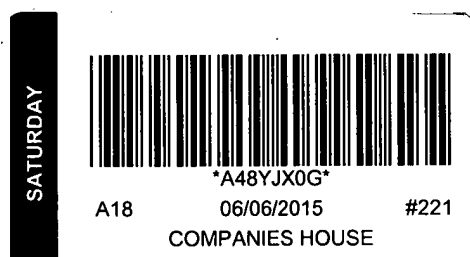


Company number: 529321
Charity number: 206563
OSCR no. SC038693

Arthritis Care

Report and Financial Statements

31 December 2014



sayer vincent

auditors and advisors

Arthritis Care

References and administrative details

For the year ended 31 December 2014

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 2014. 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.

<i>Patron:</i> Duke of Westminster <i>President:</i> Jane Asher <i>Trustees:</i> Gordon Anderson N* (Chair from 3 December 2014) Peter Anscombe Gordon Blyth N Susan Cheetham (Chair to 3 December 2014) (resigned 8 May 2015) Dr Ursula Davies William Eckhardt Marie Mitchell N Robert Pickles Neil Spence Debbie Weekes N = National Trustee (with effect from 13 September 2014) N* = National Trustee (13 September to 3 December 2014) <i>Chief Executive:</i> Judi Rhys	<i>External auditors:</i> Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL <i>Bankers:</i> National Westminster Bank (Royal Bank of Scotland Group) Corporate Banking London 9th Floor, 280 Bishops Gate London EC2M 4RB <i>Solicitors:</i> Russell-Cooke Solicitors 2 Putney Hill London SW15 6AB Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury SP1 2SB <i>Investment advisers:</i> 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

Arthritis Care

Report of the Trustees

For the year ended 31 December 2014

The trustees present their report and the audited financial statements for the year ended 31 December 2014.

Reference and administrative information set out on page 2 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 comprehensively updated in 2014.

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

In September 2014 a number of changes to our Articles of Association were proposed and these were all fully supported by the members. As a result there is a new Trustee Board composition - a maximum of 13 Trustees, plus two optional co-opted Trustees. Four Trustees must be *National Trustees* – one from each of the Nations.

2014 has therefore been a year of transition. There are currently 8 Trustees and 2 co-opted Trustees, all of whom also act as the directors of the charitable company.

Board effectiveness

The Board meets six times a year and works to a clear and pre-determined set of agendas that as standard items include reviewing the financial management accounts, reviewing delivery against KPIs, receiving a report from the Chief Executive, along with service and fundraising updates.

The Board has three formal sub Committees:

- Appointments - that leads on recruiting new Trustees (see below)
- Performance and remuneration - that leads on appraising the performance of the Chair and Trustee Board and in making recommendations on the Chief Executive's salary
- Audit and Risk – that leads on overseeing the corporate risk register.

A new approach to Board self-assessment has been trialled in 2014 and this will be reviewed and discussed at a Board Away Day in the summer. A new Board development programme is in the process of being brought together ready for the new Board and in order to aid the transition.

Recruitment and appointment of new trustees

Arthritis Care is committed to adopting a clear and open process to Trustee recruitment, including a clear and simple route for individual members to become Trustees.

All Trustees are recruited via promotion within the membership, active promotion via our website and through existing Trustee recruitment networks. All applications are reviewed by our Appointments Committee that assesses them against agreed criteria. The criteria include remaining driven by those with personal experience of arthritis and a demonstrable commitment to the work of Arthritis Care, along with specifying specific skills needed in, for example, communications and marketing, governance and finance.

The Board makes the initial appointment, with confirmation by members at the AGM.

Arthritis Care

Report of the Trustees

For the year ended 31 December 2014

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 leadership 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.

Arthritis Care

Report of the Trustees

For the year ended 31 December 2014

STRATEGIC REPORT

Achievements and performance

During 2014 we started to implement our new Strategic Plan to have a greater direct impact on improving the lives of people living with arthritis across the UK. As such, we reviewed our activities across the UK to identify those that are producing the strongest outcomes and then organised them by those serving older adults, those in or seeking work and young people and families.

We estimate that we reached approximately 600,000 people living with arthritis in the UK in 2014 via our website and information resources, our membership and range of activities that help people take control of their condition. We constantly monitor how each of our services is performing and saw a 20% drop in visitors to our website. We have been aware of the deficiency of the website and so at the end of 2014 began work to re-design our website in order to provide an improved experience to those who are seeking our support online and to encourage even more people to get involved in our work.

