

Arthritis Care

Annual report and accounts

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Reaching out, listening and responding

Arthritis Care's mission is to empower people with arthritis to take control of their arthritis, their lives and their organisation. We are the largest UK-wide voluntary organisation working with and for people with arthritis.

Working with people with arthritis to promote their health, well-being and independence, Arthritis Care aims to give people the chance to make their own decisions about how they want to live their lives as well as the information and support to do it how they choose.

Quality of life can be affected when someone is diagnosed with arthritis. All too often people are told to go away and live with their arthritis. Arthritis Care aims to change that. There is so much people can do to take control once again and live a fulfilling life.

Arthritis Care offers a range of services and support to people with arthritis at national and local levels. People with arthritis are our main priority and on their behalf we campaign for better rights, better access and better transport.

Arthritis Care is a recognised leader in user involvement among voluntary organisations and we pride ourselves on this achievement. People with arthritis play leading roles throughout the organisation, from trustee level to members of staff and volunteers. Our work is informed by people with arthritis because people with arthritis are at the centre of what we do – we listen to our members and other people with arthritis we come into contact with.

Arthritis Care's network of over 600 branches and groups offers people at a local level the opportunity to meet others, to organise get togethers and to learn, as well as make new friends. Branch and group activities are many and varied. From talks on exercise, to a pub trip, to meeting for a tea party, most people can find something that appeals to them.

Did you know?

- **Eight million people have arthritis in the UK – one in seven of the population**
- **Arthritis is the single biggest cause of physical disability in the UK**
- **There are more than 200 types of arthritis**
- **Pain and immobility are the biggest symptoms of arthritis**
- **37 per cent of people with arthritis are in pain all of the time**

In 2000

- **There were over 600 Arthritis Care branches and groups in the UK**
- **The helplines team responded to over 10,000 people by phone and letter**

- **Over 6,000 people holidayed at Arthritis Care's four hotels – a 17 per cent increase on 1999**
- **Over 2,300 people benefited from Arthritis Care's self-management and personal development training courses**
- **Almost 43,000 people visited the Arthritis Care Roadshow**
- **The Arthritis Care Roadshow helplines team had 3,400 consultations with people with arthritis**

2000

Arthritis Care has seen some major developments since its inception in 1947, but 2000 saw a huge leap forward in the way we reach out, listen and respond to people with arthritis in the UK.

2000 was the year Arthritis Care hit the road and toured the UK with the Arthritis Care Roadshow, directly reaching almost 43,000 people, but indirectly reaching around 200,000 more through letter, word of mouth, stories in local newspapers and reports on the radio.

The year 2000 has helped shape our work for the future. Much has been learnt both about Arthritis Care and about the needs of people with arthritis. It has also confirmed that much of what we do is right for people with arthritis.

The Arthritis Care Roadshow brought together staff and volunteers from the charity's nations, regions and central office more than ever before. Its success was a celebration of everyone's dedication to the mission of Arthritis Care and their determination to meet the needs of people with arthritis.

Not only were people with arthritis enlightened by the roadshow, the event also attracted the support of health professionals, MPs, MSPs, Welsh AMs and Northern Irish AMs. The roadshow also attracted wide media coverage culminating in national newspapers reporting on the findings of a survey of 1,500 visitors that people with arthritis are told by their doctors to go away and live with the condition.

Services for people with arthritis

The year may have been dominated by the success of the roadshow, but Arthritis Care's existing services continued to grow and strengthen.

Listening and responding is key to one of Arthritis Care's most frequently-used services – the helpline, which provides practical and confidential support to people with arthritis, giving them the information they need to make informed decisions on how to live with their condition.

The huge demand on Arthritis Care's helpline was relieved by the creation of a 24 hour information line. This new service offers information about Arthritis Care, sends out publications and signposts enquirers on to the Arthritis Care services they may need. This has helped free up the helplines team to respond, by phone and by letter, to the more specific, personal queries of people with arthritis.

The work of the helpline team is supported by Arthritis Care's information department, which acts as a resource to all staff as well as volunteers, professionals and the public, providing information on arthritis and developments in its treatment.

All the different parts of the organisation, and the people it meets, help influence the publications Arthritis Care produces. Arthritis Care aims to produce information which people with arthritis want and need and focuses its publications on topics that people with arthritis themselves regularly request information on. One of the most popular publications of 2000 was *Fit for Life*: a guide to safe exercise for people with arthritis. Everyone should be able to find something to suit their level of fitness in the booklet, which looks at different forms of exercise from going to the gym, to swimming or dancing. The bi-monthly magazine, *Arthritis News*, continued to go from strength to strength. 2000 saw a coup with an exclusive interview with celebrity comedian Bob Mortimer who told readers about his own experiences with rheumatoid arthritis.

Listening to people with arthritis has become a big part of the work of the publications department. A readers' panel of people with arthritis provides an invaluable service. Members take it in turns to comment on draft publications. They form part of a focus group brought together before work on booklets commences. Perhaps most importantly, they provide the publications team with personal experiences of living with arthritis for *Arthritis News* articles and the booklets we produce.

A range of self-management and personal development training courses run by people with arthritis for people with arthritis has been developed by Arthritis Care. These courses give people the life skills they need to self-manage their condition as well as have the confidence to deal with health professionals and other people they will meet. Thousands of people benefited from these courses in 2000, which are held all over the UK. The courses delivered ranged from *Challenging Arthritis*, to positive future workshops, to sharing our generic chronic conditions course with other organisations in the UK. The latter recognises that many people with long-term conditions share similar problems and that people with arthritis often have more than one condition.

Benefits for people on the courses are varied, ranging from increased confidence to better understanding of themselves and their condition. People who have attended courses regularly say they are better able to manage their pain and can communicate better with their doctors and other health professionals.

One of the most exciting developments of 2000 was the success Arthritis Care and other organisations had convincing the Government of the benefits of user-led initiatives such as patient-led self-management programmes. The Expert Patients Task Force was set up by the Government and included representatives of Arthritis Care. The recommendations of the task force are set to be published in 2001.

Members of Arthritis Care and their families and friends continued to enjoy holidays at Arthritis Care's four seaside hotels in the UK. Improvements at the hotels have ensured holidays can only get better. A range of speciality holidays continued to develop in 2000 including painting weeks, aromatherapy holidays and bridge weeks.

The cosy, comfortable atmosphere at the hotels, combined with helpful facilities tailored to the needs of people with arthritis enabled over 6,000 people to enjoy a relaxing holiday.

Campaigning on behalf of people with arthritis

Public policy and campaigning work at Arthritis Care was given a tremendous boost in 2000 when the organisation received a three-year National Lottery Charities Board grant. This enabled the recruitment of a public policy and campaigns officer and dedicated administrative staff in each of the four nations. From core monies, the post of head of public policy and campaigning was created to manage the project and oversee all other activities in this area, including the work of a public policy consultant.

We also developed our links with key organisations such as the British League Against Rheumatism (BLAR), the British Society for Rheumatology and the Arthritis Research Campaign. Submissions to the National Institute for Clinical Excellence (NICE) were done collectively so that a united front could be presented as NICE assessed treatments such as Cox II inhibitors for osteoarthritis.

At the end of the year, Arthritis Care took up the leadership of the influential Patients in NICE group which will now be chaired by Arthritis Care's head of public policy and campaigning.

Launched in July 2000, Arthritis Care's access to treatments campaign had two main aims: to increase the priority status of arthritis and to improve access to treatments for people with arthritis. The campaign attracted support across the UK from many members of the public, health professionals and politicians. Access to treatments is now firmly on the disability agenda as it was accepted as part of the disability manifesto.

In the disability field, Arthritis Care remained actively involved in consortia such as Rights Now, the Long Term Medical Conditions Alliance (LMCA), Empower, the Disability Research Forum and the Disability Benefits Consortium.

Our public policy consultant has remained a member of the Government's Disabled Persons Transport Advisory Committee and is well placed to influence new legislation on transport, access and mobility issues.

These links have meant the organisation can ensure the needs and wishes of people with arthritis inform campaigns on civil rights, education, employment, housing, transport, social services, benefits and health. With the establishment of the Disability Rights Commission, there have been great opportunities for people with arthritis to exercise their rights with greater legal support while campaigning for those rights to be strengthened further.

Arthritis Care in Europe

As the majority of all new law now has its origin in the European Parliament it has been increasingly important to influence policy within the European Union. One way Arthritis Care sought to do this was with the Manifesto for Patients with Arthritis and Rheumatism in Europe project. Arthritis Care hosted the project for its first two years. This role passed to Germany at the end of 2000 as scheduled, but Arthritis Care has remained the UK

representative on the steering group. The manifesto has 10 specific calls for action and Arthritis Care will continue to lobby MEPs and others in support of these aims

The project also links in with the global network of organisations involved in the Bone and Joint Decade which began in 2000. The first year of the decade was used to identify the best ways in which nations can be supported to influence their governments to ensure people with arthritis are supported to live with independence.

