

# A challenging year

Annual Report  
and Accounts 2009



ARTHRITIS CARE

*Empowering  
people with arthritis.*

# Meeting the

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**Arthritis Care has 250 branches throughout the UK**

**1,386 people attended our courses in 2009**

**Sarah Outen rowed solo across the Indian Ocean and raised £21,288 for Arthritis Care**

Sarah Outen on her solo crossing of the Indian Ocean in 2009 for Arthritis Care. Read her story on page 13.



# challenge

**418,182 unique visitors  
accessed our website**

**12,500 phonecalls were  
made to our Helplines**

**600 people contacted us in  
response to a single letter from  
our President, Jane Asher**



## Chair's introduction



**Around 10 million people in the UK have some form of arthritis and it is the commonest form of physical disability in the UK.**

Yet arthritis is still too often brushed to one side. This is our main motivation in raising the profile of arthritis and Arthritis Care, and in 2009, a challenging year by anyone's standards, we made real progress in this important part of our strategic plan.

External accreditation for three key areas of our work has underpinned our reputation and will assist our strategic goal of wishing to see more health professionals 'prescribe' us to their patients. We now have, for example, official quality assurances from the Information Standard and the Telephone Helplines Association, and the British Medical Association (BMA) commended the high quality of our information. All proof that our work is second to none.

As 2009 progressed, and the impact on our income and reserves of the deepest recession for many years became apparent, trustees responded to the challenge early and decisively. We charged the chief executive to

deliver significant savings, achieved through a process characterised by excellent communication. The whole of Arthritis Care was involved from the board of trustees, the chief executive and senior managers, to all our staff, volunteers and members. It was a process that paid off. Morale is still high and we feel a new determination to move forward in 2010.

In the midst of all this internal change it was important too that we did not lose our focus on key aspects of the external environment. We asked the chief executive to maximise his influence with health professionals and policy makers in this difficult period.

In Europe, where 100 million people are affected by arthritis, he was re-elected vice-president of EULAR (European League Against Rheumatism), an influential body made up of scientists, health professionals, and patient groups across Europe. In England, he was appointed to the position of Department of Health's Patient and Public Adviser on Elective Care in 2009. In both these positions, he has been able to raise the profile of Arthritis Care and feed in the service user perspective at the highest level of policy and practice.

We entered a difficult year in January 2009. Nonetheless, our work continued. Our training courses continued to help people, our helplines team worked round the clock at times, our publications and website were more popular than ever. Looking back we are satisfied with our decisions as we negotiated a most difficult path through the year, decisions which we are confident have laid a firm foundation for the year ahead.

**Rosemary Blair**  
Chair, Arthritis Care

# Message from our chief executive

The year 2009 will long be remembered by many charities as one in which they had to face financial pressures of an entirely new magnitude.

At Arthritis Care, pressure came from three directions: a decrease in the value of our reserves, a bigger pensions deficit and a marked decline in income from legacies, our biggest income stream.

Sitting back was not an option so we set up a forum with a specific remit to guide the organisation through the tough times. The forum comprised myself, officers from the board of trustees and senior managers. We buckled our belts and sought to make changes for positive reasons, rather than just to cut costs. Regrettably, some roles were lost while more positively others changed. We consulted widely with staff while the process was under way and, despite the uncertainty of the time, it is to the immense credit of our staff that virtually all of those who fed into the consultation fully supported the proposed changes.

As you will read in this report, we have made progress in being able to demonstrate the value and impact of our services. The statistics tell the story: we have extended our reach through the internet and other channels, so that in 2009 around a quarter of a million people engaged with Arthritis Care in one way or another.

However, while good progress was made on the cornerstones of our strategic plan, our main task remains that of paying our way without reducing the quality or volume of our services. Not an easy task. Costs have remained under control but income generation is still a major challenge. This is why I sought the board's backing to radically overhaul our central fundraising resource.

At the heart of this change is the amalgamation of our public affairs and marketing and fundraising teams into one integrated unit. It is important that we communicate effectively and consistently with our major stakeholders – policymakers, donors, health professionals, those in the media and, most importantly of all, our members and the wider public. Indeed, this move towards more integrated campaigning is designed to establish greater co-ordination to do just that.



I am confident that this shift in emphasis will help us become even more effective. Our mission is clear: to support people with arthritis. And with around ten million people with arthritis in the UK, there is much to be done influencing the wider world as to the importance of our work, and raising new income to ensure that our services are sustainable well into the future.

**Neil Betteridge**  
Chief Executive

## Information and support

In the 21st century, a vast array of communication channels exists to spread our messages about the myths and realities of arthritis. Our award-winning information reaches out, supports and informs.



## Jane Asher draws 600 people to Arthritis Care

Jane Asher, president of Arthritis Care, wrote a letter printed in 50 local papers in Arthritis Care Awareness Week from the Cornish and Devon Post to the Evening Post in Wales and the East Lothian News.

A total of 1,770 calls were received that month, double that in April last year. Nine out of ten were first time callers. Helplines staff reported on the depth of feeling people had

after reading Jane's letter and how they felt it gave them support in their pain.

The media was key in spreading awareness throughout the UK. More than 50 other papers, radio stations and websites featured Arthritis Care members and their stories and the week carried consistent and simple messages on taking control of pain.

## Libraries – a perfect venue

With 3,500 public libraries in England alone, attracting 290 million visits a year, libraries are ideal places to spread information about arthritis. In London libraries, 530 people attended drop-in Arthritis Awareness sessions covering diet, exercise and pain control, and 57,000 printed items about arthritis were distributed. One librarian said: 'People often need a bit of help with information and more important – positivity.'