As a national charity, we are indebted to our army of volunteers who enable us to reach out on a local level and provide practical and emotional support to people in communities across the UK. Last year our volunteers gave over an incredible 5,168 days of their time to help people with arthritis in every corner of the UK.

Highlights from 2014 include an increased range of peer to peer support to help people take their lives back including more drop-in sessions, new roadshows and a one to one mentoring service. Together these three services reached over 4,000 people. We received the backing of the Department of Health with funding from its Volunteering Fund to expand our Arthritis Champions project in parts of north England. Our Staying Connected project in Northern Ireland, a mentoring/befriending service for vulnerable older people, produced impressive early results. Across our UK services, we were able to directly reach 11,025 people, more than double the number directly reached last year. It also represents our highest number of direct beneficiaries in over 10 years.

During 2014 people continued to look to Arthritis Care for information on coping with arthritis as well as accessing peer to peer support online. Last year our website received over 2.1 million page views and our social media sites continued to increase in popularity. Over 7,000 people called our helpline for advice. Our trained helpline workers also increasingly offered support via our online forums which had 8,672 registered members at the end of 2014. We are delighted by the overwhelmingly positive feedback from people who get in touch with our helpline. We are starting a pilot evaluation project in early 2015 to understand more about the differences made in individuals' lives by calling the helpline.

Our work with young people and families living with juvenile arthritis continued to produce exceptional outcomes in 2014 and we successfully secured funding to expand this service in Scotland. We have also now received support from several leading adolescent rheumatologists in England and Wales to bring our tried and tested peer support service to their centres. This will significantly expand the number of young people and families we can reach and will be a key focus for Arthritis Care in 2015.

FINANCIAL REVIEW

Overview

A prior year adjustment has been made to the 2013 balances as a result of the discovery of the omission of branch balances amounting to £110k.

The overall funds of the Charity decreased by £80k in 2014 to £6,700k compared with the adjusted balance of funds at 31st December 2013.

At the operating level, net incoming / (outgoing) resources before transfers, a 'surplus' of £51k was generated in 2014 compared with the £1,577k surplus for 2013. The main reason for the change was a significant reduction in legacy income from an unusually high level in 2013; a drop of £1,627k to £2,182k. There was a surplus of £331k generated by unrestricted activity largely offset by an outflow of restricted funds of £280k. All other income sources totalled £2,290k; a 8% increase over 2013. This is exclusively due to increased restricted project income which increased 53% to £846k.

Arthritis Care

Report of the Trustees

For the year ended 31 December 2014

£116k of this was new funding secured from the Health & Social Care Volunteering Fund for Arthritis Champions, being the first tranche of a £547k grant covering three years.

Expenditure in 2014 was £4,421k; a small £66k (1.5%) increase over 2013. All areas of expenditure increased other than fundraising and trading costs, and governance costs (£23k and £111k reduction respectively).

Principal funding sources

Voluntary income and fundraising

Our main sources of voluntary income are legacies, individual donations, grant-making trusts, the Big Lottery and corporate donations and events.

Legacy income of £2,182k returned to a similar level to that of 2012, following a significant increase (88%) in 2013. Trusts and corporate donations increased in 2014; by £43k (22%) to a total of £235k. Individual donations saw a reduction of 38% in 2014 to £316k.

Income for charitable activities

Incoming resources for information, training and branch activity increased from 2013 by 9% to £1,212k. This includes funds from statutory bodies for training as well as membership and subscriptions.

Balance sheet

The balance sheet remained strong in 2014 with total net assets decreasing slightly by £80k to £6,700k. This included an increase in unrestricted funds of £178k and reduction in restricted funds of £258k.

Investments reduced by £523k to £1,764k as a result of branch investments being released to fund national projects.

The pension reserve reduced by £306k to £1,368k, despite an actuarial loss of £186k. This was due to a combination of £535k contributions (an increased level due to the recovery plan agreed with the Pension Fund Trustees in December 2013), and an improved return on plan assets of £488k (16% higher than 2013).

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 2014, the portfolio produced a total return of 5.57% versus the composite benchmark of 7.14%.

Basis of Accounting

The key accounting policies remain unchanged.

In 2014 a more accurate approach has been applied to allocating support costs across the categories of charitable expenditure, governance costs and the cost of generating funds. Detail of how this has been done appears in note 1.(i)(iii) of the Financial Statement, accounting policies.

