

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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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
	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

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

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

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."

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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.

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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.

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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.

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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.

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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.

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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.

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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

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

▪ **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.

ARTHRITIS ACTION

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

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

.....
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.

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

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

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		<u>534,034</u>	<u>67,970</u>	<u>602,004</u>	<u>918,591</u>
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		<u>820,145</u>	<u>87,927</u>	<u>908,072</u>	<u>885,067</u>
Total		<u>1,133,429</u>	<u>87,927</u>	<u>1,221,356</u>	<u>1,201,071</u>
Net gains/(losses) on investments		<u>(89,389)</u>	<u>-</u>	<u>(89,389)</u>	<u>(136,034)</u>
NET INCOME/(EXPENDITURE)		(688,784)	(19,957)	(708,741)	(418,514)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>4,665,362</u>	<u>90,938</u>	<u>4,756,300</u>	<u>5,174,814</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>3,976,578</u></u>	<u><u>70,981</u></u>	<u><u>4,047,559</u></u>	<u><u>4,756,300</u></u>

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	<u>3,629,629</u>	<u>-</u>	<u>3,629,629</u>	<u>3,737,329</u>
		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		<u>402,176</u>	<u>48,447</u>	<u>450,623</u>	<u>981,587</u>
		478,983	70,981	549,964	1,093,681
CREDITORS					
Amounts falling due within one year	17	(147,634)	-	(147,634)	(94,912)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>331,349</u>	<u>70,981</u>	<u>402,330</u>	<u>998,769</u>
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)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u><u>3,976,578</u></u>	<u><u>70,981</u></u>	<u><u>4,047,559</u></u>	<u><u>4,756,300</u></u>
FUNDS	20				
Unrestricted funds:					
General fund				3,572,368	4,131,709
Revaluation reserve				345,258	453,707
Young People Fund				<u>58,952</u>	<u>79,946</u>
				3,976,578	4,665,362
Restricted funds				<u>70,981</u>	<u>90,938</u>
TOTAL FUNDS				<u><u>4,047,559</u></u>	<u><u>4,756,300</u></u>

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 £	2022 £
Cash flows from operating activities			
Cash generated from operations	A	(670,726)	(513,455)
Provisions for liabilities		<u>400</u>	<u>(150)</u>
Net cash used in operating activities		<u>(670,326)</u>	<u>(513,605)</u>
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		<u>117,615</u>	<u>99,275</u>
Net cash provided by investing activities		<u>120,052</u>	<u>1,005,440</u>
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		<u>1,029,314</u>	<u>537,479</u>
Cash and cash equivalents at the end of the reporting period		<u><u>479,040</u></u>	<u><u>1,029,314</u></u>
Cash and cash equivalent comprises the following:- B			
Fixed asset investments – other deposits		28,417	47,727
Cash at bank and in hand		<u>450,623</u>	<u>981,587</u>
		<u>479,040</u>	<u>1,029,314</u>

The notes form part of these financial statements

ARTHRITIS ACTION**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	<u>1,029,314</u>	<u>(550,274)</u>	<u>479,040</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 (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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**4. DONATIONS AND LEGACIES**

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

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
	<u>88,535</u>	<u>61,936</u>

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	<u>3,310</u>	-
	<u>71,280</u>	<u>43,937</u>

6. INCOME FROM INVESTMENTS

	2023	2022
	£	£
Income from listed investments	117,615	99,275
Interest receivable	<u>6,449</u>	<u>285</u>
	<u>124,064</u>	<u>99,560</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023

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	<u>115,331</u>	<u>121,326</u>
	<u>151,900</u>	<u>152,932</u>

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	<u>438,356</u>	<u>-</u>	<u>469,716</u>	<u>908,072</u>
	<u>542,221</u>	<u>5,650</u>	<u>521,585</u>	<u>1,069,456</u>

9. GRANTS PAYABLE

	2023	2022
	£	£
Net subsidies paid to assist with physical therapy	<u>5,650</u>	<u>5,820</u>

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.

ARTHRITIS ACTION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023****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	<u>173,054</u>	<u>50,663</u>	<u>173,897</u>	<u>72,102</u>	<u>469,716</u>
	<u>332,889</u>	<u>50,663</u>	<u>173,897</u>	<u>79,467</u>	<u>636,916</u>

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	<u>-</u>	<u>(326,035)</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 2023 or for the year ended 31 October 2022.

Trustees' expenses

	2023 £	2022 £
Trustees' expenses	<u>827</u>	<u>542</u>

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**13. STAFF COSTS**

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

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

	2023	2022
Executive staff	3	3
Support staff	<u>15</u>	<u>16</u>
	<u>18</u>	<u>19</u>

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).

ARTHRITIS ACTION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023****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

ARTHRITIS ACTION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023****15. FIXED ASSET INVESTMENTS**

	2023 £	2022 £
Shares	3,595,879	3,703,579
Other deposits	<u>33,750</u>	<u>33,750</u>
	<u>3,629,629</u>	<u>3,737,329</u>

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	<u>(89,388)</u>	<u>-</u>	<u>(89,388)</u>
At 31 October 2023	<u>3,567,462</u>	<u>28,417</u>	<u>3,595,879</u>
NET BOOK VALUE			
At 31 October 2023	<u>3,567,462</u>	<u>28,417</u>	<u>3,595,879</u>
At 31 October 2022	<u>3,655,852</u>	<u>47,727</u>	<u>3,703,579</u>

Cost or valuation at 31 October 2023 is represented by:

	Listed investments £	Other deposits £	Totals £
Valuation in 2023	<u>3,567,462</u>	<u>28,417</u>	<u>3,595,879</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 £3,222,203 (2022 - £3,202,081).

Investments (neither listed nor unlisted) were as follows:

	2023 £	2022 £
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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023**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
	<u>124,341</u>	<u>112,094</u>

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
	<u>147,634</u>	<u>94,912</u>

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	<u>63,244</u>	<u>168,750</u>
	<u>189,732</u>	<u>281,250</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 £189,732 until the end of the break clause.

19. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Provisions	<u>1,750</u>	<u>1,350</u>

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.

ARTHRITIS ACTION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023****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	<u>79,946</u>	<u>(20,994)</u>	<u>58,952</u>
	4,665,362	(688,784)	3,976,578
Restricted funds			
Restricted	<u>90,938</u>	<u>(19,957)</u>	<u>70,981</u>
TOTAL FUNDS	<u><u>4,756,300</u></u>	<u><u>(708,741)</u></u>	<u><u>4,047,559</u></u>

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	<u>-</u>	<u>(20,994)</u>	<u>-</u>	<u>(20,994)</u>
	534,034	(1,133,429)	(89,389)	(688,784)
Restricted funds				
Restricted	<u>67,970</u>	<u>(87,927)</u>	<u>-</u>	<u>(19,957)</u>
TOTAL FUNDS	<u><u>602,004</u></u>	<u><u>(1,221,356)</u></u>	<u><u>(89,389)</u></u>	<u><u>(708,741)</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023

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	<u>5,174,814</u>	<u>(418,514)</u>	<u>4,756,300</u>

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	<u>918,591</u>	<u>(1,201,071)</u>	<u>(136,034)</u>	<u>(418,514)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2023

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	<u>5,174,814</u>	<u>(1,127,255)</u>	<u>4,047,559</u>

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	<u>1,520,595</u>	<u>(2,422,427)</u>	<u>(225,423)</u>	<u>(1,127,255)</u>

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

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.