## Great Yorkshire Show

Farmers are susceptible to osteoarthritis so it was well worth attending the Great Yorkshire Show in July: 97% of visitors to our stand had not heard about our work before.

## Shop local

Volunteers run information stands in shopping centres, pharmacies, health centres and hospitals – a great way to spread the message that Arthritis Care is here to help – and reached thousands of people in 2009. Northern Ireland alone had 72 stands, staffed and unstaffed.



## Open days at Lincoln and Leamington Spa

Open days cost money (up to £2,000) but bring results. A team of 12 (half were volunteers) brought together our local and national services to reach people with arthritis from rural communities. Our helplines team gave confidential support and half-hour taster sessions in pain

management. Three branches are being set up in the towns which previously had none.

'The feelings of isolation, not being listened to, were apparent in many I saw,' reported the helplines team. 'The tissue box was invaluable as people expressed their frustration and deep concerns and worries about their treatment and medication and even misdiagnosis.'

## A high Information Standard

After meeting strict criteria, we became the first arthritis charity to be awarded The Information Standard 'kitemark', positioning us as the leading authority on arthritis and as a source of help for people to make changes to their lives.

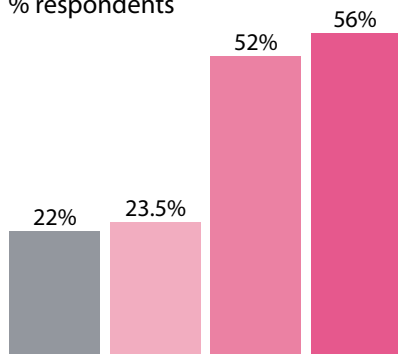
With 500,000 organisations producing health or social care information for the public, the scheme helps people know that what they're getting from Arthritis Care is evidence-based, unbiased and trustworthy.

In spite of stiff competition, we were highly commended at the British Medical Association patient information awards for Breakout, a colourful social issues guide written by and for young people with arthritis and for our website pages on managing at work when you have arthritis.

## Helplines survey

### Top four reasons people call our helplines.

% respondents



- Emotional support
- Medication information
- Severe pain
- Information about types of arthritis

## Social media takes off

At the start of 2009, organisations were only just beginning to think about social media. Now Arthritis Care has its own Facebook page with 1,357 'likes' and a growing Twitter page. Their popularity is growing fast as an effective method of communication about arthritis. We look forward to developments here in 2010.



## Meteoric rise in web use

Use of our website rose fast in 2009, showing the hunger people with arthritis have for good information. The number of pages viewed rose from 3.5 million in 2008 to 5 million. Each time people visit our site, we record how long they spend and this too rose on average by more than a minute to 6 minutes 38 seconds. In all there were 418,182 unique visitors (272,734 in 2008). A Controlling Pain section drew 1,500 extra visits.

Our discussion forum is a 'lifeline', a 'wonderful remedy' and a source of 'support and friendship' according to users. With nearly 5,500 topics covered in 2009, it now represents half of all traffic to our website with 152,012 unique users. People are also publishing more posts: 60,260 in 2009 compared with 22,602 in 2008.

## Our helplines are an award-winning success story

More than 12,500 people rang our helplines in 2009. Both our regular service and The Source helpline for families of young people with arthritis serve a vital purpose and people can now be even more confident that the service is high quality thanks to the Telephone Helplines Association giving it a Quality Standard Award.

A survey found that 93% of all callers to our helplines need information to help them cope with their pain and more than half experience severe ongoing pain.

- 10% needed information about surgery (1,294 people)
- people reporting problems with

doctor referrals almost doubled to 1,013 calls to September 2009

- Distribution of our *Independent Living and Arthritis* booklet also doubled in the last three years to 806 in 2009, as more people need help to manage their arthritis

These statistics were forwarded to rheumatologists and medical professionals to encourage them to 'prescribe' us to their patients.

**Santa service** Helplines staff can now answer calls remotely, providing a flexible service. Between Christmas 2009 and New Year, the 'virtual' team offered a round the clock Santa Service, the first time this was done.

## Self-management

At the heart of Arthritis Care is our passion to train and challenge people to take control of their arthritis. As a result people with arthritis are more confident, able to cope and don't feel they are alone.



## Potential in Scotland

Tens of 16-25 year olds have been helped to deal with their arthritis thanks to a new project in Scotland called Joint Potential. Last year, four young volunteers with arthritis led weekends on positive future, self-image and physical activity, including walking in a Highland gorge. As well as the support provided to young people, three of the volunteers themselves found jobs after their Joint Potential training gave them new confidence. Jennifer Dobson was diagnosed with

reactive arthritis at 22. She became a volunteer after a request dropped through her door. 'Volunteering has made a big difference in my life,' says Jen. 'I've been able to help people and it gave me such confidence that I've also found a job in speech and language therapy, my degree subject.' Jen, who had not met any other young people with arthritis before volunteering also sits on Arthritis Care's Scotland Committee, helping determine strategy for people with arthritis in Scotland.

## Aqua care success

Hydrotherapy, gentle exercise in warm swimming pools, relaxes joints and muscles. Many branches run their own aqua-care group and the South Forest branch in Nottingham has seen some real successes. One 76-year-old who was diagnosed at 28 says: 'I find the exercises in water help keep my joints supple and free. I love the freedom of movement I feel in the warm water, and always come out of the pool feeling better than when I went in. I could not do these exercises out of water without suffering.'

## On air in Bristol

Arthritis Care explained the reality and myths of arthritis during a healthy living programme on urban radio station Radio Ujima, Bristol. We have been commissioned by NHS Bristol and NHS South Gloucestershire to deliver 12 courses a year for three years.