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.

Arthritis Care

Report of the Trustees

For the year ended 31 December 2014

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 2015 budget this amounts to £1,900k.

Total Unrestricted Reserves: £6,809K

Designated reserves set aside are as follows:

Fixed Asset Reserve	£88k	
Local Committee Branch and Committee Funds	£1,274k	
Pension Liability Reserve	£1,368k	
Total		£2,730k

Total General Reserves £4,079k

The Trustees are committed to investing from the balance of unrestricted reserves in delivering its three year strategy to maximise Arthritis Care's impact and improving its effectiveness as well as to minimise its long-term pensions deficit liability.

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

At the start of 2014 we published our new Strategic Plan setting out our aims for the next three years and the growth in impact we wish to achieve. With this in mind 2014 has seen the completion of a restructure of the senior management team, the Trustees approval of a new fundraising strategy and the start of very positive steps to achieve our objectives. The Charity's plans are available on our website at www.arthritiscare.org.uk.

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 risk 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.

Arthritis Care

Report of the Trustees

For the year ended 31 December 2014

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.

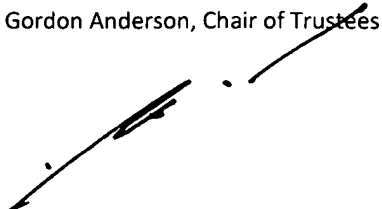
Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Re-appointment of auditors

A resolution to re-appoint Sayer Vincent LLP as auditors was proposed and accepted by the members at the annual general meeting on 13 September 2014. A resolution to reappoint them for 2015/16 will be considered at the annual general meeting on 12 September 2015.

The report of the trustees which includes the strategic report have been approved by the trustees on 20 May 2015 and signed on their behalf by

Gordon Anderson, 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 2014 which comprise 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. In addition, we read all the financial and non-financial information in the report of the trustees including the Strategic Report to identify material inconsistencies with the audited 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. 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 2014 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).

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:

Independent auditor's report

To the members of

Arthritis Care

- 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)

4 June 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

Arthritis Care

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

For the year ended 31 December 2014

		Unrestricted Funds	Restricted Funds	2014 Total	2013 Total As restated
	Notes	£'000	£'000	£'000	£'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income legacies	2	2,142	40	2,182	3,809
Voluntary income - other	3	532	19	551	702
Activities for generating funds	4	149	3	152	150
Investment income	5	44	13	57	59
Total incoming resources from generated funds		2,867	75	2,942	4,720
Incoming resources for charitable activities					
Voluntary run branch activities	6	446	10	456	474
Total incoming resources from charitable activities		759	771	1,530	1,212
Total incoming resources		3,626	846	4,472	5,932
Resources expended					
Costs of generating funds:					
Fundraising and trading costs		810	-	810	1,047
Resources expended on charitable activities					
Representation and Campaigning		151	3	154	72
Information		563	183	746	614
Training		678	772	1,450	1,377
Voluntary run branch activities	6	807	168	975	848
Governance costs		286	-	286	397
		2,485	1,126	3,611	3,308
Total resources expended	9	3,295	1,126	4,421	4,355
Net incoming/(outgoing) resources before other recognised gains and losses	10	145	(280)	(135)	1,577
Net realised gains on investment assets	12	(3)	37	34	22
Net income/(expenditure) for the year		142	(243)	(101)	1,599
Net unrealised gains on investment assets	12	36	(15)	21	229
Actuarial (losses)/gains on defined benefit pension	16	(186)	-	(186)	380
Net movement in funds		(8)	(258)	(266)	2,208
Fund balances at start of year as previously stated		5,263	1,517	6,780	4,462
Prior year adjustment	20	-	-	-	110
Fund balances at start of the year as restated		5,263	1,517	6,780	4,572
Fund balances at end of year		5,255	1,259	6,514	6,780

