Company number: 529321
Charity number: 206563
OSCR no. SC038693

Arthritis Care

Report and Financial Statements

31 December 2013

TUESDAY

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sayer vincent
auditors and advisors

Arthritis Care

References and administrative details

For the year ended 31 December 2013

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 2013. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005), the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The report and statements also comply with the Charities Act 2011.

Patron: Duke of Westminster *President:* Jane Asher *Trustees:* Gordon Anderson Peter Anscombe Gordon Blyth Susan Cheetham Dr Ursula Davies William Eckhardt Marie Mitchell Robert Pickles Neil Spence (joined 5 December 2013) Debbie Weekes (joined 4 September 2013) *Other trustees during 2013:* Ann Heaton (resigned 18 August 2013) Christine Knight (resigned 22 June 2013) Christopher Preston (resigned 27 February 2013) David Walter (resigned 4 July 2013) Edward Copisarow (resigned 27 February 2013) Karen Willson (resigned 22 June 2013) *Chief Executive:* Edward Copisarow (Acting) (to 19 March 2013) Phil Baker (Acting) (from 20 March to 20 August 2013) Judi Rhys (from 21 August 2013)	*External auditors:* Sayer Vincent LLP 8 Angel Gate City Road London EC1V 2SJ *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 Wilsons Solicitors LLP Alexandra House, St Johns Street, Salisbury SP1 2SB *Investment advisers:* UBS AG 1 Curzon Street London W1J 5UB
Head Office 4 Linen Court 10 East Road London N1 6AD Tel: 020 7380 6500 Wales Arthritis Care in Wales / Gofal Arthritis yng Nghymru One Caspian Point Pierhead Street Cardiff Bay CF10 4DQ Tel: 029 204 44155	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

The trustees present their report and the audited financial statements for the year ended 31 December 2013.

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 for Accounting and Reporting by Charities (issued in March 2005).

STRUCTURE, GOVERNANCE AND 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 in 2012.

Public Benefit

The trustees continue to give due regard to the public benefit provided by the Charity in relation to its charitable purpose as set out by the objectives above and have given due consideration to the relevant guidance issued by the Charity Commission. The trustees will continue to ensure that the activities that promote the charitable objects above will be applied to provide public benefit.

Board of Trustees

The governing body of the charity is the Board of Trustees, which has a current total of ten members (twelve members in 2012). The trustees of the Charity also act as the directors of the charitable company. The Board meets at least four times a year together with the Chief Executive and other senior management where appropriate.

Board effectiveness

The board has set up a number of sub-committees to review and monitor the work of the charity. This includes an audit and finance committee. Smaller working groups of trustees can be set up at the agreement of the board to tackle specific and time-limited governance or strategic matters. Every two years the board reviews its performance, undertaking a self-assessment process to determine how effectively it believes it is performing and agreeing development and training needs.

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 national/regional committees elects one of their number to serve as a trustee for three years. In addition, five trustees can be directly elected by the membership to serve for three years. A number of the current board are individuals with personal experience of arthritis.

Induction and training of trustees

On appointment each trustee completes a register of interests 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 and trustees attending training days provided by external training providers.

Management

The trustees exercise executive responsibility for the governance of the Charity and, through the Chair, supervise the management of the Charity by the Chief Executive and the senior management team. The Chair and Chief Executive also task the Board with decision-making on strategic management issues as appropriate.

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.

Employee involvement and employment of disabled people

The charity continues to ensure that it reviews existing personnel policies and develops new processes in accordance with legislative changes and current good practice with particular emphasis on recruiting, retaining and supporting disabled people in the workplace.

Relationships with related parties

Arthritis Care (Trading) Ltd

The charity's wholly owned trading subsidiary is non-operating and was in a dormant state at the year end.

OBJECTIVES AND ACTIVITIES

Our vision

Our vision is of a world where people with arthritis can lead full and active lives.

Our purpose

Our purpose is to empower people with arthritis through support and information, ensuring their voices are heard and their conditions more effectively managed.

Our impact goals

1. To increase the number of people with arthritis who are able to manage their pain on a daily basis
2. To improve the health and wellbeing of people with arthritis and ensure more have the confidence to manage their condition
3. To reduce the physical and emotional isolation felt by many people living with arthritis
4. To ensure more people with arthritis can live an independent life, receiving the support they are entitled to
5. To improve services and ensure the voice of people living with arthritis is heard and acted on.

STRATEGIC REPORT

Achievements and performance

During 2013 our aim was to widen our reach and enable more people living with arthritis across the UK to lead full and active lives.

We estimate we reached over 700,000 people living with arthritis in the UK in 2013 via our website and information resources, our members and range of self-management programmes.

Although we are a national charity we operate on a local level thanks to our army of volunteers who take our messages and practical and emotional support out to communities across the UK. Last year our volunteers gave over an incredible 6,400 days of their time to help people with arthritis in every corner of the UK.

