

Company number: 529321

Charity number: 206563

OSCR no. SC038693

Arthritis Care

Report and financial statements

For the year ended 31 October 2018



Reference and administrative details	1
Trustees' annual report	3
Independent auditor's report	5
Statement of financial activities (incorporating an income and expenditure account)	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12

Trustees' annual report

For the year ended 31 October 2018

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 October 2018. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised effective 1 January 2015), 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.

Company number 529321
Charity number 206563
OSCR no. SC038693

Registered office and operational address

Copeman House
St Mary's Gate
Chesterfield
S41 7TD

Trustees The Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Peter Anscombe	(Chair)
Karin Hogsander	(Appointed 1 November 2017)
Dr Rodger McMillan	(Appointed 1 November 2017)
John Nicholls	
Clare Reid	
Dr Ian Walters	
Dr Ursula Davies	(Resigned 1 November 2017)
Jane Howells	(Resigned 1 November 2017)
Neil Spence	(Resigned 1 November 2017)
Dr Louise Wilson	(Resigned 1 November 2017)

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

On 31 October 2017 Arthritis Care merged with Arthritis Research UK and the activities of the two charities were carried forward by Arthritis Research UK, which was re-named Versus Arthritis in September 2018 to reflect the new combined charity.

Under the legal agreement entered into by the charities, from the date of merger the assets and liabilities of Arthritis Care were transferred to Arthritis Research UK with the exception of Arthritis Care's employer liabilities for The Pension Trust – The Growth Fund, which it had been agreed would be closed by annuity buy-out and would not transfer to Arthritis Research UK.

A cash balance of £68k was retained in Arthritis Care to cover the liability for these exit charges which should contractually be paid directly by Arthritis Care. This payment was made to The Pension Trust on 23 March 2018. There were no other activities for Arthritis Care in the year.

The total net assets at 31 October 2017 transferred to Arthritis Research UK were £4.6m.

Arthritis Care is being retained as a shell company to ensure that any legacy income can continue to be received. This legacy income belongs to Versus Arthritis and is accounted for as such.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Arthritis Care was 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 Articles of Association, which were deleted in their entirety and replaced in March 2018.

Board of Trustees

The Trustees were ultimately responsible for the governance of the charity and the protection of its assets. This included the governance and strategic direction of Arthritis Care ensuring that its vision and purpose were sustained, and the key objectives delivered.

In 2017, the board seized the opportunity to collaborate with other stakeholders with whom Arthritis Care shared the same values and ethos, which led to the merger with Arthritis Research UK.

Relationships with related parties

Arthritis Care (Trading) Ltd

The Charity's wholly owned trading subsidiary had been non-operating and was in a dormant state as at 31 October 2017 and 2018.

Statement of responsibilities of the trustees

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. 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.

In so far as the Trustees were aware:

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

Trustees' annual report

For the year ended 31 October 2018

Members of the charity guaranteed to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The sole member of the charity is Versus Arthritis. The Trustees had no beneficial interest in the charity.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The report of the Trustees which includes the strategic report was approved by the Trustees on 25 September 2019 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Peter Anscombe', followed by a long horizontal line.

Peter Anscombe
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ARTHRITIS CARE

Opinion

We have audited the financial statements of Arthritis Care ("the Charitable Company") for the year ended 31 October 2018 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 October 2018 and of its incoming resources and application of resources 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Trustees' annual report

For the year ended 31 October 2018

- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees' Annual Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

Trustees' annual report

For the year ended 31 October 2018

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

Trustees' annual report

For the year ended 31 October 2018

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with 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 auditor's 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Fiona Condon (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, United Kingdom