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

Arthritis Care

Balance sheet

As at 31 December 2014

	Notes	2014 £'000	2013 As restated £'000
Fixed assets			
Tangible	11	88	116
Investments	12	<u>1,764</u>	<u>2,287</u>
		<u>1,852</u>	<u>2,403</u>
Current assets			
Debtors and prepayments	13	1,382	1,916
Short-term deposits	14	2,500	2,000
Cash at bank and in hand	14	<u>2,652</u>	<u>2,521</u>
		6,534	6,437
Creditors: amounts falling due within one year	15	<u>(318)</u>	<u>(386)</u>
Net current assets		<u>6,216</u>	<u>6,051</u>
Net assets excluding pension liability		8,068	8,454
Pension liability	16	<u>(1,368)</u>	<u>(1,674)</u>
Net assets including pension liability		<u>6,700</u>	<u>6,780</u>
Funds	17		
Restricted funds		<u>1,259</u>	<u>1,517</u>
Unrestricted funds			
Designated funds		2,730	3,122
General funds		<u>4,079</u>	<u>3,815</u>
		6,809	6,937
Pension reserve	16	<u>(1,368)</u>	<u>(1,674)</u>
Total unrestricted reserve		<u>5,441</u>	<u>5,263</u>
Total funds		<u>6,700</u>	<u>6,780</u>

Approved by the trustees on 20 May 2015 and signed on their behalf by

Gordon Anderson (Chair)


Neil Spence (Treasurer)

Arthritis Care

Cashflow Statement

For the year ended 31 December 2014

		2014 Total	2013 Total
	Notes	£'000	£'000
Net cash inflow / (outflow)			
from operating activities	A	(181)	236
Returns on investments and servicing of finance	B	57	59
Capital expenditure and investing activities	C	69	(1,936)
Increase/(decrease) in cash	D & E	(55)	(1,641)

NOTES TO THE CASHFLOW STATEMENT

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

	2014 Total	2013 Total
	£'000	£'000
Net incoming/(outgoing) resources	(135)	1,577
Add back net pension service cost net of finance cost	(492)	(720)
Investment income	(57)	(59)
Depreciation	37	37
Decrease/(increase) in debtors	534	(672)
(Decrease)/increase in creditors	(68)	73
Net cash inflow from operating activities	(181)	236

B Returns on investments and servicing of finance

Interest and dividends received	57	59
Net cash inflow from returns on investment and servicing of finance	57	59

Arthritis Care

Cashflow Statement

For the year ended 31 December 2014

NOTES TO THE CASHFLOW STATEMENT (continued)

C Capital expenditure and investing activities

	2014 Total £'000	2013 Total £'000
Purchase of tangible fixed assets	(9)	-
Purchase of investments	(221)	(181)
Net (increase) of bank deposits, building society accounts and bonds held in investments	(28)	(92)
Proceeds from sale of investments (net of write-off)	827	337
Transfer to short term deposits	(500)	(2,000)
Net cash inflow/(outflow) from capital expenditure and investing activities	69	(1,936)

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

Increase/(decrease) in cash in the period	(55)	(1,641)
Net cash funds as at 1 January 2014	2,411	4,052
Net cash funds as at 31 December 2014	2,356	2,411

E Analysis of changes in net cash funds

	At 1 January 2014 £'000	Cash Flow £'000	At 31 December 2014 £'000	At 1 January 2013 £'000	Cash Flow £'000	At 31 December 2013 £'000
Held by branches	1,261	(62)	1,199	1,553	(292)	1,261
Held centrally	1,260	193	1,453	2,609	(1,349)	1,260
Net cash funds	2,521	131	2,652	4,162	(1,641)	2,521

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. 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 2014.

(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 17.

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 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. Since then the scheme has been closed to new members. 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 the 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 rather than 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 but a more accurate approach has been applied in 2014. The main bases are as follows:

- Support costs incurred in the nation offices are apportioned on the basis of the direct costs of their charitable activities.

- Support costs incurred in Strategy & Engagement are equally split between the three direct activities the department is involved in.

- Corporate Services costs have been apportioned in different ways. Head office premises costs are apportioned by the number of head office staff; IT, pension and payroll overhead costs are apportioned by total staff numbers. The balance of Corporate Services costs and the Chief Executive Office costs have then been apportioned by the total direct costs of each charitable activity.

The 2013 figures have been recalculated on the same basis for comparative purposes.

(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.

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2014

2. Voluntary income - legacies

	Unrestricted £'000	Restricted £'000	2014 Total £'000	2013 Total £'000
Accrued legacies 1 January	(1,826)	-	(1,826)	(1,098)
Legacies received during year	2,733	2	2,735	3,081
Legacies accrued 31 December	1,235	38	1,273	1,826
	<u>2,142</u>	<u>40</u>	<u>2,182</u>	<u>3,809</u>

Legacies valued at £1,828,775 were receivable as at 31 December 2014 and due in 2015. At the year end, we estimated we could forecast 70% (2013: 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.