## Get FIT in N Ireland

In June, Northern Ireland launched Get FIT, a project to bring Fitness Information and Therapies to people with arthritis. We've begun the process to train more than 70 volunteers to deliver all-ability exercises, thanks to £375,361 of lottery funding.

## Residential training events

Three residential training events for 16-25 year olds with arthritis in Northern Ireland and Scotland scored 100% in a survey for raising self confidence and fostering a positive attitude. Physical activity, including canoeing and rock-climbing as well as workshops on positive futures and body image were peer-led by young volunteers with arthritis.

## Project firewall

Project Firewall in Wales has launched three support groups in North Wales, Cardiff and Carmarthenshire, mirroring the locations of the Chronic Conditions Demonstrator sites – pilot areas for a holistic approach to the treatment of chronic conditions. First to launch was Cardiff in November and numbers have grown at every monthly meeting since. A Cardiff member said the group was a 'life-saver' for her.



## Debbie rides again

Debbie Hinds went from a highly active person working with the family show horse business to losing her whole reason for life when her arthritis pain became severe and reduced her mobility. She was at a low ebb when we met her at the Great Yorkshire Show in 2008. After a change of treatment and

some simple pain management techniques, Debbie was transformed when she revisited our stand in 2009. She had bought a horse, was riding again and loving life. Helplines manager Jo Cumming says: 'This is such an excellent example of someone progressing her own self-management with us to support her.'

## Training the trainers

In the 12 months from September 2008, we trained 38 volunteers to give training courses to help others. The fact that most of our volunteers have arthritis and understand what participants are going through, makes the courses all the more powerful. We've worked closely with Primary Care Trusts across the country and are often consulted by external organisations for advice on self-management training. Examples are Birmingham City Council and Derbyshire where we trained 21 people.

## On course to cope with pain

More people have learned how to manage their own arthritis thanks to 155 courses in the UK in 2009. In all we helped 1,386 people through our different courses. Apart from Challenging Pain, which is owned by Arthritis Care, our courses are operated under licence from Stanford University, California.

A survey showed that learning to cope with pain is the top reason for attending a course and the largest single group who attend are people with osteoarthritis, although

conditions range from gout to depression. Fatigue levels improved up to 10% in some people after a course and people exercised more.

It costs £1.09million to put on our courses. However, in 2009 our annual income from the courses rose £96,000 to £480,000, most of which is from commissioned contracts. In 2010, we are aiming for £550,000, and we will also make courses more relevant locally as regions and nations will be able to decide appropriate courses for their areas.

## Audrey's best decision

A training course was literally a life-saver for Audrey Best, who had discussed going abroad to end her life because her ankylosing spondylitis and osteoarthritis were having such a negative effect on her life. Her pain was severe and she was deeply depressed.

In September 2009 she and her husband decided to attend a Challenging Arthritis course, funded by Gateshead Arthritis Care support group. She wrote to tell us how the knowledge she had gained had completely changed her way of thinking. 'Seeing how the other gallant people in the group courageously coped and managed their lives, I felt ashamed and vowed to carry on and live life to the best of my ability. These courses are an inspiration to everyone you help.'

## Creative writing competition

Author Maeve Binchy and actress and Arthritis Care president, Jane Asher, judged our third annual creative writing competition. It raises awareness of arthritis and encourages the writers themselves to explore their feelings about their arthritis as one author testifies: 'Writing is a lifeline for me. It helps me deal with my arthritis and its impact on my life.'

## Medicine and Me

*Medicine and Me*, a conference run by Arthritis Care and the Royal Society of Medicine, provided a forum for people with arthritis and their families to discuss issues about self-management and treatment choices with 160 health professionals.

## Campaigning

Campaigning on behalf of the 10 million people with arthritis in the UK is a real challenge, yet our skilled campaigners work hard to ensure people have access to the best support and services.



## Employers' pledge

**'I/we pledge to help make a positive difference to the lives of people with arthritis at work.'**

Top UK companies, including BT and Royal Mail, were among the first signatories of our Employers' Pledge, aimed at raising awareness of arthritis. We encouraged employers across the UK to sign the pledge to support staff with arthritis after an Arthritis Care survey in 2009 found that flexible working and an understanding attitude from employers were most important to employees.

With the cost of arthritis to the UK economy estimated at up to £8 billion, we have long emphasised the importance of supporting people with arthritis in work. The pledge, launched on World Arthritis Day, lists seven simple things employers can do to help people stay in work, from offering flexible working to making adjustments to the workplace, such as providing a special chair.

With that in mind we have been working in partnership with the MS

Society and others on a practical online toolkit for employers and health professionals to help people with arthritis stay in work.

**June Page**, 50, (above) was diagnosed with rheumatoid arthritis 20 years ago. She works 30 hours a week as a business assistant.

She says: 'People have to think positively and meet their employer halfway. I still think there's an element of discrimination outside larger organisations. I've been very fortunate that I've got an understanding line manager. If I'm struggling one morning, I'll call my line manager and say I'm going to be in a bit later. Communication and being open is the key'.

## Our input to NAO report

Our chief executive, Neil Betteridge, was part of the expert panel contributing to a major report into rheumatoid arthritis (RA) by the National Audit Office. The report found that the half a million people with RA in England cost the NHS £560 million a year and that health services in England do not meet the needs of people with RA. After publication we wrote to all MPs and primary care trusts briefing them on the report.

## Fairer transport demand

Campaigning voices from Arthritis Care added weight to calls for better transport for disabled people in Wales, where the Welsh Assembly announced more funding for 15 community transport schemes, such as Dial-a-Ride and Taxi Card. Popular in giving people more independence, the schemes use accessible vehicles and help people with arthritis to overcome barriers to transport.