26 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Arthritis Care

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 October 2018

		For the year ended 31 October 2018			For the period ended 31 October 2017		
	Note	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Income from:							
Donations and legacies	2	-	-	-	2,551	186	2,737
Charitable activities	3						
Services		-	-	-	207	581	788
Volunteering		-	-	-	189	-	189
Other trading activities		-	-	-	104	-	104
Investments	4	-	-	-	64	-	64
Other		-	-	-	37	-	37
Total income		-	-	-	3,152	767	3,918
Expenditure on:	5						
Raising funds		-	-	-	1,022	-	1,022
Charitable activities							
Campaigning and Raising Awareness		-	-	-	43	-	43
Information		-	-	-	1,042	-	1,042
Services		-	-	-	1,057	682	1,739
Volunteering		-	-	-	715	85	800
Total expenditure		-	-	-	3,879	767	4,646
Net expenditure before net gains on investments		-	-	-	(727)	-	(727)
Net gains on investments		-	-	-	81	32	113
Net income/(expenditure) before other recognised gains and losses		-	-	-	(646)	32	(614)
Actuarial gains on defined benefit pension schemes	14	-	-	-	777	-	777
Net movement in funds before transfer of funds		-	-	-	131	32	163
Total funds brought forward	12	-	-	-	3,712	725	4,437
Total funds carried forward as at 31 October 2018		-	-	-	3,843	757	4,600
Transfer of funds to Versus Arthritis	15	-	-	-	(3,843)	(757)	(4,600)
Funds carried forward at 31 October 2018		-	-	-	-	-	-

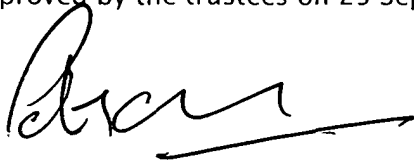
The activities of Arthritis Care were transferred to Versus Arthritis on 31 October 2017 and the figures for the prior period represent ten months of activity.

As at 31 October 2018

		31 October 2018 £'000	31 October 2017 £'000
	Note		
Current assets:			
Cash at bank and in hand		-	68
Current Liabilities:			
Creditors: amounts falling due within one year	10	-	(68)
Total net assets		<u>-</u>	<u>-</u>
Total charity funds		<u>-</u>	<u>-</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Approved by the trustees on 25 September 2019 and signed on their behalf by



Peter Anscombe
Chair of Trustees

Statement of cash flows

For the year ended 31 October 2018

	Note	For the year ended 31 October 2018 £'000	For the period ended 31 October 2017 £'000
Cash flows from operating activities			
Net cash used in operating activities	a	(68)	(1,060)
Cash flows from investing activities:			
Dividends and interest from investments		-	64
Movement in investment cash holdings		-	26
Proceeds from sale of investments		-	2,851
Purchase of investments		-	(1,832)
Net cash provided by investing activities		-	1,109
Change in cash and cash equivalents in the year		(68)	49
Cash and cash equivalents at the beginning of the year	b	68	3,988
Cash and cash equivalents at the end of the reporting period – including short term deposits to Versus Arthritis	b	-	4,037
Transfer of cash to Versus Arthritis		-	(3,969)
Cash and cash equivalents at 31 October 2018		-	68

A) Reconciliation of net expenditure to net cash flow from operating activities

	2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	-	(614)
Add back net pension service costs net of finance cost	-	(445)
Depreciation charges	-	54
(Gains) on investments	-	(113)
Dividends and interest from investments	-	(64)
Loss on the disposal of fixed assets	-	61
(Increase) in debtors	-	(185)
(Decrease)/increase in creditors	(68)	182
Increase in provisions	-	64
Net cash (used in) operating activities	-	(1,060)

B) Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Bank deposits	-	4,037
Total cash and cash equivalents	-	4,037
Transfer of cash to Arthritis Research UK	-	3,969
	-	68

1 Accounting policies

a) Statutory information

Arthritis Care is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is Copeman House, St Mary's Gate, Chesterfield, SD41 7TD.

b) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

c) Consolidation

Arthritis Care is a wholly owned subsidiary of Versus Arthritis and as a result the financial statements present information for Arthritis Care only. Consolidated accounts have not been prepared on the grounds that consolidated group accounts are prepared by the ultimate parent charity Versus Arthritis.