Opportunities afforded by devolution, regionalism, European influence and a strengthening civil rights agenda mean these have been, and will continue to be, exciting times for people with arthritis and their allies to be campaigning on the issues that affect them.

A look at an Arthritis Care branch

Branches and groups play a large role at the grass roots of Arthritis Care. Many offer a range of activities for people with arthritis in their area including hydrotherapy sessions, holidays, speakers, trips, awareness-raising activities and transport.

Telford branch

The Telford branch runs four hydrotherapy sessions and four tai chi classes a week. In partnership with a local college, they also have craft classes involving textile dyeing and marbling, as well as seminars on ceramics.

Social events include cheese and wine evenings and awareness evenings which focus on alternative therapies such as acupuncture, aromatherapy and reflexology. There has even been an evening on aura photography and readings. Telford branch also runs a number of trips and over the next few months will be visiting the Bass Brewery, Gloucester Docks and Turner's Music Hall.

Arthritis Care in England

Arthritis Care in England is split into four regions under four regional directors. Jenifer Answorth, Central England regional director; Alastair MacDougall, South East England regional director; Melva McQuillen, South West regional director; and Sue Prior-Fox, North England regional director; take a look over the last year

Roadshow

2000 was dominated by the Arthritis Care Roadshow, which was managed from Arthritis Care's Central England regional office in Nottingham and visited 28 sites across England. The tour was supported by regional staff and 588 volunteers, who helped provide information, signpost people to other local services and promote Arthritis Care's services. 26,031 individuals visited the roadshow in England over 93 days.

Visitors to the unit completed evaluation questionnaires. These confirmed a need for accessible information, awareness of services and support available, opportunities to manage their own condition and attend self management courses, information on diet, safe exercise, and the reassurance that appropriate medical services were available to all people with arthritis throughout England.

Regional development plans

Feedback from the roadshow helped to shape the consultations which took place across the four regions of England in preparation for development plans. Each plan will establish the priorities of the regions over the next three years, directing the services and areas of support which Arthritis Care's staff and volunteers will deliver.

The South West development plan was approved by the board of trustees in 2000. The South East's plan is now in its second year and will be updated using evidence from the roadshow. The plans for North England and Central England go to the board of trustees in 2001. Both regions undertook extensive consultations throughout 2000.

Self-management and sharing information

Arthritis Care in England delivered 134 Challenging Arthritis courses during the year – 29 in North England, 25 in the South East, 42 in the South West and 38 in Central England.

A bank of new volunteers was recruited, inducted and attended training events funded by contracts and grants from health authorities, social services, trusts and National Lottery Charities Board (NLCB) funding.

Many branches also made generous contributions to the development of the programme in their area.

2000 also saw the development of Arthritis Care's training portfolio, which has grown to include a one day self-management programme called You Can Beat The Pain Cycle. Arthritis Awareness courses, aimed at service providers and employers, were developed. Positive future workshops for teenagers and personal development courses for younger people were also available.

Younger people also took part in Arthritis Care's exciting Yactive events. These events provide an opportunity for young people to try new sports and leisure activities. Afterwards, participants reported a sense of achievement, greater confidence, improved self-esteem, and lots of fun.

During 2000, Arthritis Care invested time and resources ensuring its 408 branches, groups and its appointed volunteers received the support and training opportunities they required. This was made possible with the support of NLCB funding.

Funding for specific projects has enabled Arthritis Care to introduce the much-needed training development officer post. Arthritis Care is now better resourced to deliver, monitor and evaluate all our training courses and respond to the recommendations of the Government's Expert Patients Task Force report when it is publicised later year.

Development Officers have continued to support Arthritis Care's 408 branches and groups across the four regions. While, sadly, some branches have closed, a number have been replaced by self help groups, which usually develop following a Challenging Arthritis course when participants feel the need to continue meeting and supporting one another.

The main problems facing our branch network have been

identified as lack of transport and the lack of willing volunteers to come forward to support the committee.

Arthritis Care in Wales

Petrol strikes and National Lottery Charities Board grants ensured Wales had a busy 2000. Wales director Peter Johnson tells how work developed during the year

Roadshow

The Arthritis Care Roadshow paid a very successful visit to Wales in August and September 2000. There were four sites in Wales – Caernarfon, Rhyl, Carmarthen and Cardiff. The unit was made bilingual in Welsh and English for its four-week stay in the country. Funded by the National Lottery Charities Board in Wales, the roadshow was visited by 6,020 people. During the visit, strong links were built with various statutory agencies and there was significant support from politicians at all stops, including a Lord Mayor's reception held by the Deputy Lord Mayor of Cardiff which was opened by the National Assembly's health minister.

In Carmarthen, the petrol crisis hit visitor numbers, but there was a particularly successful ARThritis project involving local community artists where people with arthritis produced some very powerful artwork that described their feelings about having arthritis. Thanks are due to all the staff and volunteers in Wales who made the roadshow the success it was.

Wales development plan

The Wales development plan, implemented in 2000, was drawn up following consultation with people with arthritis. The plan called for an expansion of our appointed volunteer network and our training programmes to provide increased, and new, services to people with arthritis.

Empowerment training

The Lottery grant also enabled us to recruit a new training development officer in April 2000. His role is to ensure the continuing quality of our empowerment training programme in Wales and to provide relevant training to our volunteer network.

In 2000, 24 Challenging Arthritis courses were delivered in Wales, partly funded by contracts with Caerphilly social services and Carmarthenshire local health group.

The volunteer network

A further grant from the National Lottery Charities Board in Wales has enabled the expansion of the volunteer network called for by the development plan. Two training events for new and existing volunteers were held in June and October.

Unfortunately, our branch network was reduced by the closure of two branches. However, these were, in part, replaced by a new group in Denbighshire formed by people with arthritis who have taken part in the Challenging Arthritis course.

We are finding the changing expectations of some people with arthritis can be supported in a more informal way – and we have enabled the formation of some ad-hoc groupings of people with

arthritis that do not yet have a formal constitutional link to Arthritis Care.

Arthritis Care in Scotland

The Arthritis Care Roadshow's visit to Scotland enabled Arthritis Care in Scotland to put its new development plan into action. Scotland director Patricia Wallace explains

Scotland development plan

The year began with the approval of the Scotland development plan. Covering the period 2000-2002, the plan is the result of an extensive consultation exercise which began during the Scottish Conference in 1998 and saw 700 questionnaires being sent to people with arthritis, and 130 health and social services professionals.

The plan identifies the top priorities for Arthritis Care in Scotland and outlines key objectives to be reached. The top priorities are the provision of information and support to people with arthritis, awareness raising and campaigning about the needs of people with arthritis, and support and development of all volunteers, branches, groups and staff.

With financial support from the Glasgow North branch of Arthritis Care, 1,000 copies of the plan and 5,000 copies of a summary leaflet were produced and distributed widely.

Roadshow

The year's main event for many was the visit of the Arthritis Care Roadshow to Scotland for six weeks during May and June 2000. The roadshow was a tremendous opportunity for volunteers and staff from all parts of Arthritis Care to work together in helping to turn the mission, and the priorities in the Scotland development plan, into action.

A total of 6,598 people, most of them making contact with Arthritis Care for the first time, visited the unit on location in Edinburgh, Stirling, Nairn, Inverness, East Kilbride, Glasgow and Paisley. They were met at each site by an army of local volunteers, each providing a much-needed listening ear, access to information and opportunities for support.

Local support

Throughout the year, almost 100 branches and groups, and over 50 volunteer information workers, telephone contacts and home visitors, supported by the regional staff team, continued to provide a range of activities and a high level of support to the many people with arthritis who benefit from their services.

Evidence of changing times abound, with some branches and groups securing grants to acquire computers and producing colourful and informative newsletters for their members. Some also provide computer classes alongside the more usual monthly meetings, social and theatre outings and holidays, tai chi, hydrotherapy, exercise and relaxation classes, crafts, bridge and other activities.

Changing lives

In addition, a network of almost 100 Challenging Arthritis

volunteers and 10 self-management trainers delivered a total of 44 courses to 468 participants in 33 different locations in Scotland.

A Young Arthritis Care positive future workshop event in Edinburgh was attended by 12 teenagers who tried out new activities, had fun and shared their experiences as young people with arthritis.

weekends, and Arthritis Awareness seminars.

People with arthritis often say the most important thing we do is enable them to reach others who share similar experiences. A young person recently said: 'It's great to be with people you can talk to and who know how you feel.'

Arthritis Care in Northern Ireland

People with arthritis saw the benefits of a range of initiatives undertaken by Arthritis Care in Northern Ireland. Northern Ireland director Sharon Sinclair tells how new people were reached

The year 2000 brought unprecedented opportunities to reach out, listen and respond to the needs of people with arthritis in Northern Ireland. The Arthritis Care Roadshow, which visited Belfast, L/Derry, Coleraine and Portadown, brought us into contact with over 3,000 people in just 14 days, most of whom had had no previous contact with the organisation.

