

Company no. 529321
Charity no. 206563

Arthritis Care

Report and Financial Statements

31 December 2008

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sayer vincent
consultants and auditors

Arthritis Care

Reference and administrative details of the charity, its trustees and advisors

For the year ended 31 December 2008

The trustees, who are also the directors of the charity for the purposes of the Companies Act, submit their report and audited financial statements for the year ended 31 December 2008. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). The report and statements also comply with the Companies Act 1985.

Trustees and officers

Patron:

Duke of Westminster

President:

Jane Asher

Chair:

Rosemary Blair

Vice chair:

Ann Heaton

Hon. Treasurer:

Roy Whithear

Trustees:

Mary Cowern

David Doyle (resigned September 2008)

Ann Frye

Richard Hull

David Humphreys

Christine Knight

Norma McDonald

Kathleen Peat

Samantha Peters

Terry Salter (appointed July 2008)

Marianne Scobie (resigned August 2008)

Chief executive:

Neil Betteridge

Company secretary:

Andrew Tilbrook (appointed January 2009)

Professional advisers

External auditors:

Sayer Vincent

8 Angel Gate

City Road

London

EC1V 2SJ

Internal auditors:

RSM Bentley Jennison

30/34 Moorgate

London

EC2R 6LP

Bankers:

National Westminster Bank (Royal Bank of Scotland Group)

Corporate Banking London

9th Floor, 280 Bishops Gate

London

EC2M 4RB

Solicitors:

Russell-Cooke Solicitors

2 Putney Hill

London

SW15 6AB

Investment advisers:

Barclays Wealth

1 Churchill Place

London

E14 5HP

Arthritis Care

Reference and administrative details of the charity, its trustees and advisors

For the year ended 31 December 2008

Principal places of business

Head Office

18 Stephenson Way
London
NW1 2HD
Tel: 020 7380 6500

Central England

Unit 7, Carlton Business Centre
Station Road
Carlton
Nottingham
NG4 3AT
Tel: 0115 952 5522

North England

Suite 2, Belle Vue Business Centre
Elm Tree Street
Wakefield
WS1 5EQ
Tel: 01924 882 150

South England

18 Stephenson Way
London
NW1 2HD
Tel: 020 7380 6509

Northern Ireland

Unit 4 McCune Building
1 Shore Road
Belfast
BT15 3PG
Tel: 028 9078 2940

Scotland

Unit 25A, Anniesland Business Park
242 Netherton Road
Glasgow
G13 1EU
Tel: 0141 954 7776

Wales

Arthritis Care in Wales /
Gofal Arthritis yng Nghymru
Suite 20
One Caspian Point
Pierhead Street
Cardiff CF10 4DQ
Tel: 029 200 22598

Arthritis Care

Report of the trustees

For the year ended 31 December 2008

The trustees present their report and the audited financial statements for the year ended 31 December 2008.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005).

Structure, governance & management

Arthritis Care is a charitable company limited by guarantee and was set up in 1947. The guarantee of each member is limited to £1. It is governed by a memorandum and articles of association, which were last amended on 12 July 2008.

Recruitment and appointment of new trustees

The composition of the board of trustees reflects the user-involvement ethos and devolved structure that 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. 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) and a vice-chair. The honorary officer position of treasurer is filled by a recommendation of the board to the membership at the annual general meeting and serves for three years. The board also has the power to co-opt two others to serve as trustees for three years. There is presently one co-opted trustee. The majority of the current board are people with personal experience of arthritis.

Induction and training of trustees

On appointment each trustee completes a register of interests, which is renewed annually, and receives appropriate induction. Further training needs are met both individually and as an entire trustee board through the regular holding of board development days. Two separate board training days in the last 12 months have covered a board effectiveness review, devolution, investment strategy and services. During 2008 trustees have taken part and attended seminars about the skills of chairing meetings, equality and diversity and health and safety. The board recognises the importance of both risk management and health and safety by their appointment of a trustee champion for each area.

The board conducted a self appraisal of its skills in March 2008, the results of which led to the consideration of a review of the committee structure and their terms of reference to maximise the effectiveness of their roles (which is being conducted in Spring 2009) as well as the establishment of a Nominations Panel in November 2008.

Board effectiveness

Additionally the trustees are continuing the undertaking of an overall review of the effectiveness of the governance structures implemented in 1999 and consistent with this a Chair appraisal was carried out during the year.

Arthritis Care

Report of the trustees

For the year ended 31 December 2008

Strategic management

The board meets as a whole at least four times a year and delegates some of its functions to three sub-committees - operations and resources committee, public affairs committee and audit committee. The audit committee is attended by Sayer Vincent and Bentley Jennison, the charity's external and internal auditors. In addition, four advisory groups exist to offer professional support to the committees on pensions, investments, medical advice and young persons and families. The advisory groups are made up of professionals including rheumatologists, orthopaedic surgeons and fund managers, and they provide direct input to the groups' planning. All the sub-committees and advisory groups have their decisions ratified by the board.

Operational management

Arthritis Care is organised into four UK-wide directorates.

- The Public Affairs directorate works to improve understanding of the needs of people with arthritis, campaigns for changes in policy and practice and has strategic responsibility for the delivery of our information and self-management services.
- The Operations directorate encompasses staff teams in national offices in Scotland, Northern Ireland, Wales and three regional offices covering North, Central and South England. Its purpose is to achieve the campaigning and service delivery objectives of the charity taking into account local priorities and methods of delivery, whilst ensuring financial growth, extended reach and increase in support for the charity. The directorate encourages cross-directorate and cross-functional working throughout the organisation with the aim of achieving consistency and improvement in quality, as well as encouraging diversity in response to UK-wide conditions and environments. During 2008, following a significant review of operational issues, it was decided to upgrade the 3 England regional management posts to that of director(s) and include them in the Senior Management Team. The current post of England Director remains frozen pending finalisation of the review process.
- The Marketing and Fundraising directorate works to raise awareness of the organisation and raises funds from many sources including legacies, individual donations, membership, corporate sponsorship and trust and grant funding.
- The Finance & Resources directorate encompasses financial services - financial reporting and management, internal audit; human resources - recruitment, retention and development of staff and volunteers; company secretarial services - legal matters, good governance; and facilities management - IT, health and safety and property services.

Relationships with related parties

Arthritis Care (Trading) Ltd

The charity's wholly owned trading subsidiary made a loss of £5,375 derived from merchandising. The trustees continue to review the future role of the trading subsidiary with a view to ensuring that the charity has the most effective arrangements in place for maximising tax relief and for complying with legal requirements.

Arthritis Care

Report of the trustees

For the year ended 31 December 2008

Arthritis Care Abbeyfield (Devon) Society Ltd

The charity, until its dissolution, was a member of the society holding £1 share. The Society was registered on 20 January 1995 under the Industrial and Provident Societies Act 1965 to manage Patterson Lodge, owned by Arthritis Care, as sheltered accommodation for people who have arthritis. The society ceased to manage Patterson Lodge on 5 March 2007; the Financial Services Authority registered an Instrument of dissolution for the Arthritis Care Abbeyfield (Devon) Society Ltd, on 10 September 2007. In accordance with its rules, the assets remaining, which amounted to £15,412 after satisfaction of all debts and liabilities, were transferred to Arthritis Care on 7 January 2008. This was notified to the liquidator on 22 January 2008.

Risk management

It is our policy proactively to identify, understand and manage the risks inherent in our services and associated with our plans and strategies, so as to encourage responsible, informed risk taking. Internal procedures are supported via an annual internal audit programme. There is a risk working group, consisting of the chief executive, directors of finance & resources and operations that has overall responsibility for the ongoing maintenance and review of the risk register and evaluates policies, procedures and controls in place to manage and reduce the organisation's risks.

The risk working group reports to the audit committee and board of trustees. During the year training was delivered designed to ensure that both the trustees and staff managing significant risks have the necessary skills to identify, analyse and manage risks appropriately. Individual Assurance Statements have been provided by managers of significant risks to underpin the annual trustee statement on risk management. The result is that systems and procedures have been introduced that are designed to give the trustees assurance over the internal controls of the charity.

Volunteers and staff

The charity is grateful for the unstinting efforts of its appointed and elected volunteers and staff who are involved in service provision and fundraising. In 2008 nearly 1,000 volunteers were actively involved in delivering information, training, taking part in the campaigners' network and running our network of local voluntary branches.

Employee involvement and employment of disabled people

The charity has developed several new personnel policies over the year including a disability leave policy in compliance with the Disability Discrimination Act. Stress and dignity workshops are now held for newly recruited members of staff in order to continue to raise the profile of dignity at work and demonstrate how to properly interact in the workplace. A new job evaluation scheme is currently under development with support from ACAS and an outsourced employee assistance programme helpline service has also been introduced.

Arthritis Care

Report of the trustees

For the year ended 31 December 2008

Our vision

Arthritis Care wants a society in which the needs of people living with arthritis are understood, respected and fully met.

Our mission

Arthritis Care exists to support all people with arthritis:

- directly, with high quality services and information about other forms of support
- indirectly, by influencing others we can make a positive difference to their lives.

Our aims

We will work towards a society in which:

- Everyone with arthritis has information about, and access to, the best possible services and support
- People with arthritis get the best possible deal from government policies
- The impact of arthritis is better and more widely understood
- People are aware there are always positive steps they can take in living with Arthritis Care
- Arthritis Care is universally recognized as the voice of people with arthritis throughout the UK
- Health professionals understand and value the unique role of Arthritis Care and 'prescribe' us to their patients
- Arthritis Care is clear, confident and professional in the delivery of these aims.

