October 2023, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 1,353,913 | (2,270,648) | 145,962 | (770,773) |
| Revaluation reserve | - | - | (371,385) | (371,385) |
| Young People Fund | - | (38,548) | - | (38,548) |
| | 1,353,913 | (2,309,196) | (225,423) | (1,180,706) |
| **Restricted funds** | | | | |
| Restricted | 166,682 | (113,231) | - | 53,451 |
| **TOTAL FUNDS** | 1,520,595 | (2,422,427) | (225,423) | (1,127,255) |

During the year realised investment gains amounted to £19,061 (2022 £115,362).



continued...

## 21. RELATED PARTY DISCLOSURES

During the year two (2022: two) Trustees provided services to the Charity for which they received payment.

R Nye received £2,800 (2022: £2,800) for human resource services. The balance due to R Nye at 31 October 2023 was £nil (2022: £nil).

D Rose received £800 (2022: £2,850) for member events services. The balance due to D Rose at 31 October 2023 amounted to £nil (2022: £50).

## 22. SUBSIDIARY UNDERTAKINGS

On 7 October 2014 Arthritis Action incorporated the following subsidiary companies:

The Arthritis Association
The Arthritic Association

These subsidiaries, which were created to protect the trading names, have no assets or liabilities and were both dormant during the year. It is anticipated that these subsidiaries will remain dormant for the foreseeable future.

Exemption has been claimed from preparing consolidated group accounts under section 9 of FRS102.

**ARTHRITIS ACTION**

England & Wales - Charity number 292569

# Accounts

REGISTERED COMPANY NUMBER: 01914825 (England and Wales)
REGISTERED CHARITY NUMBER: 292569

# REPORT OF THE TRUSTEES AND

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 OCTOBER 2022

# FOR

# ARTHRITIS ACTION

LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

**ARTHRITIS ACTION**

**CONTENTS OF THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 OCTOBER 2022**

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**ARTHRITIS ACTION**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 OCTOBER 2022**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2022. The trustees have adopted the provisions of 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 2019).

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**
01914825 (England and Wales)

**Registered Charity number**
292569

**Registered office**
5 Cornfield Terrace
Eastbourne
East Sussex
BN21 4NN

**Trustees**

| | |
|---|---|
| Mr R H Nye – Chair | |
| Mr G C Allen | |
| Mr R Badiani | Resigned 9 May 2023 |
| Mr C Beevor | |
| Ms A C Godfrey | Resigned 9 June 2022 |
| Ms C J Jones | |
| Ms S E Jones | |
| Mr T O McLaughlan | |
| Mr Matthew Myles-Brown | Appointed 6 February 2023 |
| Mrs D M C Rose | |
| Mr D G S Torjussen-Proctor | |
| Prof S A Vickerstaff | |

**Chief Executive**
Miss S Irwin

**Company Secretary**
Mr G Weir

| Auditors | Accountants | Solicitors | Bankers | Financial Advisors |
|---|---|---|---|---|
| LMDB Limited<br>t/a LMDB Accountants<br>Statutory Auditors<br>Railview Lofts<br>19c Commercial Road<br>Eastbourne, East<br>Sussex, BN21 3XE | Cornfield Accountants<br>Limited<br>5 Cornfield Terrace<br>Eastbourne<br>East Sussex<br>BN21 4NN | So Legal<br>15 Gildredge Rd<br>Eastbourne<br>East Sussex<br>BN21 4RB | NatWest<br>Eastbourne Branch<br>96 Terminus Road<br>East Sussex<br>BN21 3LX | Schroders<br>1 London Wall<br>Place<br>London<br>EC2Y 5AU |

## TRUSTEES' REPORT

### Structure

Arthritis Action was set up in 1942 and is a charitable company limited by guarantee as defined by the Companies Act 2006. It is governed by its Articles of Association, which were last amended on 13 June 2019.

### Trustees

The Trustees who served on the Board of Trustees during the year are shown on page 1. The Trustees did not receive any remuneration in their capacity as Trustees during the year ended 31 October 2022 (2021: nil); however, they have the option of being reimbursed for costs incurred in attending meetings on behalf of Arthritis Action.

In accordance with Article 8.5 of the Articles of Association the Board of Trustees appointed Matthew Myles-Brown as a Trustee on 6 February 2023. He is eligible for election at the next Annual General Meeting on 19 June 2023.

### Objects and Key Aims

Our vision is for people to live active lives, free from the impact of arthritis. We aim to relieve and promote the relief of people with arthritis by:-

- Helping and supporting people with arthritis through the provision of the best available evidence-based approaches and techniques for managing arthritis;
- Monitoring arthritis related developments and initiatives, and promote efforts to gain a better understanding of arthritis and its impact on people's lives; and
- Raising awareness of arthritis and disseminate evidence-based information about all matters relating to the condition

### Overview of Activities

During 2022, the Charity spent £885,067 (2021: £825,184) on delivering its self-management health programme and £163,072 (2021: £150,091) on research and other member grants.

Arthritis Action is the UK charity giving hands-on, practical help to improve the quality of life of people affected by arthritis. We offer an integrated self-management approach, which looks at both the physical and mental health impact of living with arthritis. Whilst we are a membership charity, we have transformed our services to benefit our membership and wider communities affected by arthritis and other musculoskeletal (MSK) conditions across the UK. As one size does not fit all, we will continue to develop and offer a range of services so that people can find what works best for them.

Although over ten million people live with arthritis in the UK, each person is unique in the way they manage their symptoms. Our approach enables people to choose the techniques that work for them best. Our self-management approach includes: healthy eating and nutritional consultations; access to clinical appointments with our network of osteopaths, physiotherapists, and acupuncturists; mental health resources; pain management techniques; Groups; online exercise advice and resources; and a personalised pathway for goal setting and self-management support, to help people take control of their arthritis, manage the pain it can cause, and enjoy life to the full. We are pleased that 96% of our Members are satisfied with our services, based on our survey in 2022. "I am impressed by the service ethic of the Arthritis Action staff I have met so far, they are committed to provided help that is tailored to me, the individual, which has given me concrete help fitted to my specific needs."

Despite slowly emerging from the COVID-19 pandemic, this year saw a host of other big challenges caused by uncertainty in global financial markets and the wider implications of the ongoing war in Ukraine. Arthritis Action has continued to work tirelessly throughout the year to support people affected by arthritis and who are impacted by the pandemic and the cost-of-living crisis in the UK.

This year marked Arthritis Action's 80th anniversary – celebrating 80 years of supporting people with arthritis to live as full a life as they can. To mark this momentous milestone, we organised a variety of activities and initiatives throughout the year. We have used our 80th anniversary to amplify our efforts to raise awareness of arthritis and the impact it has on millions of people across the UK. Thanks to our media partners Clear Channel, who kindly donated outdoor advertising space, our adverts appeared in over 150 locations across the country throughout September and October 2022. This extended into January and February 2023, with a total estimated advertising value of £300,000.

We published a new YouGov report, looking at the impact of arthritis on 2,120 people of working age across Britain. The research revealed that the road to diagnosis can be long, with those in lower income areas more likely to be impacted for longer, be forced to give up work and be less likely to receive support. This coincided with the launch of our first Equality, Diversity and Inclusion Strategy, setting out our aims of reaching and supporting as many diverse communities as possible throughout the UK.

Another milestone for the Charity was having our first ever BBC Radio 4 Charity Appeal, which aired in October 2022 to mark World Arthritis Day. A big thank you to our life member Candida Doyle for presenting the appeal on our behalf. The appeal has raised £16,530 to date and we are extremely grateful to everyone who has kindly donated.

Our Trustee, Colin Beevor, dedicated his Allotment Garden design at the RHS Hampton Court Garden Festival in July to our 80th anniversary, helping us to raise profile and increase community engagement.

Over 190 Group meetings, events and presentations were organised last year. More than 2,600 people attended our Groups and presentations, including patients, carers, community organisations, corporate staff, healthcare professionals and diverse communities. We have also provided much-needed telephone support to around 3,000 people and our volunteer-led telephone service, called Arthritis Action Connect, offered peer to peer support. We will continue to develop new ways of working, featuring both online and in-person services, to share self-management information and support people's physical health and mental wellbeing.

We have continued to build on the success of our existing services. Our clinical support service continues to be useful in helping people to determine the exercises that will help them, manage their pain and to see a clinician without delay. The majority (92%) agreed that they are better able to manage their condition after their appointments. The nutritional consultations service has also been much sought-after. Our Registered Dietitian conducted 60 consultations, as well as giving around 90 people additional support outside of the more structured consultations and delivering presentations on nutrition and arthritis to the wider public. We are pleased that 100% of our Members are either satisfied or very satisfied with the nutrition and weight management service. Eighty-nine percent said the service brought them closer to reaching their weight and nutritional goals, and they also said they are more knowledgeable about their arthritis and that their symptoms have improved. We also worked in collaboration with the YMCA to support 35 people with nutrition, weight management and self-management advice, with 100% finding the sessions useful and saying they were likely to apply what they learnt to their daily lives. The Personalised Member Pathway has given Members additional one-to-one support, and we are pleased that 96% of members agreed that the Pathway has improved their confidence to self-manage their arthritis.

As part of our three-year strategy (2021-2023), we are working to support more young adults living with arthritis. We carried out research in spring 2021 to identify the unmet needs of young adults living with arthritis in the UK, and have used our findings to develop more services to suit this age group. We have supported over 6,000 people this year through our dedicated Young Adult Hub on our website. We ran monthly Young Adult Group meetings and will be building on this next year. We also launched a Podcast in November 2022, featuring a range of topics including healthy eating, physical activity, work, pain management and mental health.

We have extended our networks and partnerships across the UK and delivered a variety of presentations in person and online throughout the year. These have helped to spread the knowledge and raise awareness of our

self-management approach amongst people living with arthritis and other long-term conditions.

We are proud to be supported by UKRI, and partnered with UK Active, Good Boost and Orthopaedic Research UK (Escape Pain) to transform gyms into community MSK hubs. Together we are training staff in 100 Leisure Centres across the UK to feel confident supporting people living with musculoskeletal conditions in their facilities. We are excited to help the Leisure Sector provide inclusive, accessible, and personalised health services for older adults with musculoskeletal conditions.

We have continued to proactively publicise the activities of Arthritis Action and estimate that we have reached a combined audience of 103 million through PR activities. 2022 saw a remarkable increase in the Charity's media coverage nationally, regionally and locally. The Charity appeared in 93 articles across the country, in key titles such as The Financial Times, The Telegraph, Metro, The Times, and the Daily Express, in addition to securing broadcast coverage in BBC Midlands as part the of the YouGov report launch in June. Our social media activity reached 1.3 million people across all our channels. Our website generated 248,000 visits with 500,000 page views.

The Trustees have also paid due regard to the Charity Commission's guidance on public benefit and its general guidance when deciding what activities Arthritis Action should undertake.

**Self-Management Approach**
We are the UK charity giving hands-on, practical help to improve the quality of life for people affected by arthritis. We offer an integrated self-management approach to help people with arthritis gain the knowledge and confidence to manage their condition themselves, and live life to the full.

We tailor our self-management approach to meet individual needs, and our approach encompasses the following services:-

- Personalised Member Pathway, a service that helps members access the services that meet their needs;
- Nutritional and weight management consultations with our registered Dietitian;
- Arthritis Action Groups in locations across the country;
- Self-management educational events to learn about various techniques for managing both the physical and mental aspects of arthritis;
- Arthritis Action Connect telephone service;
- Online Exercise sessions for rehabilitation or for people who have not exercised for a long period of time;
- Free, easy to follow online self-management videos;
- Quarterly webinars with expert speakers, covering a wide range of topics;
- Identification of the most suitable exercises for people with arthritis and other musculoskeletal conditions;
- Subsidised clinical appointments with our registered Osteopaths, Physiotherapists and Acupuncturists; and
- Factsheets, our Members' magazine, E-newsletters and informational leaflets on a variety of topics including self-management, physical activity, and mental well-being.

**Governance and Management**
Members of the Board of Trustees are responsible, on behalf of their fellow members and people living with arthritis, for the good governance of the Charity. Board Members set and review the Charity's strategic objectives on a regular basis and establish policy for staff to implement in a manner that is in keeping with Arthritis Action's objectives.

The Articles of Association permit the appointment of up to 15 Trustees, one of whom should be the Chair of the Board of Trustees. The Chair is elected by the Trustees for a period of three years and can be re-elected by mutual consent. All Trustees are elected by members at the Charity's Annual General Meeting and are appointed for a period of three years. In accordance with the Articles of Association, new Trustees can be appointed by the existing Trustees during the year, but must then stand for election by the members at the next Annual General Meeting. Trustees can put themselves forward for re-election at the end of each three-year period.

The Board of Trustees is committed to continually improving its governance of the Charity, and meets as a whole on a minimum of four occasions each calendar year. For efficient operational purposes, the Board of Trustees is divided into two working Committees - the Finance & Risk Committee and the Remuneration & Nominations Committee.

The Finance & Risk Committee ("FRC") comprises three Trustees as well as the Chief Executive and the Company Secretary. The purpose of the FRC is to oversee and brief the Board of Trustees on all aspects of financial, budgetary and risk management. In particular, the FRC:

- Reviews the management accounts;
- Oversees the preparation of the annual budget;
- Monitors the performance of the Charity's Investments;
- Formulates the Charity's Risk Management Policy;
- Oversees the preparation of the annual financial statements;
- Monitors the Charity's Information Technology requirements;
- Oversees the process of selection or re-selection of an Auditor.

The FRC ensures that effective systems of accounting and internal control are established and maintained, and that the Board of Trustees is aware of any matters that might have a significant impact on the financial condition or affairs of the Charity.

The Remuneration & Nominations Committee ("RNC") comprises four Trustees and the Chief Executive. The main purpose of the RNC is to oversee and brief the Board of Trustees on all aspects of Human Resources. It is also required to advise and make recommendations to the Board of Trustees with regard to appointments to the Board, its Committees and Advisory Groups, and to ensure that the skills and experience required for these roles are identified.

The RNC considers the appointment of all staff for Arthritis Action following presentation of a formal proposal for recruitment by the Chief Executive. The RNC then recommends agreed proposals to the Board for approval. Any changes in organisation structure are similarly proposed by the Chief Executive to the RNC before being submitted to the Board of Trustees for approval.

The RNC regularly appraises the employee remuneration structure and makes recommendations to the Board regarding salary reviews and any other proposals which affect pay, benefits and conditions. The RNC also leads on appraising the Chief Executive's performance and salary.

The RNC is also responsible for ensuring that all employment policies and practices comply with current UK Employment Law, and regularly reviews HR strategy and the implementation of HR policies & practices. Any significant changes to HR policies & practices are proposed for approval by the Board.

**Trustee Induction**
On appointment to the Board of Trustees, each Trustee completes a "Register of Interests" and receives appropriate induction. Further training needs are met, both individually and collectively, through regular Board training sessions and by Trustees attending training days conducted by external training providers as and when appropriate.

**Professional Services**
During the year ended 31 October 2022, Arthritis Action retained the professional services of Cornfield Accountants, to ensure effective segregation of accounting duties. They were responsible for maintaining the financial records, while the Company Secretary was responsible for statutory and other financial matters. The names and addresses of organisations which provide banking services and professional advice to the Charity are detailed on page 1 of this report.

**Staff and Trustee Changes**
Arthritis Action currently has 18 full and part time members of staff to cope with increased activity, in line with its strategic objectives.

The Charity has a multi skilled Board of Trustees which provides a pool of specialist knowledge that the Executive Management Team and the Charity as a whole can call upon for help and advice, and which is capable of continuing the development of Arthritis Action as a leading arthritis charity in the UK.

As a result of work commitments, Sarah Jones, has indicated that she intends to step down as a Trustee at the Annual General Meeting on 19 June 2023. Sarah has been a Trustee for eight years and for most of this time she has been the Chair of the Finance and Risk Committee. Sarah's advice and guidance will be greatly missed by all at Arthritis Action, and the Trustees & staff all wish her well for the future.

Due to increased personal commitments, Rajiv Badiani decided to resign as a trustee on 9 May 2023. The Trustees and staff would like to thank Rajiv for his contribution over the last 2 years.

Matthew Myles-Brown joined the Board of Trustees in February 2023. He has worked in the higher education sector for 12 years and is currently the Deputy CEO of South Bank Students' Union, with responsibility for managing engaging and inclusive services for diverse student populations. He was diagnosed with Gout and Chronic Kidney Disease when he was 18 and is passionate about supporting others to better manage their health.

We are always looking to recruit Trustees with a suitable skill set in order to maintain an efficient, effective and diverse Board of Trustees. Please contact Shantel Irwin, our CEO, if you are interested in finding out more.

**Risk Management**
The Trustees have a duty to identify and review the risks to which Arthritis Action is exposed and to ensure appropriate controls are in place to provide effective corporate governance and reasonable assurance against fraud and error. The principal risks are: -

- Loss of Funds: the majority of Arthritis Action's funds are managed by an accredited UK charity fund manager, and other funds are held with suitable first tier banks on a short-term basis. As a result, there is little risk in the short or medium term.
- Loss of Income: the Charity is dependent on income from legacies, donations, and membership fees, and remains actively engaged in fundraising activities in order to ensure the continuing flow of income from these sources. Efforts are being made to broaden the income sources to further reduce this risk.
- Loss of Reputation: the Charity takes great care to preserve the professionalism of the services it provides to its members and others who seek help with their arthritis condition. It also actively monitors its interaction and relationships with 3rd parties and other stakeholders to ensure that high standards are maintained.

Other identified risks include cash flow management, health & safety of staff and members, maintaining the IT infrastructure, and staff retention/development.

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place to help to identify, evaluate and manage these risks. The Executive Management Team reviews key strategic and operational risks on a regular basis, and considers new and emerging risks. These risks are recorded on a 'Risk Register' and the Board reviews this Register and receives updates on any changes to or re-assessments of all recorded risks on a regular basis.

The impact and potential threats associated with the COVID-19 pandemic to staff, our members and other stakeholders have been included in these risk management identification and control procedures. We are satisfied that all reasonable steps, that we can implement, have been taken to identify and mitigate these risks.

A rigorous set of financial authorities and procedures is also in place.

**Volunteers**
The Trustees volunteer their time and individual expertise freely to the governance and management of the Charity. The Charity also benefits from the help of a small number of volunteers. We benefitted from the valuable skills of our volunteers making calls to members through the Arthritis Action Connect service and from a volunteer who supported the Fundraising Team in 2021 and 2022. Finally, we have a pool of expert patient volunteers who are interested in getting involved with research projects in their areas of expertise.

Arthritis Action maintains an Employer Supported Volunteering scheme which is aimed at supporting employees who wish to volunteer or continue to volunteer to support a wide range of community activities such as a local community group, another charity or school. The purpose of this policy is to encourage and support employees of Arthritis Action who wish to become involved in, or continue to be involved with, volunteering.

**Assistance and Support for Members & People Living With Arthritis**
We have continued to expand our services and the extent and methods by which we provide information to our members and others living with arthritis, who are seeking help and advice.

The videos on our online Self-Management Resource continue to be popular. The resource includes 27 evidence-based videos, to help people with arthritis self-manage different aspects of their condition and improve their daily life. The resource has been viewed on our website over 25,000 times, with average session times exceeding 4 minutes. Topics range from X-rays, Medication, Aids and Devices, Work and Arthritis, to Weight Management and Positive Thinking.

We shared quick exercise videos for our social media channels, to encourage people to keep active while staying at home for prolonged periods. The videos featured our Services Development Manager and Therapies Manager & Exercise Lead. In 2021 and 2022 we collaborated with Good Boost, a social enterprise that provides affordable and accessible therapeutic exercise programmes, through cutting-edge technology, to test their exercise app with our members and service users. We ran weekly sessions to bring people together to exercise with the app.