3. Voluntary income - other

	Unrestricted £'000	Restricted £'000	2014 Total £'000	2013 Total £'000
Individual donations	316	-	316	510
Trusts and Corporate	216	19	235	192
	<u>532</u>	<u>19</u>	<u>551</u>	<u>702</u>

4. Activities for generating funds

	Unrestricted £'000	Restricted £'000	2014 Total £'000	2013 Total £'000
Events	149	3	152	150
	<u>149</u>	<u>3</u>	<u>152</u>	<u>150</u>

5. Investment Income

	Unrestricted £'000	Restricted £'000	2014 Total £'000	2013 Total £'000
Dividend Income	21	-	21	20
Bank deposit interest	21	-	21	18
Income from investment held by voluntary run branches	2	13	15	21
	<u>44</u>	<u>13</u>	<u>57</u>	<u>59</u>

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Notes to the financial statements

For the year ended 31 December 2014

6. Branches

	2014	2013
	£'000	As restated £'000
Income		
Membership	12	22
Branch Donations	444	426
Grants & Trusts	40	48
Legacies	55	15
Investment Income	15	21
Total incoming resources	566	532
Expenditure		
Welfare	662	614
Total resources expended	662	614
Net resources expended	(96)	(82)
Transfers to Central	555	298
Net realised gains on investment assets	37	11
Net income and expenditure for the year	496	227
Net unrealised gains/(loss) on investment assets	(15)	129
Net movement in funds	481	356
Cost of supporting the voluntary run branch network	313	234
Total voluntary run branch activities	975	848

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2014

7. Staff Costs

	2014 £'000	2013 £'000
Gross pay	1,739	1,509
Social security costs	149	130
Pension costs: defined contributions scheme	46	57
Pension costs: defined benefits scheme	87	91
Payments to agencies or similar for temporary help	6	157
Payroll Costs	6	4
Compensation and redundancy	45	20
	2,078	1,968

One employee was paid emoluments of £80,269 (2013: £60,000 - £70,000 - 1). This employee participated in a private contribution pension scheme and the employer's contributions were £4,219 (2013: £4,408).

The average number of persons employed during the year was:

		Total	Central	Regions
Number of employees	2014	82	30	52
Number of employees	2013	75	23	52
Full time Equivalent	2014	60	26	34
Full time Equivalent	2013	56	19	37

8. 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 (2013: £252)

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2014

9. Resources expended

	Costs of Generating Funds £'000	Representation and Campaigning £'000	Information £'000	Training £'000	Voluntary Run Branch Activities £'000	Governance £'000	Support costs £'000	2014 Total £'000	2013 Total £'000
Staff Costs (note 7)	289	30	268	187	-	126	1,178	2,078	1,968
Staff recruitment & training	3	-	13	6	3	-	12	37	91
Trustees and staff expenses	2	9	8	77	35	14	53	198	176
Volunteers expenses	1	1	6	64	20	-	3	95	61
Premises & equipment	-	-	2	18	7	-	288	315	278
Insurance	-	-	-	-	-	-	17	17	23
Postage & telephone	8	1	6	14	1	1	48	79	117
Office printing & stationery	5	-	7	16	10	4	33	75	67
Advertising	4	-	2	24	4	-	1	35	32
Courses costs	-	2	20	75	3	-	-	100	73
Publications production	13	1	11	5	-	-	3	33	30
Direct mail, legacy, events	64	33	3	3	8	-	20	131	193
Professional fees (incl audit)	-	-	54	36	1	31	42	164	254
Database & IT outsourcing	197	-	33	-	-	-	65	295	283
Depreciation	-	-	-	-	-	-	36	36	37
Branch expenses (note 6)	-	-	-	-	662	-	-	662	614
Other Costs	4	1	4	10	14	-	38	71	58
	590	78	437	535	768	176	1,837	4,421	4,355
Support Costs	220	76	309	915	207	110	(1,837)	-	-
Total resources expended	810	154	746	1,450	975	286	-	4,421	4,355

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Notes to the financial statements

For the year ended 31 December 2014

10. Net Incoming resources for the year

This is stated after charging:

	2014 Total £'000	2013 Total £'000
Depreciation charge on tangible fixed assets (owned)	37	37
Operating lease costs land & buildings	172	160
Auditors' remuneration for audit services (excl VAT):		
Current year fees	18	23
Prior year under accrual	-	5
Auditors' remuneration for non-audit services	-	9

Trustees receive no remuneration for their services in that capacity. 8 trustees (2013:16) have been reimbursed for travel expenses incurred carrying out their activities as trustees at a cost of £12,546 (2013: £19,070).