Northern Ireland development plan

We were able to use the roadshow as a vehicle to address one of the aims of the Arthritis Care Northern Ireland development plan: to provide a locally accessible information service tailored to the needs of people with arthritis. The process of producing our development plan was an exercise in listening to people with arthritis and ensuring that the services and activities we develop are in response to their expressed needs.

Some activities in 2000, like the roadshow, enabled us to respond immediately. Other work laid the foundations for future development – in particular, the funding secured towards the end of the year from the National Lottery Charities Board for Northern Ireland and also from their UK Committee. The former will enable us to develop a three-year programme of information, support and training which responds to the needs of elected volunteers in our 35 Arthritis Care groups. The latter will mean that we have the resources to reach more effectively into the public policy arena and work proactively with the Northern Ireland Assembly and other local decision makers to promote the rights of people with arthritis.

New supporters

The significant development of our funding base helped us to attract new donors and supporters encompassing private individuals, charitable trusts, statutory agencies, community fundraising groups and Northern Ireland businesses. These individuals and groups are playing a vital role in working alongside us to extend the reach of our work in Northern Ireland.

New areas

One area where we identified a need to extend our reach is in the provision of appropriate services for men with arthritis. The Men's Arthritis Network (MAN) has been looking at what men want from Arthritis Care through a series of focus groups.

Our empowerment training programmes continued in 2000 with the delivery of 21 Challenging Arthritis courses, two Yactive

Report of the trustees

for the year ended 31 December 2000

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2000. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued in October 2000 in preparing the annual report and financial statements of the charity, even though these do not come into force for Arthritis Care until its 2001 accounts.

The charity is a charitable company limited by guarantee and was set up in 1947. It is governed by a memorandum and articles of association which were last amended in November 1996. The charity's objects are to carry out activities with the overall aim of working with and for all people with arthritis to promote their health, quality of life and independence through services, support, self-help, information and influence.

The three-year strategic plan adopted in 1998 identified three key priorities for Arthritis Care:

- to provide support to people with arthritis, particularly through its helplines and information service and the provision of empowerment training
- to raise public awareness and to campaign
- to achieve financial security for the organisation.

Review of activities and future developments

The Statement of Financial Activities for the year is set out on page 15 of the financial statements. A summary of the financial results and comments on particular aspects of the work of the charity are set out below.

Income generation, fundraising and resources expended

During the year, Arthritis Care's unrestricted income fell by 9.6 per cent (£603,542), while unrestricted expenditure increased by 4.0 per cent (£208,077), resulting in an unrestricted loss of (£16,899) before Gains and Losses on Investment Assets. This contributed to a decrease in unrestricted liquid reserves which stood at just under £2.3m at the year end.

However, this decrease would have been greater had it not been for yet another good year for unrestricted legacy income which amounted to just under £3m – well above the seven year moving average of £1.9m which has been – and continues to be – used for budgeting purposes.

Unfortunately other central income sources, such as membership, direct mail, trust income and general donations, all fell. Part of the reason for this was staff changes and vacancies, as well as the outsourcing of the charity's membership and supporter database.

Now that these changes are all complete, it is hoped to start growing the voluntary income again. Quarterly income milestones have been set and careful monitoring of progress will be made by the trustees.

Improved trading performance in the year by the charity's four hotels contributed a £38,309 reduction in their combined operating deficit, from £363,575 in 1999 to £325,266 in 2000. Development investment in the hotels continued, largely from restricted funds received and accounted for in 1999, such as the new coach for the Burnlea Hotel.

A deficit for the year of £105,307 was recorded in restricted funds because significant parts of the expenditure incurred in 2000 – for example in the Millennium Volunteer Awards scheme – were funded from restricted funds received and accounted for in 1999. As a result, the balance of restricted funds brought forward from 1999, excluding those held by local committees, branches and groups, reduced from £497,226 to £345,905 in order to fund expenditure incurred in 2000.

There were some significant changes in restricted funding compared with previous years. Trustees decided not to continue with employment training for people with arthritis following the ending of European Social Fund, Department for Education and Employment and Community Fund support for this work. The year also saw the successful completion of the Millennium Volunteer Awards scheme, supported by the Millennium Commission and the Lloyds TSB Foundation, and the Arthritis Care Roadshow, supported by the National Lottery Charities Board (NLCB).

The roadshow visited 43 different locations in the UK and succeeded in raising awareness of Arthritis Care, as well as providing valuable information and support to visitors. A new policy and campaigning project funded by the UK Committee of the NLCB has now just begun and should enable Arthritis Care to increase its influence in each of the four nations.

At the local level, Arthritis Care's branches and local groups increased their income by 12.9 per cent (£214,688), which is a great credit to the voluntary efforts of their local committees. At the same time, the level of reserves held by branches and local groups continues to be an issue which the trustees are addressing. Two meetings have been held with representatives of the branches with the highest levels of reserves and they have agreed to prepare business plans setting out how they plan to use their reserves in excess of two years running costs to benefit people with arthritis in their nation or region. Quarterly reporting on their financial position to the director of finance is to be introduced in 2001 as a way of increasing accountability and managing risk.

Good progress has also been made in reducing the number of branches failing to submit their annual financial return, although further efforts are to be made during 2001 through the national/regional committees to improve response rates for next year.

Investment policy and returns

Investment decisions are taken by the investment managers within the investment mandate set by the trustees, as permitted by an Order of the Charity Commission under section 26 of the Charities Act 1993. Performance of the investment portfolio is closely monitored by the investment sub-committee of the charity's finance and general purposes committee and investment reports are received on a quarterly basis from the investment managers.

¹²The investment sub-committee also normally holds two investment meetings each year with the investment managers at which investment strategy is reviewed, in addition to the constant review by the investment managers. The overriding aim is to maintain the real value of the capital through long-term equity investment, while also providing a rising level of income.

This objective is achieved through a mix of bonds and direct equity investments, some of which might be listed on overseas stock exchanges. The total value of such overseas direct investments would not normally exceed 15 per cent of the aggregate value of the charity's overseas investments. It is the charity's policy specifically to exclude investments in the tobacco sector.

Arthritis Care (Trading) Ltd

The position of the charity's wholly-owned trading subsidiary also improved during the year through greater success with Christmas cards, obtaining sponsorship from pharmaceutical companies and through consultancy income – particularly from work on developing the European Manifesto for people with arthritis which was launched in Nice in June 2000 with support from Pharmacia and Pfizer. The trustees are, however, reviewing the future role of the trading subsidiary with a view to ensuring the charity has the most effective arrangements in place for maximising tax relief and for complying with legal requirements.

Reserves

In support of the strategic objective of achieving financial security for the organisation, the trustees aim to have liquid reserves equivalent to six months unrestricted running costs. As referred to above, unrestricted liquid reserves stood at just under £2.3m at the year end, the equivalent of almost five months unrestricted running costs.

In respect of restricted funds held by local branches and groups, it is the trustees recommended policy that reserves equivalent to two year's running costs should be aimed for. As referred to above, discussions are continuing with representatives of the branches with the greatest reserves as to how best funds in excess of two years' running costs can be used locally for people with arthritis within a business planning approach.

The charity has a number of designated funds and reserves represented by investments and fixed assets. The purpose of these funds is detailed in Note 14 of the financial statements.

Changes in fixed assets

The movements in fixed assets during the year are set out in Note 7 of the financial statements.

Governance and internal control

Within the requirement of Company Law that the membership in general meeting appoint the directors, the composition of the board of trustees reflects the user-involvement ethos and devolved structure which underpins the work of the charity. Each of the seven national/regional committees elects one of their number (two in the case of Scotland) to serve as a trustee for three years. The National Committee of Young Arthritis Care also elects one of its members to serve as a trustee and, in addition, five trustees are directly elected by the membership to serve for three years.

On a three yearly basis, the board elects from its membership a trustee to serve as chair of the charity (ex-officio). The honorary officer positions of treasurer and vice-treasurer are filled by a recommendation of the board to the membership in annual general meeting and serve for three years. The board also has the power to co-opt two others to serve as trustees for three years. A majority of the current board are people with personal experience of arthritis.

The board meets in full session on at least six occasions during the year and delegates a number of its governance functions to a well-established committee structure, including a finance and general purposes committee, an audit committee and a medical advisory committee made up of trustees and other individuals. All supporting committees have their decisions ratified by the board.

Company and Charity Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepared the financial statements on the going concern basis.

Trustees have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity including taking all reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively
- its assets are safeguarded against unauthorised use and disposition
- proper records are maintained and financial information used within the charity or for publication is reliable
- the charity complies with relevant laws and regulations.