Highlights from 2013 include our self-management courses which enabled people to take control of their arthritis, our engaging and beneficial exercise groups and our Arthritis Champions who held talks, drop in sessions and simply connected with people who needed help in their local communities. Across these three projects we were able to reach out to over 3,800 people offering them the support they wanted delivered in the way that suited them the best.

Our quality information continued to be extremely popular, last year our website saw over 4 million page views and our social media sites continued to increase in popularity. Over 133,000 of our booklets were read and nearly 9,000 people called our helpline to ask for advice. We are delighted that nearly everyone who called our helpline then went on to make positive changes to their lifestyle. We also re-launched our membership magazine, "Inspire", and were able to reach out to an additional 2,000 people with information and support via this new publication.

Arthritis continues to be viewed as a condition of the elderly so we also want to mention our work for the 27,000 children and young people who are affected. We continued our popular activity sessions but also added new workshops and creative courses to help these young people feel less isolated and take control of their arthritis.

Finally we continued to campaign to ensure that the voices of those with arthritis are heard across all four nations against the current backdrop of significant reforms within the NHS. We continue to make sure that we listen closely to people with arthritis and can accurately represent their views.

FINANCIAL REVIEW

The overall funds of the Charity increased by £2,208k in 2013 to £6,670k compared with the balance of funds at 31st December 2012 reported last year.

At the operating level, net incoming / (outgoing) resources before transfers, a 'surplus' of £1,577k was generated in 2013 compared with the £749k surplus for 2012. This was almost exclusively due to legacy income which increased 88% to £3,809k from £2,028k in 2012. All other income sources totalled £2,123k; a 7% increase over 2012 if the one off income for Stephenson Way in 2012 is excluded. This is largely due to increased restricted income for training activities which increased to £287k from £184k in 2012.

Expenditure in 2013 was £4,355k; a £249k (5%) reduction due largely to one-off costs incurred in 2012.

Principal funding sources

Voluntary income and fundraising

Our main sources of voluntary income are legacies, individual donations, trusts and corporate donations and events.

Legacy income increased significantly in 2013; 88% to £3,809k from £2,028k in 2012. Trusts and corporate donations increased in 2013; by £69k to a total of £192k. Events income also increased in 2013; by £56k to a total of £150k.

Income from charitable activities

Incoming resources from information, training and branches increased over 2012 by 9% to £1,212k. This includes funds from grant-making trusts, the Big Lottery and statutory bodies to train new volunteers to deliver our self-management programmes.

Other incoming resources

The one-off gain on disposal of Stephenson Way of £1,347k in 2012 is reflected in the prior year comparison but has no 2013 equivalent.

Resources expended

Total resources expended continue to fall year-on-year, this year by £249k to £4,355k (2012: £4,604k) demonstrating the charity's continuing endeavours to cut its cost-base.

Balance sheet

The balance sheet further strengthened this year with total net assets increasing by £2,208k to £6,670k. This included an increase in unrestricted funds of £2,638k and reduction in restricted funds of £430k.

The pension reserve reduced by £1,100k to £1,674k primarily due to an actuarial gain of £380k and £811k contributions. Following a recovery plan agreed with the Pension Fund Trustees in December, the contributions included a one-off £535k payment.

Investment policy and returns

Investment decisions for the centrally-administered investments are taken by professional fund managers, UBS, within the investment mandate set by the trustees, as permitted by an Order of the Charity Commission under the Charities Act 2011. Reports are received on a quarterly basis from the investment managers.

The overriding aim is to maintain the real value of the capital through long-term investment.

For the twelve months to 31st December 2013, the portfolio produced a total return of 14.35% versus the composite benchmark of 13.57%.

Basis of Accounting

In the 2013 accounts the estimate of legacy accruals has changed. Previously 90% of the value of the legacy has been recognised at the point in time that notification has been received and an approximate value is known. As historically Arthritis Care has experienced significant fluctuation year on year of legacy income the Trustees have adopted a more prudent approach and reduced the percentage to 70% of known legacies. All other key accounting policies and estimates remain unchanged.

Going concern

The trustees have prepared these accounts on a going concern basis.

Reserves policy

During the year the trustees reviewed their requirements for designated and general reserves with particular reference to the 2012 publication by ACEVO, Charity Finance Group and the Institute of Fundraising, Beyond Reserves, and commended by The Charity Commission.

The Trustees have determined a minimum level of 'free' general reserves should be held as a contingency to cover approximately six months of operational expenditure. Based on the 2014 budget this amounts to £1,800k.

General reserves should therefore be a minimum of £1,800k at 31 December 2013.

Designated reserves will also be set aside in addition to this, agreed by the Trustees, as follows:

Fixed Asset Reserve	£116k
Local Committee Branch and Committee Funds	£1,332k
Pension Liability Reserve	£1,674k
Total	**£3,122k**

The Trustees are committed to investing the balance of unrestricted reserves in delivering its three year strategy to maximise Arthritis Care's impact and improving its effectiveness.

In addition, Restricted Funds are held where specific grants or donations are of a restricted nature and where local committee branch and group funds previously reported as restricted have not yet been fully spent.