Financial review

Review of the year

As reported last year, the board's resolution to invest part of the unrestricted reserves in order to create a more financially stable platform to better equip the charity to meet the objectives laid down in the 2007 Strategy Plan, was duly reflected in an agreed negative budget in excess of a £1 million for 2008. The timing of this decision and its subsequent implementation, however, proved to be somewhat unfortunate coinciding as it did with the onset of a largely unforeseen global recession in the second half of the year. This was brought about primarily by the world's banks engaging heavily in what turned out to be risky sub-prime property lending in the United States. The fall-out has had a dramatic and immediate negative impact on the financial well-being of Arthritis Care along with that of most other organisations, commercial and not-for-profit alike, whether they be based in the UK or elsewhere around the world. The "credit crunch" is inevitably at the forefront of management and trustees' planning as we proceed into 2009.

Arthritis Care

Report of the trustees

For the year ended 31 December 2008

The agreed policy of exiting the hotel sector continued in 2008 with the sale at the end of the year of Lovat Lodge to a newly formed Nairn-based charity set-up specifically to continue to run the hotel on much the same lines as it had formerly been operated under Arthritis Care. To facilitate the sale, a number of Scottish branches agreed to contribute to a reducing-balance soft-loan arrangement with the new charity. These loans when set-off against the agreed sale price of £440,000, generated a net income to Arthritis Care of £185,000 creating a consolidated loss on disposal of £255,000, after taking into account associated legal expenses. The final stage in exit strategy was achieved on 5 May 2009 with sale of the former Burnlea Hotel in Scotland for £750,000.

Basis of accounting

The key accounting policies remain unchanged.

Reserves policy

The charity's strategic objective of achieving robust financial security for the organisation was put under strain with the impact of the downturn in the world's financial markets in the latter part of 2008, being felt with losses on investments assets, a funding deficit on the defined benefit pension scheme and a slow-down in the legacy income pipeline. Much of the funds designated to mitigate against such risks were used during 2008 so the trustees have had to re-evaluate their overall approach to the maintenance of reserves.

Fortunately most of the 2007 hotel sale proceeds was invested in a fixed rate cash treasury deposit which matured in February 2009 and as such was isolated from the downturn in the financial markets. The balance of this £1.9 million has been ring-fenced and designated for use towards the funding of new opportunities and planned developments. The £845,000 contingency reserve, set last year, to allow the charity to discharge its liabilities in the event of closure remains in place. These designations, however, are subject to continuing pressures from the same negative influences which affected the charity in 2008. The Board of Trustees and senior management are therefore re-examining the plans for 2009 in an attempt to contain the activities and preserve a reasonable overall reserve level. Unrestricted reserves, including designations are £3,071,000 (2007: £4,507,000). See note 18.

With regards to the restricted funds, those branches with investments also suffered a set-back in their financial fortunes but the trustees continue to recommend that reserves equivalent to two years' running costs should be aimed for by active branches.

Principal funding sources

Voluntary income and fundraising

The decline in voluntary income first reported in 2007 continued into this year with £4,018,000 raised compared to the prior year's £4,522,000 which was heavily influenced by fall in legacy income of £881,000. Other voluntary income marginally increased from £1,092,000 in 2007 to £1,469,000 in 2008. A greater emphasis is being placed on fundraising in 2009 in an attempt to stem the recent decline in voluntary income. It is vital that sufficient voluntary income is earned to support the key charitable activities, none of which were, or are planned to be, self-supporting.

Arthritis Care

Report of the trustees

For the year ended 31 December 2008

Income from charitable activities

The balance of the charity's resources (roughly a third) comes from the provision of charitable activities. Of the total £2,107,000 (2007: £3,770,000), £437,000 (2007: £1,251,000) was derived from the operation of hotels. This significant decline reflects the charity's exit from the hotel sector which culminated with the disposal of Lovat Lodge. Accordingly no operational hotel income will appear in 2009's results although the sale of the charity's last remaining hotel building, Burnlea, will be reflected.

The Arthritis Care network of voluntary run branches raised £901,000 (2007: £962,000) against related expenditure of £922,000 (2007: £1,334,000). The net outflow of resources is in line with the charity's reserves policy which is for branches to utilise reserves accounting for more than two years' running costs.

Resources Expended

Total resources expended on charitable activities fell year-on-year by £1,738,000 (2008: £7,873,000 v 2007: £9,611,000). The most significant component of this overall cost reduction was on hotels (£857,000 – 50%) reflecting the implementation of the charity's exit strategy from the sector. The cost of governance has come down again marginally this year having peaked in 2006 as a result of the investment in developing the strategic plan 2007-2012.

Balance sheet

The balance sheet remains in relatively good shape despite suffering a significant unrealised diminution in the consolidated value of investments of £723,000 (including £439,000 in respect of the branches) arising from the near collapse of the global economy in the last quarter of 2008. Additionally the Charity's defined pension scheme incurred an FRS17 actuarial loss of £245,000 (2007: £329,000 gain). These two "paper losses" were however partially offset by an unrealised gain of £331,000 through revaluing the Burnlea Hotel in anticipation of its imminent planned sale.

Investment policy and returns

Investment decisions for the centrally administered investments 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. Reports are received on a quarterly basis from the investment managers. The planned change in fund managers from Barclays Wealth (Gerrards) to UBS did not take place in 2008 as planned due to a combination of operational reasons and the disruption caused by the impact of the credit crunch of the world's banking systems but it is expected to do so shortly.

The overriding aim is to maintain the real value of the capital through long-term investment. The investment managers, with the approval of the trustees, have moved into collective funds and away from single equity investments. The small number of branches with large investment portfolios must comply with the charity's investment policy as set by the board of trustees. For smaller investments most branches use high interest deposit accounts or other risk free investments, most usually National Savings income bonds and accounts.

Arthritis Care

Report of the trustees

For the year ended 31 December 2008

The investment advisory group, on a six-monthly basis, reviews the investment managers' performance against benchmark. The investment managers under performed against the APCIMS 12 month balanced index benchmark: portfolio -21.1 per cent, benchmark -19.2 per cent (2007: portfolio 5.5%, benchmark 7.3%). The final quarter of the year saw the beginning of the effects of the credit crunch in the financial market, which has deepened in the first quarter of the 2009.

The future

Consistent with the charity's objects, its Vision is of "a society in which the needs of people living with arthritis are understood, respected and fully met" and linked to this, its Mission is "to support all people with arthritis". Mindful of the current adverse economic pressures that are impacting all charities operating in the UK, the Board of Trustees, the Senior Management team, the staff and the volunteers are all united in their commitment to meet the charity's objectives and to this end will continue to strive to ensure delivery is achieved in an efficient, effective and sustainable manner.

Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

Arthritis Care

Report of the trustees

For the year ended 31 December 2008

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2009 was 8 (2008 - 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Re-appointment of auditors

A resolution to re-appoint Sayer Vincent as auditors was proposed to and accepted by the members at the annual general meeting.

Approved by the trustees on 13 May 2009 and signed on their behalf by



Rosemary Blair
Chair of trustees

Independent auditors' report

To the members of

Arthritis Care

We have audited the financial statements of Arthritis Care for the year ended 31 December 2008 which comprise the consolidated statement of financial activities, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also the trustees of Arthritis Care for the purposes of charity law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out in the statement of responsibilities of the trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the annual report of the trustees is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the trustees' remuneration and other transactions is not disclosed.

We read the annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered 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.

Independent auditors' report

To the members of

Arthritis Care

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the group and charitable company's state of affairs as at 31 December 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the report of the trustees is consistent with the financial statements.



15 May 2009

SAYER VINCENT
Chartered accountants & registered auditors
London

Arthritis Care

Consolidated Statement of Financial Activities (Incorporating an income and expenditure account)

For the year ended 31 December 2008

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	2007 Total £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	3,973	45	4,018	4,522
Activities for generating funds	3	148	-	148	106
Investment income	4	125	118	243	188
Total incoming resources from generated funds		4,246	163	4,409	4,816
Incoming resources from charitable activities:					
Representation and Campaigning		64	34	98	864
Information		277	197	474	492
Training		39	345	384	305
Voluntary run branch activities	5(a)	-	714	714	858
Hotels		415	22	437	1,251
Total incoming resources from charitable activities	5	795	1,312	2,107	3,770
Total incoming resources		5,041	1,475	6,516	8,586
Resources expended					
Costs of generating funds:					
Fundraising		978	-	978	1,020
Sale of merchandise	7	7	-	7	2
		985	-	985	1,022
Resources expended on charitable activities					
Representation and Campaigning		423	247	670	1,178
Information		1,993	242	2,235	2,227
Training		1,225	406	1,631	1,486
Voluntary run branch activities		375	922	1,297	1,758
Hotels		848	9	857	1,714
Governance costs		198	-	198	226
		5,062	1,826	6,888	8,589
Total resources expended	8	6,047	1,826	7,873	9,611
Net outgoing resources before transfers		(1,006)	(351)	(1,357)	(1,025)
Transfer between funds		49	(49)	-	-
Net outgoing resources before other recognised gains and losses		(957)	(400)	(1,357)	(1,025)
Profit/(loss) on sale of property	9	(255)	-	(255)	1,168
Net realised gains/(losses) on investment assets		(26)	1	(25)	66
Net incoming/(outgoing) resources plus realised gains/(losses) on investments and property		(1,238)	(399)	(1,637)	209
Unrealised gains on revaluation of property for sale	10	331	-	331	-
Net unrealised gains/(losses) on investment assets	11	(284)	(439)	(723)	32
Actuarial gains/(losses) on defined benefit schemes	16	(245)	-	(245)	329
Net movement in funds		(1,436)	(838)	(2,274)	570
Fund balances at start of year		4,507	5,148	9,655	9,085
Fund balances at end of year		3,071	4,310	7,381	9,655

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 17 & 18 to the financial statements.