Arthritis Care's systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and include:

- a strategic plan, business plan and an annual budget approved by trustees

■ regular consideration by the trustees of financial results, variance from budgets and non-financial performance indicators

■ delegation of authority and segregation of duties

■ identification and management of risks.

During the year the trustees received a total risk assessment report which had been commissioned from Sayer Vincent, Chartered Accountants, in 1999. This identified the major risks facing the charity and in response a three-year action plan has been developed to address those risks which is now being implemented.

The charity's human resources department has been expanded and additional finance posts established, partly as a result of the report, and specific work is in hand to strengthen internal systems and improve internal communication.

Volunteers

The charity is grateful for the unstinting efforts of its appointed and elected volunteers who are involved in service provision and fundraising. Action is being taken to increase the level of support given to our volunteers at all levels to ensure that best value is derived from their sterling efforts.

Employee involvement and employment of disabled people

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The charity carries out exit interviews for all staff leaving the organisation.

A system of annual appraisal is in place which provides further opportunities for staff to raise any concerns and the charity has implemented – and is in the process of implementing – a number of detailed policies in relation to all aspects of personnel matters including:

■ equal opportunities policy

■ volunteers' policy

■ health and safety policy.

In accordance with Arthritis Care's equal opportunities policy, the charity has well-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Auditors

A resolution to re-appoint AGN Shipleys as auditors will be proposed to members at the annual general meeting.

This report was approved by the board on 11 July 2001.

Janet Innes
Chairman

Trustees, officers and professional advisers

President: The Duke of Westminster

Patron: The Hon Sir Angus Ogilvy

Chairman: Janet Innes

Vice chair: Terry Oliver

Treasurer: Chris Heginbotham

Vice treasurer: Henry AV Wilson

Trustees: Sandra Beeston (until 1 July 2000), Rosemary Blair, Marj Burden, Mary Cowern, Mark Doughty (from 1 July 2000), Dr David Doyle, Patricia Field, Dr Richard Hull, Gordon MacGillivray, Stephen Maguire (from 1 July 2000), Margaret Murray, Lesley Ann Scott, Norman Shakesby and the late Dr Douglas Woolf (until 8 October 2000).

Chief executive: Richard Gutch

Company secretary: Kate Nash

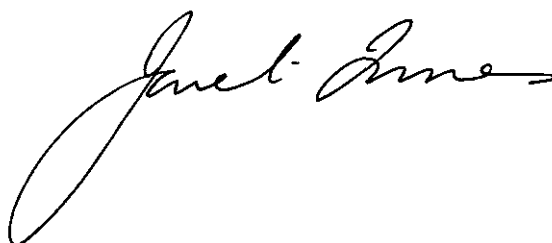
Director of finance: David Goulds MBA FCMA FCIS

Auditors: AGN Shipleys Chartered Accountants, 10 Orange Street, Haymarket, London WC2H 7DQ

Bankers: National Westminster Bank, Oxford Circus Corporate Business Centre, 3rd floor Argyll House, 246 Regent Street, London W1R 6PB

Solicitors: Potheary and Barratt, White Horse Court, North Street, Bishops Stortford CM23 2LD

Investment advisers: Gerrard Ltd, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG



Auditors' report to the members of Arthritis Care

We have audited the financial statements on pages 15 to 21 which have been prepared under the historical cost convention and the accounting policies set out on page 17.

Respective responsibilities of trustees and auditors

As described in their report the trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the group's circumstances, consistently applied, and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity and of the group at 31 December 2000 and of its results and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

AGN 

 Registered Auditors
 11 July 2001

Consolidated statement of financial activities

for the year ended 31 December 2000

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2000 £	Restated 1999 £
Income and Expenditure					
Incoming Resources					
Membership subscriptions		232,902	86,873	319,775	331,551
Donations	2	910,484	0	910,484	849,515
Legacies		2,825,215	173,657	2,998,872	3,779,352
<i>Activities in furtherance of the charity's objects</i>					
Training and Service development	3	0	459,479	459,479	1,077,393
Regional Services and Projects	3	0	539,907	539,907	360,277
Branches	3	0	1,318,493	1,318,493	1,076,130
Hotels	3	1,168,024	134,507	1,302,531	1,455,851
Public Policy and Information	3	0	15,000	15,000	10,388
Publications	3	148,446	0	148,446	140,238
Young Arthritis Care	3	0	37,147	37,147	56,815
<i>Activities for generating funds</i>					
Investment income		109,667	280,258	389,925	293,147
Income of trading subsidiary	4	269,246	80,000	349,246	157,524
Gains on sale of fixed assets		850	0	850	7,250
Total Incoming Resources		5,664,834	3,125,321	8,790,155	9,595,431
Resources Expended					
<i>Costs of generating funds</i>					
Fundraising costs		787,765	87,530	875,295	1,026,187
Expenditure of trading subsidiary	4	147,512	0	147,512	41,884
		935,277	87,530	1,022,807	1,068,071
<i>Charitable expenditure:-</i>					
<i>Costs of activities in furtherance of the charity's objects</i>					
Training and Service development	5	69,299	645,476	714,775	1,121,752
Regional Services and Projects	5	1,254,318	615,604	1,869,922	1,009,112
Branches	5	0	1,826,614	1,826,614	1,634,395
Hotels	5	1,516,965	110,832	1,627,797	1,607,332
Public Policy and Information	5	251,778	23,104	274,882	222,305
Publications	5	505,342	0	505,342	483,364
Young Arthritis Care	5	199,668	59,175	258,843	256,157
Support costs		120,978	0	120,978	125,604
Management and administration		703,748	0	703,748	711,755
		4,622,096	3,280,805	7,902,901	7,171,776
Total Resources expended	5	5,557,373	3,368,335	8,925,708	8,239,847
Net (outgoing)/incoming resources before transfers		107,461	(243,014)	(135,553)	1,355,584
Transfers between funds	13	(124,360)	124,360	0	0
Net (outgoing)/incoming resources		(16,899)	(118,654)	(135,553)	1,355,584
<i>Gains or (losses) on investment assets:-</i>					
Realised	8	(83,124)	9,728	(73,396)	(12,963)
Unrealised	15	(49,108)	3,619	(45,489)	193,394
Operating loss after taxation of trading subsidiary	4	0	0	0	(432)
Revaluation of tangible fixed assets		0	0	0	(1,896,512)
Net Movement in Funds		(149,131)	(105,307)	(254,438)	(360,929)
Fund balances brought forward at 1 January 2000		6,184,072	6,276,673	12,440,745	12,801,674
Fund balances carried forward at 31 December 2000		6,014,941	6,171,366	12,186,307	12,440,745

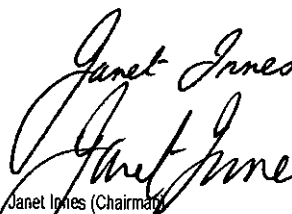
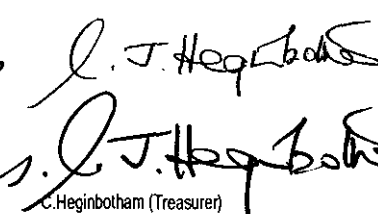
All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The (loss)/surplus for the year for Companies Act purposes comprises the net (outgoing)/incoming resources for the year plus realised gains/(losses) on investments was (£208,949). The surplus for 1999 was £1,342,621.

Consolidated and Charity Balance sheets

as at 31 December 2000

	Notes	Group (Charity & trading subsidiary)		Charity	
		Restated		Restated	
		2000 £	1999 £	2000 £	1999 £
Fixed Assets					
Tangible	7	4,276,305	4,337,757	4,276,305	4,337,757
Investments	8	2,905,914	2,778,047	2,905,734	2,777,867
		<u>7,182,219</u>	<u>7,115,804</u>	<u>7,182,039</u>	<u>7,115,624</u>
Current Assets					
Stocks		22,382	17,576	22,382	13,909
Debtors and prepayments	9	809,724	698,416	845,101	732,583
Cash at bank and in hand: held by local committees, branches and groups	10	4,211,614	4,076,263	4,211,614	4,076,263
held centrally	10	1,107,273	1,561,925	1,041,633	1,507,499
		<u>6,150,993</u>	<u>6,354,180</u>	<u>6,120,730</u>	<u>6,330,254</u>
Creditors: Amounts falling due within one year	11	666,248	555,564	635,805	531,458
Net Current Assets		<u>5,484,745</u>	<u>5,798,616</u>	<u>5,484,925</u>	<u>5,798,796</u>
Total Assets less Current Liabilities		<u>12,666,964</u>	<u>12,914,420</u>	<u>12,666,964</u>	<u>12,914,420</u>
Creditors: amounts falling due after more than one year	12	480,657	473,675	480,657	473,675
Net Assets	15	<u>12,186,307</u>	<u>12,440,745</u>	<u>12,186,307</u>	<u>12,440,745</u>
Funds					
Restricted funds	13	6,171,366	6,276,673	6,171,366	6,276,673
Unrestricted funds:-					
Designated funds	14	4,587,712	4,654,365	4,587,712	4,654,365
General funds	14	1,427,229	1,509,707	1,427,229	1,509,707
Total funds		<u>12,186,307</u>	<u>12,440,745</u>	<u>12,186,307</u>	<u>12,440,745</u>