PLANS FOR FUTURE PERIODS

As we start 2014 we have already published our new Strategic Plan setting out our aims for the next three years and the growth in impact we wish to achieve. Please visit our website at www.arthritiscare.org.uk to read of our plans.
The strategy embraces five new impact goals for the future which have at their heart significantly increasing the impact Arthritis Care has on the lives of people living with arthritis. This includes scaling up the number of callers to our Helpline, the information resources we distribute, the people with arthritis we reach, the number of volunteers we work with and the number of direct and indirect beneficiaries of our self-management support services.

To deliver this strategy Arthritis Care is committed to using our reserves and thereby invest significant resource in maximising our impact and improving our effectiveness. This would be done within the parameters set by the reserves policy of retaining free reserves that cover 6 months running costs.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They 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 and to provide reassurance that:

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

As part of the Charity's risk management process the trustees acknowledge their responsibility for the Charity's system of internal control and reviewing its effectiveness. It is also recognised by the trustees that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss. The Board has an audit and finance sub committee with an external chair which reviews the charities risk register, mitigations and advises the board. The trustees keep under regular review the major risks that could affect their achievement of the Charity's objectives.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of Arthritis Care for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

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 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 and accepted by the members at the annual general meeting on 22 June 2013. A resolution to reappoint them for 2014/15 will be considered at the annual general meeting on 13 September 2014.

The report of the trustees which includes the strategic report have been approved by the trustees on 14 May 2014 and signed on their behalf by



Susan Cheetham, Chair of Trustees

Independent auditor's report

To the members of

Arthritis Care

We have audited the financial statements of Arthritis Care for the year ended 31 December 2013 which comprises the statement of financial activities, balance sheet, cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Independent auditor's report

To the members of

Arthritis Care

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Joanna Pittman (Senior statutory auditor)
6 June 2014
for and on behalf of Sayer Vincent LLP, Statutory Auditors
8 Angel Gate, City Road, LONDON EC1V 2SJ

Sayer Vincent LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

For the year ended 31 December 2013

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2013 Total £'000	2012 Total £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income legacies	2	3,757	52	**3,809**	2,028
Voluntary income - other	(a)	698	4	**702**	729
Activities for generating funds	3	150	-	**150**	94
Investment income	4	38	21	**59**	46
Total incoming resources from generated funds		4,643	77	**4,720**	2,897
Incoming resources from charitable activities:					
Information		257	189	**446**	421
Training		5	287	**292**	238
Voluntary run branch activities		474	-	**474**	450
Total incoming resources from charitable activities	5	736	476	**1,212**	1,109
Other incoming resources	5 (a)	-	-	**-**	1,347
Total incoming resources		5,379	553	**5,932**	5,353
Resources expended					
Costs of generating funds:					
Fundraising and trading costs	8	1,298	-	**1,298**	1,227
Resources expended on charitable activities					
Representation and Campaigning		61	-	**61**	110
Information		395	198	**593**	699
Training		370	474	**844**	577
Voluntary run branch activities	5 (b)	732	416	**1,148**	1,557
Governance costs		411	-	**411**	434
		1,969	1,088	**3,057**	3,377
Total resources expended	8	3,267	1,088	**4,355**	4,604
Net incoming/(outgoing) resources before transfers		2,112	(535)	**1,577**	749
Transfer between funds	15	35	(35)	**-**	-
Net incoming/(outgoing) resources before other recognised gains and losses		2,147	(570)	**1,577**	749
Net realised gains on investment assets	10	11	11	**22**	25
Net income/(expenditure) for the year		2,158	(559)	**1,599**	774
Net unrealised gains on investment assets	10	100	129	**229**	117
Actuarial gains/(losses) on defined benefit pension	14	380	-	**380**	(96)
Net movement in funds		2,638	(430)	**2,208**	795
Fund balances at start of year		2,515	1,947	**4,462**	3,667
Fund balances at end of year		5,153	1,517	**6,670**	4,462

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 15 & 16 to the financial statements.

Arthritis Care

Company no. 529321

Balance sheet

As at 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible	*9*	**116**	153
Investments	*10*	**2,287**	2,100
		2,403	2,253
Current assets			
Debtors and prepayments	*11*	**1,916**	1,244
Short-term deposits		**2,000**	-
Cash at bank and in hand	*12*	**2,411**	4,052
		6,327	5,296
Creditors: amounts falling due within one year	*13*	**(386)**	(313)
Net current assets		**5,941**	4,983
Net assets excluding pension liability		**8,344**	7,236
Pension liability	*14*	**(1,674)**	(2,774)
Net assets including pension liability		**6,670**	4,462
Funds			
Restricted funds	*15*	**1,517**	1,947
Unrestricted funds	*16*		
Designated funds		**3,122**	2,820
General funds		**3,705**	2,469
		6,827	5,289
Pension reserve	*16*	**(1,674)**	(2,774)
Total unrestricted reserve		**5,153**	2,515
Total funds		**6,670**	4,462

Approved by the trustees on 14 May 2014 and signed on their behalf by

Susan Cheetham (Chair)