Arthritis Care

Balance sheets

As at 31 December 2008

	Notes	2008 Group £'000	2008 Charity £'000	2007 Group £'000	2007 Charity £'000
Fixed assets					
Tangible	10	1,606	1,606	2,437	2,437
Investments	11	4,279	4,279	5,012	5,012
		<u>5,885</u>	<u>5,885</u>	<u>7,449</u>	<u>7,449</u>
Current assets					
Current asset investment	10	700	700	-	-
Stocks		5	2	20	10
Debtors and prepayments	12	1,749	1,767	1,934	1,934
Cash at bank and in hand	13	529	506	2,229	2,223
		<u>2,983</u>	<u>2,975</u>	<u>4,183</u>	<u>4,167</u>
Creditors: amounts falling due within one year	14	<u>(488)</u>	<u>(478)</u>	<u>(954)</u>	<u>(942)</u>
Net current assets		<u>2,495</u>	<u>2,497</u>	<u>3,229</u>	<u>3,225</u>
Total assets less current liabilities		8,380	8,382	10,678	10,674
Creditors: amounts falling due after more than one year	15	<u>(59)</u>	<u>(59)</u>	<u>(111)</u>	<u>(111)</u>
Net assets excluding pension liability		<u>8,321</u>	<u>8,323</u>	<u>10,567</u>	<u>10,563</u>
Pension liability	16	<u>(940)</u>	<u>(940)</u>	<u>(912)</u>	<u>(912)</u>
Net assets including pension liability		<u><u>7,381</u></u>	<u><u>7,383</u></u>	<u><u>9,655</u></u>	<u><u>9,651</u></u>
Funds					
Restricted funds	17	4,310	4,310	5,148	5,148
Unrestricted funds	18				
Designated funds		2,599	2,599	3,940	3,940
General funds		<u>1,412</u>	<u>1,414</u>	<u>1,479</u>	<u>1,475</u>
Unrestricted funds excluding pension liability		<u>4,011</u>	<u>4,013</u>	<u>5,419</u>	<u>5,415</u>
Pension reserve		<u>(940)</u>	<u>(940)</u>	<u>(912)</u>	<u>(912)</u>
Total unrestricted reserve		<u>3,071</u>	<u>3,073</u>	<u>4,507</u>	<u>4,503</u>
Total funds		<u><u>7,381</u></u>	<u><u>7,383</u></u>	<u><u>9,655</u></u>	<u><u>9,651</u></u>

Approved by the trustees on 13 May 2009 and signed on its behalf by



Rosemay Blair (Chair)



Roy Whithear (Treasurer)

Arthritis Care

Consolidated Cashflow Statement

For the year ended 31 December 2008

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2007 Total £'000
Net cash (outflow)/inflow from operating activities	A	(1,501)	(463)	(1,964)	(1,488)	190	(1,298)
Returns on investments and servicing of finance	B	105	118	223	61	103	164
Capital expenditure and investing activities	C	44	(3)	41	543	(25)	518
Increase/(decrease) in cash	D & E	(1,352)	(348)	(1,700)	(884)	268	(616)

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

A Reconciliation of operating losses to net cash outflow from operating activities

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2007 Total £'000
Net (outgoing) / incoming resources	(1,006)	(351)	(1,357)	(1,296)	271	(1,025)
Add back net pension service cost net of finance cost	(217)	-	(217)	108	-	108
Gifts in kind (investments)	-	-	-	(19)	-	(19)
Investment income	(125)	(118)	(243)	(85)	(103)	(188)
Servicing of finance	20	-	20	24	-	24
Depreciation	145	6	151	153	22	175
Decrease/ (increase) in stocks	15	-	15	8	-	8
(increase)/Decrease in debtors	185	-	185	(510)	-	(510)
Increase/(Decrease) in creditors	(518)	-	(518)	129	-	129
Net cash inflow/(outflow) from operating activities	(1,501)	(463)	(1,964)	(1,488)	190	(1,298)

B Returns on investments and servicing of finance

Interest and dividends received	125	118	243	85	103	188
Interest paid	(20)	-	(20)	(24)	-	(24)
Net cash inflow from returns on investment and servicing of finance	105	118	223	61	103	164

Arthritis Care

Consolidated Cashflow Statement

For the year ended 31 December 2008

C Capital expenditure and investing activities

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2007 Total £'000
Purchase of tangible fixed assets	(63)	-	(63)	(146)	(6)	(152)
Net proceeds of sale of tangible fixed assets	119	-	119	2,571	-	2,571
Purchase of investments	(46)	(68)	(114)	(326)	(342)	(668)
Net (increase)/decrease of bank deposits, building society accounts and bonds	(15)	-	(15)	(1,759)	-	(1,759)
Proceeds from sale of investments	49	65	114	203	323	526
Net cash (outflow) from capital expenditure and investing activities	44	(3)	41	543	(25)	518

D Reconciliation of net cash flow to movement in net cash funds

Increase/(decrease) in cash in the period	(1,303)	(397)	(1,700)	(884)	268	(616)
Net cash funds as at 1 January 2008	(1,166)	3,395	2,229	(282)	3,127	2,845
Net cash funds as at 31 December 2008	(2,469)	2,998	529	(1,166)	3,395	2,229

E Analysis of changes in net cash funds

	At 1 January 2008 £'000	Cash Flow £'000	At 31 December 2008 £'000	At 1 January 2007 £'000	Cash Flow £'000	At 31 December 2007 £'000
Restricted funds:						
Held by branches	2,073	(62)	2,011	2,448	(375)	2,073
Held centrally	1,322	(335)	987	679	643	1,322
	3,395	(397)	2,998	3,127	268	3,395
Unrestricted funds:						
Held centrally	(1,005)	(1,355)	(2,360)	(57)	(948)	(1,005)
Bank loan - repayable within one year	(50)	-	(50)	(50)	-	(50)
Bank loan - repayable after one year	(111)	52	(59)	(175)	64	(111)
	(1,166)	(1,303)	(2,469)	(282)	(884)	(1,166)
Net cash funds	2,229	(1,700)	529	2,845	(616)	2,229

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

1. Accounting policies

(a) Accounting convention

The financial statements of the Group have been prepared under the historical cost convention, with the exception of investments which are included at market valuation and freehold properties which are included at valuation. The financial statements have been prepared in accordance with Companies Act 1985, the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards.

(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 UK 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 2008. 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 and paragraph 304 of the SORP have been applied and an individual profit and loss account of the parent company has not been prepared.

The deficit of the parent company for the year was £2,274K (2007:surplus of £570K).

(c) Company Status

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

(d) Funding accountnig

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 18.

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) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

- (i) Legacy income is recognised on the basis of our forecast of legacies notified to the charity by the year-end and which can be valued with reasonable certainty.
- (ii) Grants awarded, including grants for equipment are included in the financial statements at the time the grants are received or the conditions of the grants have been met.
- (iii) Training income is recognised on the basis of the contract and in the case of WIP at year end on the basis of proportion delivered

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

1. Accounting policies (continued)

(f) Depreciation of tangible fixed assets

Tangible fixed assets, with the exception of freehold land and buildings, are stated at cost and 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

Freehold land and buildings are stated at valuation (see note 9 for further details).

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

Stock 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) Investments

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

(i) Pension Costs

The charity operates a defined benefit pension scheme on behalf of its employees. The assets of the scheme are held separate from those of the charity in an independently administered scheme. The Charity has adopted the full requirements of Financial Reporting Standard 17 - Accounting for Retirement Benefits (FRS17). Current or past service costs and gains, as determined by the scheme's actuary, are charged to the statement of financial activities. Pension finance costs or income are included within total resources expended or incoming resources as applicable. Actuarial gains and losses arising are recognised within 'gains and losses' on the Statement of Financial Activities.

In addition, the deficit on the scheme, representing the shortfall of the value of the scheme assets below the present value of the scheme liabilities is recognised as a liability on the balance sheet to the extent that the employer charity is able to recover a surplus, or has a legal or constructive obligation for the liability. A corresponding pension reserve is included within total unrestricted funds.

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

1. Accounting policies (continued)

(j) Resources Expended

All expenditure is accounted for on an accruals basis and has been summarised under activities. Where costs cannot be directly attributed to particular activities they have been allocated in proportion to the estimated usage that each activity makes of the resources using staff time as basis of apportionment.

- (i) The cost of generating funds is the direct cost spent on fundraising activity including the trading company expenditure. A proportion of central support costs is allocated to the cost of generating funds.
- (ii) Governance costs are the costs associated with the governance of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the charity's activities and statutory compliance costs.
- (iii) Support costs, which comprise general management, payroll administration, budgeting and accounting, information technology, human resources, facilities management and financing, are allocated across the categories of charitable expenditure, governance costs and the cost of generating funds. The basis of the allocation is as follows:

Cost allocation includes an element of judgment.

The charity considered the cost benefit of detailed calculations and the record keeping in deciding a basis for allocating support costs.

The staff hours and therefore staff costs were deemed to be the most directly representative of how indirect costs are incurred.

Support costs are allocated in two stages:

Firstly, the costs are allocated on estimate of actual time spent on hotels and voluntary branch activities and governance. The balance is then allocated across all activities on the ratio of staff costs.

(k) Operating leases

Rentals payable under operating leases, where substantially all risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the duration of the lease.

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

2. Voluntary income

	2008			2007		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Direct mail	885	-	885	564	-	564
Legacies (note 2 (a))	2,521	28	2,549	3,409	21	3,430
Trusts	162	-	162	121	-	121
Other donations	405	17	422	391	16	407
	<u>3,973</u>	<u>45</u>	<u>4,018</u>	<u>4,485</u>	<u>37</u>	<u>4,522</u>

2(a). Legacies

	2008			2007		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Accrued legacies 1 January	(1,656)	-	(1,656)	(1,348)	-	(1,348)
Legacies received during year	2,838	28	2,866	3,101	21	3,122
Legacies accrued 31 December	<u>1,339</u>	<u>-</u>	<u>1,339</u>	<u>1,656</u>	<u>-</u>	<u>1,656</u>
	<u>2,521</u>	<u>28</u>	<u>2,549</u>	<u>3,409</u>	<u>21</u>	<u>3,430</u>

Legacies valued at £1,487,332 were receivable as at 31 December 2008 and due in 2009. We estimate we can forecast 90% of the value of these legacies with sufficient accuracy to include them in the accounts.

