

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**

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**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**

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

##### **Accountants**

Cornfield Accountants  
Limited  
5 Cornfield Terrace  
Eastbourne  
East Sussex  
BN21 4NN

##### **Solicitors**

So Legal  
15 Gildredge Rd  
Eastbourne  
East Sussex  
BN21 4RB

##### **Bankers**

NatWest  
Eastbourne Branch  
96 Terminus Road  
East Sussex  
BN21 3LX

##### **Financial Advisors**

Schroders  
1 London Wall  
Place  
London  
EC2Y 5AU

## **ARTHRITIS ACTION**

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

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#### **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."



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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

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

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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 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.



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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.

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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.



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#### **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.

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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.



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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.

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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 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.



## **ARTHRITIS ACTION**

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

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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.

**ARTHRITIS ACTION**


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

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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 14 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**

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### **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.



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

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### **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.



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

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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](http://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**

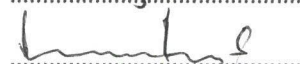
	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	4	372,923	58,137	431,060	460,159
<b>Charitable activities</b>					
Research and other grants	5	3,362	40,575	43,937	24,394
Membership subscriptions		17,999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

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

The financial statements were approved by the Board of Trustees and authorised for issue on 14th 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 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	A	(513,455)	(662,770)
Provisions for liabilities		<u>(150)</u>	<u>750</u>
<b>Net cash used in operating activities</b>		<u>(513,605)</u>	<u>(662,020)</u>
<b>Cash flows from investing activities</b>			
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		<u>99,275</u>	<u>104,784</u>
<b>Net cash provided by investing activities</b>		<u>1,005,440</u>	<u>556,534</u>
<b>Change in cash and cash equivalents in the reporting period</b>		491,835	(105,486)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>537,479</u>	<u>642,965</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>1,029,314</u></u>	<u><u>537,479</u></u>
<b>Cash and cash equivalent comprises the following:- B</b>			
Fixed asset investments – other deposits		47,727	17,069
Cash at bank and in hand		<u>981,587</u>	<u>520,410</u>
		<u>1,029,314</u>	<u>537,479</u>

The notes form part of these financial statements

**ARTHRITIS ACTION****NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 OCTOBER 2022****A. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2022	2021
	£	£
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(418,514)	86,211
<b>Adjustments for:</b>		
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)
<b>Net cash used in operations</b>	<u>(513,455)</u>	<u>(662,769)</u>

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

	At 1.11.21	Cash flow	At 31.10.22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>537,479</u>	<u>491,833</u>	<u>1,029,312</u>



**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.



**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.

**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.

**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2022****4. DONATIONS AND LEGACIES**

	2022	2021
	£	£
Donations	96,625	75,493
Gift aid	2,068	2,303
Legacies	<u>332,367</u>	<u>382,363</u>
	<u>431,060</u>	<u>460,159</u>

**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
	<u>61,936</u>	<u>40,964</u>

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	<u>3,000</u>	<u>-</u>
	<u>43,937</u>	<u>24,394</u>

**6. INCOME FROM INVESTMENTS**

	2021	2020
	£	£
Income from listed investments	99,275	104,784
Interest receivable	<u>285</u>	<u>100</u>
	<u>99,560</u>	<u>104,884</u>

**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2022****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	<u>121,326</u>	<u>101,288</u>
	<u>152,932</u>	<u>132,900</u>

**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	<u>435,711</u>	<u>-</u>	<u>449,356</u>	<u>885,067</u>
	<u>528,105</u>	<u>5,820</u>	<u>514,214</u>	<u>1,048,139</u>

**9. GRANTS PAYABLE**

	2022	2021
	£	£
Net subsidies paid to assist with physical therapy	<u>5,820</u>	<u>6,780</u>

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.



**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2022****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	<u>189,491</u>	<u>55,416</u>	<u>140,242</u>	<u>64,207</u>	<u>449,356</u>
	<u>366,595</u>	<u>55,416</u>	<u>140,242</u>	<u>73,287</u>	<u>635,540</u>

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	<u>(326,035)</u>	<u>-</u>

**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	<u>542</u>	<u>270</u>

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.

## ARTHRITIS ACTION

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 OCTOBER 2022

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#### 13. STAFF COSTS

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

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

	2022	2021
Executive staff	3	3
Support staff	<u>16</u>	<u>16</u>
	<u>19</u>	<u>19</u>

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).