Neil Spence (Treasurer)

Arthritis Care

Cashflow Statement

For the year ended 31 December 2013

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2013 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000
Net cash (outflow) from operating activities	*A*	504	(268)	**236**	1,058	(1,142)	(84)
Returns on investments and servicing of finance	*B*	38	21	**59**	22	24	46
Capital expenditure and investing activities	*C*	(2,010)	74	**(1,936)**	3,057	47	3,104
Increase/(decrease) in cash	*D & E*	**(1,468)**	**(173)**	**(1,641)**	4,137	(1,071)	3,066

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

A Reconciliation of net incoming (outgoing) resources to net cash inflow (outflow) from operating activities

	Unrestricted Funds £'000	Restricted Funds £'000	2013 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000
Net incoming/(outgoing) resources	2,147	(570)	**1,577**	1,843	(1,094)	749
Add back net pension service cost net of finance cost	(720)	-	**(720)**	(134)	-	(134)
Investment income	(38)	(21)	**(59)**	(22)	(24)	(46)
Reclassification of investments	(323)	323	**-**	24	(24)	-
Depreciation	37	-	**37**	12	-	12
Profit on Sale of Fixed Assets	-	-	**-**	(1,347)	-	(1,347)
Decrease/(increase) in debtors	(672)	-	**(672)**	736	-	736
Increase/(decrease) in creditors	73	-	**73**	(54)	-	(54)
Net cash inflow/(outflow) from operating activities	**504**	**(268)**	**236**	1,058	(1,142)	(84)

B Returns on investments and servicing of finance

Interest and dividends received	38	21	**59**	22	24	46
Net cash inflow from returns on investment and servicing of finance	**38**	**21**	**59**	22	24	46

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT (continued)

C Capital expenditure and investing activities

	Unrestricted Funds £'000	**Restricted Funds £'000**	**2013 Total £'000**	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000
Purchase of tangible fixed assets	-	-	-	(162)	-	(162)
Net proceeds of sale of tangible fixed assets	-	-	-	2,737	-	2,737
Purchase of investments	(153)	(28)	**(181)**	(351)	(87)	(438)
Net (increase)/decrease of bank deposits, building society accounts and bonds	(29)	(63)	**(92)**	81	-	81
Proceeds from sale of investments	172	165	**337**	752	134	886
Transfer to short term deposits	(2,000)	-	**(2,000)**	-	-	-
Net cash inflow from capital expenditure and investing activities	**(2,010)**	**74**	**(1,936)**	3,057	47	3,104

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

Increase/(decrease) in cash in the period	(1,468)	(173)	**(1,641)**	4,137	(1,071)	3,066
Net cash funds as at 1 January 2013	3,369	683	**4,052**	(768)	1,754	986
Net cash funds as at 31 December 2013	**1,901**	**510**	**2,411**	3,369	683	4,052

E Analysis of changes in net cash funds

	At 1 January 2013 £'000	**Cash Flow £'000**	**At 31 December 2013 £'000**	At 1 January 2012 £'000	Cash Flow £'000	At 31 December 2012 £'000
Restricted funds:						
Held by branches	386	(141)	**245**	996	(610)	386
Held centrally	297	(32)	**265**	758	(461)	297
	683	**(173)**	**510**	1,754	(1,071)	683
Unrestricted funds:						
Held by branches	1,057	(151)	**906**	719	338	1,057
Held centrally	2,312	(1,317)	**995**	(1,487)	3,799	2,312
	3,369	**(1,468)**	**1,901**	(768)	4,137	3,369
Net cash funds	**4,052**	**(1,641)**	**2,411**	986	3,066	4,052

1. Accounting policies

(a) Accounting convention

The financial statements 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 2006, 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 and regional services. The local committee, branch and group figures have been compiled from returns by local treasurers made up to 31 October 2013.

(c) Company Status

The charity is a company limited by guarantee and does not have 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) 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 16.

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 work in progress at year end on the basis of proportion delivered.

(iv) All income is included in full in the SoFA when receivable and measurable with accuracy. Income is deferred if it has been received but relates to a specific future period or is dependent upon conditions to be fulfilled by the charity.

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:

Leasehold improvements	over the term of the lease
Fixtures and equipment	over 3 years
Motor vehicles	over 4 years

Fixed assets with an individual cost of less than £3,000 are written off in the year of purchase.

(g) 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.

(h) Pension Costs

Until the end of 2010, the charity operated a defined benefit pension scheme on behalf of its employees. The assets of the scheme are held separately 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 SoFA.

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.

At the end of 2010, the charity closed the defined benefits pension scheme, replacing it with a defined contributions arrangement.

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charged to the SoFA represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

1. Accounting policies (continued)

(i) 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. 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.

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. Currently they are apportioned on the basis of the total direct costs of each charitable activity.