3. Activities for generating funds

	2008			2007		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Merchandising	2	-	2	20	-	20
Events	<u>146</u>	<u>-</u>	<u>146</u>	<u>86</u>	<u>-</u>	<u>86</u>
	<u>148</u>	<u>-</u>	<u>148</u>	<u>106</u>	<u>-</u>	<u>106</u>

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

4. Investment Income

	Unrestricted £'000	Restricted £'000	2008 Total £'000	Unrestricted £'000	Restricted £'000	2007 Total £'000
Short term deposits	116	-	116	23	-	23
Dividend Income	9	-	9	54	-	54
Income from investment held by voluntary run branches	-	118	118	-	103	103
Other	-	-	-	8	-	8
	<u>125</u>	<u>118</u>	<u>243</u>	<u>85</u>	<u>103</u>	<u>188</u>

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

5. Incoming Resources from Charitable Activities

	Representation & campaigning £'000	Information £'000	Training £'000	Voluntary run branch activities (note (5a)) £'000	Hotels £'000	2008 Total £'000	2007 £'000
Advertising	-	90	-	-	-	90	108
Publication Sales	-	17	-	-	-	17	16
Membership and subscription	-	213	-	-	-	213	239
Holiday Sales	-	-	-	-	437	437	1,251
Grants and Contracts	98	153	384	-	-	635	1,278
Donations	-	1	-	714	-	715	878
	98	474	384	714	437	2,107	3,770

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

5(a). Branches

	2008 £'000	2007 £'000
Income		
Membership	43	(20)
Branch Donations	714	858
Legacies	28	21
Investment Income	116	103
Total incoming resources	901	962
Expenditure		
Welfare	916	1,312
Depreciation	6	22
Total resources expended	922	1,334
Net resources expended	(21)	(372)
Transfers to Central	(45)	-
Net realised gains on investment assets	1	66
Net income and expenditure for the year	(65)	(306)
Net unrealised (loss)/gains on investment assets	(438)	(26)
Net movement in funds	(503)	(332)
<i>Cost of supporting the voluntary run branch network</i>	375	424
Total voluntary run branch activities	1,297	1,758

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

6. Staff Costs

	2008 £'000	2007 £'000
Gross pay	3,109	3,587
Social security costs	224	229
Other pension costs	(220)	62
Current service cost	297	421
Payments to agencies or similar for temporary help	174	366
Compensation and redundancy	84	64
	<u>3,668</u>	<u>4,729</u>

Two employees were paid emoluments between £60,000 to £70,000 (2007 - 1).
All employees earning more than £60,000 participated in the pension scheme.

The average number of persons employed during the year was:

		Total	Central	Regions	Hotels
Number of employees					
(2007: 202)	2008	161	52	83	26
Full time Equivalent	2008	105	48	43	14
Full time Equivalent	2007	<u>163</u>	<u>45</u>	<u>55</u>	<u>63</u>

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

7. 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.

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

	2008 £'000	2007 £'000
Turnover	2	20
Cost of sales	<u>(7)</u>	<u>2</u>
Gross profit	(5)	22
Expenses	<u>(1)</u>	<u>(4)</u>
Net profit/(loss)	(6)	18
Amount gift aided to the charity	-	(18)
Profit/(Loss) on ordinary activities after taxation	(6)	-
Reserves brought forward	<u>4</u>	<u>4</u>
Reserves carried forward	<u>(2)</u>	<u>4</u>

Current assets and liabilities of the subsidiary as at 31 December 2008 were as follows:

	2008 £'000	2007 £'000
Current Assets		
Stock	3	10
Inter company balance	-	18
Cash	<u>23</u>	<u>6</u>
	<u>26</u>	<u>34</u>
Creditors		
Trade creditors	(10)	(12)
Amount gift aided to parent undertaking in previous year	<u>(18)</u>	<u>(18)</u>
	<u>(28)</u>	<u>(30)</u>
Net current Assets/(Liabilities)	<u>(2)</u>	<u>4</u>
Profit & loss account	<u>(2)</u>	<u>4</u>

Called up share capital is £252 (2007: £252)

The charity is exempt from corporation tax as all its income is applied to charitable purposes. There is no tax charge for the trading subsidiary as all taxable profits are paid to the parent charity by gift aid.

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2008

8. Resources expended on charitable activities

	Costs of Generating Funds £'000	Trading Subsidiary £'000	Representation and Campaigning £'000	Information £'000	Training £'000	Voluntary Branch £'000	Hotels £'000	Governance £'000	Support costs £'000	Other Outgoing Resources £'000	2008 Total £'000	2007 Total £'000
Staff Costs	317	-	268	1,043	775	275	444	93	453	-	3,668	4,729
Recruitment & training	-	-	-	5	5	1	-	-	126	-	137	108
Travel & subsistence	13	-	26	71	120	21	2	39	14	-	306	369
Volunteers expenses	-	-	1	25	48	1	-	1	-	-	76	91
Trustee and committee expenses	-	-	-	2	2	-	-	27	-	-	31	35
Premises & equipment	-	-	9	46	41	3	70	3	90	-	262	224
Insurance	-	-	-	1	1	-	25	-	58	-	85	76
Postage & telephone	4	-	4	17	25	4	4	1	61	-	120	146
Office printing & stationery	11	-	13	20	31	2	4	1	33	-	115	111
Advertising	48	-	1	5	21	-	4	1	6	-	86	78
Courses costs	-	-	-	2	76	-	-	-	-	-	78	55
Publications production	-	-	1	365	3	-	-	-	18	-	387	336
Direct mail, legacy, events	201	-	1	61	7	-	-	-	37	-	307	380
Professional fees (incl audit)	139	-	6	39	30	2	24	32	88	-	360	443
Database & IT outsourcing	53	-	-	40	-	40	-	-	41	-	174	163
Branch expenses (note 5a)	-	-	-	-	-	916	-	-	-	-	916	1,312
Hotel sundry costs	-	-	-	-	-	-	53	-	-	-	53	130
Depreciation	-	-	1	8	1	6	22	-	113	-	151	175
Grant repayment (see Appendix A)	-	-	195	-	-	-	-	-	-	-	195	240
Other Costs	14	7	-	(31)	152	(7)	92	(29)	168	-	366	410
	800	7	526	1,719	1,338	1,264	744	169	1,306	-	7,873	9,611
Support Costs	178	-	144	516	293	33	113	29	(1,306)	-	-	-
Total resources expended	978	7	670	2,235	1,631	1,297	857	198	-	-	7,873	9,611

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

8. Resources expended on charitable activities continued

			2008			2007
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation charge on tangible fixed assets (owned)	129	22	151	153	22	175
Interest payable on bank loan	1	-	1	11	-	11
Operating lease costs land & buildings	19	-	19	8	-	8
Auditors remuneration for audit services	26	-	26	24	-	24

Trustees receive no remuneration for their services in that capacity. 12 trustees (2007: 13) have been reimbursed for travel expenses incurred carrying out their activities as trustees at a cost of £9,243 (2007: £6,609)

Premiums of £14,180 were paid in the year (2007: £12,815) on a professional indemnity policy to protect the charity, trustees and employees from loss arising from neglect or defaults of the trustees or employees.

9. Profit/(loss) on sale of hotels

	2008	2007
	£'000	£'000
Sale Proceeds	185	2,729
Less:		
Cost	449	1,562
Accumulated Depreciation	(75)	(158)
Net sale proceeds	(189)	1,325
Less sale costs	66	157
Profit/(loss) on sale	(255)	1,168

Lovat Lodge Hotel was sold in December 2008 to a newly formed Scottish charity set-up to run the hotel along similar lines to Arthritis Care. The purchase was facilitated by a number of Scottish branches agreeing to a reducing - balance soft loan arrangement with the new charity, represented by the loss in the consolidated results.

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

10. Tangible fixed assets (Group and Charity)

	Properties Freehold £'000	Unrestricted Fixtures & Equipment £'000	Total £'000	Catering Units £'000	Restricted Motor Vehicles £'000	Total £'000	Group Total £'000
Cost							
At the start of the year	2,614	415	3,029	21	186	207	3,236
Additions in year	-	63	63	-	-	-	63
Transferred to current assets	(425)	-	(425)	-	-	-	(425)
Disposals in year	(449)	-	(449)	-	-	-	(449)
At the end of the year	1,740	478	2,218	21	186	207	2,425
Depreciation							
At the start of the year	346	263	609	15	175	190	799
Charge for the year	47	98	145	6	-	6	151
Transferred to current assets	(56)	-	(56)	-	-	-	(56)
Disposals in year	(75)	-	(75)	-	-	-	(75)
At the end of the year	262	361	623	21	175	196	819
Net book value							
At the end of the year	1,478	117	1,595	-	11	11	1,606
At the start of the year	2,268	152	2,420	6	11	17	2,437

Valuation of freehold properties

Freehold properties were valued in 1999 and the transitional arrangements under FRS15 have been adopted.

The hotels were valued in 1999 by Christies and Co chartered surveyor, valuer and agent on a resale basis. The sale of the Lovat Lodge to The Lovat Lodge Charity, registered in Scotland under the Charities Act Scotland 2006 was completed in December 2008.

The Burnlea Hotel sale is in negotiation. It was revalued at 31 December 2008 at £700,000 resulting in a gain of £330,587 and transferred to Current Assets pending completion of sale.

The London Office, valued at £1,740,000, was based on the market value of a similar property in the same street and the trustees believe there has been no permanent diminution in value since this valuation. There is a fixed charge on the London Office, securing the outstanding mortgage of £109,000.