We also continued to update the dedicated Covid-19 hub on our website, including content and advice for people spending more time indoors, and frequently asked questions about Covid-19, the vaccine and arthritis. This attracted over 34,000 views last year and continues to be a popular section of our website. Our online mental health and exercise directories were visited over 10,000 times, proving to be a useful resource for people affected by arthritis. Our webinar series was also a great success, with 340 attendees engaging in topics including Pregnancy, Parenting & Arthritis; Yoga for arthritis; Pain Explained: Medication, Management & More; Arthritis and Surgery: A Professional and Patient Perspective. One hundred percent of listeners found the webinars useful and came away with more information. Following the launch of our own online electronic newsletter 'eNews' in 2017, we now have over 3,200 subscribers who receive it via a monthly email.

In light of the Cost of Living Crisis, we have added a Cost of Living Hub to our website, providing content and support for people affected by arthritis during this difficult time. This includes tips and resources to help people stay warm, find support with rising energy costs, stay active and eat well. Since its launch last November, the resource has been viewed over 3,500 times.

During 2021, we secured national media coverage in The Independent and The Daily Express, with mentions on BBC Breakfast and in various regional and local media outlets.

We have also continued the development of Online Arthritis Action Groups ("AAGs") which meet on a regular basis and enable like-minded people to share their experiences of living with arthritis. With the aim of increasing confidence and improving mental well-being, these Groups were more important than ever to support people who were isolated at home, giving them a space to meet, learn from each other and our speakers. We are pleased that 92% of attendees at Groups felt less isolated during the pandemic and 85% reported improved confidence in 2022 and four in five felt more able to manage their symptoms.

Arthritis Action has continued to expand the availability of therapies which complement our objective of relieving the pain of arthritis, and we also provide mental wellbeing support and a flexible healthy eating and weight management service. We raise awareness, disseminate information and give presentations around the country to people living with, and impacted by, arthritis. To improve the way we communicate with external audiences we have also continued developing our social media channels such as Twitter, Facebook, Instagram, LinkedIn, Health Unlocked and YouTube.

Finally, we sponsored and contributed to the development of the Arthritis and Musculoskeletal Alliance's (ARMA) Social Prescribing Resource. The resource aims to equip social prescribing link workers across the country with information on musculoskeletal conditions and self-management to better support people living with those conditions and signpost them to the most relevant services. The resource was shared on the social prescribing NHS Futures website and is one of ARMA's most popular resources. We also delivered a webinar to social prescribing link workers with over 140 attendees. One attendee said 'Absolutely brilliant webinar! The best that I have ever attended. So much information to share among my colleagues and patients. Thank you. The impact will be huge!'.

**Research**

The Board of Trustees is keen for research to form an integral part of the Charity's activities and a budget allocation for research has been made available year-on-year since 2014. Through our research funding we are constantly looking for ways to support people with arthritis and develop a better understanding of arthritis and its effects on people's lives.

We were approached by 37 university undergraduates and postgraduates, and the NHS to ask our members if they would be willing to help with their research. We have also been approached by universities to support their research.

**Fundraising**

Arthritis Action is committed to good fundraising practice and is registered with the Fundraising Regulator. We voluntarily subscribe to the Fundraising Regulator's Code of Fundraising Practice and have a Donations Acceptance Policy approved by the Board of Trustees, which can be viewed on our website. Our Fundraising Manager and Corporate Partnerships Manager adhere to all applicable laws and codes such as the Fundraising Regulator's Code of Fundraising Practice and data protection laws. Both staff members report directly to our Executive Management Team who, with regards to all members of the public, ensure that all fundraising activities do not result in unreasonable intrusions, unreasonably persistent approaches or any undue pressure being exerted. We do not use any external fundraising organisations or professional fundraisers and did not receive any complaints about fundraising activities carried out by Arthritis Action during 2021/22.

Our Fundraising Manager is focused on developing new fundraising activities to diversify our income streams, covering most areas of fundraising: individual giving, legacy fundraising, trust fundraising, and challenge events. Our Corporate Partnerships Manager is investing time in developing new corporate relationships and raising awareness of arthritis and its prevalence in the workplace. Our largest income source continues to be legacies; therefore, we are exploring new ways of leveraging this area of fundraising alongside other activities.

Our 80th anniversary year saw increased engagement in all areas of fundraising. Starting with staff-led challenges, to a record number of runners participating in the Edinburgh Marathon. Our Members were also inspired to take on challenges of their own. We ran two Treks in the summer, first one in Malvern sponsored by Western Power Distribution (now National Grid) and the second in Mam Tor, sponsored by Bioventus. We gratefully acknowledge grants from the following Trusts and Foundations: Chapman Charitable Trust, The Hospital Saturday Fund and Partners in Health/London Catalyst.

We are very pleased to have partnered with many organisations during our 80th anniversary year who share our mission of supporting more people living with arthritis in the UK. Thank you to Clear Channel who kindly donated advertising space in May 2022 and from September 2022 to February 2023 to raise awareness of arthritis and our charity. They were our 80th Anniversary Key Sponsor. Thank you to UCB who was a Silver Sponsor for our 80th Anniversary, National Grid who kindly sponsored Trek Malvern and Bluebird Care Coventry who sponsored our Arthritis Action Group meeting in Coventry. We are also pleased to have partnered with Field Doctor to help provide a range of dietitian-designed, chef-made ready meals to support people living with arthritis, Church House who kindly provided us with free space for events and filming projects, and the charity Thrive who use gardening to bring about positive changes to people's lives. With our help, Thrive have been redeveloping their 'Get Gardening' information on their website for people who live with arthritis and enjoy gardening.

**Financial Review**
Arthritis Action's financial performance is set out on page 16 and the key accounting policies remain unchanged.

Income for the year ended 31 October 2022 was £918,591 (2021: £606,007), an increase of £312,584 and Expenditure amounted to £1,201,071 (2021: £1,108,175), an increase of £92,896.

The increase in income is mainly due to a £326,035 gain on sale of our former head office in Eastbourne. Income from Legacies amounted to £332,367 (2021 £382,363). Legacies remain the Charity's single most important source of income, but their very nature means their timing is unpredictable. As the Charity receives a relatively small number of individual bequests, volume fluctuations have a marked effect on the total value of legacy receipts from one year to the next. Over the last 10 years annual legacy receipts have averaged £380,000. Income from Donations increased by £21,132 to £96,625 and our income from Grants awards increased by £19,543 to £43,937. These increases reflect our efforts to develop new fundraising activities to diversify our income streams and we expect this trend to continue.

After including a net unrealised loss on investments of £136,034 (2021: £588,379 gain) the net deficit for the year ended 31 October 2022 was £418,514 (2021: £86,211 surplus). This resulted in Arthritis Action's total funds falling to £4,756,300 (2021: £5,174,814). This outcome was in line with the Charity's budget.

**Reserves Policy**
Arthritis Action aims to utilise its reserves to help people live active lives, free from the effects of arthritis and raise awareness of the impact of arthritis. The Trustees' underlying policy is, therefore, to closely monitor the reserves position to ensure that the level of cash reserves is appropriate to the operating costs and other commitments of the Charity, and to maintain an adequate level of reserves to cover the inherent volatility and uncertainty surrounding legacy income, upon which the Charity is highly dependent. The Trustees will continue to review this policy to ensure that it reflects the Charity's circumstances, external climate, and future plans.

**Anticipated Funding Deficits**
To achieve our strategy which is to increase the level of assistance we provide to the growing number of people living with arthritis across the UK, the Trustees have set an ambitious budget that involves incurring expenditure which will exceed operating income by approximately 215% over the next three years. In turn, this will result in annual operating deficits of between £635,000 and £725,000 and a corresponding reduction in our reserves. Therefore, to minimize this reduction and enable the Charity to continue to run its vital services to meet the everyday needs of people living with the debilitating effects of arthritis, senior management are making strenuous efforts to identify and secure additional revenue streams.

**Investment Policy**
The Charity has approximately £4.7m of reserves for investment. A portion of these (currently 80% or £3.7m) is regarded as long-term reserves, with the remainder being held as shorter-term reserves. When making investment decisions and placing deposits, careful consideration is given to credit, liquidity and cash flow risk and the Charity seeks to obtain the best financial return within an acceptable level of risk. The investment objective for our long-term reserves is to preserve capital in real terms whilst producing a reasonable income, with an intermediate attitude to risk. Schroders, our financial advisors, have discretion to manage our investment within this framework. The Charity expects our financial advisors, as part of investment research and analysis process, to take account of social, environmental, ethical and governance considerations in the selection, retention and realisation of investments.

**Plans for the Future**
Arthritis Action's strategic priorities are:-

- To empower people living with arthritis to better self-manage their condition.

There can be a physical and emotional burden when living with the pain of arthritis, and many people with the condition can feel lonely. They will spend the majority of their time managing the symptoms of their condition on their own. Arthritis Action is here to support people with information and advice they can trust; connect them with each other through events and Groups; and give hands-on help to improve their symptoms. Ensuring people have the information and resources they need to self-manage their condition is key to improving their wellbeing.

- To reach more people across the UK who are motivated to lead a healthy lifestyle and self-manage the symptoms of arthritis.

Arthritis Action offers people with all forms of arthritis a holistic self-management approach that can be tailored to suit each individual based on their condition, pain level, activity levels, eating habits and lifestyle. Arthritis and MSK conditions affect people of all ages, and we know that each person is unique in the way they manage their symptoms. This is precisely why we tailor our self-management approach to meet individual needs. We will proactively reach out to people of working age, especially those aged 20-45 years, adapting our current services to ensure value to young adults, while continuing to be innovative and offer a valuable service to those over the age of 65. Working alongside our Corporate Partnerships Manager, we will focus on developing relationships with organisations that are keen to build a healthier workforce and promoting the self-management approach to encourage people of working age to lead a healthy lifestyle.

- To have a self-management approach that attracts referrals from healthcare professionals.

We promote evidence-based approaches that help control the symptoms of arthritis and manage its effects. We work with experts in health, therapies and nutrition and the wider sector, and follow the latest NICE guidelines, to ensure that we give the most up-to-date information about arthritis. We will work alongside healthcare professionals to promote the wider adoption of our self-management approach, to improve the daily life of those living with arthritis.

- To raise awareness of the Charity and that of arthritis and MSK conditions.

We aim to generate awareness of arthritis, both nationally and regionally, and the importance of adopting a supported self-management approach, to empower communities living with arthritis to take control of their health and care.

We will also continue to monitor our investments and develop our income sources to ensure that our income can fund and sustain our ambitious development programme which we are currently implementing, without adversely affecting our overall financial standing.

In line with our strategic aim of reaching young adults, we will continue to devote greater resource to support them. In 2020 we set aside £110,000 as a designated reserve entitled the Young Adults Fund. During 2022 we used £17,000 of this Fund and in total we have now spent £30,000 to undertake research and develop new services for young adults under the age of 45. Learning from the valuable research we gathered from surveys and focus groups of young adults in 2021, we developed specific content to support the physical health and mental well-being of young adults, complementing Arthritis Action's self-management approach and services that are suitable for all ages. In 2021, we introduced a new Self-Management Event for the under forties, and in 2022, we launched a new Group for young adults, created a Young Adult Hub on the website, developed a new podcast series, and will produce a dedicated e-newsletter for young adults in 2023. We aim to continue gaining a better understanding of issues affecting younger people living with arthritis, and to develop new services to support this important cohort.

In response to the heightened health inequalities brought about by the covid pandemic, the Charity set up a Health Inequalities Working Group which includes the Executive Management Team and four members of staff in 2021. The purpose of the Working Group is to set out the Charity's aims of: understanding the needs of diverse communities affected by arthritis; building a diverse and inclusive culture within the organisation; challenging racism and discrimination in its work internally and externally; and continuing to learn, improve and implement best practices in equality and inclusion. The Charity launched its first ever Equality, Diversity and Inclusion (EDI) Strategy in Spring 2022, and conducted surveys with Trustees, Staff and Members to determine our baseline data. Our Area Coordinators have been actively engaging with diverse communities through our self-management presentations, and the Working Group have set new KPIs for this activity. We are also ensuring our external comms programme continues to embed EDI. We will be focussing our efforts on areas with income deprivation and ethnic minority populations. We are committed to making a bigger impact in this space by working with our staff, Trustees and partners to reach more diverse communities affected by arthritis throughout the UK.

We will continue to improve the way in which the Trustees govern Arthritis Action, particularly through the continuing, ongoing development of the role and function of our Committees, increased risk awareness, and by ensuring that Board Members have the collective skills which enhance the overall effectiveness of the Board of Trustees. We will recruit new Trustees to ensure a diverse range of skills and experience on the Board.

Working together, the Board of Trustees and the Executive Management Team will ensure the continued growth of Arthritis Action as it delivers upon its strategic objectives to existing and future beneficiaries of the Charity. We recently formed a Strategic Working Group comprising the Executive Management Team and a number of Trustees to start planning our next three-year Strategy (2024-2027).

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Arthritis Action for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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**AUDITORS**

The Auditors, LMDB Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 14th May 2023 and signed on the board's behalf by:

.....

R H Nye - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARTHRITIS ACTION

### Opinion

We have audited the financial statements of Arthritis Action (the 'charitable company') for the year ended 31 October 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2022 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Responsibilities of trustees**
As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**
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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:
- Enquiry of management and those charged with governance on the actual and potential litigation and claims, and also any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in the course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

S Jaquet FCCA (Senior Statutory Auditor)
for and on behalf of LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Date: 15/05/2023

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
**FOR THE YEAR ENDED 31 OCTOBER 2022**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | 4 | 372,923 | 58,137 | 431,060 | 460,159 |
| **Charitable activities** | 5 | | | | |
| Research and other grants | | 3,362 | 40,575 | 43,937 | 24,394 |
| Membership subscriptions | | 17,999 | - | 17,999 | 16,570 |
| Income from investments | 6 | 99,560 | - | 99,560 | 104,884 |
| Disposal of property | | 326,035 | - | 326,035 | - |
| **Total** | | 819,879 | 98,712 | 918,591 | 606,007 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 7 | 152,932 | - | 152,932 | 132,900 |
| **Charitable activities** | 8 | | | | |
| Research and other grants | | 163,072 | - | 163,072 | 150,091 |
| Self-management health programme | | 859,763 | 25,304 | 885,067 | 825,184 |
| **Total** | | 1,175,767 | 25,304 | 1,201,071 | 1,108,175 |
| Net gains/(losses) on investments | | (136,034) | - | (136,034) | 588,379 |
| **NET INCOME/(EXPENDITURE)** | | (491,922) | 73,408 | (418,514) | 86,211 |
| **RECONCILIATION OF FUNDS** | | | | | |
| **Total funds brought forward** | | 5,157,284 | 17,530 | 5,174,814 | 5,088,603 |
| **TOTAL FUNDS CARRIED FORWARD** | | 4,665,362 | 90,938 | 4,756,300 | 5,174,814 |

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL POSITION**
**31 OCTOBER 2022**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 14 | 21,552 | - | 21,552 | 276,568 |
| Investments | 15 | 3,737,329 | - | 3,737,329 | 4,192,189 |
| | | 3,758,881 | - | 3,758,881 | 4,468,757 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 16 | 104,186 | 7,908 | 112,094 | 254,512 |
| Cash at bank and in hand | | 898,557 | 83,030 | 981,587 | 520,410 |
| | | 1,002,743 | 90,938 | 1,093,681 | 774,922 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 17 | (94,912) | - | (94,912) | (67,365) |
| **NET CURRENT ASSETS** | | 907,831 | 90,938 | 998,769 | 707,557 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 4,666,712 | 90,938 | 4,757,650 | 5,176,314 |
| **PROVISIONS FOR LIABILITIES** | 19 | (1,350) | - | (1,350) | (1,500) |
| **NET ASSETS** | | 4,665,362 | 90,938 | 4,756,300 | 5,174,814 |
| **FUNDS** | 20 | | | | |
| Unrestricted funds: | | | | | |
| General fund | | | | 4,131,709 | 4,343,141 |
| Revaluation reserve | | | | 453,707 | 716,643 |
| Young People Fund | | | | 79,946 | 97,500 |
| | | | | 4,665,362 | 5,157,284 |
| Restricted funds | | | | 90,938 | 17,530 |
| **TOTAL FUNDS** | | | | 4,756,300 | 5,174,814 |

The financial statements were approved by the Board of Trustees and authorised for issue on 11th May 2023 and were signed on its behalf by:

R H Nye - Trustee

S E Jones - Trustee

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 OCTOBER 2022**

| | Notes | 2022<br>£ | 2021<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | A | (513,455) | (662,770) |
| Provisions for liabilities | | (150) | 750 |
| **Net cash used in operating activities** | | (513,605) | (662,020) |
| **Cash flows from investing activities** | | | |
| Purchase of tangible fixed assets | | (18,555) | (5,923) |
| Purchase of fixed asset investments | | (747,992) | (916,901) |
| Sale of tangible fixed assets | | 574,952 | - |
| Sale of fixed asset investments | | 1,097,475 | 1,374,474 |
| Interest received | | 285 | 100 |
| Dividends received | | 99,275 | 104,784 |
| **Net cash provided by investing activities** | | 1,005,440 | 556,534 |
| **Change in cash and cash equivalents in the reporting period** | | 491,835 | (105,486) |
| **Cash and cash equivalents at the beginning of the reporting period** | | 537,479 | 642,965 |
| **Cash and cash equivalents at the end of the reporting period** | | 1,029,314 | 537,479 |
| **Cash and cash equivalent comprises the following:-** | B | | |
| Fixed asset investments – other deposits | | 47,727 | 17,069 |
| Cash at bank and in hand | | 981,587 | 520,410 |
| | | 1,029,314 | 537,479 |

The notes form part of these financial statements

**ARTHRITIS ACTION**

**NOTES TO THE STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 OCTOBER 2022**

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**A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| **Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)** | (418,514) | 86,211 |
| **Adjustments for:** | | |
| Depreciation charges | 24,655 | 40,302 |
| Losses/(gain) on investments | 136,034 | (588,379) |
| Profit on disposal of fixed assets | (326,035) | - |
| Interest received | (285) | (100) |
| Dividends received | (99,275) | (104,784) |
| Decrease/(increase) in debtors | 142,418 | (90,007) |
| Increase/(decrease) in creditors | 27,547 | (6,012) |
| **Net cash used in operations** | (513,455) | (662,769) |

**B. ANALYSIS OF CHANGES IN NET FUNDS**

| | At 1.11.21 | Cash flow | At 31.10.22 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | 537,479 | 491,833 | 1,029,312 |

The notes form part of these financial statements

## 1. STATUTORY INFORMATION

Arthritis Action is a Charity registered in England and Wales. The Charity's registered number and registered office address can be found within the trustee report.

The financial statements are presented in £ Sterling.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

**Going concern**
There are no material uncertainties that cast doubt on the charity's ability to continue as a going concern.

**Income**
All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds and it is probable that the income will be received, except where it cannot be measured with sufficient certainty.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except in so far as they cannot be measured with sufficient certainty. Tangible fixed assets donated or left in legacies are recognised at market value at the time title passes to the Charity.

Subscriptions received and Interest receivable is calculated on an accruals basis.

**Expenditure**
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

**Allocation and apportionment of costs**
The Charity's operating costs include staff costs, premises and other related costs. Such costs are allocated between different expenditure categories including fundraising, publicity, management and administration. Where costs cannot be directly attributable to direct charitable expenditure or other expenditure, they have been apportioned based on an estimate of time spent in each of these categories.