The financial statements on pages 15 to 21 were approved by the trustees on 11th July 2001 and signed on their behalf by:

 Janet Jones (Chairman)
 C. Heginbotham (Treasurer)

Consolidated cashflow statement

for the year ended 31 December 2000

	2000		Restated 1999	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		(547,802)		1,351,852
Returns on investments and servicing of finance				
Interest and dividends received	392,240		249,925	
Interest paid	(35,177)		(33,106)	
Net cash inflow from returns on investment and servicing of finance		357,063		216,820
Investing activities:				
Purchase of tangible fixed assets	(220,025)		(484,305)	
Proceeds from sale of tangible fixed assets	3,349		7,250	
Purchase of investments	(951,846)		(816,670)	
Net purchase of bank deposits, building society accounts and bonds	(31,590)		(6,541)	
Proceeds from sale of investments	1,043,620		488,716	
Net cash (outflow) from investing activities		(156,492)		(811,550)
Financing				
Finance leases entered into	54,607			
Repayment of Loan	(26,677)		(11,831)	
		27,930		(11,831)
(Decrease)/Increase in cash		<u>(319,301)</u>		<u>745,291</u>
Reconciliation of net cash flow to movement in net debt				
(Decrease)/Increase in cash in the period	(319,301)		745,291	
Cash inflow from increase in debt financing	(27,930)		11,831	
Change in net debt resulting from cash flows		(347,231)		757,122
Movement in net debt in the year		(347,231)		757,122
Net debt as at 1 January 2000		5,139,513		4,382,391
Net debt as at 31 December 2000		<u>4,792,282</u>		<u>5,139,513</u>
Reconciliation of operating profit to net cash (outflow)/inflow from operating activities				
Net (outgoing)/incoming resources	(135,553)		1,355,584	
Net investment income		(354,554)		(234,140)
Changes in resources before revaluations	(490,107)		1,121,444	
Gifts in kind (investments)	(306,936)		(278,930)	
Depreciation	278,977		338,000	
(Increase) in stocks	(4,806)		(4,498)	
(Increase)/decrease in debtors	(113,621)		189,959	
Increase/(decrease) in creditors	89,541		(6,873)	
Gain on sale of fixed assets	(850)		(7,250)	
Net cash (outflow)/inflow from operating activities		<u>(547,802)</u>		<u>1,351,852</u>

Analysis of changes in net debt

	At 1 January 2000	Cash Flow	At 31 December 2000
	£	£	£
Held by local committees, branches and groups	4,076,263	135,351	4,211,614
Held centrally	1,561,925	(454,652)	1,107,273
Debt due after more than one year	5,638,188	(319,301)	5,318,887
Bank loan	(498,675)	26,677	(471,998)
Obligation under finance leases	0	(54,607)	(54,607)
	<u>5,139,513</u>	<u>(347,231)</u>	<u>4,792,282</u>

The notes on pages 17 to 21 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2000

1. Accounting policies

(a) Accounting convention

The financial statements of the Group have been prepared under the historical cost convention and comply with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

(b) Consolidation

The financial statements of the Charity include the assets, liabilities, funds and income and expenditure of all the Charity's local committees, branches and groups, as well as its central office, regional services and hotels. The local committee, branch and group figures have been compiled from returns by local treasurers made up to 31 October 2000. The figures for the Arthritis Care Group comprise the Charity and its subsidiary trading company, Arthritis Care (Trading) Limited. Exemption under Section 230 of the Companies Act 1985 has been applied and an individual profit and loss account of the parent company has not been prepared. The deficiency of the parent company for the year was £456,172 (1999 £476,569 deficiency).

(c) Company Status

The charity is a company limited by guarantee and not having a share capital. In the event of the charity being wound up, each member of the board and member of the charity guarantees the company the sum of £1.

(d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in note 14. 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. The cost of raising and administering such funds are charged against the specific fund.

(e) Income and Comparative figures

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. In order to comply with the new SORP, the manner in which legacy income is recognised was amended in the year to bring it in once receipt was considered certain rather than when it was received. The comparative figures have been amended in a similar basis with the effect that funds brought forward have been increased by £508,315 with a corresponding increase in the accrued income figure in the balance sheet.

(f) Depreciation of tangible fixed assets

Fixed assets, which are stated at cost, are depreciated on a straight line basis at rates calculated to write off the cost over their expected useful economic lives as follows:

Freehold land	Nil
Freehold buildings	over 50 years
Office equipment	over 3 years
Motor vehicles	over 4 years
Self Catering Units	over 10 years

With the exception of computer equipment, fixed assets with an individual cost of less than £3,000 are written off in the year of purchase.

Fixtures and fittings which have been fully depreciated, are written out of the accounts one year later.

(g) Stocks

Stocks of goods for resale are stated at the lower of cost and net realisable value after making allowance for obsolete and slow moving items.

(h) Listed Investments

Listed Investments are stated at market value at the balance sheet date. The SOFA includes the realised and unrealised gains and losses arising on revaluations and disposals throughout the year.

(i) Pension Costs

Pension contributions are charged against income so that the expected cost of providing pensions is recognised in the period in which benefit is derived from the employees' services.

(See note 16)

(j) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated in proportion to the estimated usage that each activity makes of the resources.

(k) Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

2. Donations

	Unrestricted 2000 £	Restricted 2000 £	Total 2000 £	Restated 1999 £
Direct mail	470,180	0	470,180	549,903
Other donations	440,304	0	440,304	299,612
	<u>910,484</u>	<u>0</u>	<u>910,484</u>	<u>849,515</u>

3. Services to People with Arthritis

	2000 Income	2000 Expenditure	2000 Net Expenditure	1999 Net Expenditure
Training and Service development	539,479	714,775	175,296	336,044
Regional Services and Projects	539,907	1,869,922	1,330,015	1,810,963
Branches	1,318,493	1,826,614	508,121	23,551
Hotels	1,302,531	1,627,797	325,266	363,575
Public Policy and Information	15,000	274,882	259,882	212,264
Publications	148,446	505,342	356,896	315,311
Young Arthritis Care	37,147	258,843	221,696	148,893
	<u>3,901,003</u>	<u>7,078,175</u>	<u>3,177,172</u>	<u>3,210,601</u>

Included in Training and Service development is £80,000 sponsorship raised by the Trading company.

4. Trading subsidiary

The Charity has a wholly owned subsidiary, Arthritis Care (Trading) Limited, a company incorporated and registered in England. The principal activity of this company is the raising of funds through the sale of goods and services and corporate sponsorship. The net profit is gifted to the charity.

A summary of the trading results is shown below:

	2000 £	1999 £
Turnover	349,246	157,524
Cost of sales	<u>140,645</u>	<u>32,645</u>
Gross profit	208,601	124,879
Expenses	<u>6,867</u>	<u>9,239</u>
Net profit	201,734	115,640
Amount covenanted to the charity	<u>201,734</u>	<u>116,072</u>
Loss on ordinary activities after taxation	0	(432)
Reserves brought forward	(432)	0
Reserves carried forward	<u>(432)</u>	<u>(432)</u>

Notes to the financial statements

for the year ended 31 December 2000

4. Trading subsidiary (continued)

Current assets and liabilities of the subsidiary as at 31st December 2000 were as follows:

	2000 £	1999 £
Current Assets		
Debtors & stock	168,605	12,423
Cash	65,640	54,426
	<u>234,245</u>	<u>66,849</u>
Creditors		
Creditors less than one year	234,425	67,029
Net Current Liabilities	<u>(180)</u>	<u>(180)</u>

5. Analysis of Total Resources Expended

	Staff costs	Depreciation	Other	2000 Total	1999 Total
	£	£	£	£	£
Costs of generating funds:-					
Fundraising costs	352,028	0	523,267	875,295	1,026,187
Expenditure of trading subsidiary	41,552	0	105,960	147,512	41,884
Charitable expenditure:-					
<i>Costs of activities in furtherance of the charity's objects</i>					
Training and Service development	223,044	0	491,731	714,775	1,121,752
Regional Services and Projects	1,180,078	3,920	685,924	1,869,922	1,009,112
Branches	0	54,344	1,772,270	1,826,614	1,634,395
Hotels	869,861	64,599	693,337	1,627,797	1,607,332
Public Policy and Information	216,334	0	58,548	274,882	222,305
Publications	115,716	0	389,626	505,342	483,364
Young Arthritis Care	151,982	0	106,861	258,843	256,157
Support Costs	120,978	0	0	120,978	125,604
Management and administration	550,563	156,114	(2,929)	703,748	711,755
Total	<u>3,822,136</u>	<u>278,977</u>	<u>4,824,595</u>	<u>8,925,708</u>	<u>8,239,847</u>

Included in Other Costs are:-

- a) Auditor's remuneration for audit of £26,950 (1999: £28,500) and for other professional services of £4,246 (1999: £1,375).
- b) Travel expenses reimbursed to Trustees of £10,596 (1999: £17,619) for the year. No emoluments were paid to trustees. The number of trustees claiming reimbursement was 13.
- c) Premiums of £2,730 (1999: £1,890) on a professional indemnity policy to protect the Charity, trustees and employees from loss arising from the neglect or defaults of the trustees or employees.