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

11. Fixed Asset Investments

	Unrestricted £'000	Restricted £'000	2008 Total £'000	Unrestricted £'000	Restricted £'000	2007 Total £'000
Market value:						
UK government securities	-	49	49	-	44	44
Other listed stocks and shares	1,020	1,252	2,272	1,333	1,692	3,025
	1,020	1,301	2,321	1,333	1,736	3,069
Bank deposits and building society accounts	1,958	-	1,958	1,943	-	1,943
Total for Group	2,978	1,301	4,279	3,276	1,736	5,012
Total for Charity	2,978	1,301	4,279	3,276	1,736	5,012

The charity owns 100% of the issued share capital with a normal value of £252 in its subsidiary undertaking.

Movement in quoted investments

	Unrestricted £'000	Restricted £'000	2008 Total £'000	Unrestricted £'000	Restricted £'000	2007 Total £'000
Market value as at 1 January 2008	1,333	1,736	3,069	1,133	1,676	2,809
Less: Disposals at opening book value proceeds	49	65	114	203	322	525
(Gain) / Loss on sale	26	(1)	25	-	(66)	(66)
	75	64	139	203	256	459
Add:						
Acquisitions at cost	46	68	114	326	342	668
Gift of shares	-	-	-	19	-	19
Net gains/(losses) on revaluation	(284)	(439)	(723)	58	(26)	32
	(238)	(371)	(609)	403	316	719
Market valuation as at 31 December 2008	1,020	1,301	2,321	1,333	1,736	3,069

	Market	%
BARING FUND MANAGERS (German Growth Trust)	57,008	5.60%
MORGAN STANLEY SICAV Asian Ppty IX	62,339	6.13%
ODEY ASSET MGT LLP OPUS NAV	62,650	6.16%
LLOYDS TSB O/S FM LLOYDS GILT	84,370	8.29%
MORLEY FUND MGMT EURPN PPTY MORLEY CX DIS	107,942	10.61%
LEGAL & GENERAL BARC MM UK ALPHA 2 I DIS	113,118	11.12%

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

12. Debtors

		2008		2007
	Group	Unrestricted	Group	Unrestricted
	£'000	Charity	£'000	Charity
		£'000		£'000
Trade debtors	133	133	180	180
Legacies receivable	1,339	1,339	1,656	1,656
Other debtors	38	38	28	28
Amount due from subsidiary undertaking	-	18	-	-
Accrued income	239	239	70	70
Total	1,749	1,767	1,934	1,934

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

13. Cash at bank and in hand

	Unrestricted	Restricted	Group	2008
	£'000	£'000	£'000	Charity
				£'000
Held by:				
Local committees, branches and groups	-	2,011	2,011	2,011
Central office	(2,492)	987	(1,505)	(1,505)
Subsidiary undertaking	23	-	23	-
Total	(2,469)	2,998	529	506

	Unrestricted	Restricted	Group	2007
	£'000	£'000	£'000	Charity
				£'000
Held by:				
Local committees, branches and groups	-	2,073	2,073	2,073
Central office	(1,172)	1,322	150	150
Subsidiary undertaking	6	-	6	-
Total	(1,166)	3,395	2,229	2,223

Cash and Bank

Arthritis Care has a cash pooling arrangement for all unrestricted and restricted balances held at the Natwest Bank. All balances are utilised to minimise finance cost. Cash pooling does not affect the delivery of restricted projects.

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

14. Creditors: amounts falling due within one year

	2008		2007	
	Group	Unrestricted Charity	Group	Unrestricted Charity
	£'000	£'000	£'000	£'000
Trade creditors	249	249	693	663
Statutory creditors	70	70	69	69
Other creditors	89	79	118	118
Bank loan repayable within one year	50	50	50	50
Amount due to subsidiary undertaking	-	-	-	18
Accruals	30	30	24	24
Total	488	478	954	942

15. Creditors: amounts falling due after one year

	2008	2007
	£'000	£'000
Bank loan:	59	111

The bank loan is repayable over the remaining two 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.

16. Retirement benefits

The Charity operates a defined benefit scheme, whose assets are held separately from those of the charity and are independently administered by The Pensions Trust. The Open Section of the scheme is contracted-out of the state scheme, whereas the closed Section is contracted-in. The scheme provides benefits based on 1/60th of average pensionable pay multiplied by pensionable service in completed months and years and is fully funded.

The last formal valuation of the scheme was performed as at 30 September 2006. As a result of the valuation and following consultation with employees from the 1 January 2008 the new contribution rates for employer and employee are 14.7% and 7% respectively and additionally a sum of £203,000 was paid in 2008 but accounted for in the 2007 results. This extra payment paid off 50% of the fund deficit and to better manage the scheme going-forward, agreement was obtained to replace the final salary scheme with a career average scheme instead.

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

16. Retirement benefits (continued)

The employee benefit obligations recognised in the balance sheet are as follows:

	2008 £'000	2007 £'000
Present value of funded obligations	(5,561)	(6,383)
Fair value of plan assets	4,621	5,471
	<u>(940)</u>	<u>(912)</u>
Net liability	<u>(940)</u>	<u>(912)</u>

Amounts recognised in net incoming/(outgoing) resources are as follows:

	2008 £'000	2007 £'000
Current service cost	297	421
Interest on obligation	376	325
Expected return on plan assets	(403)	(366)
Total	<u>270</u>	<u>380</u>
Actual return on plan assets	<u>(1,198)</u>	<u>221</u>

Changes in the present value of the defined benefit obligation are as follows:

	2008 £'000	2007 £'000
Opening defined benefit obligation	6,383	6,197
Service cost	297	421
Interest cost	376	325
Contributions by employees	135	103
Actuarial losses / (gains)	(1,356)	(474)
Benefits paid	(274)	(189)
Closing defined benefit obligation	<u>5,561</u>	<u>6,383</u>

Changes in the fair value of plan assets are as follows:

	2008 £'000	2007 £'000
Opening fair value of plan assets	5,471	5,064
Expected return	403	366
Actuarial gains and (losses)	(1,601)	(145)
Contributions by employer	487	272
Contributions by employees	135	103
Benefits paid	(274)	(189)
	<u>4,621</u>	<u>5,471</u>

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For the Year Ended 31 December 2008

16. Retirement benefits (continued)

The movement in the surplus/(deficit) during the year is as follows:

	2008 £'000	2007 £'000
Surplus/(deficit) in scheme at beginning of year	(912)	(1,133)
Current service cost	(297)	(421)
Contributions	487	272
Other finance income	27	41
Actuarial gain/(loss)	(245)	329
	<u>(940)</u>	<u>(912)</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	2008 %	2007 %
Equities (split into material classes eg: European, North American)	66%	64%
Bonds (split into material classes eg: European, North American)	26%	28%
Property	7%	7%
Cash	1%	1%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2008 %	2007 %
Discount rate at the end of the year	7%	6%
Expected return on plan assets at the end of the year	7%	7%
Future salary increases	4%	4%
Future pension increases	2%	3%
Inflation assumption	3%	3%

Amounts for the current and previous four periods are as follows:

	2008 £'000	2007 £'000	2006 £'000	2005 £'000	2004 £'000
Defined benefit obligation	5,561	6,383	6,197	5,310	4,100
Plan assets	4,621	5,471	5,064	4,374	3,486
Surplus / (deficit)	(940)	(912)	(1,133)	(936)	(614)
Experience adjustments on plan liabilities	(15)	5	(286)	(15)	69
Experience adjustments on plan assets	<u>(1,601)</u>	<u>(145)</u>	<u>140</u>	<u>412</u>	<u>106</u>

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

17. Restricted funds

Central and regional funds

Central and regional funds hold donations, grants and other income given for specific purposes. The balances represent amounts which had not been spent at the year end. Full details of funds can be found in Appendix A. Fund balances are supported by current assets.

Local committee branches and group funds

Local committee, branch and group funds are raised and controlled locally for services to people with arthritis in the local area. They are held as restricted funds with the approval of the Charity Commission. Fund balances are supported by cash, investments and fixed assets.

	1 January 2008 £'000	Incoming Resources £'000	Resources expended £'000	Transfers £'000	31 December 2008 £'000
Central and regional funds					
Representation and campaigning	243	42	247	20	58
Information	222	154	242	5	139
Training	285	358	406	(30)	207
Hotels	26	5	9	(22)	-
Infrastructure Projects	4	-	-	23	27
Patterson Bequest	542	15	-	-	557
	1,322	574	904	(4)	988
Local committee branch & group funds	3,826	901	1,360	(45)	3,322
Restricted Funds	5,148	1,475	2,264	(49)	4,310

18. Unrestricted Funds

	1 January 2008 £'000	New designations £'000	Movement in funds utilised / realised £'000	Transfers £'000	31 December 2008 £'000
Designated					
Contingency Reserve	845	-	-	-	845
Capacity Reserve	550	-	(569)	19	-
Cautionary Reserve	970	-	(255)	(715)	-
Key Projects & Development Reserve	400	-	(28)	1,245	1,617
Planned Investment	462	-	-	(462)	-
Planned Expenditure	500	-	(432)	(68)	-
Training and information programmes	213	3	(62)	(17)	137
Total designated funds	3,940	3	(1,346)	2	2,599
General funds	567	5,369	(5,511)	47	472
Group unrestricted funds	4,507	5,372	(6,857)	49	3,071

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Notes to the financial statements

For the Year Ended 31 December 2008

18. Unrestricted Funds (continued)

Designated reserves are set at levels which correspond to the organisation's policy on reserves. The policy and reserves levels are reviewed on a regular basis.