(j) Operating leases

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

(k) Corporation Tax

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

2. Voluntary income - legacies

	Unrestricted	Restricted	2013 Total	Unrestricted	Restricted	2012 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Accrued legacies 1 January	(1,071)	(27)	**(1,098)**	(1,828)	-	(1,828)
Legacies received during year	3,002	79	**3,081**	2,606	152	2,758
Legacies accrued 31 December	1,826	-	**1,826**	1,071	27	1,098
	3,757	52	**3,809**	1,849	179	2,028

Legacies valued at £2.1m were receivable as at 31 December 2013 and due in 2014. At the year end, we estimated we could forecast 70% of the value of these legacies with sufficient accuracy to include them in the accounts. We have subsequently adjusted this accrual for additional post year end receipts.

2(a). Voluntary income - other

	Unrestricted	Restricted	2013 Total	Unrestricted	Restricted	2012 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Individual donations	506	4	**510**	577	29	606
Trusts and Corporate	192	-	**192**	118	5	123
	698	4	**702**	695	34	729

3. Activities for generating funds

	Unrestricted	Restricted	2013 Total	Unrestricted	Restricted	2012 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Events	150	-	**150**	93	1	94
	150	-	**150**	93	1	94

4. Investment Income

	Unrestricted	Restricted	2013 Total	Unrestricted	Restricted	2012 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Dividend Income	20	-	**20**	22	-	22
Bank deposit interest	18	-	**18**	-	-	-
Income from investment held by voluntary run branches	-	21	**21**	-	24	24
	38	21	**59**	22	24	46

5. Incoming Resources from Charitable Activities

	Information	Training	Voluntary run branch activities (note (5b))	2013 Total	2012 Total
	£'000	£'000	£'000	£'000	£'000
Advertising	-	-	-	-	11
Publication Sales	5	-	-	**5**	4
Membership and subscription	86	-	-	**86**	94
Grants and Contracts	355	292	-	**647**	550
Donations	-	-	474	**474**	450
	446	292	474	**1,212**	1,109

5(a). Other Incoming Resources

	2013	2012
	£'000	£'000
Gain on disposal of tangible fixed asset: Stephenson Way	-	1,347
	-	1,347

5(b). Branches

	2013 £'000	2012 £'000
Income		
Membership	**22**	33
Branch Donations	**474**	450
Legacies	**15**	18
Investment Income	**21**	24
Total incoming resources	**532**	525
Expenditure		
Welfare	**614**	785
Depreciation	**-**	-
Total resources expended	**614**	785
Net resources expended	**(82)**	(260)
Transfers to Central	298	(159)
Profit on Sale of Fixed Assets	-	-
Net realised gains on investment assets	11	3
Net income and expenditure for the year	**227**	(416)
Net unrealised gains/(loss) on investment assets	129	66
Net movement in funds	**356**	(350)
Cost of supporting the voluntary run branch network	**534**	**772**
Total voluntary run branch activities	**1,148**	1,557

6. Staff Costs

	2013 £'000	2012 £'000
Gross pay	**1,509**	1,552
Social security costs	**130**	142
Pension costs: defined contributions scheme	**57**	78
Pension costs: defined benefits scheme	**91**	119
Payments to agencies or similar for temporary help	**161**	42
Compensation and redundancy	**20**	301
	1,968	2,234

One employee was paid emoluments between £60,000 and £70,000 (2012 - 1). This employee participated in the defined contribution pension scheme and the employer's contributions were £4,408 (2012: £1,310).

The average number of persons employed during the year was:

		Total	Central	Regions
Number of employees	**2013**	**75**	**23**	**52**
Number of employees	2012	68	22	46
Full time Equivalent	**2013**	**56**	**19**	**37**
Full time Equivalent	2012	45	17	28

7. Trading subsidiary

The Charity has a wholly owned subsidiary, Arthritis Care (Trading) Limited, a company incorporated and registered in England. The company is currently dormant.

Called up share capital is £252 (2012: £252)

8 a Resources expended on charitable activities

	Costs of Generating Funds £'000	Representation and Campaigning £'000	Information £'000	Training £'000	Voluntary Run Branch Activities £'000	Governance £'000	Support costs £'000	**2013 Total £'000**	2012 Total £'000
Staff Costs (note 6)	295	28	235	186	-	75	1,149	**1,968**	2,234
Staff recruitment & training	8	-	2	16	-	43	22	**91**	36
Trustees and staff expenses	1	8	7	52	6	29	73	**176**	142
Volunteers expenses	1	-	6	38	9	-	7	**61**	47
Premises & equipment	-	-	-	12	9	-	257	**278**	189
Insurance	-	-	-	-	-	4	19	**23**	28
Postage & telephone	16	1	5	12	1	5	77	**117**	105
Office printing & stationery	11	1	1	12	2	4	36	**67**	69
Advertising	9	-	-	16	4	-	3	**32**	18
Courses costs	-	-	-	67	5	-	1	**73**	70
Publications production	1	-	29	-	-	-	-	**30**	66
Direct mail, legacy, events	158	-	-	8	4	12	11	**193**	103
Professional fees (incl audit)	42	-	22	54	-	65	71	**254**	388
Database & IT outsourcing	189	-	29	-	-	-	65	**283**	234
Depreciation	-	-	-	-	-	-	37	**37**	12
Branch expenses (note 5b)	-	-	-	-	614	-	-	**614**	785
Other Costs	9	(3)	2	8	-	(3)	45	**58**	78
	740	35	338	481	654	234	1,873	**4,355**	4,604
Support Costs	558	26	255	363	494	177	(1,873)	-	-
Total resources expended	1,298	61	593	844	1,148	411	-	**4,355**	4,604