6. Staff Costs

Emoluments of employees.

	2000	1999
Gross pay	3,205,619	2,828,803
Social security costs	235,549	221,602
Other pension costs	245,531	184,172
Payments to agencies or similar for temporary help.	135,437	111,456
	<u>3,822,136</u>	<u>3,346,033</u>

One employee was paid emoluments in the band £60,000 to £69,999. No other employee received more than £50,000. All employees earning more than £50,000 participated in the pension scheme.

The average number of persons employed during the year was:

	Total	Central	Regions	Hotels
Number of employees (1999: 256)	251	65	117	69
Full time equivalent				
2000	182	50	67	65
1999	180	62	53	65

7. Tangible Fixed Assets

Group and Charity

	Properties Freehold	Leasehold	Self Catering Units	Fixtures & Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2000	4,061,250	5,000	67,410	318,490	694,555	5,146,705
Additions	8,011	0	25,378	186,636	0	220,025
Disposals	0	0	(4,000)	0	(2,500)	(6,500)
Write off nil book values	0	0	0	(46,114)	(9,995)	(56,109)
At 31 December 2000	<u>4,069,261</u>	<u>5,000</u>	<u>88,788</u>	<u>459,012</u>	<u>682,060</u>	<u>5,304,121</u>

Depreciation

At 1 January 2000	0	5,000	67,410	200,000	536,538	808,948
Charge for year	62,551	0	2,538	128,727	85,161	278,977
Disposals	0	0	(4,000)	0	0	(4,000)
Write off nil book values	0	0	0	(46,114)	(9,995)	(56,109)
At 31 December 2000	<u>62,551</u>	<u>5,000</u>	<u>65,948</u>	<u>282,613</u>	<u>611,704</u>	<u>1,027,816</u>

Net Book Value

At 31 December 2000	<u>4,006,710</u>	<u>0</u>	<u>22,840</u>	<u>176,399</u>	<u>70,356</u>	<u>4,276,305</u>
At 31 December 1999	<u>4,061,250</u>	<u>0</u>	<u>0</u>	<u>118,490</u>	<u>158,017</u>	<u>4,337,757</u>

Included in fixtures and equipment are assets with a Net book value of £36,404 which are held under finance leases. (1999: nil)

8. Fixed Asset Investments

	2000 Market Value £	Cost £	1999 Market Value £	Cost £
Quoted Investments at market value				
UK government securities	943,753	859,889	721,594	721,076
Other listed stocks and shares	<u>1,916,450</u>	<u>1,643,004</u>	<u>2,042,332</u>	<u>1,469,278</u>
	<u>2,860,203</u>	<u>2,502,893</u>	<u>2,763,926</u>	<u>2,190,354</u>
Bank deposits and building society accounts.	45,711		14,121	
Total for Group	<u>2,905,914</u>		<u>2,778,047</u>	
Investment in subsidiary undertaking	(180)		(180)	
Total for Charity	<u>2,905,734</u>		<u>2,777,867</u>	

Movement in quoted investments

Market value as at 31st December 1999	2,763,926
Less: Disposals at opening book value	
Proceeds	1,043,620
Loss on sale	<u>73,396</u>
	1,117,016
Add:	
Acquisitions at cost	951,846
Gifts of shares	306,936
Net gains on revaluation	<u>(45,489)</u>
	1,213,293
Market valuation as at 31st December 2000	<u>2,860,203</u>

Notes to the financial statements

for the year ended 31 December 2000

8. Fixed Asset Investments (continued)

The Charity is a member holding one £1 share of the Arthritis Care Abbeyfield (Devon) Society Ltd, an Industrial and Provident Society registered on 20 January 1995 under the Industrial and Provident Societies Act 1965 to manage Patterson Lodge as sheltered accommodation for people who have arthritis. The Charity is not a member of the Committee of Management of the Society and as such does not exercise any measure of control. On this basis the Trustees do not consider the Society to represent an associated undertaking and therefore have not included the financial statements of the Society (available for inspection at the Registry of Friendly Societies) in the consolidated financial statements of the Group.

9. Debtors and prepayments

	2000		Restated 1999	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	175,964	7,359	18,446	10,946
Tax recoverable	82,214	82,214	52,269	51,895
Other debtors	23,615	23,615	30,207	30,207
Amount due from subsidiary undertaking	0	203,982	0	42,923
Accrued income	99,766	99,766	89,179	88,297
Accrued legacies	428,165	428,165	508,315	508,315
Total	809,724	845,101	698,416	732,583

The figure for accrued income represents grants to be received for work already carried out.

The figure for tax recoverable is the tax due for immediate repayment.

10. Cash at bank and in hand

	2000		Restated 1999	
	Group	Charity	Group	Charity
	£	£	£	£
Held by:-				
Local committees, branches and groups	4,211,614	4,211,614	4,076,263	4,076,263
Central office	1,041,633	1,041,633	1,507,499	1,507,499
Subsidiary undertaking	65,640	0	54,426	0
Total	5,318,887	5,253,247	5,638,188	5,583,762

11. Creditors: amounts falling due within one year

	2000		Restated 1999	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	333,873	328,794	219,028	219,028
Other creditors	203,677	180,488	250,448	251,948
Accruals	82,750	80,575	61,088	35,482
Bank loan repayable within one year	29,547	29,547	25,000	25,000
Obligations under finance leases	16,401	16,401	0	0
Total	666,248	635,805	555,564	531,458

12. Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Group and Charity		
Bank loan:	442,451	473,675
Obligations under finance leases	38,206	0
Total	480,657	473,675

The bank loan is repayable over the remaining 11 years of the original 20 year loan and secured by a legal mortgage over the property at 18 Stephenson Way, London. Interest is payable at 1.5% over base rate.

13. Restricted Funds

Restricted funds hold donations and other income given for specific purposes. The balances represent amounts which had not been allocated at the year end.

Local committee, branch and group funds are raised and controlled locally for services to people with arthritis in the local area.

The analysis of the Arthritis Care Group net assets between funds is set out in note 15.

	Balance 1/1/00	Movement in Funds		Transfers	Balance 31/12/00
	£	Income	Expenditure	£	£
Central funds:					
Fundraising	0		87,530	87,530	0
Hotels	111,098	134,507	110,832	0	134,773
Training and Service development	69,167	539,479	645,476	36,830	0
Young Arthritis Care	47,805	37,147	59,175	0	25,777
Public Policy and Information	24,369	15,000	23,104	0	16,265
	252,439	726,133	926,117	124,360	176,815
Regional funds:					
Local committee, branch and group funds	5,779,447	1,872,628	1,826,614	0	5,825,461
Regional projects	244,787	539,907	615,604	0	169,090
	6,276,673	3,138,668	3,368,335	124,360	6,171,366

14. Unrestricted Funds

	Balance 1/1/00	Movement in Funds		Transfers	Balance 31/12/00
	£	New Designations	Utilised/Realised	£	£
Designated					
Capital asset reserve	3,770,998	0	36,968	0	3,734,030
Staff provident fund	9,500	4,500	0	0	14,000
Patterson Lodge fund	11,615	4,010	5,885	0	9,740
Legacy reserve	500,000	0	0	0	500,000
Orton Rigg Extension fund	317,252	12,690	0	0	329,942
Telephone upgrade	45,000	0	45,000	0	0
Total Designated funds	4,654,365	21,200	87,853	0	4,587,712
General funds	1,509,707	5,511,402	5,469,520	(124,360)	1,427,229
Charity Unrestricted funds	6,164,072	5,532,602	5,557,373	(124,360)	6,014,941
Total Unrestricted funds	6,164,072	5,532,602	5,557,373	(124,360)	6,014,941

Notes to the financial statements

for the year ended 31 December 2000

14. Unrestricted Funds (continued)

Capital asset reserve

The capital asset reserve, being the net book value of unrestricted tangible fixed assets less the long term creditor per note 12, represents the income received in past years which has been used to acquire the fixed assets required for the running of the charity's services and activities.

Staff provident fund

The staff provident fund is available to provide ex gratia payments for retiring members of staff who for some period of their employment were ineligible to join the company's pension scheme.

Patterson Lodge fund

The Patterson Lodge fund represents annual rentals received from the Arthritis Care Abbeyfield (Devon) Society Ltd that the Trustees have agreed will be used exclusively for repairs/improvements to the property.