Premiums of £15,822 were paid in the year (2013: £15,310) 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.

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Notes to the financial statements

For the year ended 31 December 2014

11. Tangible fixed assets

	Leasehold Improvements £'000	Fixtures & Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At the start of the year	140	41	50	231
Purchases in year	-	9	-	9
At the end of the year	140	50	50	240
Depreciation				
At the start of the year	37	28	50	115
Charge for the year	29	8	-	37
At the end of the year	66	36	50	152
Net book value				
At the end of the year	74	14	-	88
At the start of the year	103	13	-	116

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Notes to the financial statements

For the year ended 31 December 2014

12. Fixed Asset Investments

	2014 Total £'000	2013 Total £'000
Market value:		
Listed stocks and shares	1,611	2,162
Bank deposits and building society accounts	153	125
Total	1,764	2,287

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

Movement in quoted investments	2014 Total £'000	2013 Total £'000
Market value at start of year	2,162	2,067
Acquisitions at cost	221	181
Disposals proceeds	(827)	(337)
Realised gains on disposals (less write offs)	34	22
Unrealised gains on disposals	21	229
Market valuation as at 31 December 2014	1,611	2,162
Historic cost at the end of the year	1,487	1,733

Investment Summary: Funds Invested in Listed Stocks and Shares.

	Market Value	%
ISHARES II PLC FTSE ALL ST GILT FD	121,061	7.5%
JO HAMBRO CAO MGMT UK UMB FUND UK	121,516	7.5%
THREADNEEDLE INV FD UK FND INST CLASS INC NET	82,014	5.1%
ARTEMIS INCOME FUND UNITS CL R	85,210	5.3%
UBS INV FUNDS ICVC S&P INDX FUND SHS CLASS J GBP DIST	75,370	4.7%
KEY MULTI MANAGER HEDGE FUND GBP 0.001 DIVERSIFIED LTD ACCUM	66,355	4.1%
M&G CHARIFUND EQUITIES INVESTMENT FUND	149,426	9.3%
M&G CORPORATE BOND A Acc (MGCOA)	51,881	3.2%
ALL OTHER FUNDS INDIVIDUALLY LESS THAN £50,000	858,528	53.3%

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Notes to the financial statements

For the year ended 31 December 2014

13. Debtors

	2014 Total	2013 Total
	£'000	£'000
Trade debtors	22	17
Legacies receivable	1,273	1,826
Other debtors	48	25
Accrued income	39	48
Total	1,382	1,916

14. Cash at bank and in hand and short-term deposits

	2014 Total	2013 Total As restated
	£'000	£'000
Cash at bank and in hand		
Held by:		
Local committees, branches and groups	1,199	1,261
Central office	1,453	1,260
Total	2,652	2,521
Short-term Deposits		
90 day Cash deposits held with UBS	2,500	2,000

15. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	135	158
Taxation and social security	46	32
Other creditors	26	70
Deferred Income	23	-
Accruals	88	126
Total	318	386

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Notes to the financial statements

For the year ended 31 December 2014

16. 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:

	2014 £'000	2013 £'000
Present value of funded obligations	(11,015)	(9,905)
Fair value of plan assets	<u>9,647</u>	<u>8,231</u>
Net liability	<u>(1,368)</u>	<u>(1,674)</u>

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

	2014 £'000	2013 £'000
Current service cost	84	90
Interest on obligation	447	420
Expected return on plan assets	<u>(488)</u>	<u>(419)</u>
Total	<u>43</u>	<u>91</u>
Actual return on plan assets	<u>1,348</u>	<u>821</u>

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

	2014 £'000	2013 £'000
Opening defined benefit obligation	9,905	9,629
Service cost	84	90
Interest cost	447	420
Actuarial losses	1,046	22
Benefits paid, death in service insurance, premiums and expenses	<u>(467)</u>	<u>(256)</u>
Closing defined benefit obligation	<u>11,015</u>	<u>9,905</u>

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Notes to the financial statements

For the year ended 31 December 2014

16. Retirement benefits (continued)

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

	2014 £'000	2013 £'000
Opening fair value of plan assets	8,231	6,855
Expected return	488	419
Actuarial gains	860	402
Contributions by employer	535	811
Benefits paid, death in service insurance, premiums and expenses	(467)	(256)
	<u>9,647</u>	<u>8,231</u>