## Better Together in Scotland

We were asked by the Scottish Government Health Department to help capture patient experiences to drive forward change in NHS Scotland practice. Chaired by Angela Donaldson, director of Arthritis

Care Scotland, the Better Together programme is currently collecting experiences from people in hospital in Scotland and people registered with a GP. The survey results will be out later in 2010.

## Thank you, volunteers

Volunteers are our lifeblood, carrying out the vast bulk of our activities and campaigns. To thank them, Arthritis Care in Central England hosted a volunteer conference last June to celebrate their work, during the 25th anniversary of Volunteers Week.

Graham Haines, aged 64, has osteo and rheumatoid arthritis. He helped form West Bromwich branch in 1997 with his wife who is chair and he organises social activities for the 168-strong branch. He says: 'The upside is that some people write me thank you notes and say they wouldn't be going anywhere if it weren't for the outings.'

## MSF support promised

We were delighted when the last Government expressed a commitment to appoint a national clinical director to lead in making arthritis more of a health priority and implement the musculoskeletal services framework (MSF) in England. We had lobbied hard with our partners in ARMA (Arthritis and Musculoskeletal Alliance) for this outcome. The framework – which we were involved in developing – can help ensure that people with arthritis get the services and support that they require, and we are now calling on the new Government to reaffirm this commitment.

## Pain and GPs

The CMO for England's 2009 annual report revealed that 16% of people with pain sometimes want to die. We're calling for GPs to be encouraged to spot and treat chronic pain.

## Involving users as experts

In July 2009 we completed our three-year pilot training course, Involving Users as Experts, in which ordinary people are trained to become expert advocates on musculoskeletal services in order to influence local health service delivery and design.

Alan Rawlings, who has rheumatoid arthritis, says the course was 'exactly what I needed'. Now a trained and confident user representative, he has represented musculoskeletal conditions on several committees and met senior NHS managers. He has set up a new user representative group, including health professionals, and together they have worked with the NHS to establish the first patient-led information room and resource centre in Haywood Hospital, Staffordshire.

Alan, like others who have been through the course, can now represent the needs of patients beyond those with arthritis and engage health professionals in constructive dialogue, who in turn invite his input.

## Campaigners network grows

Our Campaigns Network has risen to above 7,000 people and plays a central role in all of our campaigns work. These are people who want to make the world a better place for all people with arthritis, and who want to get involved by writing to MPs and generally raising awareness about arthritis and Arthritis Care.

## Our ongoing work:

### Disability benefits reviewed

With the review of social care initiated by the previous Government, we have kept disability benefits on the agenda, looking in particular at Attendance Allowance and Disability Living Allowance. The Government is looking again at the system of eligibility tests under which people may be required to look for work when they are unable to work. We've expressed concern around more means-testing and made it very clear that the government must take a broad view of a person's needs.

### Long term result

We've been driving forward the long-term conditions alliance in Northern Ireland (LTCANI), which we chaired in 2009. It has recommended that the voluntary sector take a lead in developing

self-management strategy and the group is one step nearer to setting up a working party on long-term conditions.

### Speaking up

We campaign for people with arthritis to have access to the best available and widest choice of medical treatment, through regular submissions to the National Institute for Health and Clinical Excellence (NICE), as well as continuing consultations around new rights for patients in the NHS Constitutions and development of a National Care Service.



## Fundraising

Without money we cannot help and support the numbers of people with arthritis that we do. From legacies to sponsored activities and donations, every penny is essential and thoughtfully used.



## Intrepid fundraiser

David Smalley, 41, is an intrepid fundraiser for Arthritis Care. His trek to Mount Everest Base Camp in April 2010; the proceeds of his first novel, *Me and Uncle Arthur*, (about a young man and his cantankerous arthritis, personified by Uncle Arthur); and a London marathon run have so far raised £5,000 for Arthritis Care.

Diagnosed at 27 with psoriatic arthritis, David says: 'My arthritis affects my hands, feet and knees, but I believe that life is for living. My main aim is to raise awareness and funding to help Arthritis Care carry on doing the fantastic work they do for people with arthritis.'

## Every penny helps

Many of our supporters spend time and effort raising money for us. Here are some of the ways they did it in 2009.

**Half-marathon:** Twenty-five people raised £5000 by taking part in the 13-mile Great North Run.

**Your M&S:** In celebration of their 125th anniversary, staff at Marks and Spencer, Leicester, raised £9,000 for both a local Arthritis Care self-help group and Arthritis Care Central England.

**Trafalgar Square:** Anne Makepeace, Newcastle City branch, took her knitting to London's famous fourth plinth in Anthony Gormley's living sculpture. She raised £200 and raised the profile of Arthritis Care.

**Forth Bridge abseil:** Five supporters raised £2,020 when they abseiled from the Forth Rail Bridge. One of them, Tracy Smith, 39, has also raised £10,000 organising a ball.

## Amble for Arthritis

Branches in Northern Ireland have initiated what could turn out to be a huge fundraising event with 'Amble for Arthritis', a gentle sponsored walk for all the family. Their second event in 2009 brought their total raised to £8,000. In 2010, each of Northern Ireland's six counties is organising one, and more branches in England are coming forward too. We are planning to make it a UK-wide fundraiser for Arthritis Care.

## Running Marathons

More than £62,600 was raised by 37 people who ran the 2009 London Marathon. Among them was solicitor Jacob Rickett, 27. Diagnosed with ankylosing spondylitis three years ago, he has raised £1,800 in 12 months by running four half-marathons and six marathons, including 196 miles in three days along the Cornish coast.