**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2022****14. TANGIBLE FIXED ASSETS**

	Freehold property £	Short leasehold £	Total land and buildings £
<b>COST</b>			
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
<b>DEPRECIATION</b>			
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
<b>NET BOOK VALUE</b>			
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
<b>COST</b>					
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
<b>DEPRECIATION</b>					
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
<b>NET BOOK VALUE</b>					
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

**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2022****15. FIXED ASSET INVESTMENTS**

	2022 £	2021 £
Shares	3,703,579	4,158,439
Other deposits	<u>33,750</u>	<u>33,750</u>
	<u>3,737,329</u>	<u>4,192,189</u>

Additional information as follows:

	Listed investments £	Other deposits £	Totals £
<b>MARKET VALUE</b>			
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	<u>(136,034)</u>	<u>-</u>	<u>(136,034)</u>
At 31 October 2022	<u>3,655,852</u>	<u>47,727</u>	<u>3,703,579</u>
<b>NET BOOK VALUE</b>			
At 31 October 2022	<u>3,655,852</u>	<u>47,727</u>	<u>3,703,579</u>
At 31 October 2021	<u>4,141,370</u>	<u>17,069</u>	<u>4,158,439</u>

Cost or valuation at 31 October 2022 is represented by:

	Listed investments £	Other deposits £	Totals £
Valuation in 2022	<u>3,655,852</u>	<u>47,727</u>	<u>3,703,579</u>

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	<u>33,750</u>	<u>33,750</u>

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.

**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2022****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
	<u>112,094</u>	<u>254,512</u>

**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
	<u>94,912</u>	<u>67,365</u>

**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	-
	<u>281,250</u>	<u>60,270</u>

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	<u>1,350</u>	<u>1,500</u>

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.

**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2022****20. MOVEMENT IN FUNDS**

	At 1.11.21 £	Net movement in funds £	At 31.10.22 £
<b>Unrestricted funds</b>			
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
<b>Restricted funds</b>			
Restricted	17,530	73,408	90,938
<b>TOTAL FUNDS</b>	<u>5,174,814</u>	<u>(418,514)</u>	<u>4,756,300</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
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)
<b>Restricted funds</b>				
Restricted	98,712	(25,304)	-	73,408
<b>TOTAL FUNDS</b>	<u>918,591</u>	<u>(1,201,071)</u>	<u>(136,034)</u>	<u>(418,514)</u>

**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2022****20. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.11.20 £	Net movement in funds £	At 31.10.21 £
<b>Unrestricted funds</b>			
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
<b>Restricted funds</b>			
Restricted	3,851	13,679	17,530
<b>TOTAL FUNDS</b>	<u>5,088,603</u>	<u>86,211</u>	<u>5,174,814</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
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
<b>Restricted funds</b>				
Restricted	18,000	(4,321)	-	13,679
<b>TOTAL FUNDS</b>	<u>606,007</u>	<u>(1,108,175)</u>	<u>588,379</u>	<u>86,211</u>



**ARTHRITIS ACTION****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 OCTOBER 2022****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 £
<b>Unrestricted funds</b>			
General fund	4,655,221	(523,512)	4,131,709
Revaluation reserve	319,031	134,676	453,707
Young People Fund	<u>110,500</u>	<u>(30,554)</u>	<u>79,946</u>
	5,084,752	(419,390)	4,665,362
<b>Restricted funds</b>			
Restricted	<u>3,851</u>	<u>87,087</u>	<u>90,938</u>
<b>TOTAL FUNDS</b>	<u>5,088,603</u>	<u>(332,303)</u>	<u>4,756,300</u>

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 £
<b>Unrestricted funds</b>				
General fund	1,407,886	(2,249,067)	317,669	(523,512)
Revaluation reserve	-	-	134,676	134,676
Young People Fund	<u>-</u>	<u>(30,554)</u>	<u>-</u>	<u>(30,554)</u>
	1,407,886	(2,279,621)	452,345	(419,390)
<b>Restricted funds</b>				
Restricted	<u>116,712</u>	<u>(29,625)</u>	<u>-</u>	<u>87,087</u>
<b>TOTAL FUNDS</b>	<u>1,524,598</u>	<u>(2,309,246)</u>	<u>452,345</u>	<u>(332,303)</u>

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

## **ARTHRITIS ACTION**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 OCTOBER 2022**

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#### **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.