8 b Net Incoming resources for the year

This is stated after charging:

	Unrestricted £'000	Restricted £'000	2013 Total £'000	Unrestricted £'000	Restricted £'000	2012 Total £'000
Depreciation charge on tangible fixed assets (owned)	37	-	**37**	12	-	12
Operating lease costs land & buildings	160	-	**160**	123	-	123
Auditors' remuneration for audit services:						
Current year fees	23	-	**23**	23	-	23
Prior year under accrual	5	-	**5**	-	-	-
Auditors' remuneration for non-audit services	9	-	**9**	3	-	3

Trustees receive no remuneration for their services in that capacity. 16 trustees (2012:17) have been reimbursed for travel expenses incurred carrying out their activities as trustees at a cost of £19,070 (2012: £17,989).

Premiums of £15,310 were paid in the year (2012: £20,623) on a commercial combined insurance policy which included professional indemnity to protect the charity, trustees and employees from loss arising from neglect or defaults of the trustees or employees.

9. Tangible fixed assets

	Unrestricted			Restricted	
	Leasehold Improve-ments £'000	Fixtures & Equipment £'000	Total Unrestricted £'000	Motor Vehicles £'000	Total £'000
Cost					
At the start of the year	140	266	406	50	**456**
Disposals in year	-	(225)	(225)	-	**(225)**
At the end of the year	140	41	181	50	**231**
Depreciation					
At the start of the year	9	244	253	50	**303**
Charge for the year	28	9	37	-	**37**
Disposals in year	-	(225)	(225)	-	**(225)**
At the end of the year	37	28	65	50	**115**
Net book value					
At the end of the year	103	13	116	-	**116**
At the start of the year	131	22	153	-	**153**

10. Fixed Asset Investments

	Unrestricted £'000	Restricted £'000	2013 Total £'000	Unrestricted £'000	Restricted £'000	2012 Total £'000
Market value:						
Listed stocks and shares	1,217	945	**2,162**	827	1,240	2,067
Bank deposits and building society accounts	62	63	**125**	33	-	33
Total	1,279	1,008	**2,287**	860	1,240	2,100

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

Movement in quoted investments	Unrestricted £'000	Restricted £'000	2013 Total £'000	Unrestricted £'000	Restricted £'000	2012 Total £'000
Market value as at 1 January 2013	827	1,240	**2,067**	1,155	1,218	2,373
Less: Disposals proceeds	172	165	**337**	752	134	886
(Gain) / Loss on sale	(11)	(11)	**(22)**	(22)	(3)	(25)
	161	154	**315**	730	131	861
Add:						
Acquisitions at cost	153	28	**181**	351	87	438
Net gains/(losses) on revaluation	100	129	**229**	51	66	117
	253	157	**410**	402	153	555
Transfer to unrestricted funds	298	(298)	-	-	-	-
Market valuation as at 31 December 2013	1,217	945	**2,162**	827	1,240	2,067

Investment Summary: Unrestricted Funds Invested in Listed Stocks and Shares.

	Market Value	%
ARTEMIS INCOME FUND UNITS CL R	85,453	9.3%
JO HAMBRO CAP MGMT UK UMB FUND UK	125,392	13.7%
M&G INV FUND 3 RECOV FUND	54,427	5.9%
THREADNEEDLE INV FD UK FND INST CLASS INC NET	80,922	8.8%
KEY MULTI-MANAGER HEDGE FUND	62,719	6.8%
ISHARES FTSE 100 STERLING GILTS	78,033	8.5%
ALL OTHER FUNDS INDIVIDUALLY LESS THAN £50,000	429,594	46.7%

11. Debtors

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Total
	£'000	£'000	£'000	£'000
Trade debtors	17	-	17	26
Legacies receivable	1,826	-	1,826	1,098
Other debtors	25	-	25	108
Accrued income	48	-	48	12
Total	1,916	-	1,916	1,244

12. Cash at bank and in hand

	Unrestricted £'000	Restricted £'000	2013 Total £'000
Held by:			
Local committees, branches and groups	906	245	1,151
Central office	995	265	1,260
Total	1,901	510	2,411

	Unrestricted £'000	Restricted £'000	2012 Total £'000
Held by:			
Local committees, branches and groups	1,057	386	1,443
Central office	2,312	297	2,609
Total	3,369	683	4,052

Cash and Bank

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

13. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	158	103
Taxation and social security	32	33
Other creditors	70	42
Accruals	126	135
Total	386	313

14. Retirement benefits

Until the end of 2010, the Charity operated 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 provided benefits based on 1/60th of average pensionable pay multiplied by pensionable service in completed months and years and is fully funded. The most recent formal valuation of the scheme was performed as at 30 September 2012.