The charity also has a wholly owned subsidiary, Arthritis Care (Trading) Limited, a company incorporated and registered in England. The company was dormant in this and the previous financial year and therefore consolidated accounts have not been prepared as the difference between parent and group is immaterial. Called up share capital is £252 (2017: £252).

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacy income is included in the financial statements when the Charity is satisfied that the conditions of entitlement, probability and measurement have been met. Pecuniary legacies are accounted for when notified. Residuary legacies are accounted for when notification of impending distribution or estate accounts have been received. This is a prudent approach that meets the SORP 2015 requirements. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 2).

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements

For the year ended 31 October 2018

1 Accounting policies (continued)

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, providing information, representation and campaigning and volunteering undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on a number of factors outlined below.

- All Support costs incurred are apportioned on the basis of the direct costs of their charitable activities.
- Governance costs incurred are apportioned on the basis of the direct costs of their charitable activities plus the apportioned support costs.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

k) Pensions

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 FRS 102 section 28. The pension scheme was transferred to Versus Arthritis at the date of merger and the following notes, therefore, refer to its treatment in the period ended 31 October 2017.

The surplus/deficit on the scheme, representing the excess/shortfall of the value of the scheme assets above/below the present value of the scheme liabilities is recognised as an asset/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.

The pension cost charged to the SoFA represents contributions payable under the scheme by the charitable company to the fund. The charitable company had no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

			For the year ended 31 October 2018	For the period ended 31 October 2017
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Individual donations	-	-	-	398
Trust and Corporate	-	-	-	263
Legacies	-	-	-	2,076
	-	-	-	2,737

Legacies valued at £nil were receivable as at 31 October 2018 (2017: £141,129) and are included in debtors.

A contingent asset of £nil has not been included in the accounts in relation to legacies which have been notified to the charity as at 31 October 2018 (2017: £1,604,177) as the criteria for income recognition was not met.

3 Income from charitable activities

			For the year ended 31 October 2018	For the period ended 31 October 2017
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Services Income				
England	-	-	-	195
Scotland	-	-	-	147
Northern Ireland	-	-	-	247
Wales	-	-	-	155
Non regional	-	-	-	44
Sub-total for services	-	-	-	788
Volunteering income				
Other income from volunteering	-	-	-	189
Sub-total for volunteering	-	-	-	189
Total income from charitable activities	-	-	-	977

4 Income from investments

			For the year ended 31 October 2018	For the period ended 31 October 2017
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Dividend Income	-	-	-	56
Bank deposit interest	-	-	-	8
	-	-	-	64

Notes to the financial statements

For the year ended 31 October 2018

5 Analysis of expenditure

	For the year ended 31 October 2018 £'000	For the period ended 31 October 2017 £'000
Staff Costs (Note 7)	-	2,543
Staff Recruitment, Training, Health & Safety	-	39
Travel & Subsistence	-	129
Volunteer Costs	-	501
Premises, Equipment & Insurance	-	330
Office Printing, Stationery & Consumables	-	110
Communications, IT & Web	-	191
Postage & Distribution	-	89
Fundraising Costs	-	38
Publications	-	131
Professional Services	-	252
Courses, Events, Exhibitions & Advertising	-	173
Other Costs	-	120
Total expenditure 2018	-	4,646

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	For the year ended 31 October 2018 £'000	For the period ended 31 October 2017 £'000
Depreciation	-	54
Operating lease rentals:		
Property	-	156
Other	-	22
Auditors' remuneration (excluding VAT):		
Audit	-	15

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	For the year ended 31 October 2018 £'000	For the period ended 31 October 2017 £'000
Salaries and wages	-	2,059
Redundancy and termination costs	-	57
Social security costs	-	183
Employer's contribution to defined contribution pension schemes	-	45
Operating costs of defined benefit pension schemes	-	133
Payroll costs	-	4
Payments to agencies or similar for temporary assistance	-	50
Other forms of employee benefits (Life Assurance)	-	12
	-	2,543

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The following number of employees received employee benefits (excluding employer pension costs) during the period between:

	2018 No.	2017 No.
£80,000 – £89,999	-	1

The total employee benefits including pension contributions of the key management personnel for the period were £nil (2017: £364,287).