The cost of generating funds is the direct cost spent on fundraising activity. A proportion of central support cost is allocated to the cost of generating funds.



continued...

2. ACCOUNTING POLICIES - continued

**Allocation and apportionment of costs**
Governance costs are the costs associated with governance of the Charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Support costs, which comprise central office functions such as general management, administration, budgeting and accounting, information technology and human resources are allocated across the cost of generating funds, grant making and charitable activities costs.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---|---|
| Freehold property | - 2% on cost |
| Short leasehold | - 20% on cost |
| Fixtures and fittings | - 20% on cost |
| Computer hardware | - 50% on cost |
| Computer software | - 20% on cost |

Included within freehold property is land at a historical cost of £76,667 (2021: £76,667) which is not depreciated.

Tangible fixed assets are included at historical cost and assets are capitalised on a historical cost basis of value. Items costing less than £500 are generally not capitalised.

Bequeathed and donated assets are recognised at market value at the time title passes to the Charity. Gains or losses are recognised on disposal.

The Charity holds title to financial assets subject to life tenancy interests held by third parties. Therefore no values for these assets are shown on the balance sheet.

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit which the asset belongs.

Impairment losses are recognised in the year of impairment.

**Taxation**
The Charity is exempt from corporation tax on its charitable activities.

**Fund accounting**
General funds are unrestricted funds which can be used at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.



continued...

## 2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**
The Charity operates a defined contribution pension scheme. Contributions payable to the Charity pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above.

**Investments**
Investments are initially recorded at cost and thereafter restated to market value as at the relevant reporting date. The aggregate value of these investments may fluctuate significantly in line with prevailing market conditions.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

**Provisions**
Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

**Financial instruments**
The Charity recognises a financial asset or liability when it becomes party to the contractual provisions of the instrument. It initially measures the financial instrument at fair value.

**Subsidiary Undertakings**
Arthritis Action has two subsidiary companies, The Arthritis Association and The Arthritic Association. These subsidiaries have no assets or liabilities and are both dormant. As a result, the Charity is exempt from preparing group accounts under the Companies Act 2006 and under FRS 102.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates are underlying assumptions and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Following a review of the financial statements it is deemed there are no areas of estimation uncertainty.



continued...

## 4. DONATIONS AND LEGACIES

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Donations | 96,625 | 75,493 |
| Gift aid | 2,068 | 2,303 |
| Legacies | 332,367 | 382,363 |
| | 431,060 | 460,159 |

**Contingent Legacy assets**

The Charity has received notification of 19 (2021: 10) legacies which are regarded as contingent assets and for which income is expected to be received in future years but which had not met the income recognition criteria as at 31 October 2022. The actual timing of receipt and amounts to be received are unknown. The Charity maintains a record of expected legacies receivable based on the most recent correspondence received in relation to the estate. The value of legacies receivable has been estimated at £302,000 (2021: £306,000).

## 5. INCOME FROM CHARITABLE ACTIVITIES

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Research and other grants | 43,937 | 24,394 |
| Membership subscriptions | 17,999 | 16,570 |
| | 61,936 | 40,964 |

Grants received, included in the above, are as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Kickstart YMCA | 3,362 | 6,394 |
| National Lottery | - | 10,000 |
| Essex County Council | - | 3,000 |
| Matrix Chamber | - | 5,000 |
| HSF Hospital | 5,000 | - |
| Good Boost Arthritis Action | 16,352 | - |
| Leisure Centre Project Arthritis Action | 16,223 | - |
| London Catalyst | 3,000 | - |
| | 43,937 | 24,394 |

## 6. INCOME FROM INVESTMENTS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Income from listed investments | 99,275 | 104,784 |
| Interest receivable | 285 | 100 |
| | 99,560 | 104,884 |



continued...

## 7. RAISING FUNDS

**Raising donations and legacies**

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Cost of generating donations and legacies | 12,782 | 11,130 |
| Investment management costs | 18,824 | 20,482 |
| Support costs | 121,326 | 101,288 |
| | 152,932 | 132,900 |

## 8. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Grant funding of activities (see note 9) | Support costs (see note 10) | Totals |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Research and other grants | 92,394 | 5,820 | 64,858 | 163,072 |
| Self-management health programme | 435,711 | - | 449,356 | 885,067 |
| | 528,105 | 5,820 | 514,214 | 1,048,139 |

## 9. GRANTS PAYABLE

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Net subsidies paid to assist with physical therapy | 5,820 | 6,780 |

During the year ended 31 October 2022 subsidies paid to members in respect of physical therapy consultations amounted to £5,970 (2021 £6,030) and the provision to cover unclaimed subsidies was reduced from £1,500 to £1,350.



continued...

## 10. SUPPORT COSTS

| | Management | Information technology | Premises | Governance costs | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Raising donations and legacies | 112,246 | - | - | 9,080 | 121,326 |
| Research and other grants | 64,858 | - | - | - | 64,858 |
| Self-management health programme | 189,491 | 55,416 | 140,242 | 64,207 | 449,356 |
| | 366,595 | 55,416 | 140,242 | 73,287 | 635,540 |

Support costs, included in the above, are as follows:

## 11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 5,671 | 5,406 |
| Depreciation - owned assets | 24,654 | 40,302 |
| Surplus on disposal of fixed assets | (326,035) | - |

## 12. TRUSTEES' REMUNERATION AND BENEFITS

None of the Trustees received remuneration or received any other benefits in respect of the performance of their duties as a Trustee for either year ended 31 October 2022 or for the year ended 31 October 2021.

**Trustees' expenses**

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Trustees' expenses | 542 | 270 |

During the year, three (2021: two) Trustees were reimbursed for travel and subsistence expenses which were incurred wholly, exclusively and necessarily in the performance of their duties as a Trustee.



continued...

## 13. STAFF COSTS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 728,914 | 657,488 |
| Social security costs | 67,733 | 65,655 |
| Other pension costs | 53,091 | 50,614 |
| | 849,738 | 773,757 |

The average monthly number of employees during the year was as follows:

| | 2022 | 2021 |
|---|---|---|
| Executive staff | 3 | 3 |
| Support staff | 16 | 16 |
| | 19 | 19 |

One employee was paid emoluments, including benefits in kind, of between £80,000 and £90,000 and another employee was paid emoluments between £60,000 and £70,000 (2021 - One employee within the range £80,000 - £90,000).

These employees also participated in the defined contribution pension scheme and the employer's contributions for the year total £11,233 (2021: £10,817).

Included in defined contribution pension costs is an accrual for unpaid pensions of £5,172 (2021: £5,832). Pension costs are allocated between activities within the statement of Financial Activity based on staff hours dedicated to the relevant activity.

The only employee who is regarded as key management is the Chief Executive Officer for the purpose of FRS102. The total remuneration paid to this employee and associated employer costs during the year was £107,270 (2021: £102,602).



continued...

## 14. TANGIBLE FIXED ASSETS

| | Freehold property £ | Short leasehold £ | Total land and buildings £ |
|---|---|---|---|
| **COST** | | | |
| At 1 November 2021 | 517,694 | 99,283 | 616,977 |
| Additions | - | 11,995 | 11,995 |
| Disposals | (517,694) | - | (517,694) |
| At 31 October 2022 | - | 111,278 | 111,278 |
| **DEPRECIATION** | | | |
| At 1 November 2021 | 265,254 | 89,054 | 354,308 |
| Charge for year | 3,523 | 10,428 | 13,951 |
| Elimination on disposal | (268,777) | - | (268,777) |
| At 31 October 2022 | - | 99,482 | 99,482 |
| **NET BOOK VALUE** | | | |
| At 31 October 2022 | - | 11,796 | 11,796 |
| At 31 October 2021 | 252,440 | 10,229 | 262,669 |

| | Total land and buildings £ | Fixtures and fittings £ | Computer hardware £ | Computer software £ | Totals |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 November 2021 | 616,977 | 118,780 | 50,119 | 1,008 | 786,884 |
| Additions | 11,995 | 5,129 | 1,431 | - | 18,555 |
| Disposals | (517,694) | (58,277) | (19,989) | - | (595,960) |
| At 31 October 2022 | 111,278 | 65,632 | 31,561 | 1,008 | 209,479 |
| **DEPRECIATION** | | | | | |
| At 1 November 2021 | 354,308 | 110,456 | 44,772 | 780 | 510,316 |
| Charge for year | 13,951 | 6,872 | 3,717 | 114 | 24,654 |
| Elimination on disposal | (268,777) | (58,277) | (19,989) | - | (347,043) |
| At 31 October 2022 | 99,482 | 59,051 | 28,500 | 894 | 187,927 |
| **NET BOOK VALUE** | | | | | |
| At 31 October 2022 | 11,796 | 6,581 | 3,061 | 114 | 21,552 |
| At 31 October 2021 | 262,669 | 8,324 | 5,347 | 228 | 276,568 |



continued...

## 15. FIXED ASSET INVESTMENTS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Shares | 3,703,579 | 4,158,439 |
| Other deposits | 33,750 | 33,750 |
| | 3,737,329 | 4,192,189 |

Additional information as follows:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| **MARKET VALUE** | | | |
| At 1 November 2021 | 4,141,370 | 17,069 | 4,158,439 |
| Additions | 747,992 | 30,658 | 778,650 |
| Disposals | (1,097,476) | - | (1,097,476) |
| Revaluations | (136,034) | - | (136,034) |
| At 31 October 2022 | 3,655,852 | 47,727 | 3,703,579 |
| **NET BOOK VALUE** | | | |
| At 31 October 2022 | 3,655,852 | 47,727 | 3,703,579 |
| At 31 October 2021 | 4,141,370 | 17,069 | 4,158,439 |

Cost or valuation at 31 October 2022 is represented by:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| Valuation in 2022 | 3,655,852 | 47,727 | 3,703,579 |

There were no investment assets outside the UK.

Listed investments are accounted for at market value. The historical cost of listed investments and unit trusts is £3,202,081 (2021 - £3,436,263).

Investments (neither listed nor unlisted) were as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Investment property | 33,750 | 33,750 |

Investment property comprises land bequeathed to the Charity. The land was valued at market value in July 2009 when title passed to the Charity and the Trustees are satisfied that there has been no significant change in the fair value of the land since that date.



continued...

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Trade debtors | 192 | - |
| Legacies receivable | 42,456 | 180,145 |
| Rent deposits | 30,660 | 26,260 |
| Prepayments and accrued income | 38,786 | 48,107 |
| | 112,094 | 254,512 |

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Trade creditors | 26,252 | 9,591 |
| Social security and other taxes | 20,257 | 19,411 |
| Other creditors | 3,636 | 3,747 |
| Accruals and deferred income | 44,767 | 34,616 |
| | 94,912 | 67,365 |

## 18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Within one year | 112,500 | 60,270 |
| Between one and five years | 168,750 | - |
| | 281,250 | 60,270 |

The Charity entered into a new five year operating lease agreement in respect of its London premises in April 2022. The lease contains a break clause at the end of the third year. The aggregate lease and service charge payment commitments are £281,250 until the end of the break clause.

## 19. PROVISIONS FOR LIABILITIES

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Provisions | 1,350 | 1,500 |

All members are entitled to claim subsidies for physical therapy consultations. Everyone who was a member as at 31 October 2022 is entitled to claim for subsidies of up to £30 each for up to two physical therapy consultations until their next annual membership expiry date. The provision is an estimate, based on the latest uptake statistics, of the likely aggregate amount of subsidy claims that the Charity will be obliged to honour in respect of members as at 31 October 2022.



continued...

## 20. MOVEMENT IN FUNDS

| | At 1.11.21 £ | Net movement in funds £ | At 31.10.22 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,343,141 | (211,432) | 4,131,709 |
| Revaluation reserve | 716,643 | (262,936) | 453,707 |
| Young People Fund | 97,500 | (17,554) | 79,946 |
| | 5,157,284 | (491,922) | 4,665,362 |
| **Restricted funds** | | | |
| Restricted | 17,530 | 73,408 | 90,938 |
| **TOTAL FUNDS** | 5,174,814 | (418,514) | 4,756,300 |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 819,879 | (1,158,213) | 126,902 | (211,432) |
| Revaluation reserve | - | - | (262,936) | (262,936) |
| Young People Fund | - | (17,554) | - | (17,554) |
| | 819,879 | (1,175,767) | (136,034) | (491,922) |
| **Restricted funds** | | | | |
| Restricted | 98,712 | (25,304) | - | 73,408 |
| **TOTAL FUNDS** | 918,591 | (1,201,071) | (136,034) | (418,514) |



continued...

## 20. MOVEMENT IN FUNDS - continued

### Comparatives for movement in funds

| | At 1.11.20 £ | Net movement in funds £ | At 31.10.21 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,655,221 | (312,080) | 4,343,141 |
| Revaluation reserve | 319,031 | 397,612 | 716,643 |
| Young People Fund | 110,500 | (13,000) | 97,500 |
| | 5,084,752 | 72,532 | 5,157,284 |
| **Restricted funds** | | | |
| Restricted | 3,851 | 13,679 | 17,530 |
| **TOTAL FUNDS** | 5,088,603 | 86,211 | 5,174,814 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 588,007 | (1,090,854) | 190,767 | (312,080) |
| Revaluation reserve | - | - | 397,612 | 397,612 |
| Young People Fund | - | (13,000) | - | (13,000) |
| | 588,007 | (1,103,854) | 588,379 | 72,532 |
| **Restricted funds** | | | | |
| Restricted | 18,000 | (4,321) | - | 13,679 |
| **TOTAL FUNDS** | 606,007 | (1,108,175) | 588,379 | 86,211 |



continued...

## 20. MOVEMENT IN FUNDS - continued

The movement in funds for the 2 years between 1 November 2020 and 31 October 2022 is as follows:

| | At 1.11.20 £ | Net movement in funds £ | At 31.10.22 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,655,221 | (523,512) | 4,131,709 |
| Revaluation reserve | 319,031 | 134,676 | 453,707 |
| Young People Fund | 110,500 | (30,554) | 79,946 |
| | 5,084,752 | (419,390) | 4,665,362 |
| **Restricted funds** | | | |
| Restricted | 3,851 | 87,087 | 90,938 |
| **TOTAL FUNDS** | 5,088,603 | (332,303) | 4,756 ,300 |

The movement in funds for the 2 years between 1 November 2020 and 31 October 2022, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 1,407,886 | (2,249,067) | 317,669 | (523,512) |
| Revaluation reserve | - | - | 134,676 | 134,676 |
| Young People Fund | - | (30,554) | - | (30,554) |
| | 1,407,886 | (2,279,621) | 452,345 | (419,390) |
| **Restricted funds** | | | | |
| Restricted | 116,712 | (29,625) | - | 87,087 |
| **TOTAL FUNDS** | 1,524,598 | (2,309,246) | 452,345 | (332,303) |

During the year realised investment gains amounted to £115,362 (2021 £190,767).



continued...

## 21. RELATED PARTY DISCLOSURES

During the year two (2021: two) Trustees provided services to the Charity for which they received payment.

R Nye received £2,800 (2021: £2,800) for human resource services. The balance due to R Nye at 31 October 2021 was £nil (2021: £nil).

D Rose received £2,850 (2021: £3,350) for member events services. The balance due to D Rose at 31 October 2022 amounted to £50 (2021: £1,150). In accordance with normal commercial terms of trade, the balance outstanding was payable within 30 days of receipt of invoice.

## 22. SUBSIDIARY UNDERTAKINGS

On 7 October 2014 Arthritis Action incorporated the following subsidiary companies:

The Arthritis Association
The Arthritic Association

These subsidies, which were created to protect the trading names, have no assets or liabilities and were both dormant during the year. It is anticipated that these subsidiaries will remain dormant for the foreseeable future.

Exemption has been claimed from preparing consolidated group accounts under section 9 of FRS102.

**ARTHRITIS ACTION**

England & Wales - Charity number 292569

# Accounts

**REGISTERED COMPANY NUMBER: 01914825 (England and Wales)**
**REGISTERED CHARITY NUMBER: 292569**

# REPORT OF THE TRUSTEES AND

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 OCTOBER 2021

# FOR

# ARTHRITIS ACTION

LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

**ARTHRITIS ACTION**

**CONTENTS OF THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 OCTOBER 2021**

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# REPORT OF THE TRUSTEES
# FOR THE YEAR ENDED 31 OCTOBER 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2021. The trustees have adopted the provisions of 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 2019).

## REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**
01914825 (England and Wales)

**Registered Charity number**
292569

**Registered office**
One Upperton Gardens
Eastbourne
East Sussex
BN21 2AA

**Trustees**

| | |
|---|---|
| Mr R H Nye – Chair | |
| Mr G C Allen | |
| Mr R Badiani | Appointed 29 April 2021 |
| Mr C Beever | Appointed 26 November 2020 |
| Ms A C Godfrey | |
| Mrs K Hoban | Resigned 7 April 2021 |
| Ms C J Jones | |
| Ms S E Jones | |
| Mr T O McLaughlan | Appointed 7 February 2022 |
| Mr D G S Torjussen-Proctor | Appointed 14 March 2022 |
| Mrs D M C Rose | |
| Prof S A Vickerstaff | Appointed 8 February 2021 |
| Mrs P M Woodhouse | Resigned 4 February 2021 |

**Chief Executive**
Miss S Irwin

**Company Secretary**
Mr G Weir

| **Auditors** | **Accountants** | **Solicitors** | **Bankers** | **Financial Advisors** |
|---|---|---|---|---|
| LMDB Limited<br>t/a LMDB Accountants<br>Statutory Auditors<br>Railview Lofts<br>19c Commercial Road<br>Eastbourne, East<br>Sussex, BN21 3XE | Breeze & Associates<br>Limited<br>5 Cornfield Terrace<br>Eastbourne<br>East Sussex<br>BN21 4NN | So Legal<br>15 Gildredge Rd<br>Eastbourne<br>East Sussex<br>BN21 4RB | NatWest<br>Eastbourne Branch<br>96 Terminus Road<br>East Sussex<br>BN21 3LX | Schroders<br>1 London Wall<br>Place<br>London<br>EC2Y 5AU |

## TRUSTEES' REPORT

Structure

Arthritis Action was set up in 1942 and is a charitable company limited by guarantee as defined by the Companies Act 2006. It is governed by its Articles of Association, which were last amended on 13 June 2019.

### Trustees

The Trustees who served on the Board of Trustees during the year are shown on page 1. The Trustees did not receive any remuneration in their capacity as Trustees during the year ended 31 October 2021 (2020: nil); however, they have the option of being reimbursed for costs incurred in attending meetings on behalf of Arthritis Action.

In accordance with Article 8.5 of the Articles of Association the Board of Trustees appointed Thomas McLaughlan as a Trustee on 7 February 2022 and appointed Daniel Torjussen-Proctor as a Trustee on 14 March 2022. They shall be eligible for election at the next Annual General Meeting.

### Objects and Key Aims

Our vision is for people to live active lives, free from the impact of arthritis. To achieve this we aim to:-

- Help and support people with arthritis through the provision of the best available evidence-based approaches and techniques for managing arthritis;
- Monitor arthritis related developments and initiatives, and promote efforts to gain a better understanding of arthritis and its impact on people's lives; and
- Raise awareness of arthritis and disseminate evidence-based information about all matters relating to the condition

### Overview of Activities

During 2021, the Charity spent £825,184 (2020: £852,794) on delivering its self-management health programme and £150,091(2020: £133,542) on research Member-related grants.

Arthritis Action is the UK charity giving hands-on, practical help to improve the quality of life of people affected by arthritis. We offer an integrated self-management approach, which looks at both the physical and mental health impact of living with arthritis. Whilst we are a membership charity, we have transformed our services to benefit our membership and wider communities affected by arthritis and other musculoskeletal (MSK) conditions across the UK. As one size does not fit all, we will continue to develop and offer a range of services so that people can find what works best for them.