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

	2014 £'000	2013 £'000
(Deficit) in scheme at beginning of year	(1,674)	(2,774)
Current service cost	(84)	(90)
Interest cost	(447)	(420)
Expected return on plan assets	488	419
Contributions by employer	535	811
Actuarial (loss) / gain	(186)	380
	<u>(1,368)</u>	<u>(1,674)</u>

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

	2014 %	2013 %
Equities	49%	56%
Bonds	44%	30%
Property	6%	6%
Cash	1%	8%

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

	2014 %	2013 %
Discount rate at the end of the year	3.6%	4.6%
Future salary increases	4.1%	4.5%
Future pension increases	3.8%	4.7%
Inflation assumption (RPI)	3.1%	3.5%
Inflation assumption (CPI)	2.1%	2.6%

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Notes to the financial statements

For the year ended 31 December 2014

16. Retirement benefits (continued)

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

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(11,015)	(9,905)	(9,629)	(9,152)	(8,286)
Plan assets	9,647	8,231	6,855	6,340	6,294
(Deficit)	(1,368)	(1,674)	(2,774)	(2,812)	(1,992)
Experience adjustments on plan liabilities	52	(94)	137	60	556
Experience adjustments on plan assets	860	402	164	430	248

17. Funds

Restricted Funds

	1 January 2014 £'000	Incoming Resources and net gains on investments £'000	Resources expended £'000	Transfers £'000	31 December 2014 £'000
Central & regional funds					
Information	40	139	(183)	132	128
Training	117	626	(721)	364	386
Representation and Campaigning	3	-	(3)	-	-
Legacies and Other Income	105	38	(51)	-	92
Restricted Funds	265	803	(958)	496	606
Local committee, branch & group funds	1,252	65	(168)	(496)	653
Total restricted funds	1,517	868	(1,126)	-	1,259

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.

Arthritis Care

Notes to the financial statements

For the year ended 31 December 2014

17. Restricted funds (continued)

Restricted projects and purpose of funds

Information

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

GOUT Survey - Astra Zeneca

Gout awareness project disease study

City Bridge Trust - information points in London libraries

Information Points in London Libraries for people with arthritis and their carers

Bank Workers Charity Project

Partnership funding services to people with arthritis in the banking community

Joint activity project

A community based project to support people with arthritis to become confident and effective self managers

Scotland Office

Scottish Government funding for core activities

Scottish Government Section 16B: Health Grant

Creation and development of an online interactive peer support resource

New Website project

Funding from AC Aberdeen branch to create a new Arthritis Care website

Training

Charities Aid Foundation

2014 - third year of five years funding to deliver Arthritis Champions in Wales, Northern Ireland and England

Arthritis Champions - Health & Social Care Volunteering Fund and others.

2014 first year of four year funding to train and support volunteer champions to improve self management of arthritis.

Portsmouth NHS Chat 4 Change

Telephone support programmes for people with arthritis in Portsmouth

England Young People & Families trust funding

To provide Information and support for Young people with arthritis and their Families

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

Belfast Health & Social Care Trust

To deliver Challenging Pain programmes across the Trust area

Belfast Strategic Partnership - to reduce social isolation for older people with arthritis through providing Challenging Arthritis workshops

NI Young People Activity (Lord & Lady Lurgan Trust)

To provide a residential activity weekend for young people living with arthritis.

Scotland Health & Social Care Alliance

TLC for LTC Project - Workshop for Carers

Children in Need - Northern Ireland

To provide a range of support for children with arthritis

Scottish Government - Rheum for Teen Support

To improve access to self-help, self-management, advice and support to the local community.

Challenging pain Hwel-Dda Health Board-Wales

To deliver Challenging Pain workshops

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17. Restricted funds (continued)

Wales Council for Voluntary Action North Wales Youth Champions

To recruit young people and families community champion volunteers to provide support

Long-term Conditions Alliance Scotland - Paths for all

Walking towards better health

Joint Potential Youth Project funded from a variety of sources

Peer support for 12-25 year olds

Scotland Joint Working Project funded primarily by AC Aberdeen branch

Support to remain or return to work for people with rheumatoid arthritis and other inflammatory conditions