The charity trustees were not paid or received any other benefits from employment with the charity in the period (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2017: £ 8,670) incurred by nil (2017: 12) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018 No.	2017 No.
Raising funds	-	13.0
Campaigning and Raising Awareness	-	1.0
Information	-	10.4
Services	-	63.8
Volunteering	-	1.6
Support	-	7.1
Governance	-	3.1
	-	100.0

9 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Creditors: amounts falling due within one year

	31 October 2018 £'000	31 October 2017 £'000
Other creditors	-	68

At 31 October 2017 a liability of £68,000 remained within Arthritis Care to cover costs of the annuity buy-out of the Pension Trust Growth Plan. An equivalent amount of cash was held to cover these costs.

For the year ended 31 October 2018

11 Analysis of net assets between funds

Current period as at 31 October 2018

There were no net assets.

Prior period

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Investments	153	367	180	700
Net current assets	2,533	764	577	3,874
Long term liabilities	(64)	-	-	(64)
Net assets at 31 October 2017 (before pension liability)	2,622	1,131	757	4,510
Defined benefit pension liability	-	90	-	90
Net assets at 31 October 2017 after pension liability	2,622	1,221	757	4,600

12 Movements in funds

Current year

There were no funds.

Prior period

	Balance at 1 Jan 2017 £'000	Incoming resources & gains £'000	Outgoing resources & losses £'000	Transfers £'000	Balance at 31 October 2017 £'000	Transfer to Versus Arthritis £'000	Balance at 31 October 2017 £'000
Restricted funds:							
Central & regional funds							
Information	21	-	-	(14)	7	(7)	-
Services	393	730	(682)	51	492	(492)	-
Legacies and Other Income	43	37	-	5	85	(85)	-
Local Committee and Branch Funds	268	32	(85)	(42)	173	(173)	-
Total restricted funds	725	799	(767)	-	757	(757)	-
Unrestricted funds:							
Designated funds:							
Fixed Assets Reserve	115	-	(115)	-	-	-	-
Fair Value Investment Reserve	50	-	(29)	-	21	(21)	-
Local Community and Branch Funds	1,149	289	(268)	30	1,200	(1,200)	-
Total designated funds	1,314	289	(412)	30	1,221	(1,221)	-
Total general funds	2,398	3,721	(3,466)	(30)	2,623	(2,623)	-
Total unrestricted funds	3,712	4,010	(3,879)	-	3,843	(3,843)	-
Total funds	4,437	4,809	(4,646)	-	4,600	(4,600)	-

13 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

14 Retirement benefits

The employer operated a defined benefit (final salary / CARE) funded pension scheme in the UK which was transferred to Versus Arthritis at 31 October 2017.

Defined Benefit Costs Recognised in Other recognised gains and losses

	2018 £'000	2017 £'000
Return in plan assets (excluding amounts included in net interest cost) – gain	-	412
Experience gains and losses arising on the plan liabilities – gain/(loss)	-	390
Effects of the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	-	340
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – (loss)/gain	-	(365)
Total amount recognised in other recognised gains and losses – (loss)/gain	-	777
Actual return on plan assets	-	675

15 Transfer of Activities to Versus Arthritis

Investments	-	700
Debtors	-	307
Cash at bank and in Hand	-	3,969
Creditors	-	(402)
Net Current Assets	-	4,574
Other Payables due after more than one year	-	(64)
Defined benefit pension scheme liability	-	90
Total Net Assets	-	4,600
Restricted Funds	-	757
Unrestricted Funds	-	3,843
Total Funds	-	4,600