Although over ten million people live with arthritis in the UK, each person is unique in the way they manage their symptoms. Our approach enables people to choose the techniques that work for them best. Our self-management approach includes: healthy eating and nutritional consultations; access to clinical appointments with our network of osteopaths, physiotherapists, and acupuncturists; mental health resources; pain management techniques; Groups; exercise advice and resources; and a personalised pathway for goal setting and self-management support, to help people take control of their arthritis, manage the pain it can cause, and enjoy life to the full. We are pleased that 95% of our Members are satisfied with our services, based on our survey in 2021.

There have been many challenges to overcome in 2021 with the ongoing impact of Covid-19, and we missed running our usual face-to-face Arthritis Action Groups and Self-Management Events in England. It was important for us to continue supporting people, especially with many feeling more isolated at home. We took the opportunity in 2020 to trial new online services and we are proud to have moved our Groups and events online very quickly. This enabled attendees to continue to receive peer support online and we continued to build on this in 2021. Over 240 Group meetings and presentations were organised this past year, spread over 10 different regions and 23 locations. Our Groups and presentations were attended by 3,610 people, including patients, carers, community organisations, corporate staff, healthcare professionals and diverse communities. We have also provided much-needed telephone support to more than 3,000 people and introduced a new volunteer-led telephone service, called Arthritis Action Connect, to link members with one another to offer peer support. The new online exercise class was a big success, so we continued to offer this service in 2021. We will continue to develop new ways of working, featuring both online and in-person services, to share self-management information and support people's physical health and mental wellbeing.

We have continued to build on the success of our existing services. Our clinical support service continues to be useful in helping people to manage their pain and to see a clinician without delay, although the service was used less this year with many members self-isolating or shielding through 2021. Our nutritional consultations service has also been much sought-after. Our Registered Dietitian conducted 75 consultations, as well as giving over 100 people additional support outside of the more structured consultations. This helped people better manage their symptoms and meet their weight and dietary goals. We are pleased that 92% of our Members are satisfied or very satisfied with the nutrition and weight management service, with three in four saying the service brought them closer to reaching their weight and nutritional goals. One hundred percent also said they are more knowledgeable about their arthritis and that their symptoms have improved. The Personalised Member Pathway has given members additional support during the pandemic, and we are pleased that 100% of members agreed that the Pathway has improved their confidence to self-manage their arthritis.

In 2021 we hired a new staff member to conduct research on how Arthritis Action can best support young adults living with arthritis. We gained valuable insight through surveys and focus groups, and launched a new Young Adults Hub on our website.

We have extended our networks and partnerships across the UK, and delivered a variety of presentations online throughout the year. These have helped to spread the knowledge and raise awareness of our self-management approach amongst people living with arthritis and other long-term conditions.

We have continued to proactively publicise the activities of Arthritis Action, and estimate that we have reached almost 34 million people through PR activities, and national and local press coverage. Our social media activity reached 1.7 million people across all our channels. Our website generated 311,000 visits with 606,000 page views, which is a 50% increase from 2020.

The Trustees have also paid due regard to the Charity Commission's guidance on public benefit and its general guidance when deciding what activities Arthritis Action should undertake.

**Self-Management Approach**
We are the UK charity giving hands-on, practical help to improve the quality of life for people affected by arthritis. We offer an integrated self-management approach to help people with arthritis gain the knowledge and confidence to manage their condition themselves, and live life to the full.

We tailor our self-management approach to meet individual needs, and our approach encompasses the following services:-

- Personalised Member Pathway, a service that helps members access the services that meet their needs;
- Nutritional and weight management consultations with our registered Dietitian;
- Arthritis Action Groups in locations across the country;

- Self-management educational events to learn about various techniques for managing both the physical and mental aspects of arthritis;
- Arthritis Action Connect telephone service;
- Online Exercise sessions for rehabilitation or for people who have not exercised for a long period of time;
- Free, easy to follow online self-management videos;
- Quarterly webinars with expert speakers, covering a wide range of topics;
- Identification of the most suitable exercises for people with arthritis and other musculoskeletal conditions;
- Subsidised clinical appointments with our registered Osteopaths, Physiotherapists and Acupuncturists; and
- Factsheets, our Members' magazine, E-newsletters and informational leaflets on a variety of topics including self-management, physical activity, and mental well-being.

We are proud to have continued to offer all of these services throughout the Covid-19 pandemic, running our Groups and presentations to external audiences online. We also ran our popular Self-Management Events online and these events were well attended by our members and the general public. This clearly demonstrates that people living with arthritis want to gain a significant benefit from learning about managing their arthritis on a day-to-day basis.

**Governance and Management**
Members of the Board of Trustees are responsible, on behalf of their fellow Members and people living with arthritis generally, for the good governance of the Charity. Board Members set and review the Charity's strategic objectives on a regular basis and establish policy for staff to implement in a manner that is in keeping with Arthritis Action's objectives.

The Articles of Association permit the appointment of up to 15 Trustees, one of whom should be the Chair of the Board of Trustees. The Chair is elected by the Trustees for a period of three years and can be re-elected by mutual consent. All Trustees are elected by members at the Charity's Annual General Meeting and are appointed for a period of three years. In accordance with the Articles of Association, new Trustees can be appointed by the existing Trustees during the year, but must then stand for election by the members at the next Annual General Meeting. Trustees can put themselves forward for re-election at the end of each three year period.

The Board of Trustees is committed to continually improving its governance of the Charity, and meets as a whole on a minimum of four occasions in each calendar year. For efficient operational purposes, the Board of Trustees is also sub-divided into two working Committees - the Finance & Risk Committee and the Remuneration & Nominations Committee.

The Finance & Risk Committee ("FRC") comprises three Trustees as well as the Chief Executive and the Company Secretary. The purpose of the FRC is to oversee and brief the Board of Trustees on all aspects of financial, budgetary and risk management. In particular, the FRC:

- Reviews the management accounts;
- Oversees the preparation of the annual budget;
- Monitors the performance of the Charity's Investments;
- Formulates the Charity's Risk Management Policy;
- Oversees the preparation of the annual financial statements;
- Monitors the Charity's Information Technology requirements;
- Oversees the process of selection or re-selection of an Auditor.

The FRC ensures that effective systems of accounting and internal control are established and maintained, and that the Board of Trustees is aware of any matters that might have a significant impact on the financial condition or affairs of the Charity.

The Remuneration & Nominations Committee ("RNC") comprises four Trustees and the Chief Executive. The main purpose of the RNC is to oversee and brief the Board of Trustees on all aspects of Human Resources. It is also required to advise and make recommendations to the Board of Trustees with regard to appointments to the Board, its Committees and Advisory Groups, and to ensure that the skills and experience required for these roles are identified.

The RNC considers the appointment of all staff for Arthritis Action following presentation of a formal proposal for recruitment by the Chief Executive. The RNC then recommends agreed proposals to the Board for approval. Any changes in organisation structure are similarly proposed by the Chief Executive to the RNC before being submitted to the Board of Trustees for approval.

The RNC regularly appraises the employee remuneration structure, and makes recommendations to the Board regarding salary reviews and any other proposals which affect pay, benefits and conditions. The RNC also leads on appraising the Chief Executive's performance and salary.

The RNC is also responsible for ensuring that all employment policies and practices comply with current UK Employment Law, and regularly reviews HR strategy and the implementation of HR policies & practices. Any significant changes to HR policies & practices are proposed for approval by the Board.

**Trustee Induction**

On appointment to the Board of Trustees, each Trustee completes a "Register of Interests" and receives appropriate induction. Further training needs are met, both individually and collectively, through regular Board training sessions and by Trustees attending training days conducted by external training providers as and when appropriate.

**Professional Services**

During the year ended 31 October 2021, Arthritis Action retained the professional services of Breeze & Associates, Chartered Accountants, to ensure effective segregation of accounting duties. They were responsible for maintaining the financial records, while the Company Secretary was responsible for statutory and other financial matters. The names and addresses of organisations which provide banking services and professional advice to the Charity are detailed on page 1 of this report.

**Staff and Trustee Changes**

Arthritis Action continues to broaden its organisation structure to cope with increased activity and the development of more Arthritis Action Groups, in line with its strategic objectives. We hired a member of staff in April 2021 on a six month contract through the Government's Kickstart Scheme and extended his contract for a further six months to research the needs of young adults living with arthritis and to work with the team to adapt content and develop services for young adults. There are now 18 full and part time members of staff.

The Charity has a multi skilled Board of Trustees which provides a pool of specialist knowledge that the Executive Management Team and the Charity as a whole can call upon for help and advice, and which is capable of continuing the development of Arthritis Action as a leading arthritis charity in the UK.

Anne Godfrey has announced that she does not intend to seek re-election to the Board of Trustees at the end of her current three-year term of office in June. The Trustees and Staff would like to thank Anne for her considerable support and guidance over the past seven years.

Tom McLaughlan joined the Board of Trustees in February 2022. Tom enjoyed a 33 year career, working in government relations and broader communications in the public, private and third sector in the UK and Belgium along with a spell as a senior diplomat in Japan. He was a managing director at Accenture for 15 years and for the last four he led the European government relations function. He is a Trustee of Epilepsy Research UK and The Orpheus Centre Trust, an independent specialist college that increases the confidence and skills of young disabled adults through the performing arts and works as a crisis volunteer at Shout. Tom's interest in arthritis developed after an ankylosing spondylitis diagnosis in 2015.

Dan Torjussen-Proctor re-joined the Board of Trustees in March 2022, having previously served as a Trustee for six years between 2013 and 2019. After a long corporate career involving several leadership positions in membership organisations and professional services firms, Dan set up his own company and acts as a freelance Executive Coach and Management Consultant. Dan has osteoarthritis in both shoulders, which he believes is related to his rugby playing career in younger years. However, his love of the game is undiminished, and he is Chair of youth rugby at Guildford RFC. Dan is passionate about raising awareness of arthritis, particularly amongst those who may be at an early stage or are considered 'at risk' of developing arthritis. He was therefore keen to re-join the Board to support Trustees and the staff in taking the Charity forward with the expressed aim of supporting more people who live with arthritis.

We are always looking to recruit Trustees with a suitable skill set in order maintain an efficient, effective and diverse Board of Trustees. Please contact Shantel Irwin, our CEO, if you are interested in finding out more.

**Risk Management**

The Trustees have a duty to identify and review the risks to which Arthritis Action is exposed and to ensure appropriate controls are in place to provide effective corporate governance and reasonable assurance against fraud and error. The principal risks are: -

- Loss of Funds: the majority of Arthritis Action's funds are managed by an accredited UK charity fund manager, and other funds are held with suitable first tier banks on a short-term basis. As a result, there is little risk in the short or medium term.
- Loss of Income: the Charity is dependent on income from legacies, donations, and membership fees, and remains actively engaged in fundraising activities in order to ensure the continuing flow of income from these sources. Efforts are being made to broaden the income sources to further reduce this risk.
- Loss of Reputation: the Charity takes great care to preserve the professionalism of the services it provides to its members and others who seek help with their arthritis condition. It also actively monitors its interaction and relationships with third parties and other stakeholders to ensure that high standards are maintained.

Other identified risks include cash flow management, health & safety of staff and members, maintaining the IT infrastructure, and staff retention/development.

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place to help to identify, evaluate and manage these risks. The Executive Management Team reviews key strategic and operational risks on a regular basis, and considers new and emerging risks. These risks are recorded on a 'Risk Register' and the Board reviews this Register and receives updates on any changes to or re-assessments of all recorded risks on a regular basis.

The impact and potential threats associated with the COVID-19 pandemic to staff, our members and other stakeholders have been included in these risk management identification and control procedures. We are satisfied that all reasonable steps, that we can implement, have been taken to identify and mitigate these risks.

A rigorous set of financial authorities and procedures is also in place.

**Volunteers**
The Trustees volunteer their time and individual expertise freely to the governance and management of the Charity. The Charity also benefits from the help of a small number of volunteers. We benefitted from the valuable skills of our volunteers making calls to members through the Arthritis Action Connect service and from a volunteer who supported the Fundraising Team in 2021 and 2022. We also have a pool of expert patient volunteers who are interested in getting involved with research projects in their areas of expertise.

Arthritis Action maintains an Employer Supported Volunteering scheme which is aimed at supporting employees who wish to volunteer or continue to volunteer to support a wide range of community activities such as a local community group, another charity or school. The purpose of this policy is to encourage and support employees of Arthritis Action who wish to become involved in, or continue to be involved with, volunteering.

**Assistance and Support for Members & People Living With Arthritis**
We have continued to expand our services and the extent and methods by which we provide information to our members and others living with arthritis, who are seeking help and advice.

The videos on our online Self-Management Resource continue to be popular. The resource includes 27 evidence-based videos, to help people with arthritis self-manage different aspects of their condition and improve their daily life. The resource has been viewed on our website over 46,000 times, with average session times reaching 5 minutes. Topics range from X-rays, Medication, Aids and Devices, Work and Arthritis, to Weight Management and Positive Thinking.

We developed quick exercise videos for our social media channels, to encourage people to keep active while staying at home for prolonged periods due to the pandemic. The videos featured our Services Development Manager and Therapies Manager & Exercise Lead. In 2021 and 2022 we collaborated with Good Boost, a social enterprise that provides affordable and accessible therapeutic exercise programmes, through cutting-edge technology, to test their exercise app with our members and service users. We also ran our Online Exercise Classes again.

We also continued to update the dedicated Covid-19 hub on our website, including content and advice for people spending more time indoors, and frequently asked questions about Covid-19, the vaccine and arthritis. This attracted over 70,000 visits and is still one of our most visited website sections. Our online mental health and exercise directories were visited over 5,000 times, proving to be a useful resource for people affected by arthritis. Our webinar series was also a great success, with over 450 attendees engaging in topics including the Covid-19 Vaccine and Arthritis; Exercise and Mental Wellbeing; Managing Pain in a Pandemic; Hand Therapy; and Pregnancy, Parenting & Arthritis.

During 2021, we secured national media coverage in The Independent and The Daily Express, with mentions on BBC Breakfast and in various regional and local media outlets. Following the launch of our own online electronic newsletter 'eNews' in 2017, we now have over 2,700 subscribers who receive it via a monthly email, a 40% increase from last year.

We have also continued the development of Online Arthritis Action Groups which meet on a regular basis and enable like-minded people to share their experiences of living with arthritis. With the aim of increasing confidence and improving mental well-being, these Groups were more important than ever to support people who were isolated at home, giving them a space to meet, learn from each other and our speakers. We are pleased that 97% of attendees at Groups felt less isolated during the pandemic and 88% reported improved confidence in 2021. Four in five reported improved sense of control of their arthritis and managed their symptoms better during the pandemic.

Arthritis Action has continued to expand the availability of therapies which complement our objective of relieving the pain of arthritis, and we also provide mental wellbeing support and a flexible healthy eating and weight management service. We raise awareness, disseminate information and give presentations around the country to people living with, and impacted by, arthritis. To improve the way we communicate with external audiences we have also continued developing our social media channels such as Twitter, Facebook, Instagram, LinkedIn, and YouTube.

**Research**
The Board of Trustees is keen for research to form an integral part of the Charity's activities and a budget allocation for research has been made available year-on-year for the last eight years. Through our research funding we are constantly looking for ways to support people with arthritis and develop a better understanding of arthritis and its effects on people's lives.

We were approached by over 50 university undergraduates and postgraduates, Health Watch organisations and the NHS to ask our members if they would be willing to help with their research. We have also been approached by universities to support their research.

**Fundraising**
Arthritis Action is committed to good fundraising practice and is registered with the Fundraising Regulator. We voluntarily subscribe to the Fundraising Regulator's Code of Fundraising Practice and have a Donations Acceptance Policy approved by the Board of Trustees, which can be viewed on our website. Our Fundraising Manager and Corporate Partnerships Manager adhere to all applicable laws and codes such as the Fundraising Regulator's Code of Fundraising Practice and data protection laws. Both staff members report directly to our Executive Management Team who, with regards to all members of the public, ensure that all fundraising activities do not result in unreasonable intrusions, unreasonably persistent approaches or any undue pressure being exerted. We do not use any external fundraising organisations or professional fundraisers and did not receive any complaints about fundraising activities carried out by Arthritis Action during 2020/21.

Our Fundraising Manager is focused on developing new fundraising activities to diversify our income streams, covering most areas of fundraising: individual giving, legacy fundraising, trust fundraising, and challenge events. Our Corporate Partnerships Manager is investing time in developing new corporate relationships and raising awareness of arthritis and its prevalence in the workplace. Our largest income source continues to be legacies; therefore, we are exploring new ways of leveraging this area of fundraising alongside other activities.

The pandemic restricted opportunities for in-person sponsored events because marathons were once again cancelled, but we organised our first ever fundraising trek in Snowdon in September. This event received excellent feedback from all participants. For a second year running we have secured funding from the National Lottery in support of our Online Groups and additional grants from the following trusts and organisations: Active Essex, Matrix, Joan Ainslie Charitable Trust and Tula Trust. Income from in-memory donations and charity-led donations increased thanks to a number of larger gifts. We are very grateful to all of these grant awarding bodies and donors for these extremely generous financial contributions.

**Financial Review**
Arthritis Action's financial performance is set out on page 17 and the key accounting policies remain unchanged.

Income for the year ended 31 October 2021 was £606,007 (2020: £390,826) an increase of £215,181. Expenditure was maintained at a broadly similar level and composition to the previous year and amounted to £1,108,175 (2020: £1,106,089), an increase of £2,086. As a result, the deficit from operational activities was £502,168 (2020: £715,263), a decrease of £213,095.

The increase in income can primarily be attributed to an increase of £189,424 in legacy receipts from £192,939 to £382,363. Legacy Receipts are the Charity's single most important source of income and, by their very nature, their timing is unpredictable. As the Charity receives a relatively small number of individual bequests, volume fluctuations have a marked effect on the amount of legacy receipts from one year to the next. Over the last 10 years annual legacy receipts have averaged £370,000, a fall of £15,000. Income from Donations increased by £34,014 to £75,493 and our income from Grants increased by £14,434 to £24,394 and reflects our efforts to develop new fundraising activities to diversify our income streams.

After including a net unrealised gain on investments of £588,379 (2020: £256,134 loss) the net surplus for the year ended 31 October 2021 was £86,211 (2020: £971,397 deficit). This resulted in Arthritis Action's total funds increasing to £5,174,814 (2020: £5,088,603).

**Reserves Policy**
Arthritis Action aims to utilise its reserves to help people live active lives, free from the effects of arthritis and raise awareness of the impact of arthritis. The Trustees' underlying policy is, therefore, to closely monitor the reserves position to ensure that the level of cash reserves is appropriate to the operating costs and other commitments of the Charity, and to maintain an adequate level of reserves to cover the inherent volatility and uncertainty surrounding legacy income, upon which the Charity is highly dependent. The Trustees will continue to review this policy to ensure that it reflects the Charity's circumstances, external climate, and future plans.

**Anticipated Funding Deficits**
To achieve our strategy for the next three years, which is to increase the level of assistance we provide to the growing number of people living with arthritis across the UK, the Trustees have set an ambitious budget that involves incurring expenditure which will exceed operating income by approximately 250% over this period. In turn, this will result in annual operating deficits of between £650,000 and £850,000 and a corresponding reduction in our reserves. Therefore, to enable the Charity to continue to run its vital services to meet the everyday needs of people living with the debilitating effects of arthritis, senior management are making strenuous efforts to identify and secure additional revenue streams.