Representing and Campaigning

Roche - funding for professional lecture

To continue raising awareness of rheumatoid arthritis and chronic pain

17. Unrestricted Funds

	1 January 2014 As restated £'000	Incoming Resources and net gains on investments £'000	Resources expended £'000	Transfers £'000	31 December 2014 £'000
Designated funds					
Fixed Asset Reserve	116	-	(28)	-	88
Pension Deficit Reserve	1,674	-	-	(306)	1,368
Local committee branch and group funds	1,313	446	(807)	322	1,274
Total designated funds	3,103	446	(835)	16	2,730
General funds	3,834	3,213	(2,460)	(508)	4,079
Pension reserve	(1,674)	-	-	306	(1,368)
Total unrestricted funds	<u>5,263</u>	<u>3,659</u>	<u>(3,295)</u>	<u>(186)</u>	<u>5,441</u>

Fixed Asset Reserve

This fund has been set up to reflect the unrestricted 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.

Pension Deficit Reserve

This fund has been set up to match the net liability on the defined benefit pension scheme administered by the Pensions Trust.

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.

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Notes to the financial statements

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18. 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	88	-	88
Investments	1,257	507	1,764
Current assets:			
Debtors	1,344	38	1,382
Short term deposits	2,500	-	2,500
Cash & bank	1,913	739	2,652
Current liabilities	(293)	(25)	(318)
Net Assets	<u>6,809</u>	<u>1,259</u>	<u>8,068</u>

19. Operating leases

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

	2014 Land and buildings £'000	2013 Land and buildings £'000
2 - 5 Years	<u>150</u>	<u>150</u>
	<u>150</u>	<u>150</u>

20. Prior year adjustment

The prior year (2013) balances have been restated to correct the omission in prior years of balances on branches under Arthritis Care's control. Branch income held as cash has increased by £110,000 in the fund balances brought forward as at 1 January 2013.

Arthritis Care

For the year ended 31 December 2014

Appendix A: Restricted central and regional funds

Project	Opening balance at 1 January 2014 £	Income £	Expenditure £	Transfers £	Closing balance at 31 December 2014 £
Information					
Arthritis Watch	10,000	10,400	20,400	-	
Gout Survey (Astra Zeneca)	-	68,300	54,776	-	13,524
City Bridge Trust - information points in libraries	11,102	32,637	34,491	-	9,248
Brighter Futures	13,153	5,332	18,485	-	-
Scotland Office - Scottish	5,667	22,000	16,667	-	11,000
Scottish Government Section 16b: Health Grant	-	-	20,000	20,000	
New website project	-	-	17,835	112,000	94,165
Information total	39,922	138,669	182,653	132,000	127,938
Training					
Charities Aid Foundation	25,098	71,912	88,942	-	8,068
Arthritis Champions (HSCVF funding)	-	116,192	56,490	-	59,702
Arthritis Champions (other funding)	-	71,437	47,529	10,600	34,508
Chat 4 Change - Portsmouth NHS	-	13,720	6,848	-	6,872
England Young People & Families	-	5,000	-	-	5,000
Big Lottery - Get Fit for Arthritis (Northern Ireland)	2,251	96,987	93,694	-	5,544
Big Lottery - Staying Connected (Northern Ireland)	12,220	80,351	64,052	-	28,519
HSCB (North) Challenging Arthritis (Northern Ireland)	(399)	14,769	12,861	-	1,509
Belfast Health & Social Care Trust - Challenging Pain	2,453	9,089	10,510	-	1,031
Belfast Strategic Partnership - Challenging Pain	-	6,871	6,485	-	386
NI Young People Activity (Lord & Lady Lurgan Trust)	-	1,195	1,195	-	-
Scotland Self-management (ALLIANCE funding)	16,634	58,206	75,457	20,000	19,384
Joint Activity Project (Glasgow North branch)	8,234	23,174	120,206	140,000	51,202
Children in Need (Northern Ireland)	12,621	26,460	27,758	-	11,323
Scotland befriending project	5,664	-	5,664	-	-
Challenging pain Hwel-Dda Health Board-Wales	2,182	1,500	877	-	2,805
North Wales Youth Champions	-	8,845	395	-	8,450
Paths for all - Scotland	788	1,250	160	-	1,878
Scotland Joint Working - working well with arthritis	28,059	-	52,691	118,000	93,368
Young people project - Scotland	657	19,417	48,951	75,000	46,123
Training total	116,462	626,375	720,764	363,600	385,673
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	104,537	38,340	51,418	-	91,459
Other Total	104,537	38,340	51,418	-	91,459
Restricted project total	263,921	803,384	957,836	495,600	605,070