Contingency reserve

The fund is set at a level of reserves required to discharge liabilities in the event of closure

Capacity reserve

This fund is set at a working capital level which will allow the organisation to stabilise and to re-establish adequate reserves. It has been fully utilised in the year financing the charity's deficit

Last year, the charity spread the designation of the £1.9million hotel proceeds to three principal uses:

Cautionary reserve to allow the organisation to continue its operation in the event of unexpected changes

Key projects and developments to fund projects and to take advantage of opportunities and innovative projects

Planned Investments to develop sustainable income streams and embed the management of risk. In the light of experiences through 2008 and in an attempt to retain net proceeds in a ringed-fence status, the charity has decided that these net proceeds should now be totally designated towards Key Projects and developments. The sum so designated is the carry forward £1.9million less the loss £255k which occurred on the sale of Lovat Lodge (see note 9) together with a £28k spend in the year on sundry key projects

Planned Expenditure

The charity is undertaking a review of the salary evaluation scheme, which may result in a new pay structure. This reserve was set up to cover short to medium term increases in the salaries budget in respect of protected pay. It has been fully utilised in the year financing the charity's deficit

Training and information programmes

This reserve supports continuing internally funded projects that straddle the financial year end.

19. Analysis of Group Net Assets between Funds (excluding pension liability)

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund balances at 31 December are represented by:			
Tangible fixed assets	1,595	11	1,606
Investments	2,978	1,301	4,279
Current assets:			
Stock and debtors	2,454	-	2,454
Cash & bank	note (i) (2,469)	2,998	529
Current liabilities	(488)	-	(488)
Long term liabilities	(59)	-	(59)
Net Assets	4,011	4,310	8,321
Unrealised gains included above:			
On investment assets (see over)	(284)	(439)	(723)

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

19. Analysis of Group Net Assets between Funds (continued)

Reconciliation of movements in unrealised gains on investment assets:

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Unrealised gains at 1 January 2008	200	538	738
Deduct in respect of disposals in year	21	2	23
	179	536	715
Add: Net gains arising on revaluations in year	(463)	(975)	(1,438)
Unrealised gains at 31 December 2008	(284)	(439)	(723)

Note (i)

There is a surplus of £2,416K (2008: £2,999K) of liquid resources available for the core work of the charity made up of the excess of unrestricted investments and current assets over all liabilities.

20. Operating leases

The group had annual commitments at the year end under operating leases expiring as follows:

	2008		2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Less than 1 year	4	-	8	-
2 - 5 Years	20	-	-	-
	24	-	8	-

The charity had no annual commitments at the year end under operating leases.

Arthritis Care

Notes to the financial statements

For the Year Ended 31 December 2008

Appendix A: Restricted central and regional funds

Project	Opening balance at 1 January 2008 £	Income £	Expenditure from Unrestricted funds £	Transferred £	Closing balance at 31 December 2008 £
Representation and campaigning					
NI - Policy and campaigns volunteers	141	-	-	(141)	-
Big Lottery Fund MK/1/010085979	-	229	9,606	9,377	-
DH S64 Involving Patients as expert users	41,769	23,175	22,252	-	42,692
PARE manifesto	193,572	6,859	194,588	-	5,843
International organisation for youth	3,468	-	-	-	3,468
Leeds Project	-	10,000	12,958	10,000	7,042
Community planning Scotland	4,944	-	4,944	-	-
NI Community involvement	(52)	-	-	52	-
Infrastructure project reallocation	(103)	1,789	2,225	-	(539)
Representation and campaigning total	243,739	42,052	246,573	19,288	58,506
Information					
Central England health information point	1,326	-	394	-	932
NICE COXIBs review	119,798	-	80,741	-	39,057
META-Analysis and report	30,000	1,000	31,000	-	-
London development project	13,506	8,650	14,202	-	7,954
North England volunteer project	10,457	2,500	7,324	-	5,633
Northern Ireland - information point	1,246	-	-	-	1,246
Northern Ireland TSB - information point	2,366	-	2,184	-	182
DH S64 Community Health Information Libraries	-	23,570	5,286	-	18,284
Scotland information outreach	(1,371)	38,728	29,033	3,095	11,419
Outlook Scotland	10,000	-	4,558	-	5,442
South East England information project	10,393	-	650	-	9,743
BLF SHIPS-South East England hospital	13,823	28,356	31,381	-	10,798
South West England information point Yeovil	3,000	-	-	-	3,000
Website Development	69	-	-	(69)	-
Lloyds TSB Information point	324	-	2,162	1,838	-
Wales volunteering	6,549	762	3,722	-	3,589
Wales firewall project	8,074	14,661	22,275	-	460
NI-Let's Talk - Pfizer UK & UGV	-	25,900	413	-	25,487
CHK Trust- Training Publications	-	4,000	-	-	4,000
Infrastructure project reallocation	(7,263)	5,502	6,845	-	(8,606)
Information total	222,297	153,629	242,170	4,864	138,620
Training					
Adult and young persons South West England	2,050	-	-	(2,050)	-
Challenging arthritis	(136)	-	-	136	-
Central England challenging arthritis	23,891	40,938	52,393	-	12,436
Central England East of England ESF	(377)	-	(377)	-	-
Florence Turner Trust	500	-	-	(500)	-
London South East BLF London dvpt project	2,900	-	-	-	2,900
DH S64 Partners in local service delivery	33,676	11,130	3,076	(23,000)	18,729
North England Challenging arthritis	53,399	6,750	23,109	-	37,040
Northern Ireland challenging arthritis	(1,928)	40,826	37,681	-	1,216
DHSSPSNI Children's Fund	(4,652)	15,248	19,491	(3,478)	(12,372)
Northern Ireland positive futures	396	-	-	(396)	-
Scotland challenging arthritis	23,528	105,239	93,566	-	35,201
Scotland branch match funding	120,548	4,206	85,095	-	39,659
Carried Forward	253,796	224,337	314,035	(29,288)	134,809

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Notes to the financial statements

For the Year Ended 31 December 2008

Appendix A: Restricted central and regional funds (continued)

Project	Opening balance at 1 January 2008 £	Income £	Expenditure from Unrestricted funds £	Transferred £	Closing balance at 31 December 2008 £
Brought forward	253,796	224,337	314,035	(29,288)	134,809
Scottish Executive Section 9	1	-	1	-	-
South East England challenging arthritis	829	-	829	-	-
South West England challenging arthritis	1,755	-	1,755	-	-
South England challenging arthritis	-	41,588	17,888	-	23,700
South West England challenging pain	(968)	-	(969)	-	-
Valentine Trust South West England	-	-	-	-	-
CP Rural Communities Project	-	40,765	10,856	-	29,909
Wales challenging arthritis	18,218	-	6,690	-	11,528
Young people and families SW England	23,888	40,730	42,773	(763)	21,083
Infrastructure project reallocation	(11,957)	9,709	12,078	-	(14,326)
Training total	285,561	357,128	405,936	(30,051)	206,703
Hotels					
Amenity Ac Burnlea	(2,790)	554	3,575	5,811	-
Amenity Ac Lovat Lodge	5,549	4,317	4,535	(5,331)	-
Amenity Ac New Mayfair	2,598	-	915	(1,683)	-
Amenity Ac Orton Rigg	1,735	-	(88)	(1,823)	-
Building Fund Burnlea Hotel	969	-	-	(969)	-
Building Fund Lovat Lodge	(5,510)	-	-	5,510	-
Building Fund New Mayfair	312	-	-	(312)	-
Building Fund Orton Rigg	10,057	-	-	(10,057)	-
Central Hotel Funds	(190)	-	-	190	-
Extension Orton Rigg	2,550	-	-	(2,550)	-
Holiday Grant Fund	250	-	-	(250)	-
Transport fund Burnlea	21	-	-	(21)	-
Transport fund Lovat Lodge	1,129	-	-	(1,129)	-
Transport fund New Mayfair	6,022	-	-	(6,022)	-
Transport ac Orton Rigg	2,978	-	-	(2,978)	-
Hotels total	25,680	4,871	8,937	(21,614)	-
Infrastructure projects					
England Central Equipment	240	-	-	(240)	-
England North Miscellaneous	(891)	-	-	891	-
Northern Ireland Equipment	8	-	-	(8)	-
Northern Ireland Miscellaneous	36	-	-	(36)	-
SCSE2 Scottish Executive Soc Work 10	(18,629)	17,000	21,049	22,678	-
South England Equipment	(88)	-	99	187	-
Wales Miscellaneous	(2)	-	-	2	-
Reallocated representation & campaigning	103	(1,789)	(2,225)	-	539
Reallocated to information	7,263	(5,502)	(6,845)	-	8,606
Reallocation to training	15,457	(9,709)	(12,078)	-	17,826
Infrastructure project total	3,497	-	-	23,474	26,971
Patterson bequest	540,934	15,412	-	-	556,346
Restricted project total	1,321,708	573,092	903,615	(4,039)	987,146

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For the Year Ended 31 December 2008