**Investment Policy**
The Charity has approximately £4.7m of reserves for investment. A portion of these (currently 90% or £4.2m) is regarded as long-term reserves, with the remainder being held as shorter-term reserves. When making investment decisions and placing deposits, careful consideration is given to credit, liquidity and cash flow risk and the Charity seeks to obtain the best financial return within an acceptable level of risk. The investment objective for our long-term reserves is to preserve capital in real terms whilst producing a reasonable income, with an intermediate attitude to risk. Schroders, our financial advisors, have discretion to manage our investment within this framework. The Charity expects our financial advisors, as part of their normal investment research and analysis process, to take account of social, environmental, ethical and governance considerations in the selection, retention and realisation of investments.

**Plans for the Future**
Arthritis Action's strategic priorities are:-

- To empower people living with arthritis to better self-manage their condition.

There can be a physical and emotional burden when living with the pain of arthritis, and many people with the condition can feel lonely. They will spend the majority of their time managing the symptoms of their condition on their own. Arthritis Action is here to support people with information and advice they can trust; connect them with each other through events and Groups; and give hands-on help to improve their symptoms. Ensuring people have the information and resources they need to self-manage their condition is key to improving their wellbeing.

- To reach more people across the UK who are motivated to lead a healthy lifestyle and self-manage the symptoms of arthritis.

Arthritis Action offers people with all forms of arthritis a holistic self-management approach that can be tailored to suit each individual based on their condition, pain level, activity levels, eating habits and lifestyle. Arthritis and MSK conditions affect people of all ages, and we know that each person is unique in the way they manage their symptoms. This is precisely why we tailor our self-management approach to meet individual needs. We will proactively reach out to people of working age, especially those aged 20-45 years, adapting our current services to ensure value to young adults, while continuing to be innovative and offer a valuable service to those over the age of 65. Working alongside our Corporate Partnerships Manager, we will focus on developing relationships with organisations that are keen to build a healthier workforce and promoting the self-management approach to encourage people of working age to lead a healthy lifestyle.

- To have a self-management approach that attracts referrals from healthcare professionals.

We promote evidence-based approaches that help control the symptoms of arthritis and manage its effects. We work with experts in health, therapies and nutrition and the wider sector, and follow the latest NICE guidelines, to ensure that we give the most up-to-date information about arthritis. We will work alongside healthcare professionals to promote the wider adoption of our self-management approach, to improve the daily life of those living with arthritis.

- To raise awareness of the Charity and that of arthritis and MSK conditions.

We aim to generate awareness of arthritis, both nationally and regionally, and the importance of adopting a supported self-management approach, to empower communities living with arthritis to take control of their health and care.

We will also continue to monitor our investments and develop our income sources to ensure that our income can fund and sustain our ambitious development programme which we are currently implementing, without adversely affecting our overall financial standing.

In line with our strategic aim of reaching young adults, we will continue to devote greater resource to support them. In 2020 we set aside £110,000 as a designated reserve entitled the Young Adults Fund. During the year we used £13,000 of this Fund and this was used to undertake research and develop new services for young adults under the age of 45. Learning from the valuable research we gathered from surveys and focus groups of young adults in 2021, we will develop specific content to support the physical health and mental well-being of young adults, and it will complement Arthritis Action's self-management approach and services that are suitable for all ages. We introduced a new Self-Management Event in 2021 for the under forties, and we will continue sharing this new content for this service to appeal to this age group. We launched a new Group for young adults in early 2022. We aim to continue gaining a better understanding of issues affecting younger people living with arthritis, and to develop new services to support this important cohort.

In response to the heightened health inequalities brought about by the covid pandemic, the Charity set up a Health Inequalities Working Group which includes the Executive Management Team and four members of staff. The purpose of the Working Group is to set out the Charity's aims of: understanding the needs of diverse communities affected by arthritis; building a diverse and inclusive culture within the organisation; challenging racism and discrimination in its work internally and externally; and continuing to learn, improve and implement best practices in equality and inclusion. The Charity will launch its first ever Equality, Diversity and Inclusion Strategy in Spring 2022.

We will continue to improve the way in which the Trustees govern Arthritis Action, particularly through the continuing ongoing development of the role and function of our Committees, increased risk awareness, and by ensuring that Board Members have the collective skills which enhance the overall effectiveness of the Board of Trustees. We will recruit new Trustees to ensure a diverse range of skills and experience on the Board.

Working together, the Board of Trustees and the Executive Management Team will ensure the continued growth of Arthritis Action as it delivers upon its strategic objectives to existing and future beneficiaries of the Charity.

**COVID-19**

As a result of the ongoing coronavirus pandemic and the UK Government's lockdown announcement on 23rd March 2020, Arthritis Action took all the necessary steps to revise its operations in order to safeguard staff and members. We immediately closed our offices and arranged for all staff to work from home and changed the ways in which we deliver our services to members and the public. We are pleased to report that all of these arrangements have worked well and we are continuing to develop new ways of providing effective remote interaction to support our members and stakeholders. However, the restrictions on large gatherings meant that unfortunately we had to cancel our 2021 Annual Members' Conference, and once again run our Annual General Meeting, differently by asking our members to provide their proxies rather than attend in person.

Unlike many other charities, we are not reliant on merchandise sales to support our work. Accordingly, while the pandemic has adversely affected the value of investments and will probably reduce the income that these investments generate over the next few years, we have not suffered the cash flow difficulties experienced by others in the sector.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Arthritis Action for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

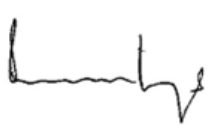
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The Auditors, LMDB Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18th May 2022 and signed on the board's behalf by:



R H Nye - Trustee

**Opinion**

We have audited the financial statements of Arthritis Action (the 'charitable company') for the year ended 31 October 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2021 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on the actual and potential litigation and claims, and also any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in the course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**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. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

S Jaquet FCCA (Senior Statutory Auditor)
for and on behalf of LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Date: 23 May 2022

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
**FOR THE YEAR ENDED 31 OCTOBER 2021**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2021 Total funds £ | 2020 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | 4 | 460,159 | - | 460,159 | 235,930 |
| **Charitable activities** | 5 | | | | |
| Research and other grants | | 6,394 | 18,000 | 24,394 | 9,960 |
| Membership subscriptions | | 16,570 | - | 16,570 | 15,335 |
| Other trading activities | 6 | - | - | - | 45 |
| Income from investments | 7 | 104,884 | - | 104,884 | 129,556 |
| **Total** | | 588,007 | 18,000 | 606,007 | 390,826 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 8 | 132,900 | - | 132,900 | 119,753 |
| **Charitable activities** | 9 | | | | |
| Research and other grants | | 150,091 | - | 150,091 | 133,542 |
| Self-management health programme | | 820,863 | 4,321 | 825,184 | 852,794 |
| **Total** | | 1,103,854 | 4,321 | 1,108,175 | 1,106,089 |
| Net gains/(losses) on investments | | 588,379 | - | 588,379 | (256,134) |
| **NET INCOME/(EXPENDITURE)** | | 72,532 | 13,679 | 86,211 | (971,397) |
| **RECONCILIATION OF FUNDS** | | | | | |
| **Total funds brought forward** | | 5,084,752 | 3,851 | 5,088,603 | 6,060,000 |
| **TOTAL FUNDS CARRIED FORWARD** | | 5,157,284 | 17,530 | 5,174,814 | 5,088,603 |

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL POSITION**
**31 OCTOBER 2021**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2021 Total funds £ | 2020 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 15 | 276,568 | - | 276,568 | 310,948 |
| Investments | 16 | 4,192,189 | - | 4,192,189 | 4,074,292 |
| | | 4,468,756 | - | 4,468,757 | 4,385,240 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 17 | 254,512 | - | 254,512 | 164,505 |
| Cash at bank and in hand | | 502,880 | 17,530 | 520,410 | 612,985 |
| | | 757,392 | 17,530 | 774,922 | 777,490 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 18 | (67,365) | - | (67,365) | (73,377) |
| **NET CURRENT ASSETS** | | 690,027 | 17,530 | 707,557 | 704,113 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 5,158,784 | 17,530 | 5,176,314 | 5,089,353 |
| **PROVISIONS FOR LIABILITIES** | 20 | (1,500) | - | (1,500) | (750) |
| **NET ASSETS** | | 5,157,284 | 17,530 | 5,174,814 | 5,088,603 |
| **FUNDS** | 21 | | | | |
| Unrestricted funds: | | | | | |
| General fund | | | | 4,343,141 | 4,655,223 |
| Revaluation reserve | | | | 716,643 | 319,029 |
| Young People Fund | | | | 97,500 | 110,500 |
| | | | | 5,157,284 | 5,084,752 |
| Restricted funds | | | | 17,530 | 3,851 |
| **TOTAL FUNDS** | | | | 5,174,814 | 5,088,603 |

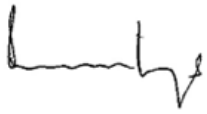
The notes form part of these financial statements



continued...

**STATEMENT OF FINANCIAL POSITION - continued**
**31 OCTOBER 2021**

The financial statements were approved by the Board of Trustees and authorised for issue on 18th May 2022 and were signed on its behalf by:



R H Nye - Trustee

S E Jones - Trustee

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 OCTOBER 2021**

| | Notes | 2021<br>£ | 2020<br>£ |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Cash generated from operations | A | (662,770) | (753,493) |
| Provisions for liabilities | | 750 | (1,770) |
| **Net cash provided by (used in) operating activities** | | (662,020) | (755,263) |
| **Cash flows from investing activities:** | | | |
| Purchase of tangible fixed assets | | (5,923) | (6,961) |
| Purchase of fixed asset investments | | (916,901) | (984,050) |
| Sale of fixed asset investments | | 1,374,474 | 1,636,747 |
| Interest received | | 100 | 1,120 |
| Dividends received | | 104,784 | 128,436 |
| **Net cash provided by (used in) investing activities** | | 556,534 | 775,292 |
| **Change in cash and cash equivalents in the reporting period** | | (105,486) | 20,029 |
| **Cash and cash equivalents at the beginning of the reporting period** | | 642,965 | 622,936 |
| **Cash and cash equivalents at the end of the reporting period** | | 537,479 | 642,965 |
| **Cash and cash equivalent comprises the following:-** | B | | |
| Fixed asset investments – other deposits | | 17,069 | 29,980 |
| Cash at bank and in hand | | 520,410 | 612,985 |
| | | 537,479 | 642,965 |

The notes form part of these financial statements

## NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2021

### A. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)** | 86,211 | (971,397) |
| **Adjustments for:** | | |
| Depreciation charges | 40,302 | 40,699 |
| (Gain)/losses on investments | (588,379) | 256,134 |
| Interest received | (100) | (1,120) |
| Dividends received | (104,784) | (128,436) |
| (Increase)/decrease in debtors | (90,007) | 44,647 |
| (Decrease)/increase in creditors | (6,013) | 5,980 |
| **Net cash used in operations** | (662,770) | (753,493) |

### B. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.11.20 | Cash flow | At 31.10.21 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | 642,965 | (105,486) | 537,479 |

The notes form part of these financial statements

## 1. STATUTORY INFORMATION

Arthritis Action is a Charity registered in England and Wales. The Charity's registered number and registered office address can be found within the trustee report.

The financial statements are presented in £ Sterling.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

**Going concern**
There are no material uncertainties that cast doubt on the charity's ability to continue as a going concern.

**Income**
All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds and it is probable that the income will be received, except where it cannot be measured with sufficient certainty.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except in so far as they cannot be measured with with sufficient certainty. Tangible fixed assets donated or left in legacies are recognised at market value at the time title passes to the Charity.

Subscriptions received and Interest receivable is calculated on an accruals basis.

**Expenditure**
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

**Allocation and apportionment of costs**
The Charity's operating costs include staff costs, premises and other related costs. Such costs are allocated between different expenditure categories including fundraising, publicity, management and administration. Where costs cannot be directly attributable to direct charitable expenditure or other expenditure, they have been apportioned based on an estimate of time spent in each of these categories.

The cost of generating funds is the direct cost spent on fundraising activity. A proportion of central support cost is allocated to the cost of generating funds.


continued...

## 2. ACCOUNTING POLICIES - continued

**Allocation and apportionment of costs**
Governance costs are the costs associated with governance of the Charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Support costs, which comprise central office functions such as general management, administration, budgeting and accounting, information technology and human resources are allocated across the cost of generating funds, grant making and charitable activities costs.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | | |
|---|---|---|
| Freehold property | - | 2% on cost |
| Short leasehold | - | 20% on cost |
| Fixtures and fittings | - | 20% on cost |
| Computer hardware | - | 50% on cost |
| Computer software | - | 20% on cost |

Included within freehold property is land at a historical cost of £76,667 (2020: £76,667) which is not depreciated.

Tangible fixed assets are included at historical cost and assets are capitalised on a historical cost basis of value. Items costing less than £500 are generally not capitalised.

Bequeathed and donated assets are recognised at market value at the time title passes to the Charity. Gains or losses are recognised on disposal.

The Charity holds title to financial assets subject to life tenancy interests held by third parties. Therefore no values for these assets are shown on the balance sheet.

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit which the asset belongs.

Impairment losses are recognised in the year of impairment.

**Taxation**
The Charity is exempt from corporation tax on its charitable activities.

**Fund accounting**
General funds are unrestricted funds which can be used at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.


continued...

## 2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**
The Charity operates a defined contribution pension scheme. Contributions payable to the Charity pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above.

**Investments**
Investments are initially recorded at cost and thereafter restated to market value as at the relevant reporting date. The aggregate value of these investments may fluctuate significantly in line with prevailing market conditions.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

**Provisions**
Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

**Financial instruments**
The Charity recognises a financial asset or liability when it becomes party to the contractual provisions of the instrument. It initially measures the financial instrument at fair value.

**Subsidiary Undertakings**
Arthritis Action has two subsidiary companies, The Arthritis Association and The Arthritic Association. These subsidiaries have no assets or liabilities and are both dormant. As a result, the Charity is exempt from preparing group accounts under the Companies Act 2006 and under FRS 102.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates are underlying assumptions and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Following a review of the financial statements it is deemed there are no areas of estimation uncertainty.


continued...

## 4. DONATIONS AND LEGACIES

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Donations | 75,493 | 41,479 |
| Gift aid | 2,303 | 1,512 |
| Legacies | 382,363 | 192,939 |
| | 460,159 | 235,930 |

**Contingent Legacy assets**

The Charity has received notification of 10 (2020: 13) legacies which are regarded as contingent assets and for which income is expected to be received in future years but which had not met the income recognition criteria as at 31 October 2021. The actual timing of receipt and amounts to be received are unknown. The Charity maintains a record of expected legacies receivable based on the most recent correspondence received in relation to the estate. The value of legacies receivable has been estimated at £306,000 (2020: £440,000).

## 5. INCOME FROM CHARITABLE ACTIVITIES

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Research and other grants | 24,394 | 9,960 |
| Membership subscriptions | 16,570 | 15,335 |
| | 40,964 | 15,335 |

Grants received, included in the above, are as follows:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Kickstart YMCA | 6,394 | - |
| National Lottery | 10,000 | - |
| Essex County Council | 3,000 | - |
| Matrix Chamber | 5,000 | - |
| Covid Support Grant | - | 9,960 |
| | 24,394 | 9,960 |

## 6. OTHER TRADING ACTIVITIES

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Income from treatment consultations | - | 45 |

## 7. INCOME FROM INVESTMENTS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Income from listed investments | 104,784 | 128,436 |
| Interest receivable | 100 | 1,120 |
| | 104,884 | 129,556 |



continued...

## 8. RAISING FUNDS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Cost of generating donations and legacies | 11,130 | 12,525 |
| Investment management costs | 20,482 | 22,291 |
| Support costs | 101,288 | 84,937 |
| | 132,900 | 119,753 |

## 9. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Grant funding of activities (see note 10) | Support costs (see note 11) | Totals |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Research and other grants | 84,758 | 6,780 | 58,553 | 150,091 |
| Self-management health programme | 372,001 | - | 453,183 | 825,184 |
| | 456,759 | 6,780 | 511,736 | 975,275 |

## 10. GRANTS PAYABLE

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Net subsidies paid to assist with physical therapy | 6,780 | 1,920 |

During the year ended 31 October 2021 the temporary suspension of the subsidised consultations service due to the COVID-19 pandemic ended. As a result, subsidies paid to members in respect of physical therapy consultations amounted to £6,030 (2020 £3,690) and the provision to cover unclaimed subsidies had to be increased from £750 to £1,500.


continued...

## 11. SUPPORT COSTS

| | Management | Information technology | Premises | Governance costs | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Raising donations and legacies | 92,792 | - | - | 8,496 | 101,288 |
| Research and other grants | 58,553 | - | - | - | 58,553 |
| Self-management health programme | 158,978 | 47,113 | 187,214 | 59,878 | 453,183 |
| | 310,323 | 47,113 | 187,214 | 68,374 | 613,024 |

Support costs, included in the above, are as follows:

## 12. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 5,406 | 5,208 |
| Depreciation - owned assets | 40,302 | 40,698 |

## 13. TRUSTEES' REMUNERATION AND BENEFITS

None of the Trustees received remuneration or received any other benefits in respect of the performance of their duties as a Trustee for either year ended 31 October 2021 or for the year ended 31 October 2020.

**Trustees' expenses**

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Trustees' expenses | 270 | 429 |

During the year, two (2020: three) Trustees were reimbursed for travel and subsistence expenses which were incurred wholly, exclusively and necessarily in the performance of their duties as a Trustee.



continued...

## 14. STAFF COSTS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 657,488 | 641,147 |
| Social security costs | 65,655 | 61,090 |
| Other pension costs | 50,614 | 45,325 |
| | 773,757 | 747,562 |

The average monthly number of employees during the year was as follows:

| | 2021 | 2020 |
|---|---|---|
| Executive staff | 3 | 3 |
| Support staff | 16 | 14 |
| | 19 | 17 |

One employee was paid emoluments of between £80,000 and £90,000. This employee is the Chief Executive and is the only employee who is regarded as key management for the purpose of FRS102. The total remuneration paid to this employee during the year was £85,700 (2020: £84,023).

This employee also participated in the defined contribution pension scheme and the employer's contributions for the year total £6,381 (2020: £6,256).

Included in defined contribution pension costs is an accrual for unpaid pensions of £5,832 (2020: £5,403).

Pension costs are allocated between activities within the statement of Financial Activity based on staff hours dedicated to the relevant activity.


continued...

## 15. TANGIBLE FIXED ASSETS

| | Freehold property £ | Short leasehold £ | Total land and buildings £ |
|---|---|---|---|
| **COST** | | | |
| At 1 November 2020 | 517,694 | 99,283 | 616,977 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 October 2021 | 517,694 | 99,283 | 616,977 |
| **DEPRECIATION** | | | |
| At 1 November 2020 | 259,969 | 69,197 | 329,166 |
| Charge for year | 5,285 | 19,857 | 25,142 |
| Elimination on disposal | - | - | - |
| At 31 October 2021 | 265,254 | 89,054 | 354,308 |
| **NET BOOK VALUE** | | | |
| At 31 October 2021 | 252,440 | 10,229 | 262,669 |
| At 31 October 2020 | 257,725 | 30,086 | 287,811 |

| | Total land and buildings £ | Fixtures and fittings £ | Computer hardware £ | Computer software £ | Totals |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 November 2020 | 616,977 | 128,284 | 49,354 | 33,144 | 827,759 |
| Additions | - | - | 5,923 | - | 5,923 |
| Disposals | - | (9,504) | (5,158) | (32,136) | (46,798) |
| At 31 October 2021 | 616,977 | 118,780 | 50,119 | 1,008 | 786,884 |
| **DEPRECIATION** | | | | | |
| At 1 November 2020 | 329,166 | 107,990 | 46,853 | 32,802 | 516,811 |
| Charge for year | 25,142 | 11,970 | 3,077 | 114 | 40,303 |
| Elimination on disposal | - | (9,504) | (5,158) | (32,136) | (46,798) |
| At 31 October 2021 | 354,308 | 110,456 | 44,773 | 780 | 510,317 |
| **NET BOOK VALUE** | | | | | |
| At 31 October 2021 | 262,669 | 8,324 | 5,347 | 228 | 276,568 |
| At 31 October 2020 | 287,811 | 20,294 | 2,051 | 342 | 310,948 |

Included within freehold property is land at a historical cost of £76,667 (2020: £76,667), which is not depreciated.



continued...