Men with arthritis, and younger men in particular, are hard to reach with information about arthritis, so money was well spent on advertising in the sports pages of the *Daily Telegraph* and *Daily Mirror*. Over 617 people contacted us as a result, many of them younger men.

We also sent a direct mail appeal to 14,000 existing donors focusing on runner Sally Haygarth, who was diagnosed at 18 but who ran the 2009 London Marathon. She says: 'It's easy to forget such a worthwhile organisation is funded by generous members of the public.' The appeal raised £47,000. Sally's own fundraising from the marathon reached £2,600.

## Legacies are vital

Income from legacies is vital to our work. In 2009 legacies provided 74% of our total voluntary income and 48% of our entire income. We are grateful for the 130 new bequests we heard about in 2009.

In memoriam donations are also much-needed. When Joy Love of Camberley, died suddenly in October, her family immediately thought of Arthritis Care, as she had regularly attended local branch meetings. 'Of all the charities we considered, you actually helped at the local level. The outings, the meals and friendships gave her great enjoyment. It is rare for a national charity to make a difference at a local level to individuals, but you managed it.'

## Trusts and foundations

Every donation from charitable trusts and foundations enables us to continue our work, both for individual projects and also for our everyday activities. We were able to continue our Challenging Pain project in Devon, thanks to £10,000 from a trust fund. Another £10,000 grant went to fund volunteers supporting older people with arthritis in London.

## Sarah Outen's £21,000 ocean row

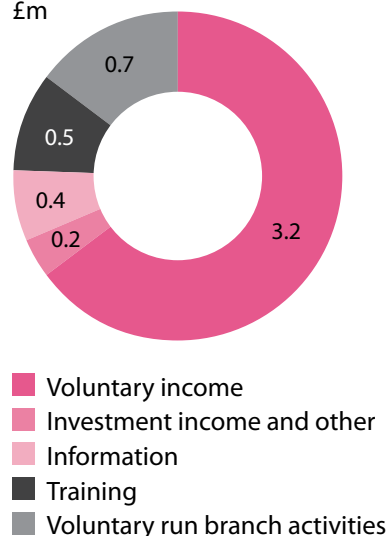
Sarah Outen rowed an incredible 4,000 fundraising miles across the Indian Ocean in memory of her father, Derek, who had rheumatoid arthritis and who died in 2006. To date, her row, which set three world records, has raised £21,288 for Arthritis Care, double her original target.

Three years of planning and fundraising culminated on 3 August 2009, when she landed in Mauritius in her boat Serendipity.

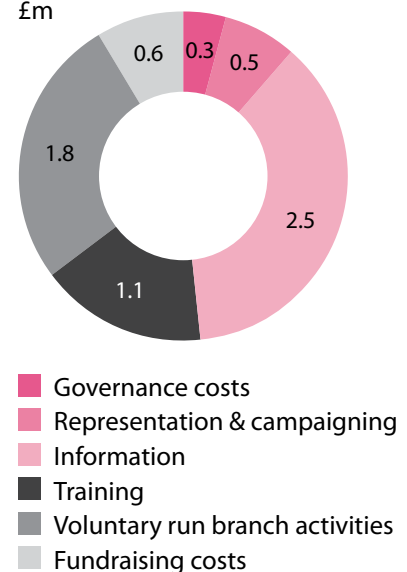
'The biggest thing that kept me going when I was out there was that I had a big goal,' said Sarah. 'People with arthritis are very much in my thoughts. I had an email from a woman with rheumatoid arthritis who said that what I've done had motivated her to get to grips with it. Any pain I suffered on this journey pales into insignificance beside the excruciating pain suffered by my dad.'



**Analysis of £5m income in 2009**  
£m



**Analysis of £6.8m expenditure in 2009**  
£m



## Daily Telegraph appeal raises £180,000

Arthritis Care was one of three charities chosen by the *Daily Telegraph* for its Christmas charity appeal. Between Christmas 2008 and January 2009 the appeal raised more than £180,000 for Arthritis Care. Just as importantly, it gave the charity the opportunity to demonstrate how living with arthritis can sometimes have a devastating impact on someone's life and gave a wide audience the real facts about the condition,

dispelling many commonly held misconceptions.

We used the money to reach and support more people with arthritis, through pain management courses, young people's workshops, local support groups, a helpline and website, for example, helping people understand that they're not alone and can take control of their condition.

# Report of the trustees

For the year ended 31 December 2009

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

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 2009. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). The report and statements also comply with the Companies Act 2006.

### Trustees and officers

*Patron:*

Duke of Westminster

*President:*

Jane Asher

*Chair:*

Rosemary Blair

*Vice chair:*

Ann Heaton

*Hon. Treasurer:*

Samantha Peters (appointed November 2009)

*Outgoing Hon. Treasurer:*

Roy Whithear

*Trustees:*

Wendy Ashton (appointed December 2009)

Gordon Blyth (appointed February 2010)

Chrystal Carmichael (appointed July 2009)

Mary Cowern (resigned December 2009)

Ann Frye

Richard Hull

David Humphreys

Christine Knight

Norma McDonald (resigned July 2009)

Kathleen Peat

Robert Pickles (appointed February 2010)

Terry Salter

Karen Willson (appointed September 2009)

*Chief executive:*

Neil Betteridge

*Company secretary:*

Andrew Tilbrook (appointed January 2009, resigned December 2009)

John Powell (appointed December 2009)

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Tel: 020 7380 6500

### Professional advisers

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*Internal auditors:*

Clement Keys

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B15 1TS

*Bankers:*

National Westminster Bank (Royal Bank of Scotland Group)

Corporate Banking London

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EC2M 4RB

*Solicitors:*

Russell-Cooke Solicitors

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London

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*Investment advisers:*

UBS AG

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# Report of the trustees

For the year ended 31 December 2009

The trustees present their report and the audited financial statements for the year ended 31 December 2009.