In December 2009 the board took the strategic decision to change the pension scheme from defined benefit to defined contribution. The formal staff consultation relating to this decision was undertaken in 2010 and, following this, the defined benefit scheme was closed at the end of 2010 and replaced by a defined contribution scheme from 1 January 2011.

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

	2013	2012
	£'000	£'000
Present value of funded obligations	**(9,905)**	(9,629)
Fair value of plan assets	**8,231**	6,855
Net liability	**(1,674)**	(2,774)

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

	2013	2012
	£'000	£'000
Current service cost	**90**	78
Interest on obligation	**420**	425
Expected return on plan assets	**(419)**	(384)
Total	**91**	119
Actual return on plan assets	**821**	548

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

	2013	2012
	£'000	£'000
Opening defined benefit obligation	**9,629**	9,152
Service cost	**90**	78
Interest cost	**420**	425
Actuarial losses	**22**	260
Benefits paid, death in service insurance, premiums and expenses	**(256)**	(286)
Closing defined benefit obligation	**9,905**	9,629

14. Retirement benefits (continued)

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

	2013 £'000	2012 £'000
Opening fair value of plan assets	**6,855**	6,340
Expected return	**419**	384
Actuarial gains and (losses)	**402**	164
Contributions by employer	**811**	253
Benefits paid, death in service insurance, premiums and expenses	**(256)**	(286)
	8,231	6,855

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

	2013 £'000	2012 £'000
(Deficit) in scheme at beginning of year	**(2,774)**	(2,812)
Current service cost	**(90)**	(78)
Interest cost	**(420)**	(425)
Expected return on plan assets	**419**	384
Contributions by employer	**811**	253
Actuarial (loss) / gain	**380**	(96)
	(1,674)	(2,774)

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

	2013 %	2012 %
Equities	**56%**	64%
Bonds	**30%**	30%
Property	**6%**	6%
Cash	**8%**	0%

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

	2013 %	2012 %
Discount rate at the end of the year	**4.6%**	4.4%
Future salary increases	**4.5%**	4.0%
Future pension increases	**4.7%**	4.1%
Inflation assumption (RPI)	**3.5%**	3.0%
Inflation assumption (CPI)	**2.6%**	2.2%

14. Retirement benefits (continued)

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

	2013	2012	2011	2010	2009
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	**(9,905)**	(9,629)	(9,152)	(8,286)	(8,422)
Plan assets	**8,231**	6,855	6,340	6,294	5,519
(Deficit)	**(1,674)**	(2,774)	(2,812)	(1,992)	(2,903)
Experience adjustments on plan liabilities	**(94)**	137	60	556	(18)
Experience adjustments on plan assets	**402**	164	(430)	248	380

15. 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. 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. Fund balances are supported by cash and investments.

Transfer between funds
The transfer of restricted funds from branches to UK head office is to support the Charity's activities and delivery of specific projects throughout the year.

	1 January 2013 £'000	**Incoming Resources and gains on investments £'000**	**Resources expended £'000**	**Transfers £'000**	**31 December 2013 £'000**
Central & regional funds					
Information	32	189	(198)	51	**74**
Training	51	287	(291)	36	**83**
Representation and Campaigning	-	3	-	-	**3**
Legacies and Other Income	214	75	(183)	-	**106**
Restricted Funds	297	554	(672)	87	**266**
Local committee, branch & group funds	1,650	140	(416)	(122)	**1,252**
Total restricted funds	**1,947**	**694**	**(1,088)**	**(35)**	**1,518**

15. Restricted funds (continued)

Restricted projects and purpose of funds

Information

Charities Aid Foundation
2013 - second year of five years funding - mixed for Young Persons & Family including adult services and new development

City Bridge Trust - information points in London libraries
Information provision in libraries - signposting to resources

Arthritis Watch - to find out needs from local services and where they are failing to deliver

Bank Workers Charity Project
Partnership funding services to people with arthritis in the banking community

Big Lottery Fund - joint activity feasibility study
Investing in Ideas - funding for a feasibility study for Joint Activity which is a community based project to support people with arthritis to become confident and effective self managers

Wales volunteering
Wales volunteer support

Scottish Government Section 16B: Health Grant
Creation of an online interactive peer support resource

CHK Trust - training publications
To publish training materials

Training

NIPFW-NI Positive Future Workshop
To deliver workshops for young people with arthritis

Big Lottery-Get Fit For Arthritis (Northern Ireland)
To enable people with arthritis to be fitter, healthier and happier

Big Lottery - Staying Connected (Northern Ireland)
Supporting isolated older people with arthritis/long-term conditions to manage their condition

HSCB (North) Challenging Arthritis (Northern Ireland)
To provide Challenging Arthritis courses in H&SCB north area

Legacy -for use in the North East

Challenging arthritis - Scotland
To deliver challenging arthritis courses

Children in Need - Northern Ireland
To fund a part time Youth Worker and associated project costs