Legacy Reserve

The Legacy Reserve has been established to assist the Trustees in budgeting on the basis of a seven year average for legacy income.

Orton Rigg Extension Fund

This fund comprises the net proceeds plus interest from the sale of Waring Bowen House together with other funds raised for the extension of the Orton Rigg hotel in Poole, Dorset.

Telephone upgrade

The Board of Trustees recognised the urgent need to replace the main central office telephone system. This was completed in 2000.

15. Analysis of Group Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December are represented by:			
Tangible fixed assets	4,214,687	61,618	4,276,305
Investments	1,353,506	1,552,408	2,905,914
Current assets:			
Stock and debtors	698,218	133,888	832,106
Cash & bank	879,021	4,439,866	5,318,887
Current liabilities	(649,834)	(16,414)	(666,248)
Long term liabilities	(480,657)	0	(480,657)
Total net assets	6,014,941	6,171,366	12,186,307
Unrealised gains included above:			
On tangible fixed assets	0	0	0
On investment assets (see below)	132,980	215,131	348,111
	132,980	215,131	348,111
Reconciliation of movements in unrealised gains on investment assets:			
Unrealised gains at 1 January 2000	359,334	214,237	573,571
Deduct in respect of disposals in year	(177,246)	(2,725)	(179,971)
	182,088	211,512	393,600
Add: Net (losses)/gains arising on revaluations in year	(49,108)	3,619	(45,489)
Unrealised gains at 31 December 2000	132,980	215,131	348,111

There is a surplus of £2,280,911 of resources available for the core work of the charity made up of the excess of unrestricted investments and current assets over current liabilities. Apart from designations, the charity now has just under £1.43M of general funds in reserve.

16. Pension costs

The Charity operates a defined benefit scheme for the benefit of employees. The assets of the scheme are administered by the Pensions Trust in a fund independent from that of the charity. The scheme provides benefits based on 1/60th of final pensionable pay multiplied by pensionable service in completed months and years.

Contributions to the scheme were determined by a professionally qualified actuary and are charged so as to spread the cost of pensions over employees' working lives with the Charity.

The pension charge for the year was:

2000	£244,225	being 10.9% of members' pensionable pay
1999	£181,535	being 10.9% of members' pensionable pay
1998	£160,307	being 9.45% of pension scheme members' salary
1997	£108,441	being 10.7% of pension scheme members' salary to July 1997 and 10.9% from August 1997

Employees contribute at the rate of 5% of pensionable salary.

The latest scheme valuation was carried out at 30 September 2000 using the Projected Unit method.

In the provisional report the main actuarial assumptions were:

Investment returns of 6.6% per annum on new assets and 4.25% on existing assets

Pensionable salaries increased by 4.5% per annum

A price inflation rate of 2.5% per annum

An increase in pension of 2.5% per annum

Members eligible to retire at 60 will all do so.

At the date of the valuation the actuarial value of the assets was £2,402,000 being 94% of the liabilities of the scheme based on final projected pensionable salaries. The employer's contribution is to be increased from January 2002 to address this.

The next valuation will take place on 30th September 2003.

17. Finance Leases

The company has annual obligations under finance leases as follows,

	2000 £	1999 £
Fixtures and Equipment		
Within one year	16,401	0
Between 2 and 5 years	38,206	0

18. Operating Leases

The company has annual obligations under operating leases as follows,

	2000 £	1999 £
Land and Buildings		
Expiring between 2 and 5 years	125,808	0

19. Contingent Liabilities

A supplier of leased photocopier equipment has issued proceedings against the Charity. The trustees have taken independent advice and, acting on the basis of this advice, are strongly resisting these proceedings.

The Charity faces potential liability to the finance providers involved in the transactions concerning the supplier of the photocopier equipment.

The trustees are confident that no significant liability will arise in relation to either the supplier or the finance providers, and therefore no provision has been made in these accounts for any costs or settlement payments nor have the assets provided been included.

Notes to the financial statements

for the year ended 31 December 2000

20. Statutory grants

During the year the following discretionary statutory grants were received nationally and are included in service areas under "Activities in furtherance of the charity's objects".

	2000 £
Department of Health:-	
Challenging Arthritis Self Management Programme	25,000
Nottingham County Council	12,695
East Riding Health Authority	17,081
NIVDA	9,753
NIH & SSEB	2,500
Ayrshire & Arran Health Board	5,000
South Ayrshire Council	7,400
Dundee City Council	6,900
Inverclyde Council	2,300
West Lothian Council	1,860
Argyle and Clyde Health Board	1,000
Glasgow City Council	308
Stirling Council	3,500
Lothian Health Authority	4,500
Birmingham County Council	9,500
Wolverhampton Health Authority	7,000
Halton and Runcorn Council	10,000
NW Lancashire Health Authority	3,190
Essex County Council	60,000
East Surrey Health Authority	14,009
Home Office ACU	11,065
Shropshire Social Services	4,997
Windsor and Maidenhead Council	5,000
Wiltshire Health Authority	12,000
Avon Health Authority	5,000
Camarthen County Council	7,500
Caerphilly County Council	4,075
Countryside Agency	2,633
Department for Education and Employment:-	
National Disability Development Initiative	24,896
Millennium Commission	7,957
National Lottery Community Fund	
UK Committee	5,000
England Committee	388,589
N.Ireland Committee	14,671
Scotland Committee	82,415
Wales Committee	91,917
	<u>871,211</u>

Further analysis of individual awards are included as Appendix A in the signed accounts lodged with Companies House.

National Lottery Charities Board grants to branches

The total figure for grants to branches was £163,385. These were received by branches during the period 1 November 1999 to 31 October 2000. The grants to individual branches is included as Appendix B in the signed accounts lodged with Companies House.

Arthritis Care would like to thank everyone who has supported and contributed so generously to their funds during 2000, especially the following:

Trust and company donations 2000

UK

Ashworth Charitable Trust
Beatrice Laing Trust
Carpenter's Company Charitable Trust
Chapman Charitable Trust
Cleopatra Trust
Constance Green Foundation
D'Oily Carte Foundation
Donald Forrester Trust
Evangelical Trust Ltd
Eveson Charitable Trust
Gerald Micklem Charitable Trust
Jacobs Charitable Trust
John Pryor Charitable Trust
Jordan Foundation
Kathleen Laurence Trust
Lidbury Charitable Trust
Miss E C Hendry's Charitable Trust
Nationwide Foundation
Peacock Charitable Trust
Pfizer Group Ltd
Pharmacia
Roger Vere Foundation
Shears Charitable Trust
Tanner Trust
The George Drexler Foundation
The Late Miss Mary Alice Hodge
Trusthouse Charitable Foundation
Valentine Charitable Trust
Vodafone Group Charitable Trust

North England

1989 William Charitable Trust
A & S Burton 1960 Charitable Trust
Barbour Trust
BNFL PLC Employees Fund
Cecil Pilkington Charitable Trust
Coalfields Regeneration Trust
Green and Lilian FM Ainsworth and Family Beneficial Fund
John Slater Foundation
Manchester Saturday Fund
Percy Bilton Charity
Pilkington Charitable Trust
Pilkington Charities Fund
Proven Family Trust
Readman Foundation
W A Handley Charitable Trust

Central England

Birmingham City Council
Boston branch of Arthritis Care
Cambridge branch of Arthritis Care
Camelot Foundation
Cannock branch of Arthritis Care
Chesterfield borough council
Community Health Services NHS Trust, South Derbyshire
Eveson Trust
Golden Emu Oil

John and Lucille van Geest Foundation
Leicester branch of Arthritis Care
Leicester Health NLCB Community Awards - Anglia
NLCB Community Awards - East Midlands
Norwich branch of Arthritis Care
Nottinghamshire county council, Prevention Grant
Shropshire Community Council
Shropshire Community Support Group
Sir John Eastwood Foundation
The Countryside Agency
Welconstruct
Wolverhampton Health Authority

South West England
Dfee Champions Fund
Stagecoach (Devon) Ltd
The Talbot Trust

South East England

Barrett's North London
Charles S French Charitable Trust
Corporation of London Bridge House Estates Trust Fund
Hampton Fuel Allotment Charity
Herbert & Peter Blaggrave Charitable Trust
Jack Petchey Foundation
NLCB Awards for All
Richmond Parish Lands Charity
Thompson Fund

Scotland

Bill and Margaret Nicol Charitable Trust
D W T Cargill Fund
J and JR Wilson Trust
James Wood Bequest Fund
Miss Agnes H Hunter's Trust
Miss Annie R McLean's Trust
Miss Marion Broughton's Charitable Trust
Robertson Trust
Row Fogo Charitable Trust

Northern Ireland

Camelot Foundation
Department for Social Development
FG Wilson Engineering Ltd
Northern Ireland Co-op
South and East Belfast Health and Social Services Trust
Tesco Charity Trust

The trusts and companies listed above made donations of £1,000 or more during 2000.