Reference and administrative information set out on page 14 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).

## Our vision

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

## Our mission

Arthritis Care exists to support all people with arthritis:

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

## Our aims

We will work towards a society in which:

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

## Making a difference

In line with objectives set out in our current five year plan *Putting People with Arthritis First*, Arthritis Care over the last year both expanded its reach and demonstrably enhanced the quality of the services provided:

- helped change the lives of people with arthritis through the provision of quality assured, structured

self-management courses. Many of those attending said it had transformed their lives – *'I now feel I have more reasons to fight on rather than giving in and not seeing any point to life because of the pain'*.

- distributed 320,000 booklets across the UK and saw evidence of widespread and positive impact. More than half the users of our publications surveyed said *they were now more aware of treatment options and that they had made a change to their lifestyle as a result.*

- people with arthritis and others who use our information are assured of quality by our becoming one of a limited number of recipients of the Department of Health (Eng) Information Standard. This ensures people can use or, in the case of health and social care professionals in particular, refer people to our information with an assurance that rigorous quality standards have been met in its development and production.

- attracted a 10%+ increase (to 12,500) in overall contacts to our helplines service which is accredited by the Telephone Helplines Association. 99% of those who responded to our annual user survey rated the service good to excellent, would use the service again and would recommend it to others.

- attracted 1,745 new people to become users of our online forum, with our website as a whole attracting a record number of unique visitors (just under 420,000). As one forum user said *'it became a real life line for me... I remember what it was like to feel very alone and scared'*

- progressing our mission by making arthritis a higher political priority in all four nations of the UK. For example, our leading campaign in England in 2009 was to press for the appointment of a National Clinical Director (or 'czar') for musculoskeletal health. Subsequently, the Secretary of State for Health in England said in response to a Parliamentary Question on the matter that he was *'minded to appoint'* to this position, which he described as a *'commitment'*

## Public benefit

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

Significant progress was made during the year on all 7 strategic objectives set out in our five year plan *Putting People with Arthritis First*.

# Report of the trustees

For the year ended 31 December 2009

Despite the financial pressures created by the impact of the recession, especially on legacy income, we protected our three main services (information provision, user involvement / campaigning and the provision of self-management training services).

This helped to safeguard services for existing members whilst reaching out to other people with arthritis, consistent with the charity's aims and objectives.

## ACHIEVEMENTS AND PERFORMANCE

### FINANCIAL REVIEW

#### Review of the year

2009 was a year in which costs were largely kept in line with budget, while revenue generation clearly under performed. Recognising that it was going to be a difficult year, due in no small measure to the troubled global economic climate, management took a conscious decision from the outset to closely manage what they had influence over. To this end they kept a tight grip on expenditure, only spending where it was essential to do so in order to maintain service levels and avoiding automatically replacing resources where 'natural wastage' occurred. With staff costs being by far the charity's biggest area of expenditure, focus was concentrated on the delivery of core activities.

In contrast to the tight management of costs, the less certain revenue streams came in well below budget and prior year, which resulted in an overall operating loss similar to that of 2008. The negative cash flow arising from such a deficit however was fortuitously mitigated by the release of funds arising from the prior period sale of hotels. A bank treasury bond for £1.9 million, bought in December 2007 with the proceeds from the sale of hotels in that year, matured in March 2009 and that plus the gross proceeds of £750,000 arising from the sale of the charity's last hotel, Burnlea, enabled the charity's overdraft to be wholly eliminated. However, with the continuing losses there was a return to an overdraft position by the end of the third quarter, although a positive group cash position remained when the bank balances residing in the branches' cash management scheme were taken into account. This continued to be the case at the year end, albeit in depleted form.

#### Basis of accounting

The key accounting policies remain unchanged.

### Principal funding sources

#### Voluntary income and fundraising

The continuing decline in voluntary income was even more marked this year with revenue of £3,229,000 compared to the prior year's £4,018,000. Individual donations fell by almost a half from £1,287,000 to £671,000 while the decline in legacy income was limited to just 6 per cent. This situation reinforces the already identified need for the charity to become much more proactive in its fundraising activities. It is imperative that sufficient voluntary income is earned to support the key charitable activities, none of which were, or are planned to be, self-supporting.

#### Income from charitable activities

The balance of the charity's resources (roughly a third) comes from the provision of charitable activities which fell by £537,000 compared with the previous year (£1,570,000 in 2009 versus £2,107,000 in 2008). Of this, £437,000 was derived from the operation of hotels which the charity had completely exited from by the start of 2009.

The Arthritis Care network of voluntary run branches raised £905,000, a sum very close to the previous year (2008: £901,000), against related expenditure of £1,019,000 (2008: £922,000) (see note 5a). The net outflow of resources is in line with the charity's reserves policy which is for branches to utilise reserves accounting for more than two years' running costs.

#### Resources expended

Total resources expended on charitable activities fell year-on-year by £1,049,000 to £6,824,000 (2008: £7,873,000). The most significant component of this overall cost reduction was the savings arising from no longer operating hotels (2008: £857,000), vindicating the decision by the charity a couple of years ago to undertake an orderly exit from this non-core activity.

#### Balance sheet

The strength of the balance sheet has continued to be in decline, suffering particularly this year with the just under £2 million wiped-off (albeit only "on paper") through the FRS17 actuarial valuation of the pension fund. This was however slightly offset by a small rise in the value of investments following on from the large adverse hit last year on the back of the global economic downturn. There is now an urgent need to strengthen the balance sheet, although a reclassification of the charity's reserves will go some way in providing a short-term respite (see below).