## 16. FIXED ASSET INVESTMENTS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Shares | 4,158,439 | 4,040,542 |
| Other deposits | 33,750 | 33,750 |
| | 4,192,189 | 4,074,292 |

Additional information as follows:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| **MARKET VALUE** | | | |
| At 1 November 2020 | 4,010,562 | 29,980 | 4,040,542 |
| Additions | 916,901 | - | 916,901 |
| Disposals | (1,374,472) | (12,911) | (1,387,383) |
| Revaluations | 588,379 | - | 588,379 |
| At 31 October 2021 | 4,141,370 | 17,069 | 4,158,439 |
| **NET BOOK VALUE** | | | |
| At 31 October 2021 | 4,141,370 | 17,069 | 4,158,439 |
| At 31 October 2020 | 4,010,562 | 29,980 | 4,040,542 |

Cost or valuation at 31 October 2021 is represented by:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| Valuation in 2021 | 4,141,370 | 17,069 | 4,158,439 |

There were no investment assets outside the UK.

Listed investments are accounted for at market value. The historical cost of listed investments and unit trusts is £3,436,263(2020 - £3,691,531).

Investments (neither listed nor unlisted) were as follows:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Investment property | 33,750 | 33,750 |

Investment property comprises land bequeathed to the Charity. The land was valued at market value in July 2009 when title passed to the Charity and the Trustees are satisfied that there has been no significant change in the fair value of the land since that date.



continued...

## 17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Legacies receivable | 180,145 | 90,479 |
| Rent deposits | 26,260 | 26,260 |
| Prepayments and accrued income | 48,107 | 47,766 |
| | 254,512 | 164,505 |

## 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Trade creditors | 9,591 | 8,407 |
| Social security and other taxes | 19,411 | 18,532 |
| Other creditors | 3,747 | 2,777 |
| Accruals and deferred income | 34,616 | 43,661 |
| | 67,365 | 73,377 |

## 19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Within one year | 60,270 | 121,080 |
| Between one and five years | - | 60,540 |
| | 60,270 | 181,620 |

The Charity entered into a five year operating lease agreement in respect of its London premises in May 2017. The aggregate lease and service charge payment commitments are £60,270, until the end of the lease.

## 20. PROVISIONS FOR LIABILITIES

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Provisions | 1,500 | 750 |

All members are entitled to claim subsidies for physical therapy consultations. Everyone who was a member as at 31 October 2021 is entitled to claim for subsidies of up to £30 each for up to two physical therapy consultations until their next annual membership expiry date. The provision is an estimate, based on the latest uptake statistics, of the likely aggregate amount of subsidy claims that the Charity will be obliged to honour in respect of members as at 31 October 2021.


continued...

## 21. MOVEMENT IN FUNDS

| | At 1.11.20 £ | Net movement in funds £ | At 31.10.21 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 4,655,221 | (312,080) | 4,343,141 |
| Revaluation reserve | 319,031 | 397,612 | 716,643 |
| Young People Fund | 110,500 | (13,000) | 97,500 |
| | 5,084,752 | 72,532 | 5,157,284 |
| **Restricted funds** | | | |
| Restricted | 3,851 | 13,679 | 17,530 |
| **TOTAL FUNDS** | 5,088,603 | 86,211 | 5,174,814 |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 588,007 | (1,090,854) | 190,767 | (312,080) |
| Revaluation reserve | - | - | 397,612 | 397,612 |
| Young People Fund | - | (13,000) | - | (13,000) |
| | 588,007 | (1,103,854) | 588,379 | 72,532 |
| **Restricted funds** | | | | |
| Restricted | 18,000 | (4,321) | - | 13,679 |
| **TOTAL FUNDS** | 606,007 | (1,108,175) | 588,379 | 86,211 |



continued...

## 21. MOVEMENT IN FUNDS - continued

**Comparatives for movement in funds**

| | At 1.11.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.10.20 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 5,449,434 | (683,711) | (110,500) | 4,655,223 |
| Revaluation reserve | 610,566 | (291,537) | - | 319,029 |
| Young People Fund | - | - | 110,500 | 110,500 |
| | 6,060,000 | (975,248) | - | 5,084,752 |
| **Restricted funds** | | | | |
| Restricted | - | 3,851 | - | 3,851 |
| **TOTAL FUNDS** | 6,060,000 | (971,397) | - | 5,088,603 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 385,626 | (1,104,740) | 35,403 | (683,711) |
| Revaluation reserve | - | - | (291,537) | (291,537) |
| | 385,626 | (1,104,740) | (256,134) | (975,248) |
| **Restricted funds** | | | | |
| Restricted | 5,200 | (1,349) | - | 3,851 |
| **TOTAL FUNDS** | 390,826 | (1,106,089) | (256,134) | (971,397) |



continued...

## 21. MOVEMENT IN FUNDS - continued

The movement in funds for the 2 years between 1 November 2019 and 31 October 2021 is as follows:

| | At 1.11.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.10.21 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 5,449,434 | (995,791) | (110,500) | 4,343,143 |
| Revaluation reserve | 610,566 | 106,075 | - | 716,641 |
| Young People Fund | - | (13,000) | 110,500 | 97,500 |
| | 6,060,000 | (902,716) | - | 5,157,284 |
| **Restricted funds** | | | | |
| Restricted | - | 17,530 | - | 17,530 |
| **TOTAL FUNDS** | 6,060,000 | (885,186) | - | 5,174,814 |

The movement in funds for the 2 years between 1 November 2019 and 31 October 2021, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 973,633 | (2,195,594) | 226,170 | (995,791) |
| Revaluation reserve | - | - | 106,075 | 106,075 |
| Young People Fund | - | (13,000) | - | (13,000) |
| | 973,633 | (2,208,594) | 332,245 | (902,716) |
| **Restricted funds** | | | | |
| Restricted | 23,200 | (5,670) | - | 17,530 |
| **TOTAL FUNDS** | 996,833 | (2,214,264) | 332,245 | (885,186) |

During the year realised investment gains amounted to £190,767 (2020 £124,284).



continued...

## 22. RELATED PARTY DISCLOSURES

During the year two (2020: three) Trustees provided services to the Charity for which they received payment.

R Nye received £2,800 (2020: £2,525) for human resource services. The balance due to R Nye at 31 October 2021 was £nil (2020: £nil).

D Rose received £3,350 (2020: £1,750) for member events services. The balance due to D Rose at 31 October 2021 amounted to £1,150 (2020: £800). In accordance with normal commercial terms of trade, the balance outstanding was payable within 30 days of receipt of invoice.

K Young resigned as a trustee on 15 July 2020 and during the financial year to 31 October 2020 he received £1,680 for physiotherapy services.

## 23. SUBSIDIARY UNDERTAKINGS

On 7 October 2014 Arthritis Action incorporated the following subsidiary companies:

The Arthritis Association
The Arthritic Association

These subsidies, which were created to protect the trading names, have no assets or liabilities and were both dormant during the year. It is anticipated that these subsidiaries will remain dormant for the foreseeable future.

Exemption has been claimed from preparing consolidated group accounts under section 9 of FRS102.

**ARTHRITIS ACTION**

England & Wales - Charity number 292569

# Accounts

REGISTERED COMPANY NUMBER: 01914825 (England and Wales)
REGISTERED CHARITY NUMBER: 292569

# REPORT OF THE TRUSTEES AND

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

# FOR

# ARTHRITIS ACTION

LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

ARTHRITIS ACTION

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FOR THE YEAR ENDED 31 OCTOBER 2020

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**ARTHRITIS ACTION**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 OCTOBER 2020**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2020. The trustees have adopted the provisions of 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 2019).

**Website**
www.arthritisaction.org.uk

**REFERENCE AND ADMINISTRATIVE DETAILS**
**Registered Company number**
01914825 (England and Wales)

**Registered Charity number**
292569

**Registered office**
One Upperton Gardens
Eastbourne
East Sussex
BN21 2AA

**Trustees**

| | |
|---|---|
| Mr R H Nye – Chair | |
| Mr G C Allen | |
| Mr R Badiani | Appointed 29 April 2021 |
| Mr C Beevor | Appointed 26 November 2020 |
| Ms A C Godfrey | |
| Mrs K Hoban | Resigned 7 April 2021 |
| Ms C J Jones | |
| Ms S E Jones | |
| Mr G Phillips | Resigned on 30 April 2020 |
| Mrs D M C Rose | |
| Prof S A Vickerstaff | Appointed 8 February 2021 |
| Mr P M Woodhouse | Resigned 4 February 2021 |
| Mr K M Young | Resigned 15 July 2020 |

**Chief Executive**
Miss S Irwin

**Company Secretary**
Mr G Weir

| **Auditors** | **Accountants** | **Solicitors** | **Bankers** | **Financial Advisors** |
|---|---|---|---|---|
| LMDB Limited | Breeze & Associates | Gaby Hardwicke | NatWest | Schroders |
| t/a LMDB Accountants | Limited | 33 The Avenue | Eastbourne Branch | 1 London Wall |
| Statutory Auditors | 5 Cornfield Terrace | Eastbourne | 96 Terminus Road | Place |
| Railview Lofts | Eastbourne | East Sussex | East Sussex | London |
| 19c Commercial Road | East Sussex | BN21 3YD | BN21 3LX | EC2Y 5AU |
| Eastbourne | BN21 4NN | | | |
| East Sussex | | | | |
| BN21 3XE | | | | |

## TRUSTEES' REPORT

Arthritis Action was set up in 1942 and is a charitable company limited by guarantee as defined by the Companies Act 2006. It is governed by its Articles of Association, which were last amended on 13 June 2019.

### Trustees

The Trustees who served on the Board of Trustees during the year are shown on page 1. The Trustees did not receive any remuneration in their capacity as Trustees during the year ended 31 October 2020 (2019: nil); however, they have the option of being reimbursed for costs incurred in attending meetings on behalf of Arthritis Action.

In accordance with Article 8.5 of the Articles of Association the Board of Trustees appointed Colin Beevor as a Trustee on 26 November 2020 and appointed Professor Sarah Vickerstaff as a Trustee on 8 February 2021. They shall be eligible for election at the next Annual General Meeting.

### Objects and Key Aims

Our vision is for people to live active lives, free from the impact of arthritis. To achieve this we aim to:-

- Help and support people with arthritis through the provision of the best available evidence-based approaches and techniques for managing arthritis;
- Monitor arthritis related developments and initiatives, and promote efforts to gain a better understanding of arthritis and its impact on people's lives; and
- Raise awareness of arthritis and disseminate evidence-based information about all matters relating to the condition

### Overview of Activities

During 2020, the Charity spent £852,794 (2019: £880,360) on delivering its self-management health programme and £133,542 (2019: £134,691) on research and other grants.

Arthritis Action is the only UK charity giving hands-on, practical help to improve the quality of life of people affected by arthritis. We offer an integrated self-management approach, which looks at both the physical and mental health impact of living with arthritis. Whilst we are a membership charity, we have transformed our services to benefit our membership and wider communities affected by arthritis and other musculoskeletal (MSK) conditions across the UK. As one size does not fit all, we will continue to develop and offer a range of services so that people can find what works best for them.

Although over 10 million people live with arthritis in the UK, each person is unique in the way they manage their symptoms. Our approach enables people to choose the techniques that work for them best. Our self-management approach includes: healthy eating and nutritional consultations; access to clinical appointments with our network of osteopaths, physiotherapists, and acupuncturists; mental health resources; pain management techniques; local Groups; exercise advice and resources; and a personalised pathway for goal setting and self-management support, to help people take control of their arthritis, manage the pain it can cause, and enjoy life to the full. We are pleased that 95% of our Members are satisfied with our services, based on our survey in 2020. "Arthritis Action offers clear and comprehensive information. They provide excellent 1:1 communication so every member counts. They reinforced what I need to do regarding management of osteoarthritis."

There have been many challenges to overcome in 2020 with the impact of Covid-19, and we missed running our usual face-to-face Arthritis Action Groups and Self-Management Events across the UK. It was important for us to continue supporting people, especially with many feeling more isolated at home. We, therefore, used this opportunity to trial new online services. We are proud to have moved our Groups online very quickly. This enabled attendees to continue to receive peer support online. During the year, we organised over 140 Group meetings and events, with over 2,500 people in attendance. We have also provided much-needed telephone support to more than 2,000 people since lockdown in March 2020 and have learned new ways of staying in touch in this new environment. We piloted an online exercise class which was a big success, so we will offer this new service moving forward. We will continue to develop new ways of working, featuring both online and in-person services, to share self-management information and support people's physical health and mental wellbeing.

We have continued to build on the success of our existing services. Our clinical support service continues to be useful in helping people to manage their pain and to see a clinician without delay, although the service was used less this year with many members self-isolating or shielding through 2020. Our nutritional consultations service has also been much sought-after. Our Registered Dietitian conducted over 90 consultations, as well as giving almost 40 members additional support outside of consultations. This helped people better manage their symptoms and meet their weight and dietary goals. From the 2020 Impact Report, we are pleased that we achieved 100% member satisfaction with the nutrition and weight management service, with 100% saying the service brought them closer to reaching their weight and nutritional goals. 100% also said they are more knowledgeable and that their symptoms have improved. Finally, the Personalised Member Pathway has given members additional support during lockdown, and we are pleased that 100% of members agreed that the Pathway has improved their confidence to self-manage their arthritis.

We have extended our networks and partnerships across the UK and delivered a variety of presentations online throughout the year. These have helped to spread the knowledge and raise awareness of the self-management approach amongst people living with arthritis and other long-term conditions.

We have continued to proactively publicise the activities of Arthritis Action and estimate that we have reached over 40 million people through PR activities, and national and local press coverage. Our social media activity reached 1.1 million people across all our channels. Our website generated 203,000 visits with 470,000 page views, which is a 60% increase from 2019. This is due to millions of people having spent more time online than in 2019, and the relevant online content that we produced for our audiences.

The Trustees have also paid due regard to the Charity Commission's guidance on public benefit and its general guidance when deciding what activities Arthritis Action should undertake.

**Self-Management Approach**
We are the UK charity giving hands-on, practical help to improve the quality of life for people affected by arthritis. We offer an integrated self-management approach to help people with arthritis gain the knowledge and confidence to manage their condition themselves, and live life to the full.

- We tailor our self-management approach to meet individual needs, and our approach encompasses the following services:-
- Personalised Member Pathway, a service that helps members access the services that meet their needs;
- Nutritional and weight management consultations with our registered Dietitian;
- Arthritis Action Groups in locations across the country;
- Self-management educational events to learn about various techniques for managing both the physical and mental aspects of arthritis;
- Arthritis Action Connect telephone service;

- Online Exercise sessions for rehabilitation or for people who have not exercised for a long period of time;
- Free, easy to follow online self-management videos;
- Quarterly webinars with expert speakers, covering a wide range of topics;
- Identification of the most suitable exercises for people with arthritis and other musculoskeletal conditions;
- Subsidised clinical appointments with our registered Osteopaths, Physiotherapists and Acupuncturists; and
- Factsheets, our Members' magazine, E-newsletters and informational leaflets on a variety of topics including self-management, physical activity, and mental well-being.

We are proud that we continued to offer all services throughout the Covid-19 pandemic, quickly moving our face-to-face Groups and presentations to external audiences online. Sadly, we were only able to run one of our two-day Self-Management Events in Colchester before the pandemic hit. This Event was well attended by our members and the general public, which clearly demonstrates that people living with arthritis want to gain a significant benefit from learning about managing their arthritis on a day-to-day basis. We took this opportunity to prepare content and will run our Self-Management Events online until it is safe to meet face-to-face again.

**Governance and Management**

Members of the Board of Trustees are responsible, on behalf of their fellow members and people living with arthritis generally, for the good governance of the Charity. Board Members set and review the Charity's strategic objectives on a regular basis and establish policy for staff to implement in a manner that is in keeping with Arthritis Action's objectives.

The Articles of Association permits the appointment of up to 15 Trustees, one of whom should be the Chair of the Board of Trustees. The Chair is elected by the Trustees for a period of three years and can be re-elected by mutual consent. All Trustees are elected by members at the Charity's Annual General Meeting and are appointed for a period of three years. In accordance with the Articles of Association, new Trustees can be appointed by the existing Trustees during the year, but must then stand for election by the members at the next Annual General Meeting. Trustees can put themselves forward for re-election at the end of each 3-year period.

The Board of Trustees is committed to continually improving its governance of the Charity, and meets as a whole on a minimum of four occasions in each calendar year. For efficient operational purposes, the Board of Trustees is also sub-divided into two working Committees - the Finance & Risk Committee and the Remuneration & Nominations Committee.

The Finance & Risk Committee ("FRC") meets on at least three occasions in each calendar year and comprises three Trustees as well as the Chief Executive and the Company Secretary. The purpose of the FRC is to oversee and brief the Board of Trustees on all aspects of financial, budgetary and risk management. In particular, the FRC:

- Reviews the management accounts;
- Oversees the preparation of the annual budget;
- Monitors the performance of the Charity's Investments;
- Formulates the Charity's Risk Management Policy;
- Oversees the preparation of the annual financial statements;
- Monitors the Charity's Information Technology requirements;
- Oversees the process of selection or re-selection of an Auditor.

The FRC ensures that effective systems of accounting and internal control are established and maintained, and that the Board of Trustees is aware of any matters that might have a significant impact on the financial condition or affairs of the Charity.

The Remuneration & Nominations Committee ("RNC") comprises four Trustees and the Chief Executive. The main purpose of the RNC is to oversee and brief the Board of Trustees on all aspects of Human Resources. It is also required to advise and make recommendations to the Board of Trustees with regard to appointments to the Board, its Committees and Advisory Groups, and to ensure that the skills and experience required for these roles are identified.

The RNC considers the appointment of all staff for Arthritis Action following presentation of a formal proposal for recruitment by the Chief Executive. The RNC then recommends agreed proposals to the Board for approval. Any changes in organisation structure are similarly proposed by the Chief Executive to the RNC before being submitted to the Board of Trustees for approval.

The RNC regularly appraises the employee remuneration structure and makes recommendations to the Board regarding salary reviews and any other proposals which affect pay, benefits and conditions. The RNC also leads on appraising the Chief Executive's performance and salary.

The RNC is also responsible for ensuring that all employment policies and practices comply with current UK Employment Law, and regularly reviews HR strategy and the implementation of HR policies & practices. Any significant changes to HR policies & practices are proposed for approval by the Board.

**Trustee Induction**
On appointment to the Board of Trustees, each Trustee completes a "Register of Interests" and receives appropriate induction. Further training needs are met, both individually and collectively, through regular Board training sessions and by Trustees attending training days conducted by external training providers.

**Professional Services**
During the year ended 31 October 2020, Arthritis Action retained the professional services of Breeze & Associates, Chartered Accountants, to ensure effective segregation of accounting duties. They were responsible for maintaining the financial records, while the Company Secretary was responsible for statutory and other financial matters. The names and addresses of organisations which provide banking services and professional advice to the Charity are detailed on page 1 of this report.