Get more involved

As you can see, Arthritis Care depends on your help. Without the support of our volunteers and our donors we couldn't provide the wide range of services that we do to people with arthritis.

Working as a volunteer, and making a positive impact on the lives of other people with arthritis, can also be very enjoyable and rewarding. Volunteer roles vary from branch treasurer or chairman to Young Arthritis Care Contact; and from leading Challenging Arthritis courses in your local community to helping send out information from central office. All are equally valuable.

If you can't give your time, your financial help is equally valuable. Raising funds is difficult. Every penny is welcome and used carefully to empower people with arthritis.

If you would like to get more involved in Arthritis Care's work please complete the form and return it to: Arthritis Care, FREEPOST, 18 Stephenson Way, London NW1 0YV. (You don't need to use a stamp, but if you do it will save Arthritis Care money).

Registered charity No. 206563

Become a member

Members receive the following benefits:

- **Arthritis News** brings the latest news plus practical information and support to your front door
- access to information about Arthritis Care services including the helpline, information service, training courses, volunteer contacts and visitors
- priority booking at Arthritis Care hotels
- influence Arthritis Care's work and direction by nominating and electing members to the board of trustees or standing yourself
- Arthritis Care campaigns on behalf of people with arthritis nationally and locally. By joining, you strengthen our voice.

In addition:

- postal members are sent all new information publications as soon as they are published
- branch or group members benefit from mutual support, form special interest groups and attend social occasions.

Join now

Branch membership:

- ☐ I would like to join my local branch or group at the rate of £6. Please ask them to contact me.

OR

Postal membership

If you pay by direct debit you will save both yourself and Arthritis Care money

- ☐ I would like to become a postal member at the direct debit rate of £16

QA

- ☐ I would like to to become a postal member at the full rate of £18

02

- ☐ I am on benefits/low income and would like to to become a postal member at the assisted direct debit rate of £8

OE

- ☐ I am on benefits/low income and would like to to become a postal member at the assisted rate of £9

- ☐ I am under 46 and would like to join Young Arthritis Care too (fee included in the above rates)

Support Arthritis Care

- ☐ I wish to support Arthritis Care's work
and enclose a donation of £.....

Payment details

- ☐ I enclose a cheque/PO made payable to Arthritis Care

OR

- ☐ Please debit my MasterCard/Visa/CAF/
Switch/Solo account
(delete as appropriate)

OR

- ☐ Please send me a direct debit form
Name (as printed on the card)

Card Number

[illegible]

Valid from	Expiry date
------------	-------------

Issue number Switch/Solo only

Signature:

Date: _____

Name	Address
	Postcode

ARTHRITIS CARE'S MISSION

- Empowering people to take control
- of their arthritis, their lives and their organisation.

Arthritis Care
18 Stephenson Way
London NW1 2HD

Telephone: 020 7380 6500
Fax: 020 7380 6505
24-hour information line: 0845 600 6868
Freephone helpline: 080 8800 4050 (Mon-Fri, noon – 4pm)
www.arthritiscare.org.uk

Registered Charity No. 206563

LEGAL STATUS:

Charitable company limited by guarantee and not having a share capital.

Each member of the board and member of the charity guarantees the company the sum of £1.

ARTHRITIS CARE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2000

Appendix A

Project	Reference	Balance at 01/01/00	Income	Interest	Outgoing	Re-allocations	Transfers	Debtor	Balance at 31/12/00
Challenging Arthritis		-74,220.28	459,715.00		-422,457.99				-36,963.27
Millennium Awards		111,112.24	7,957.31		-22,287.75		-69,091.36		3,690.44
Working Horizons		-4,815.02	25,606.32		-12,954.45		4,600.00		-30,696.15
CENA1 - CE NLCB Self Help	MF211087	26,583.49	46,200.00		-47,185.81		-7,727.81		17,869.87
Positive Future Workshops		8,083.00	5,000.00		-3,560.81		-8,083.00		1,439.19
YAC publications		1,543.07					-1,543.07		0.00
Action for children	MF211363	18,972.85	32,203.00		-25,425.37		-1,000.00		20,362.48
YAC Childrens project		5,916.85	-4,486.00		-4.70				1,426.15
Parents of Children		16,831.46	750.00		-9,405.78		-500.00		7,675.68
Bridge House Trust		806.71					-806.71		0.00
ENGSE - Yactive		-4,349.52	3,680.00		-5,263.36		806.71		-5,126.17
PPCIN Public Policy & Campaigning	MF274830	0.00	5,000.00		-5,816.78				-816.78
Website Development		0.00	10,000.00						10,000.00
Information Services		14,994.31			-8,965.78				6,028.53
Action Against Poverty		16,145.92			-2,841.11		-13,304.81		0.00
Millennium Roadshow	MF215216/MF215629								
NLCB East Midlands - CENEM	MF215566/MF217140	14,427.55	348,913.00		-354,540.70		-20,000.00		-11,200.15
London Project	MF232854	22,370.12	37,975.00		-42,744.36		-5,086.52		12,514.24
YORKS- NLCB	MF212620	48,718.74	40,014.00		-48,944.86		-7,296.00		32,491.88
N.Ireland NLCB	MF214322	38,043.95	18,128.00		-36,929.26		-8,604.00		8,138.69
Yorkshire ALC		33,367.15			-13,396.23		-4,700.00		8,065.92
N.Ireland ALC		6,783.86	2,677.00		-3,076.31				6,384.55
Positive Futures - Scotland		4,864.00			-1,649.22				3,214.78
TIS - NI-Community involvement		0.00	5,000.00						5,000.00
EPAW-NLCB	MF215629	0.00	1,000.00		-830.52				169.48
Sub-total		306,180.45	55,282.00		-23,846.08				31,435.92
Other		191,047.04	1,100,614.63	0.00	-1,092,127.23		-93,587.69	0.00	91,105.28
Total		497,227.49	1,655,423.77	0.00	-92,886.47		65,449.10	0.00	254,800.04
			1,266,038.40	0.00	-1,185,013.70		-28,138.59	0.00	345,905.32

ARTHRITIS CARE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2000

Appendix B

Branch Name	Amount
Alexandria	5,000.00
Aughton	1,558.00
Ayr	2,800.00
Bathgate	1,650.00
Bedford	3,108.30
Belfast South East	5,000.00
Belfast West	1,000.00
BINGHAM	1,000.00
BLACKBURN & DARWEN	1,779.00
BRADFORD MID-WAY SUPPORT GROUP	100.00
BRIDLINGTON & DIST.	530.00
BRISTOL & GLOUCESTER	2,000.00
BRISTOL WEST	534.00
CALIFORNIA FARM	250.00
CANNOCK	4,997.00
CENTRAL/FIFE/TAYSIDE	2,000.00
CHILTERN	3,710.00
Chorley	3,628.00
CRAIGAVON	5,000.00
CROMER & SHERINGHAM	1,792.00
DEVON	2,300.00
DONAGHADEE	4,925.00
Dumfries	1,547.00
EGREMONT SUPPORT GROUP	300.00
FOLKESTONE/HYTHE	634.00
FORRES	569.00
GLOUCESTER	2,000.00
HALTON	400.00
HASTINGS	3,950.00
Heysham	2,136.00
HITCHIN	225.00
HUDDERSFIELD MIDWAY GRP	3,255.00
HULL	798.00
ICKENHAM & DIST	500.00
ILKLEY	500.00
JOHNSTONE	2,280.00
Kilmarnock	3,329.00
KILMARNOCK YAC	5,801.00
Larne	2,000.00
LEEDS	530.00
LIMAVADY	2,205.00
LIVINGSTON	6,000.00
Lothian YAC	1,350.00
LOUTH & DIST	1,646.00
N SHROPSHIRE	2,250.00
Newcastle (Mourne)	3,900.00
NORTH WALES	3,626.00
NORTHERN IRELAND NE	2,308.00
ORKNEY	5,000.00
RYBURN VALLEY	2,121.00
SCOTLAND WEST & SOLWAY	3,089.00

ARTHRITIS CARE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2000

Appendix B

Branch Name	Amount
SHEPPEY	2,500.00
SHIPLEY	1,260.00
SHROPSHIRE COMMUNITY SUPPORT GROUP	8,500.00
SIDMOUTH	180.00
SOUTH EAST N IRELAND	3,576.00
SOUTH SHIELDS	900.00
ST IVES	2,000.00
Stonehouse	5,000.00
STROUD	3,000.00
SUNDERLAND	920.00
SUTTON COLDFIELD	1,000.00
Walsall	815.00
WALTHAM FOREST SOUTH	2,286.00
Wembley	2,130.00
WESTERN N IRELAND	4,047.00
WINSFORD	1,250.00
WORTHING	530.00
YAC SUTH EAST CONT GRP	566.00
YORKSHIRE	4,015.00
	<u>163,385</u>