# Report of the trustees

For the year ended 31 December 2009

## Investment policy and returns

Investment decisions for the centrally-administered investments are taken by the investment managers within the investment mandate set by the trustees, as permitted by an Order of the Charity Commission under Section 26 of the Charities Act 1993. Reports are received on a quarterly basis from the investment managers.

The overriding aim is to maintain the real value of the capital through long-term investment. The small number of branches with large investment portfolios must also comply with the charity's investment policy as set by the board of trustees.

During the course of the year, the portfolio was transferred from Barclays Wealth to UBS which has made a like-for-like performance comparison difficult to measure. However, for the 12 months to 31 December 2009, the portfolio is estimated to have delivered an absolute return of 33.2 per cent (a combination of capital growth and income) which is satisfying after the difficult preceding year.

Since the migration to UBS, a new bespoke composite benchmark (weighted to the long-term strategic asset allocation) has been adopted. UBS have reported that the portfolio produced a total return of 17.4 per cent over the six months to 31 December 2009, versus the composite benchmark, which appreciated by 17.3 per cent. This represents a small over-performance of 0.1 per cent during a period which involved a number of investment changes as the portfolio was rebalanced following the transfer of the assets from Barclays.

## Reserves policy

The charity's strategic objective of achieving robust financial security has been put under severe strain over the past year and a half, in part due to the dramatic downturn in the world's financial markets in the second half of 2008. The impact was felt most particularly on the charity's defined benefit pension fund with the deficit rising in 2009 from just under £1 million at the start of the year to just under £3 million at the end. Although more of an accounting adjustment (FRS17) than a realised loss, it is a matter that the charity nevertheless has to address, albeit over an extended 10-year time period.

As a result of the pension fund loss (approximately £2 million) and the year's substantial operating loss (approximately £1.6 million), the just over £3 million unrestricted reserves held at the end of 2008 have been expended, at least "on paper", so the trustees have been

obliged to re-evaluate their overall approach to the maintenance of reserves.

With all the unrestricted designated and general funds eliminated (see note 17), the restricted local committee, branch and group funds categorisation has had to be re-evaluated. Historically all income received through the charity's national and local network was treated as restricted largely for administrative convenience in order to distinguish it from core funding received by the centre, even though in all likelihood much of it would have been unrestricted in nature. Due to the financial straits the charity now sees itself in, this is an anomaly that needs to be addressed as a matter of urgency.

Accordingly, going forward it is proposed that the default position will be that all income received by the charity regardless of through which channel will be deemed to be unrestricted unless evidence is produced to suggest something to the contrary. It is intended that the 2010 branch annual returns will require details of income taken as restricted to be provided with evidence to support the classification. In respect of reserves held in the network at year end, we plan to work together with the holders of large balances in order to utilise their surplus funds, recognising in this the charity's aims and objectives, the need to meet the Charity Commission/OSCR's public benefit criteria and the requirement to keep branches themselves solvent (to this end the trustees continue to recommend that reserves equivalent to two years' running costs should be aimed for by active branches).

This planned change to the treatment of local committee, branch and group funds has led this year to the reserves held being presented in Note 16 on a separate line lying between restricted and unrestricted funds.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### STRUCTURE

Arthritis Care is a charitable company limited by guarantee and was set up in 1947. The guarantee of each member is limited to £1. It is governed by a memorandum and articles of association, which were last amended on 9 July 2009.

### GOVERNANCE

#### Recruitment and appointment of new trustees

The composition of the board of trustees, which meets as a whole at least four times a year, reflects the user-involvement ethos and devolved structure that underpins the work of the charity. Each of the seven

# Report of the trustees

For the year ended 31 December 2009

national/regional committees elects one of their number (two in the case of Scotland) to serve as a trustee for three years. In addition, five trustees are directly elected by the membership to serve for three years.

On a three year basis, the board elects from its membership a trustee to serve as chair of the charity (ex-officio) and a vice-chair. The honorary officer position of treasurer is filled by a recommendation of the board to the membership at the annual general meeting and serves for three years. The board also has the power to co-opt two others to serve as trustees for three years. There are presently two co-opted trustees. The majority of the current board are individuals with personal experience of arthritis.

## Induction and training of trustees

On appointment each trustee completes a register of interests, which is renewed annually, and receives appropriate induction. Further training needs are met both individually and as an entire trustee board through the regular holding of board development days. The board recognises the importance of both risk management and health and safety by their appointment of a trustee champion for each area.

## Board effectiveness

A decision was taken in 2008 to review the committee structure and associated terms of reference to assess their effectiveness and relevance in a rapidly changing economic environment. This culminated in the nominations committee reporting their findings to the board of trustees towards the end of the year who accepted them all in principle.

As a result, from January 2010 the committee and working group structure has been substantially streamlined. Alongside the nominations panel and the remunerations committee, an audit and finance committee has been formed that will continue the work of the audit and risk committee as well as additionally undertaking annual reviews of the budget and the year end accounts. All remaining work is being channelled through a new business planning working group comprising of appointed trustees and senior staff members. It is intended that it will form a close relationship with the senior management team and can report directly to the board should the need arise.

## OPERATIONAL MANAGEMENT

As of the start of 2010 Arthritis Care is organised into three UK-wide directorates.

- The former public affairs and marketing & fundraising directorates were merged in early 2010 into a single fundraising & communications directorate designed to emphasise the greater focus being placed on increasing the charity's public exposure and revenue stream activity in order to secure its financial sustainability. The objective will be to increase awareness of the organisation and raise funds from many sources including legacies, individual donations, membership, corporate sponsorship and trust and grant funding, while simultaneously communicating the charity's commitment to understanding of the needs of people with arthritis, undertaking campaigns for changes in policy and practice and its strategic responsibility for the delivery of our information and self-management services.