**Staff and Trustee Changes**
Arthritis Action continues to broaden its organisation structure to cope with increased activity and the development of more Arthritis Action Groups, in line with its strategic objectives. We recruited a new full-time Communications Officer in February 2020, and a new part-time Corporate Partnerships Manager in July 2020. We also hired a member of staff in April 2021 on a six month contract through the Government's KickStart Scheme. This young person will research the needs of young adults living with arthritis and work with the team to adapt content and develop services for young adults. As a result, there are now 19 full and part time members of staff.

Kevin Young stepped down from the Board in July 2020 after 12 years as a Trustee. However, we are delighted that Kevin continues to be involved with Arthritis Action through his role as an Associated Practitioner. Kevin's advice and guidance over the years has been invaluable. Pat Woodhouse resigned February 2021, having joined the Board of Trustees in January 2014 and serving as a member of the Finance and Risk Committee for several years. Keren Hoban resigned in April 2021 after almost 6 years as a Trustee. The Trustees and Staff would like to thank Kevin, Pat and Karen for their considerable support.

The Charity has a multi skilled Board of Trustees which provides a pool of specialist knowledge that the Executive Management Team and the Charity as a whole can call upon for help and advice, and which is capable of continuing the development of Arthritis Action as a leading arthritis charity in the UK.

Colin Beevor joined the Board of Trustees in November 2020. Colin has 25 years' experience in rheumatology nursing and a wide range of nursing management at ward, outpatient, and clinical nurse specialist levels. He is proud to work with a team of dedicated and expert nurses, doctors, and physiotherapists caring for patients with a wide range of Rheumatological diseases.

Sarah Vickerstaff joined the Board of Trustees in February 2021. Sarah is a Professor of Work and Employment at Kent University, and is currently the University's lead for Athena SWAN, the gender equality charter. Sarah is an internationally recognised Professor and researcher into paid work in later life. In the last 20 years, her research on older workers and retirement has been funded by research councils, charities and the UK Government. She has published 4 books, 5 reports, 24 journal articles and many book chapters in this field.

Raj Badiani has spent over 11 years working in the IT industry and combines his creativity and eye for technology to support leading organisations operating in the public and private sector. Raj is head of Digital for a leading Defence and Technology organisation providing Digital Transformation Consulting services and Cyber Security Advisory to clients based in the UK and Middle East. Raj is an advocate for promoting diversity and inclusion in the workplace and is Chair of an Ethnic Minority Employee Resource Group within his organisation.

We are always looking to recruit Trustees with a suitable skill set in order maintain an efficient, effective and diverse Board of Trustees. Please contact Shantel Irwin, our CEO, if you are interested in finding out more.

**Risk Management**

The Trustees have a duty to identify and review the risks to which Arthritis Action is exposed and to ensure appropriate controls are in place to provide effective corporate governance and reasonable assurance against fraud and error. The principal risks are: -

- Loss of Funds: the majority of Arthritis Action's funds are managed by an accredited UK charity fund manager, and other funds are held with suitable first tier banks on a short-term basis. As a result, there is little risk in the short or medium term.
- Loss of Income: the Charity is dependent on income from legacies, donations, and membership fees, and remains actively engaged in fundraising activities in order to ensure the continuing flow of income from these sources. Efforts are being made to broaden the income sources in order to further reduce this risk.
- Loss of Reputation: the Charity takes great care to preserve the professionalism of the services it provides to its members and others who seek help with their arthritis condition. It also actively monitors its interaction and relationships with 3rd parties and other stakeholders to ensure that high standards are maintained.

Other identified risks include cash flow management, health & safety of staff and members, maintaining the IT infrastructure, and staff retention/development.

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place to help identify, evaluate and manage these risks. The Executive Management Team reviews key strategic and operational risks on a regular basis and considers new and emerging risks. These risks are recorded on a 'Risk Register' and the Board reviews this Register and receives updates on any changes to or re-assessments of all recorded risks on a regular basis.

The impact and potential threats associated with the COVID-19 pandemic to staff, our members and other stakeholders have been included in these risk management identification and control procedures. We are satisfied that all reasonable steps, that we can implement, have been taken to identify and mitigate these risks.

A rigorous set of financial authorities and procedures is also in place.

**Volunteers**
The Trustees volunteer their time and individual expertise freely to the governance and management of the Charity. The Charity also benefits from the help of a small number of volunteers, who help to organise some of the Arthritis Action Groups in their own localities. We also benefitted from the valuable skills of a volunteer who, while furloughed from her workplace, helped us develop a Volunteering Strategy.

Arthritis Action maintains an Employer Supported Volunteering scheme which is aimed at supporting employees who wish to volunteer or continue to volunteer to support a wide range of community activities such as a local community group, another charity or school, etc. The purpose of this policy is to encourage and support employees of Arthritis Action who wish to become involved in, or continue to be involved with, volunteering.

**Assistance and Support for Members & People Living With Arthritis**
We have continued to expand our services and the extent and methods by which we provide information to our members and others living with arthritis, who are seeking help and advice.

We have added more videos to our online Self-Management Resource, which continues to be the UK's first (and free) arthritis self-management e-learning platform. The resource now includes 27 evidence-based videos, to help people with arthritis self-manage different aspects of their condition and improve their daily life. The resource has been viewed on our website over 37,000 times, with average session times reaching 5 minutes. Topics range from X-rays, Medication, Aids and Devices, Work and Arthritis, to Weight Management and Positive Thinking. We will continue to expand this successful resource.

For the very first time, we developed quick exercise videos for our social media channels, to encourage people to keep active while staying at home for prolonged periods due to the pandemic. The videos featured our Services Development Manager and Therapies Manager & Exercise Lead.

We also developed a dedicated Covid-19 hub on our website, including content and advice for people spending more time indoors, and frequently asked questions about Covid-19 and arthritis. This attracted over 22,000 visits. Our online mental health and exercise directories are proving to be extremely relevant during the ongoing pandemic, with more than 8,000 people making use of our resources. Our webinar series was also a great success, with over 200 attendees engaging in topics including Rheumatoid Arthritis, Covid-19 and Arthritis, and Exercise and Mental Wellbeing.

During 2020, we secured significant national media coverage in The Guardian and The Telegraph. Arthritis Action was also featured in a number of regional and local publications, with articles supporting the local Group meetings, and highlighting patient stories. Following the launch of our own online eNews publication in 2017, we now have over 1,900 subscribers who receive it via a monthly email.

We have also continued the development of Arthritis Action Groups ("AAGs") which meet on a regular basis and enable like-minded people to share their experiences of living with arthritis. AAGs are also encouraged to invite guest speakers to some of their meetings to contribute to a greater knowledge of the ways in which people can control or manage the symptoms of arthritis. During 2020, we sadly had to stop meeting in person due to the pandemic, but were really pleased to have moved the AAGs online by April. With the aim of increasing confidence and improving mental well-being, these Groups were more important than ever to support people who were isolated at home, giving them a space to meet, learn from each other and our speakers,. We are pleased that 98% of attendees surveyed found the Groups helpful in 2020. We have expanded our reach and we are working with local groups. We now have 16 AAGs which are based in Eastbourne, London, Norwich, Ferndown (Bournemouth), Warrington, Staines, Southampton, Bury St Edmunds, Coventry, Leicester, Kent, Derby, Nottingham, Stoke on Trent, Lincoln and Birmingham. We look forward to offering a mix of virtual and face-to-face Groups when it is safe to meet again, and these meetings are open to members and those living with arthritis. "I really enjoy the Groups and they helped me embrace my status as an osteoarthritis patient without having to let it dominate my life."

Arthritis Action has continued to expand the availability of therapies which complement our objective of relieving the pain of arthritis, and we also provide mental well-being support and a flexible healthy eating and weight management service. We raise awareness, disseminate information and give presentations on self-management topics around the country to people living with, and impacted by, arthritis. To improve the way we communicate with external audiences we have also continued to develop our social media channels such as Twitter, Facebook, Instagram, LinkedIn, and YouTube.

**Research**

The Board of Trustees is keen for research to form an integral part of the Charity's activities and a budget allocation for research has been made available year-on-year for the last seven years. Through our research funding we are constantly looking for ways to support people with arthritis and develop a better understanding of arthritis and its effects on people's lives.

We were approached by over 30 university undergraduates and postgraduates to ask our members if they would be willing to help with their research. We have also been approached by Universities to support their research.

**Fundraising**

Arthritis Action is committed to good fundraising practice and is registered with the Fundraising Regulator. We voluntarily subscribe to the Fundraising Regulator's Code of Fundraising Practice and have a Donations Acceptance Policy approved by the Board of Trustees, which can be viewed on our website. Our Fundraising Manager and Corporate Partnerships Manager adhere to all applicable laws and codes such as the Fundraising Regulator's Code of Fundraising Practice and data protection laws. Both staff members report directly to our Executive Management Team who, with regards to all members of the public, ensure that all fundraising activities do not result in unreasonable intrusions, unreasonably persistent approaches or any undue pressure being exerted. We do not use any external fundraising organisations or professional fundraisers and did not receive any complaints about fundraising activities carried out by Arthritis Action during 2019/20.

Our Fundraising Manager is focused on developing new fundraising activities to diversify our income streams, covering most areas of fundraising: individual giving, legacy fundraising, challenge events, trusts, and corporate partnerships. Our largest income source continues to be legacies; therefore, we are exploring new ways of leveraging this area of fundraising alongside our other activities.

Covid-19 posed a significant challenge for the team to secure events income due to the cancellation of challenge events and marathons, so they are identifying ways to develop virtual event options for our supporters. Nonetheless, we secured funding from the National Lottery to support the running of our Online Groups, and the Edith Florence Spencer Memorial Trust to fund our Groups in the Midlands. We also secured funding from the Joan Ainslie Charitable Trust and The Tula Trust Limited. We have also seen a significant increase in in-memorial donations and online donations due to the pandemic.

Our Corporate Partnerships Manager is investing her time in developing new corporate relationships and raising awareness of arthritis and its prevalence in the workplace.

**Financial Review**

Arthritis Action's financial performance is set out on page 16 and the key accounting policies remain unchanged.

Income for the year ended 31 October 2020 was £390,826 (2019: £564,106) a decrease of £173,280. However, despite this fall, expenditure was maintained at a similar level and composition to the previous year and amounted to £1,106,089 (2019: £1,112,816), a decrease of £6,727. As a result, the deficit from operational activities was £715,263 (2019 £548,710) an increase of £166,553.

The decrease in income can primarily be attributed to a decrease of £178,186 in legacy receipts from £371,125 to £192,939. Legacy Receipts are the Charity's single most important source of income and, by their very nature, their timing is unpredictable. As the Charity receives a relatively small number of individual bequests, volume fluctuations have a marked effect on the amount of legacy receipts from one year to the next. Over the last 10 years annual legacy receipts have averaged £395,000, a fall of £25,000.

After including a net unrealised loss on investments of £256,134, (2019: £107,219 gain) the net deficit for the year ended 31 October 2020 was £971,397 (2019: £441,491). This resulted in Arthritis Action's total funds falling to £5,088,603 (2019: £6,060,000).

**Reserves Policy**
Arthritis Action aims to utilise its reserves to help people live active lives, free from the effects of arthritis and raise awareness of the impact of arthritis. The Trustees' underlying policy is, therefore, to closely monitor the reserves position to ensure that the level of cash reserves is appropriate to the operating costs and other commitments of the Charity, and to maintain an adequate level of reserves to cover the inherent volatility and uncertainty surrounding legacy income, upon which the Charity is highly dependent. The Trustees will continue to review this policy to ensure that it reflects the Charity's circumstances, external climate, and future plans.

**Anticipated Funding Deficits**
To achieve our strategy for the next three years (2021-2023), which is to increase the level of assistance we provide to the growing number of people living with arthritis across the UK, the Trustees have set an ambitious budget that involves incurring annual expenditure which will exceed operating income by approximately 250% per annum. In turn, this will result in annual operating deficits of between £730,000 and £900,000 and a corresponding reduction in our reserves. We also anticipate significant reductions in some of our income streams due to COVID-19. Therefore, to enable the Charity to continue to run its vital services to meet the everyday needs of people living with the debilitating effects of arthritis, the Trustees have instructed senior management to identify and endeavour to secure additional revenue streams.

**Investment Policy**
The Charity has approximately £4.7m of reserves for investment. A portion of these (currently 85% or £4m) is regarded as long-term reserves, with the remainder being held as shorter-term reserves. When making investment decisions and placing deposits, careful consideration is given to credit, liquidity and cash flow risk and the Charity seeks to obtain the best financial return within an acceptable level of risk. The investment objective for our long-term reserves is to preserve capital in real terms whilst producing a reasonable income, with an intermediate attitude to risk. Schroders, our financial advisors, have discretion to manage our investment within this framework. The Charity expects our financial advisors, as part of their normal investment research and analysis process, to take account of social, environmental, ethical and governance considerations in the selection, retention and realisation of investments.

**Plans for the Future**
Arthritis Action's 2021-2023 strategic priorities are:-

- To empower people living with arthritis to better self-manage their condition.

There can be a physical and emotional burden when living with the pain of arthritis, and many people with the condition can feel lonely. They will spend the majority of their time managing the symptoms of their condition on their own. Arthritis Action is here to support people with information and advice they can trust; connect them with each other through events and Groups; and give hands-on help to improve their symptoms. Ensuring people have the information and resources they need to self-manage their condition is key to improving their wellbeing.

- To reach more people across the UK who are motivated to lead a healthy lifestyle and self-manage the symptoms of arthritis.

Arthritis Action offers people with all forms of arthritis a holistic self-management approach that can be tailored to suit each individual based on their condition, pain level, activity levels, eating habits and lifestyle. Arthritis and MSK conditions affect people of all ages, and we know that each person is unique in the way they manage their symptoms. This is precisely why we tailor our self-management approach to meet individual needs. We will proactively reach out to people of working age, especially those aged 20-40 years, adapting our current services to ensure value to young adults, while continuing to be innovative and offer a valuable service to those over the age of 65. Working alongside our Corporate Partnerships Manager, we will focus on developing relationships with organisations that are keen to build a healthier workforce, and promoting the self-management approach to encourage people of working age to lead a healthy lifestyle.

- To have a self-management approach that attracts referrals from healthcare professionals.

We promote evidence-based approaches that help control the symptoms of arthritis and manage its effects. We work with experts in health, therapies and nutrition and the wider sector, and follow the latest NICE guidelines, to ensure that we give the most up-to-date information about arthritis. We will work alongside healthcare professionals to promote the wider adoption of our self-management approach, to improve the daily life of those living with arthritis.

- To raise awareness of the Charity and that of arthritis and MSK conditions.

We aim to generate awareness of arthritis, both nationally and regionally, and the importance of adopting a supported self-management approach, to empower communities living with arthritis to take control of their health and care.

We will also continue to monitor our investments and develop our income sources to ensure that our income can fund and sustain our ambitious development programme which we are currently implementing, without adversely affecting our overall financial standing.

In line with our strategic aim of reaching younger people, we will devote greater resource to support young adults, and have therefore set aside £110,000 as a designated reserve entitled the Young Adults Fund. We intend to use this over the next three years to undertake research and develop new services for young adults under the age of 40. We will develop specific content to support the physical health and mental well-being of young adults, and it will complement Arthritis Action's self-management approach and services that are suitable for all ages. We will introduce a new Self-Management Event in 2021 for the under forties, and we are developing new content for this service to appeal to this age group. We have hired a new staff member to conduct research and organise focus groups with young adults in 2021, in coordination with the Arthritis Action team, to ensure our services are relevant for younger people. We aim to gain a better understanding of issues affecting younger people living with arthritis, and to develop new services to support this important cohort.

We will continue to improve the way in which the Trustees govern Arthritis Action, particularly through the continuing ongoing development of the role and function of our Committees, increased risk awareness, and by ensuring that Board Members have the collective skills which enhance the overall effectiveness of the Board of Trustees.

Working together, the Board of Trustees and the Executive Management Team will ensure the continued growth of Arthritis Action as it delivers upon its strategic objectives to existing and future beneficiaries of the Charity.

**COVID-19**

As a result of the coronavirus pandemic and the UK Government's lockdown announcement on 23rd March 2020, Arthritis Action took all necessary steps to revise its operations in order to safeguard staff and members. We immediately closed our offices and arranged for all staff to work from home and changed the ways in which we deliver our services to Members and the public. In particular, this involved suspending our subsidised clinical appointment service until the Government stated that clinics could re-open, and converting our local face-to-face Group meetings to online meetings to continue to provide peer support. We are pleased to report that all of these arrangements have worked well and we are continuing to develop new ways of providing effective remote interaction to support our members and stakeholders. Unfortunately, however, the restrictions on large gatherings meant that we had to cancel our 2020 Annual Conference and defer our Annual General Meeting until September 2020, when we asked our Members to provide their proxies rather than attend in person. In view of the current restrictions and ongoing uncertainty, we have reluctantly decided to cancel the 2021 Annual Conference and once again will adopt proxy arrangements for the Annual General Meeting, which will be held on Thursday 10th June 2021.