Belfast Health and Social Care Trust
Challenging Pain Programme

Anglia Co-op - Central England
General donation to support people with arthritis in Cambridgeshire

Anglia Co-op - South England
General donation to support people with arthritis in Oxfordshire

The Scottish Government - Rheum for Teen Support
Peer support for teenagers

Challenging pain Hwel-Dda Health Board-Wales
To deliver Challenging Pain workshops

Long-term Conditions Alliance Scotland - Paths for all
Walking towards better health

15. Restricted funds (continued)

Long-term Conditions Alliance Scotland - Impact Fund
TLC for LTC Project - Workshop for Carers
The Schuh Trust - Scotland
Joint potential youth project

Representing and Campaigning
Roche - funding for professional leture
To continue raising awareness of rheumatoid arthritis

16. Unrestricted Funds

	1 January 2013	New designations	Movement in funds utilised / realised	Transfers	31 December 2013
	£'000	£'000	£'000	£'000	£'000
Designated funds					
Fixed Asset Reserve	153		(37)	-	**116**
Legacy Working Capital Reserve	1,098	-	-	(1,098)	**-**
Future investments	500	-	(105)	(395)	**-**
Pension Deficit Reserve	-	-	-	1,674	**1,674**
Local committee branch and group funds	1,069	-	263	-	**1,332**
Total designated funds	2,820	-	121	181	**3,122**
General funds	2,469	-	2,193	(957)	**3,705**
Pension reserve	(2,774)	-	289	811	**(1,674)**
Total unrestricted funds	2,515	-	2,603	35	**5,153**

Fixed Asset Reserve
This fund has been set up to reflect the funds invested in tangible fixed assets. The fund has been set up to reflect the net book value of these assets recorded in the accounts.

Legacy Working Capital
This fund was set up to reflect the funds represented by legacies accrued, but not yet received. With the change to the reserves policy that states that a minimum of £1,800k of "free" general reserves be held it is deemed that this designated fund is no longer required.

Future investments
This fund has been set up to pay for income generation projects going forward, using part of the proceeds from the sale of Stephenson Way.

16. Unrestricted Funds (continued)

Local committee branch and group funds
This reserve represents the net funds generated by branches pending the outcome of discussion with branches on the use of branch reserves.

17. Analysis of 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	116	-	**116**
Investments	1,279	1,008	**2,287**
Current assets:			
Debtors	1,916	-	**1,916**
Short term deposite	2,000	-	**2,000**
Cash & bank	1,901	510	**2,411**
Current liabilities	(386)	-	**(386)**
Net Assets	6,826	1,518	**8,344**

18. *Operating leases*

The group had annual commitments at the year end under operating leases expiring as follows:	2013 Land and buildings £'000	2012 Land and buildings £'000
2 - 5 Years	**150**	155
	150	155

Arthritis Care

For the year ended 31 December 2013

Appendix A: Restricted central and regional funds

Project	Opening balance at 1 January 2013 £	Income £	Expenditure £	Transfers	Closing balance at 31 December 2013 £
Information					
Charities Aid Foundation	24,536	98,864	98,302	-	25,098
Arthritis Watch	-	10,000	-	-	10,000
City Bridge Trust - information points in libraries	7,913	32,475	29,286	-	11,102
Brighter Futures	-	24,653	11,500	-	13,153
Joint Activity Project (Glasgow North branch)	-	-	41,841	50,075	8,234
Scotland Office - Scottish	-	22,000	16,333	-	5,667
Scottish Government Section 16b: Health Grant	-	700	700	-	-
Information total	32,449	188,692	197,962	50,075	73,254
Training					
Big Lottery - Get Fit for Arthritis (Northern Ireland)	28,228	91,937	117,914	-	2,251
Big Lottery - Staying Connected (Northern Ireland)	-	34,028	21,808	-	12,220
HSCB (North) Challenging Arthritis (Northern Ireland)	-	61,568	61,967	-	(399)
Belfast Health & Social Care Trust - Challenging Pain	-	6,514	4,061	-	2,453
Scotland Self-management (ALLIANCE funding)	-	65,320	48,686	-	16,634
Scotland Self-management (Glasgow North branch)	-	-	8,741	36,800	28,059
Children in Need (Northern Ireland)	6,570	24,049	17,998	-	12,621
Scotland befriending project	15,000	-	9,336	-	5,664
Challenging pain Hwel-Dda Health Board-Wales	-	2,302	120	-	2,182
Paths for all - Scotland	788	-	-	-	788
Young people project - Scotland	-	1,000	343	-	657
Training total	50,586	286,718	290,974	36,800	83,130
Representing and Campaigning					
Professional Lecture (Roche funding)	-	3,000	-	-	3,000
Representation and Campaigning total	-	3,000	-	-	3,000
Other					
Legacies and other income determined as restricted	214,213	75,071	183,247	-	106,037
Other Total	214,213	75,071	183,247	-	106,037
Restricted project total	**297,248**	**553,481**	**672,183**	**86,875**	**265,421**