Appendix B: Branches

Name	Opening funds 1 January 2008 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2008 £
A.C. T Burton on Trent	4,529	5,652	5,486	356	5,051
Aberdeen	927,797	11,251	23,533	(214,204)	701,311
Aberystwyth	1,217	2,265	1,715	(4)	1,763
AC Preston	1,618	658	651	-	1,625
AC Self Help Group Kilmarnock	189	-	-	(38)	151
Airedale & Dist. Support Group	1,743	1,249	1,115	-	1,877
Alford & District	1,380	1,529	1,899	-	1,010
Alnwick	2,340	-	-	(468)	1,872
Alton & District	9,823	2,918	2,874	457	10,324
Altrincham & District	10,157	6,372	4,854	(67)	11,608
Amesbury and District	5,722	5,392	5,847	(272)	4,995
Ammanford	1,626	215	5,470	3,628	(1)
Antrim Branch	3,767	3,622	3,451	580	4,518
Arbroath	743	-	-	(149)	594
Armagh	2,784	574	1,086	-	2,272
Ashby de la Zouch	4,649	4,950	2,812	-	6,787
Ashford	7,838	2,857	3,361	-	7,334
Atherton	3,552	1,127	1,901	(9)	2,769
Axe Valley Charabanc Group	1,929	11,112	11,759	179	1,461
Aylesbury Vale	3,510	1,706	1,286	-	3,930
Ballymoney	3,126	2,337	2,116	-	3,347
Banbridge	16,004	7,531	7,468	-	16,067
Banchory	3,640	-	-	(728)	2,912
Bangor Self Help Group	1,070	721	984	-	807
Banstead & Sutton	-	1,132	1,046	4,848	4,934
Barry	2,173	1,107	1,640	61	1,701
Bathgate	4,525	-	-	(905)	3,620
Belfast East	7,816	1,277	1,727	-	7,366
Belfast Self Help Group	2,063	128	429	-	1,762
Berwick upon Tweed	767	297	595	146	615
Beverley and District	4,557	3,998	2,905	(98)	5,552
Bexley & District	9,064	10,006	8,986	445	10,529
Billericay	1,093	1,398	1,239	-	1,252
Bingham & District	11,924	7,294	7,417	(53)	11,748
Birmingham South West	6,517	4,227	4,408	4	6,340
Blackburn & Darwen	9,497	5,116	7,587	-	7,026
Blackpool & Fylde	36,147	14,570	19,028	2	31,691
Blandford	3,648	921	1,517	-	3,052
Bolton Central	5,321	-	-	(5,321)	-
Borders Self Help	1,784	-	-	(1,784)	-
Bradford	3,611	2,673	3,478	-	2,806
Braintree	4,094	2,753	2,587	-	4,260
Bridgnorth & District Shg	535	-	-	(535)	-
Bridgwater	2,783	840	1,421	-	2,202
Bridlington & District	7,987	4,197	5,198	(40)	6,946
Bridport	3,889	3,862	4,613	8,758	11,896
Brighton Sash	1,930	-	-	(386)	1,544
Bristol and Glos	678	-	-	(136)	542
North Area Liaison Committee	312	3,593	3,101	-	804
Bristol North	-	408	577	513	344
Burnham on Sea	10,653	4,927	4,151	-	11,429
Sub-total Carried Forward	1,164,121	148,762	173,318	(205,220)	934,345

Arthritis Care

For the Year Ended 31 December 2008

Appendix B: Branches

Appendix B: Branches (continued)

	Opening funds 1 January 2008 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2008 £
Sub-total Brought Forward	1,164,121	148,762	173,318	(205,220)	934,345
Burscough/Ormskirk	4,702	923	2,444	(18)	3,163
Caernarfon & District	3,711	2,338	2,112	177	4,114
California Farm	1,726	1,090	1,302	-	1,514
Callander	4,501	5,518	6,937	355	3,437
Camberley	4,797	1,371	2,543	2,320	5,945
Cambs Suffolk	433	-	-	(87)	346
Campbeltown	1,023	-	-	(1,023)	-
Cannock & District / N Birmingham Yac	6,281	5,985	7,484	1	4,783
Carrickfergus	3,339	2,885	2,751	-	3,473
Central Arthritis Self-Help	3,496	-	-	(699)	2,797
Central England Regional Committee	59,856	16,027	5,637	-	70,246
Central Fife & Tayside	222	560	-	(719)	63
Chandlers Ford & Eastleigh	2,116	3,055	2,965	21	2,227
Chatham and District	24,865	3,651	3,444	-	25,072
Chelmsford	3,660	3,384	2,594	1	4,451
Chessington and Hook	-	-	-	-	-
Chester	5,203	20,304	18,518	389	7,378
Chippenham	4,668	14,667	15,583	-	3,752
Christchurch & District	11,923	-	-	(2,385)	9,538
Clacton on Sea	-	-	-	-	-
Clash	1,971	16,665	9,274	(1)	9,361
Clevedon	1,132	1,668	1,579	-	1,221
Clevedon North	3,323	5,391	3,935	-	4,779
Clevedon South	4,003	-	-	(4,003)	-
Clydach	8,349	6,065	7,286	316	7,444
Clydebank	6,924	647	647	(482)	6,442
Coatbridge	1,172	-	-	(234)	938
Cockermouth	4,240	-	-	(4,240)	-
Coleraine	2,725	596	511	-	2,810
Condorrat & Kilsyth	6,098	6,546	8,173	289	4,760
Coventry & District	13,924	3,256	3,748	(1,383)	12,049
Crickhowell & District	1,567	2,157	2,473	75	1,326
Crowborough	1,614	1,129	1,922	25	846
Cumbernauld	6,713	2,770	2,704	(385)	6,394
Darlington	2,727	259	1,170	(91)	1,725
Deal	7,729	3,541	3,697	-	7,573
Denbigh & District	1,042	3,499	927	-	3,614
Dengie Hundred Branch	1,180	3,003	3,269	-	914
Derby/Notts	222	-	82	140	280
Devizes	9,771	2,681	2,926	293	9,819
Dingwall	3,050	2,562	2,590	363	3,385
Donaghadee	1,360	2,201	1,263	(1,414)	884
Doune And Dunblane	4,787	2,013	4,617	-	2,183
Dover	31,487	4,481	4,748	15	31,235
Dudley	826	3,749	3,331	-	1,244
Dumfries	8,022	4,302	4,677	28	7,675
Dungannon	4,544	2,490	2,600	-	4,434
East Kilbride	4,827	2,490	2,600	(284)	4,433
East London Asian	1,262	-	-	(252)	1,010
Eastbourne	13,042	5,276	5,711	(1)	12,606
Edinburgh	535	4,799	4,642	-	692
Edmonton	2,581	1,004	1,642	-	1,943
Sub-total Carried Forward	1,473,392	325,760	340,376	(218,113)	1,240,663

Arthritis Care

For the Year Ended 31 December 2008

Appendix B: Branches

Appendix B: Branches (continued)

	Opening funds 1 January 2008 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2008 £
Sub-total Brought Forward	1,473,392	325,760	340,376	(218,113)	1,240,663
Egremont A.C. Support Group	349	-	-	(349)	-
E-mash	1,898	3,032	1,925	(28)	2,977
Enfield	766	582	1,117	158	389
Enniskillen	9,118	7,661	7,332	-	9,447
Exeter	10,927	-	-	(2,185)	8,742
Exmouth	40,929	3,054	6,181	-	37,802
Felixstowe	4,005	5,366	3,459	(1,348)	4,564
Ferndown	62,476	15,869	9,558	267	69,054
Fleetwood	1,588	596	292	(348)	1,544
Gateshead	5,859	-	-	(1,172)	4,687
Glasgow East	10,138	2,271	3,640	28	8,797
Glasgow North	431,052	23,802	16,935	(168,283)	269,636
Glasgow South	147,651	17,158	25,936	(41,238)	97,635
Glasgow South West	34,246	14,482	8,540	-	40,188
Glenrothes	2,288	-	-	(458)	1,830
Gloucester	3,426	2,814	3,280	360	3,320
Grantham	5,081	2,587	2,793	405	5,280
Grantown-on-spey & District	2,361	2,613	2,946	-	2,028
Grayshott	5,351	3,836	3,300	88	5,975
Greenock	6,074	-	-	(1,215)	4,859
Grimsby & Cleethorpes	8,318	10,965	9,801	(1,605)	7,877
Guernsey	11,590	3,671	1,541	-	13,720
Halifax	7,711	4,158	8,274	-	3,595
Halton & District	7,176	2,463	2,976	48	6,711
Hampshire Alc0 (433945)	104	-	-	(21)	83
Harrogate	8,600	3,092	4,012	4	7,684
Hastings	5,908	-	-	(5,908)	-
Havant	3,312	2,201	1,935	-	3,578
Haverfordwest	16,047	5,696	9,087	(750)	11,906
Haverfordwest Hydrotherapy Group	1,122	5,649	4,300	-	2,471
Hawick	631	374	640	119	484
Haywards Heath & Dist	2,614	5,245	4,295	158	3,722
Helensburgh	13,448	3,127	6,452	-	10,123
Hereford	7,537	1,509	2,710	-	6,336
Herts/Essex	2,226	2,839	3,247	-	1,818
Highland Islands and Grampian	647	322	236	-	733
Hinckley & District Self Help	3,653	925	2,217	-	2,361
Huddersfield Midway Support Gp	793	592	593	(17)	775
Hull & East Riding AC Support	10,434	895	9,182	189	2,336
Hull (Kingston Upon Hull)	6,340	2,147	3,608	26	4,905
Hurst Green	1,061	3,504	3,284	-	1,281
Hyndburn & District	2,903	-	-	(2,903)	-
Ilford	5,490	2,032	2,034	101	5,589
Ilkey & District	11,977	3,512	3,764	-	11,725
Inverurie & District	3,289	3,367	3,754	-	2,902
Ipswich	12,061	3,607	5,284	56	10,440
Isle of Axholme	2,828	-	-	(2,828)	-
Isle of Harris	316	359	413	-	262
Islington & Hackney	15,900	1,000	820	820	16,900
Jersey	106,861	5,649	8,024	50	104,536
Johnstone	754	-	-	(754)	-
Jointz Parents Yac Group	9,452	3,359	5,192	-	7,619
Sub-total Carried Forward	2,550,078	513,742	545,285	(446,646)	2,071,889

Arthritis Care

For the Year Ended 31 December 2008

Appendix B: Branches

Appendix B: Branches (continued)