Unlike many other charities, we are not reliant on merchandise sales to support our work. Accordingly, while the pandemic has adversely affected the value of investments and will probably reduce the income that these investments generate over the next few years, we have not suffered the cash flow difficulties experienced by others in the sector. Since the financial year end, we experienced a fall of approximately £500,000 (10%) in the value of our investments as markets reacted to the pandemic. However, the value of our investments fell by £256,000 during the year and is still showing signs of volatility. In conjunction with Schroders, our financial advisors, we continue to monitor this financial risk very closely.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Arthritis Action for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

---

**AUDITORS**
The Auditors, LMDB Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 24-Feb-2021 and signed on the board's behalf by:

.....
R H Nye - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARTHRITIS ACTION

### Opinion

We have audited the financial statements of Arthritis Action (the 'charitable company') for the year ended 31 October 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2020 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Responsibilities of trustees**
As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**
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 a Report of the Independent Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARTHRITIS ACTION

**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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

S Jaquet FCCA (Senior Statutory Auditor)
for and on behalf of LMDB Limited
t/a LMDB Accountants
Statutory Auditors
Railview Lofts
19c Commercial Road
Eastbourne
East Sussex
BN21 3XE

Date: 14/05/2021

**ARTHRITIS ACTION**

**STATEMENT OF FINANCIAL ACTIVITIES**
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
**FOR THE YEAR ENDED 31 OCTOBER 2020**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | 4 | 230,730 | 5,200 | 235,930 | 394,211 |
| Charitable activities | 5 | 15,335 | - | 15,335 | 15,339 |
| Other trading activities | 6 | 45 | - | 45 | 760 |
| Income from investments | 7 | 129,556 | - | 129,556 | 153,796 |
| Coronavirus Community Support Fund grant | | 9,960 | - | 9,960 | - |
| **Total** | | 385,626 | 5,200 | 390,826 | 564,106 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 8 | 119,753 | - | 119,753 | 97,765 |
| **Charitable activities** | 9 | | | | |
| Research and other grants | | 133,542 | - | 133,542 | 134,691 |
| Self-management health programme | | 851,445 | 1,349 | 852,794 | 880,360 |
| **Total** | | 1,104,740 | 1,349 | 1,106,089 | 1,112,816 |
| Net gains/(losses) on investments | 21 | (256,134) | - | (256,134) | 107,219 |
| **NET INCOME/(EXPENDITURE)** | | (975,248) | 3,851 | (971,397) | (441,491) |
| **RECONCILIATION OF FUNDS** | | | | | |
| **Total funds brought forward** | | 6,060,000 | - | 6,060,000 | 6,501,491 |
| **TOTAL FUNDS CARRIED FORWARD** | | 5,084,752 | 3,851 | 5,088,603 | 6,060,000 |

These notes form part of these financial statements

**ARTHRITIS ACTION**

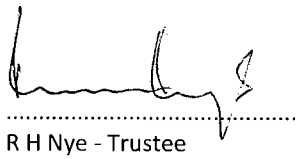
**STATEMENT OF FINANCIAL POSITION**
**31 OCTOBER 2020**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 15 | 310,948 | - | 310,948 | 344,685 |
| Investments | 16 | 4,074,292 | - | 4,074,292 | 4,977,717 |
| | | 4,385,240 | - | 4,385,240 | 5,322,402 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 17 | 164,505 | - | 164,505 | 209,152 |
| Cash at bank and in hand | | 609,134 | 3,851 | 612,985 | 598,363 |
| | | 773,639 | 3,851 | 777,490 | 807,515 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 18 | (73,377) | - | (78,377) | (67,397) |
| **NET CURRENT ASSETS** | | 700,262 | 3,851 | 704,118 | 740,118 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 5,085,502 | 3,851 | 5,089,353 | 6,062,520 |
| **PROVISIONS FOR LIABILITIES** | 20 | (750) | - | (750) | (2,520) |
| **NET ASSETS** | | 5,084,752 | 3,851 | 5,088,603 | 6,060,000 |
| **FUNDS** | 21 | | | | |
| Unrestricted funds: | | | | | |
| General fund | | | | 4,655,223 | 5,449,434 |
| Revaluation reserve | | | | 319,029 | 610,566 |
| Young People Fund | | | | 110,500 | - |
| | | | | 5,084,752 | 6,060,000 |
| Restricted funds | | | | 3,851 | - |
| **TOTAL FUNDS** | | | | 5,088,603 | 6,060,000 |

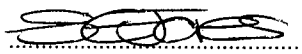
These notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION - continued**
**31 OCTOBER 2020**

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:



R H Nye - Trustee



S E Jones - Trustee

The notes form part of these financial statements

**ARTHRITIS ACTION**

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 OCTOBER 2020**

| | Notes | 2020 £ | 2019 £ |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Cash generated from operations | A | (753,493) | (532,882) |
| Provisions for liabilities | | (1,770) | 660 |
| **Net cash provided by (used in) operating activities** | | (755,263) | (532,222) |
| **Cash flows from investing activities:** | | | |
| Purchase of tangible fixed assets | | (6,961) | (3,297) |
| Purchase of fixed asset investments | | (984,050) | (1,217,038) |
| Sale of fixed asset investments | | 1,636,747 | 1,079,763 |
| Interest received | | 1,120 | 3,957 |
| Dividends received | | 128,436 | 149,839 |
| **Net cash provided by (used in) investing activities** | | 775,292 | 13,224 |
| **Change in cash and cash equivalents in the reporting period** | | 20,029 | (518,998) |
| **Cash and cash equivalents at the beginning of the reporting period** | | 622,936 | 1,141,934 |
| **Cash and cash equivalents at the end of the reporting period** | | 642,965 | 622,936 |
| **Cash and cash equivalent comprises the following:-** | | | |
| Fixed asset investments – other deposits | | 29,980 | 24,573 |
| Current asset investments | | - | - |
| Cash at bank and in hand | | 612,985 | 598,363 |
| | | 642,965 | 622,936 |

The notes form part of these financial statements

## NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2020

### A. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Net expenditure for the reporting period (as per the Statement of Financial Activities)** | (971,397) | (441,491) |
| **Adjustments for:** | | |
| Depreciation charges | 40,699 | 43,979 |
| Losses/(gain) on investments | 256,134 | (107,219) |
| Interest received | (1,120) | (3,957) |
| Dividends received | (128,436) | (149,839) |
| Decrease in debtors | 44,647 | 105,008 |
| Increase in creditors | 5,980 | 20,637 |
| **Net cash used in operations** | (753,493) | (532,882) |

The Notes form part of these financial statements

## 1. STATUTORY INFORMATION

Arthritis Action is a Charity registered in England and Wales. The Charity's registered number and registered office address can be found within the trustee report.

The financial statements are presented in £ Sterling.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

**Going concern**
There are no material uncertainties that cast doubt on the charity's ability to continue as a going concern.

**Income**
All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds and it is probable that the income will be received, except where it cannot be measured with sufficient certainty.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except in so far as they cannot be measured with with sufficient certainty. Tangible fixed assets donated or left in legacies are recognised at market value at the time title passes to the Charity.

Subscriptions received and Interest receivable is calculated on an accruals basis.

**Expenditure**
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

**Allocation and apportionment of costs**
The Charity's operating costs include staff costs, premises and other related costs. Such costs are allocated between different expenditure categories including fundraising, publicity, management and administration. Where costs cannot be directly attributable to direct charitable expenditure or other expenditure, they have been apportioned based on an estimate of time spent in each of these categories.

The cost of generating funds is the direct cost spent on fundraising activity. A proportion of central support cost is allocated to the cost of generating funds.


Continued...

## 2. ACCOUNTING POLICIES - continued

**Allocation and apportionment of costs**
Governance costs are the costs associated with governance of the Charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Support costs, which comprise central office functions such as general management, administration, budgeting and accounting, information technology and human resources are allocated across the cost of generating funds, grant making and charitable activities costs.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---|---|
| Freehold property | - 2% on cost |
| Short leasehold | - 20% on cost |
| Fixtures and fittings | - 20% on cost |
| Computer hardware | - 50% on cost |
| Computer software | - 20% on cost |

Included within freehold property is land at a historical cost of £76,667 (2019: £76,667) which is not depreciated.

Tangible fixed assets are included at historical cost and assets are capitalised on a historical cost basis of value. Items costing less than £500 are generally not capitalised.

Bequeathed and donated assets are recognised at market value at the time title passes to the Charity. Gains or losses are recognised on disposal.

The Charity holds title to financial assets subject to life tenancy interests held by third parties. Therefore no values for these assets are shown on the balance sheet.

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit which the asset belongs.

Impairment losses are recognised in the year of impairment.

**Taxation**
The Charity is exempt from corporation tax on its charitable activities.

**Fund accounting**
General funds are unrestricted funds which can be used at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.


Continued...

## 2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**
The Charity operates a defined contribution pension scheme. Contributions payable to the Charity pension scheme are charged to the Statement of Financial Activities in the period to which they relate. Pension costs are allocated to activities on the same basis as set out in the allocation and apportionment of costs policy stated above.

**Investments**
Investments are initially recorded at cost and thereafter restated to market value as at the relevant reporting date. The aggregate value of these investments may fluctuate significantly in line with prevailing market conditions.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

**Provisions**
Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

**Financial instruments**
The Charity recognises a financial asset or liability when it becomes party to the contractual provisions of the instrument. It initially measures the financial instrument at fair value.

**Subsidiary Undertakings**
Arthritis Action has two subsidiary companies, The Arthritis Association and The Arthritic Association. These subsidiaries have no assets or liabilities and are both dormant. As a result, the Charity is exempt from preparing group accounts under the Companies Act 2006 and under FRS 102.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates are underlying assumptions and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Following a review of the financial statements it is deemed there are no areas of estimation uncertainty.


Continued...

## 4. DONATIONS AND LEGACIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Donations | 41,479 | 20,742 |
| Gift aid | 1,512 | 2,344 |
| Legacies | 192,939 | 371,125 |
| | 235,930 | 394,211 |

**Contingent Legacy assets**

The Charity has received notification of 13 (2019: 11) legacies which are regarded as contingent assets and for which income is expected to be received in future years but which had not met the income recognition criteria as at 31 October 2020. The actual timing of receipt and amounts to be received are unknown. The Charity maintains a record of expected legacies receivable based on the most recent correspondence received in relation to the estate. The value of legacies receivable has been estimated at £440,000 (2019: £319,000).

## 5. INCOME FROM CHARITABLE ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Membership subscriptions | 15,335 | 15,339 |

## 6. OTHER TRADING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Income from treatment consultations | 45 | 760 |

## 7. INCOME FROM INVESTMENTS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Income from listed investments | 128,436 | 149,839 |
| Interest receivable | 1,120 | 3,957 |
| | 129,556 | 153,796 |



Continued...

## 8. RAISING FUNDS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Cost of generating donations and legacies | 12,525 | 13,987 |
| Investment management costs | 22,291 | 23,706 |
| Support costs | 84,937 | 60,072 |
| | 119,753 | 97,765 |

## 9. CHARITABLE ACTIVITIES COSTS

| | Direct costs | Grant funding of activities (See note 10) | Support costs (See note 11) | Totals |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Research and other grants | 83,970 | 1,920 | 47,652 | 133,542 |
| Self-management health programme | 384,014 | - | 468,780 | 852,794 |
| | 467,984 | 1,920 | 516,432 | 986,336 |

## 10. GRANTS PAYABLE

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Net subsidies paid to assist with physical therapy | 1,920 | 8,250 |

During the year ended 31 October 2020 subsidies paid to members in respect of physical therapy consultations amounted to £3,690 (2019 £7,590). In 2019 a provision of £2,520 to cover unclaimed subsidies was made. However, following a temporary suspension of the subsidised consultations service, due to the COVID-19 pandemic, the amount of the provision required at 31 October 2020 has reduced by £1,770 to £750.

## 11. SUPPORT COSTS

| | Management | Information technology | Premises | Governance costs | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Raising donations and legacies | 76,082 | - | - | 8,855 | 84,937 |
| Research and other grants | 47,652 | - | - | - | 47,652 |
| Self-management health programme | 169,891 | 55,625 | 181,867 | 61,397 | 468,780 |
| | 293,625 | 55,625 | 181,867 | 70,252 | 601,369 |



Continued...

Support costs, included in the above, are as follows:

## 12. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 5,208 | 5,136 |
| Depreciation - owned assets | 40,698 | 43,978 |

## 13. TRUSTEES' REMUNERATION AND BENEFITS

None of the Trustees received remuneration or received any other benefits in respect of the performance of their duties as a Trustee for either year ended 31 October 2020 or for the year ended 31 October 2019.

**Trustees' expenses**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trustees' expenses | 429 | 865 |

During the year, three (2019: three) Trustees were reimbursed for travel and subsistence expenses which were incurred wholly, exclusively and necessarily in the performance of their duties as a Trustee.

## 14. STAFF COSTS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 641,147 | 550,169 |
| Social security costs | 61,090 | 54,205 |
| Other pension costs | 45,325 | 38,564 |
| | 747,562 | 642,938 |

The average monthly number of employees during the year was as follows:

| | 2020 | 2019 |
|---|---|---|
| Executive staff | 3 | 3 |
| Support staff | 14 | 12 |
| | 17 | 15 |

One employee was paid emoluments of between £80,000 and £90,000. This employee is the Chief Executive and is the only employee who is regarded as key management for the purpose of FRS102. The total remuneration paid to this employee during the year was £84,023 (2019: £79,998).

This employee also participated in the defined contribution pension scheme and the employer's contributions for the year total £6,256 (2019: £5,958).

Included in defined contribution pension costs is an accrual for unpaid pensions of £5,403 (2019: £4,885).

Pension costs are allocated between activities within the statement of Financial Activity based on staff hours dedicated to the relevant activity.



Continued...

## 15. TANGIBLE FIXED ASSETS

| | Freehold property £ | Short leasehold £ | Total land and buildings £ |
|---|---|---|---|
| **COST** | | | |
| At 1 November 2019 | 517,694 | 99,283 | 616,977 |
| Additions | - | - | - |
| At 31 October 2020 | 517,694 | 99,283 | 616,977 |
| **DEPRECIATION** | | | |
| At 1 November 2019 | 254,685 | 49,340 | 304,025 |
| Charge for year | 5,284 | 19,857 | 25,141 |
| At 31 October 2020 | 259,969 | 69,197 | 329,166 |
| **NET BOOK VALUE** | | | |
| At 31 October 2020 | 257,725 | 30,086 | 287,811 |
| At 31 October 2019 | 263,009 | 49,943 | 312,952 |

| | Total land and buildings £ | Fixtures and fittings £ | Computer hardware £ | Computer software £ | Totals |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 November 2019 | 616,977 | 123,983 | 46,827 | 33,011 | 820,798 |
| Additions | - | 4,301 | 2,527 | 133 | 6,961 |
| At 31 October 2020 | 616,977 | 128,284 | 49,354 | 33,144 | 827,759 |
| **DEPRECIATION** | | | | | |
| At 1 November 2019 | 304,025 | 95,733 | 43,665 | 32,690 | 476,113 |
| Charge for year | 25,141 | 12,257 | 3,188 | 112 | 40,698 |
| At 31 October 2020 | 329,166 | 107,990 | 46,853 | 32,802 | 516,811 |
| **NET BOOK VALUE** | | | | | |
| At 31 October 2020 | 287,811 | 20,294 | 2,501 | 342 | 310,948 |
| At 31 October 2019 | 312,952 | 28,250 | 3,162 | 321 | 344,685 |

Included within freehold property is land at a historical cost of £76,667 (2019: £76,667), which is not depreciated.



Continued...

## 16. FIXED ASSET INVESTMENTS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Shares | 4,040,542 | 4,943,967 |
| Other deposits | 33,750 | 33,750 |
| | 4,074,292 | 4,977,717 |

Additional information as follows:

| | Listed investments | Other deposits | Totals |
|---|---|---|---|
| | £ | £ | £ |
| **MARKET VALUE** | | | |
| At 1 November 2019 | 4,919,394 | 24,573 | 4,943,967 |
| Additions | 984,049 | 5,407 | 989,456 |
| Disposals | (1,636,747) | - | (1,636,747) |
| Revaluations | (256,134) | - | (256,134) |
| At 31 October 2020 | 4,010,562 | 29,980 | 4,040,542 |
| **NET BOOK VALUE** | | | |
| At 31 October 2020 | 4,010,562 | 29,980 | 4,040,542 |
| At 31 October 2019 | 4,919,394 | 24,573 | 4,943,967 |

There were no investment assets outside the UK.

Listed investments are accounted for at market value. The historical cost of listed investments and unit trusts is £3,691,531 (2019 - £4,308,828).

Investments (neither listed nor unlisted) were as follows:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Investment property | 33,750 | 33,750 |

Investment property comprises land bequeathed to the Charity. The land was valued at market value in July 2009 when title passed to the Charity and the Trustees are satisfied that there has been no significant change in the fair value of the land since that date.



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## 17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Legacies receivable | 90,479 | 107,600 |
| Rent deposits | 26,260 | 26,260 |
| Staff loans | - | 13,188 |
| Prepayments and accrued income | 47,766 | 62,104 |
| | 164,505 | 209,152 |

## 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trade creditors | 8,407 | 21,522 |
| Social security and other taxes | 18,532 | 16,913 |
| Other creditors | 2,777 | 4,385 |
| Accruals and deferred income | 43,661 | 24,577 |
| | 73,377 | 67,397 |

## 19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Within one year | 121,080 | 60,065 |
| Between one and five years | 60,540 | - |
| | 181,620 | 60,065 |

The Charity entered into a five year operating lease agreement in respect of its London premises in May 2017. However the lease contains a break clause which permits the Charity to cancel the lease in April 2020. However, as this option was not taken up, aggregate lease and service charge payment commitments are £181,620, until the end of the lease.



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## 20. PROVISIONS FOR LIABILITIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Provisions | 750 | 2,520 |

All members are entitled to claim subsidies for physical therapy consultations. Everyone who was a member as at 31 October 2020 is entitled to claim for subsidies of up to £30 each for up to two physical therapy consultations until their next annual membership expiry date. The provision is an estimate, based on the latest uptake statistics, of the likely aggregate amount of subsidy claims that the Charity will be obliged to honour in respect of members as at 31 October 2020.

## 21. MOVEMENT IN FUNDS

| | At 1.11.19 | Net movement in funds | Transfers between funds | At 31.10.20 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 5,449,434 | (683,711) | (110,500) | 4,655,223 |
| Revaluation reserve | 610,566 | (291,537) | - | 319,029 |
| Young People Fund | - | - | 110,500 | 110,500 |
| | 6,060,000 | (975,248) | - | 5,084,752 |
| **Restricted funds** | | | | |
| Restricted | - | 3,851 | - | 3,851 |
| **TOTAL FUNDS** | 6,060,000 | (971,397) | - | 5,088,603 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Gains and losses | Movement in funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| General fund | 385,626 | (1,104,740) | 35,403 | (683,711) |
| Revaluation reserve | - | - | (291,537) | (291,537) |
| | 385,626 | (1,104,740) | (256,134) | (975,248) |
| **Restricted funds** | | | | |
| Restricted | 5,200 | (1,349) | - | 3,851 |
| **TOTAL FUNDS** | 390,826 | (1,106,089) | (256,134) | (971,397) |



Continued...

## 21. MOVEMENT IN FUNDS - continued

**Comparatives for movement in funds**

| | At 1.11.18 £ | Net movement in funds £ | At 31.10.19 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 5,873,859 | (424,425) | 5,449,434 |
| Revaluation reserve | 627,632 | (17,066) | 610,566 |
| | 6,501,491 | (441,491) | 6,060,000 |
| **TOTAL FUNDS** | 6,501,491 | (441,491) | 6,060,000 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 564,106 | (1,112,816) | 124,285 | (424,425) |
| Revaluation reserve | - | - | (17,066) | (17,066) |
| | 564,106 | (1,112,816) | 107,219 | (441,491) |
| **TOTAL FUNDS** | 564,106 | (1,112,816) | 107,219 | (441,491) |

The movement in funds for the 2 years between 1 November 2018 and 31 October 2020 is as follows:

| | At 1.11.18 £ | Net movement in funds £ | Transfers between funds £ | At 31.10.20 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 5,873,859 | (1,108,136) | (110,500) | 4,655,223 |
| Revaluation reserve | 627,632 | (308,603) | - | 319,029 |
| Young People Fund | - | - | 110,500 | 110,500 |
| | 6,501,491 | (1,416,739) | - | 5,084,752 |
| **Restricted funds** | | | | |
| Restricted | - | 3,851 | - | 3,851 |
| **TOTAL FUNDS** | 6,501,491 | (1,412,888) | - | 5,088,603 |



Continued...

## 21. MOVEMENT IN FUNDS - continued

The movement in funds for the 2 years between 1 November 2018 and 31 October 2020, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 949,732 | (2,217,556) | 159,688 | (1,108,136) |
| Revaluation reserve | - | - | (308,603) | (308,603) |
| | 949,732 | (2,217,556) | (148,915) | (1,416,739) |
| **Restricted funds** | | | | |
| Restricted | 5,200 | (1,349) | - | 3,851 |
| **TOTAL FUNDS** | 954,932 | (2,218,905) | (148,915) | (1,412,888) |

During the year realised investment gains amounted to £35,403 (2019: £124,285).

## 22. RELATED PARTY DISCLOSURES

During the year three (2019: three) Trustees provided services to the Charity for which they received payment.

K Young received £1,680 (2019: £15,350) for physiotherapy services. The balance due to K Young at 31 October 2020 was £nil (2019: £1,040).

R Nye received £2,525 (2019: £2,950) for human resource services. The balance due to R Nye at 31 October 2020 was £nil (2019: £nil).

D Rose received £1,750 (2019: £5,550) for member events services. The balance due to D Rose at 31 October 2020 amounted to £800 (2019: £nil). In accordance with normal commercial terms of trade, the balance outstanding was payable within 30 days of receipt of invoice.

## 23. SUBSIDIARY UNDERTAKINGS

On 7 October 2014 Arthritis Action incorporated the following subsidiary companies:

The Arthritis Association
The Arthritic Association

These subsidies, which were created to protect the trading names, have no assets or liabilities and were both dormant during the year. It is anticipated that these subsidiaries will remain dormant for the foreseeable future.

Exemption has been claimed from preparing consolidated group accounts under section 9 of FRS102.