	Opening funds 1 January 2008 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2008 £
Sub-total Brought Forward	2,550,078	513,742	545,285	(446,646)	2,071,889
Kendal	3,577	3,800	4,305	-	3,072
Kent	481	32	110	30	433
Kettering	5,045	3,529	3,529	55	5,100
Kidderminster Self Help Group	4,664	462	322	(290)	4,514
Kings Lynn	3,290	-	-	(3,290)	-
Kingston upon Thames	1,248	-	-	(250)	998
Kirkby in Ashfield	2,129	10,489	8,373	(960)	3,285
Kirkcaldy	881	1,137	1,373	-	645
Kirriemuir	3,071	2,412	2,140	-	3,343
Lambeth	7,774	1,961	3,394	260	6,601
Lampeter	3,653	-	-	(3,653)	-
Lancashire/Cumbria	2,030	721	1,064	55	1,742
Lancaster	2,646	746	947	218	2,663
Lea Valley	5,152	3,680	3,627	-	5,205
Leeds	1,050	2,526	2,106	-	1,470
Leic/Northants/RU	377	-	-	(75)	302
Lincoln	-	-	6,949	6,949	-
Lincolnshire	231	-	-	(46)	185
Lisnaskea	6,051	7,026	4,938	-	8,139
Lichfield	4,733	5,351	5,067	38	5,055
Llanelli Arthritis Self Help Group	971	475	633	(813)	-
London Area Liaison Committee	457	-	-	(91)	366
Long Eaton	4,013	802	1,076	-	3,739
Luton & District	6,299	1,288	2,385	-	5,202
Maghera	1,221	1,464	978	-	1,707
Magherafelt	5,867	-	-	(1,173)	4,694
Maidenhead	3,043	2,261	1,974	1	3,331
Manchester South	7,697	2,480	3,426	(72)	6,679
Mercia Hydrotherapy Group	5,860	3,002	2,686	-	6,176
Merthyr Tydfil	4,900	959	2,416	184	3,627
Merton & Morden	14,138	13,156	14,443	(1)	12,850
Mid-way Support Grp Yorkshire	1,194	1,748	698	1	2,245
Milford-on-Sea	3,571	1,958	1,768	(15)	3,746
Montrose	2,141	233	1,028	(242)	1,104
Musselburgh	3,351	6,516	4,879	81	5,069
Nairn & District	252,105	22,758	64,540	(18,135)	192,188
Neath & District	6,982	4,900	4,138	-	7,744
New Malden	5,557	-	-	(1,111)	4,446
Newark & District	11,456	2,907	5,765	-	8,598
Newcastle (County Down)	1,484	3,782	4,504	-	762
Newcastle City	4,692	2,774	4,777	711	3,400
Newham	2,558	910	779	-	2,689
Newmarket	6,069	5,573	4,851	(549)	6,242
Newton Abbot	53,781	7,640	8,195	(2,612)	50,614
Newton Stewart	5,157	4,579	4,125	-	5,611
Newtownabbey	2,544	1,818	2,612	-	1,750
Newtownards	1,661	1,451	1,049	-	2,063
Norfolk	370	266	334	(117)	185
North England Regional Committee	69,730	19,124	59,789	65	29,130
North Staffs Self-help	2,958	2,924	1,870	-	4,012
North Wales	340	-	-	(330)	10
North Walsham	35,711	4,782	9,411	(4,310)	26,772
Sub-total Carried Forward	3,136,039	680,144	808,658	(476,133)	2,531,392

Arthritis Care

For the Year Ended 31 December 2008

Appendix B: Branches

Appendix B: Branches (continued)

	Opening funds 1 January 2008 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2008 £
Sub-total Brought Forward	3,136,039	680,144	808,658	(476,133)	2,531,392
North West	955	869	201	(231)	1,392
North West Sutherland	444	-	-	(444)	-
Northamptonshire, Leicestershire & Rutland Alc	599	-	-	(120)	479
Northampton	23,643	4,871	12,620	(2)	15,892
Northampton Link Group	5,602	4,328	3,674	153	6,409
Northern Ireland ALC	2,089	-	-	(418)	1,671
Northern Ireland Regional Committee	42,421	18,386	42,985	30	17,852
Oldham Branch	12,071	-	-	(2,414)	9,657
Omagh	7,286	7,953	5,738	-	9,501
Orkney	19,060	10,566	12,762	-	16,864
Oswestry Selfhelp Hydrotherapy	4,349	4,115	4,552	381	4,293
Paisley	2,893	1,754	2,064	-	2,583
Peebles & District	3,465	1,519	1,538	-	3,446
Peterhead & District	2,273	930	1,344	-	1,859
Pinner	4,412	2,850	2,910	505	4,857
Plym Arthritis Care Self Help	13,847	7,661	7,553	125	14,080
Plymouth	25,853	3,838	2,762	45	26,974
Pontefract & District	11,484	8,153	9,078	(20)	10,539
Portadown	1,926	2,097	1,823	-	2,200
Porthmadog	1,297	431	729	-	999
Potters Bar	6,585	3,116	4,191	-	5,510
Redditch	1,504	811	811	-	1,504
Reigate & District Support Grp	3,157	3,249	3,021	(21)	3,364
Rochdale	276	-	-	(55)	221
Rochford	3,796	3,631	3,103	6	4,330
Romford	12,608	7,440	5,014	25	15,059
Romsey	9,035	3,716	7,927	197	5,021
Rushden & Higham	3,345	5,219	4,629	-	3,935
Salisbury	7,099	-	-	(7,099)	-
Scarborough	6,301	-	-	(1,260)	5,041
Scotland Committee	3,114	1,113	1,530	(220)	2,477
Scotland West and Solway	1,850	-	-	(370)	1,480
Scunthorpe	7,187	5,597	5,510	(168)	7,106
Shepton Mallet	3,218	-	-	(3,218)	-
Shetland	6,577	13,457	6,946	30	13,118
Shipley	2,948	-	-	(590)	2,358
Shrops/Staffs	552	207	218	10	551
Skegness	6,856	2,642	3,297	(129)	6,072
Skelmersdale	427	-	-	(427)	-
Sleaford	4,491	2,088	2,697	-	3,882
Somerset	828	59	90	-	797
Somerton	1,843	1,551	1,682	-	1,712
South Forest Self Help Group	3,810	3,094	2,198	-	4,706
South Manchester Arthritis Self Help	2,051	-	-	(2,051)	-
South Scotland Alc	2,038	961	1,414	326	1,911
South Shields	3,133	10,326	8,849	(252)	4,358
Southampton	1,060	-	-	(212)	848
South-east England Regional Committee	63,457	28,202	7,984	-	83,675
South-west England Regional Committee	2,552	-	-	(4,977)	(2,425)
Spalding	17,661	-	2,034	(518)	15,109
St Albans	3,707	6,385	2,774	555	7,873
St Andrews	3,855	2,412	3,100	-	3,167
Sub-total Carried Forward	3,518,929	865,741	1,000,010	(498,961)	2,885,699

Arthritis Care

For the Year Ended 31 December 2008

Appendix B: Branches

Appendix B: Branches (continued)

	Opening funds 1 January 2008 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2008 £
Sub-total Brought Forward	3,518,929	865,741	1,000,010	(498,961)	2,885,699
St Helens	-	1,658	881	(65)	712
St Ives & District	6,259	-	4,490	4,490	6,259
Stafford	5,283	3,165	3,367	(13)	5,068
Stamford	5,842	4,739	5,624	250	5,207
Stonehaven	12,205	3,060	3,456	-	11,809
Stroud	24,887	13,165	9,919	-	28,133
Swansea	578	-	-	(578)	-
Syston	2,555	3,708	3,542	(248)	2,473
Taunton	72,100	24,876	27,808	24	69,192
Teesdale	2,333	3,481	2,617	1	3,198
Thamesmead	2,137	4,009	1,391	(35)	4,720
Thanet West	16,862	3,377	5,452	39	14,826
Thetford	1,390	1,256	1,297	4	1,353
Thornton Cleveleys	2,258	2,270	2,451	-	2,077
Torquay & Paignton	64,249	5,875	10,722	-	59,402
Trowbridge & District	1,636	-	-	(1,636)	-
Wales Regional Committee	24,375	5,215	5,744	878	24,724
Walsall	10,836	3,776	3,695	9	10,926
Waltham Forest South	11,817	6,887	7,254	(2)	11,448
Walton-on-the-Naze	4,543	-	-	(4,543)	-
Wandsworth	14,908	857	2,734	-	13,031
Wansbeck	-	546	191	166	521
Watford	123,842	9,291	14,037	(26)	119,070
Wear Valley Support Group	855	1,085	1,411	-	529
Wellingborough	3,108	1,401	1,365	(47)	3,097
Wells	24,071	6,536	7,369	282	23,520
Wembley & Kingsbury	18,737	8,956	8,418	-	19,275
West Bromwich Self Help Group	10,921	29,843	23,608	(105)	17,051
West Lothian AC Self Help Grp	1,423	917	490	-	1,850
West Midlands Alc	384	60	-	-	444
West Somerset (Wilton & Watchet)	1,773	3,395	3,268	(11)	1,889
Western Isles (Stornoway)	1,998	-	-	(1,998)	-
Weston Supermare	7,990	6,031	6,244	-	7,777
Winsford	2,300	5,955	5,996	(33)	2,226
Woking	6,379	5,312	3,956	(2)	7,733
Woodford	36,037	13,579	14,878	801	35,539
Woolton (Liverpool)	5,132	5,303	7,297	-	3,138
Worthing & District	7,791	4,421	7,037	-	5,175
Wrightington Self Help Group	1,501	785	829	-	1,457
Yeovil	77,374	13,625	13,928	-	77,071
Yorkshire	1,286	704	915	-	1,075
Ystrad Mynach	2,904	5,610	2,586	-	5,928
Ystradgynlais	8,123	1,743	1,622	-	8,244
Accounting adjustments	(324,336)	(183,148)	(267,964)	501,359	261,839
Depreciation	-	-	6,121	-	(6,121)
Investment Gains/(Losses)	-	1,435	437,521	-	(436,086)
	<u>3,825,575</u>	<u>900,500</u>	<u>1,403,577</u>	<u>-</u>	<u>3,322,498</u>