- The operations directorate encompasses staff teams based in the national offices in Scotland, Northern Ireland, Wales and the three regional offices covering North, Central and South England. Its purpose is to achieve the campaigning and service delivery objectives of the charity taking into account local priorities and methods of delivery, whilst ensuring financial growth, extended reach and increase in support for the charity. The directorate encourages cross-directorate and cross-functional working throughout the organisation with the aim of achieving consistency and improvement in quality, as well as encouraging diversity in response to UK-wide conditions and environments.

- The finance & resources directorate comprises financial services (financial reporting and management, internal audit), human resources (recruitment, retention and development of staff and volunteers), company secretarial services (legal matters, good governance) and facilities management (IT, health and safety and property services).

## Risk management

It is our policy proactively to identify, understand and manage the risks inherent in our services and associated with our plans and strategies, so as to encourage responsible, informed risk taking. To assist us more effectively manage this process, we appointed in 2009 Clement Keys as internal auditors with the key objective of more closely linking the work they undertake to the risks identified in the charity's newly restructured risk register.

## Volunteers and staff

The charity is grateful for the unstinting efforts of its appointed and elected volunteers and staff who

# Report of the trustees

For the year ended 31 December 2009

are involved in service provision and fundraising. In 2009 nearly 1,000 volunteers were actively involved in delivering information, training and running our network of local voluntary branches.

## Employee involvement and employment of disabled people

The charity continues to ensure that personnel policies are regularly reviewed and updated as appropriate to form part of the on-going support to all staff, including a disability leave policy intended to provide additional support to disabled staff. It is proposed that a comprehensive review of the job evaluation scheme will be undertaken during the year ahead.

## 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.

## THE FUTURE

The Board of Trustees, the Senior Management team, the staff and the volunteers are all united in their commitment to see that the charity meets its objectives and to this end continue to strive to ensure delivery is achieved in an efficient, effective and sustainable manner.

With a large (albeit planned) operating deficit in 2008 and a similar out-turn in 2009, allied to the difficult global economic climate experienced over the last two years which is expected to continue for some time, it was recognised early in the year that such losses were clearly unsustainable and that going forward urgent action was needed to "balance the books".

After much work a close-to-breakeven budget for 2010 was arrived at through a combination of increased revenue and cost savings without fundamentally changing the shape of the charity. This turnaround plan, which has been approved by the board of trustees, incorporates the following key initiatives:

- embedding fundraising across all aspects of the organisation, aided by external support from professional fundraisers
- merging the marketing & fundraising and public affairs functions into a single outward-facing, dynamic communications directorate with a much greater focus on delivery and outcome
- nations and regions operationally moving away from asking staff to deliver their specialism across

the whole region or nation to more flexible, generic, geographically focused roles

- more fully embracing the underutilised, locally-based volunteers to create a refreshed, joined-up and focused additional resource wholly consistent with the charity's self-help ethos
- constantly searching for improvement and efficiencies (for example, outsourcing where appropriate, pulling together disparate publication processes to achieve greater economies of scale, greater emphasis on electronic media to deliver the message whilst retaining the essential 'human touch' etc) to optimise the effectiveness of delivery of the services provided by the charity.

Following extensive consultation with staff over the latter part of the year, the refocused infrastructure was introduced over the first quarter of 2010 culminating with the fundraising element so that by Easter everything was set-up and ready to go.

## STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

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

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

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps

# Report of the trustees

For the year ended 31 December 2009

for the prevention and detection of fraud and other irregularities.

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity

in the event of winding up. The total number of such guarantees at 31 December 2009 was 8 (2008–8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## **Re-appointment of auditors**

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

Approved by the trustees on 4 May 2010 and signed on their behalf by



**Rosemary Blair**  
Chair of trustees

# Independent auditors' report to the members of Arthritis Care

We have audited the financial statements of Arthritis Care for the year ended 31 December 2009 which comprise the consolidated statement of financial activities, balance sheet, cashflow statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also the directors of Arthritis Care for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of responsibilities of the trustees. We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, 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 Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the charitable company has not kept adequate and proper accounting records, if the charitable company's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

## Basis of audit opinion

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

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

## Opinion

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 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the trustees' annual report is consistent with the financial statements.

## Sayer Vincent

8 Angel Gate, City Road, London EC1V 2SJ

Pamela Craig, Senior Statutory Auditor, for and on behalf of Sayer Vincent, Statutory Auditors 19 May 2010

SAYER VINCENT is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Consolidated Statement of Financial Activities

(Incorporating an Income and Expenditure account) for the Year Ended 31 December 2009

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2009 Total £'000	2008 Total £'000
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	3,124	105	3,229	4,018
Activities for generating funds	3	70	—	70	148
Investment income	4	43	75	118	243
<b>Total incoming resources from generated funds</b>		<b>3,237</b>	<b>180</b>	<b>3,417</b>	<b>4,409</b>
Incoming resources from charitable activities:					
Representation and campaigning		4	8	12	98
Information		239	113	352	474
Training		52	428	480	384
Voluntary run branch activities	5(a)	—	726	726	714
Hotels		—	—	—	437
<b>Total incoming resources from charitable activities</b>	<b>5</b>	<b>295</b>	<b>1,275</b>	<b>1,570</b>	<b>2,107</b>
<b>Total incoming resources</b>		<b>3,532</b>	<b>1,455</b>	<b>4,987</b>	<b>6,516</b>
<b>Resources expended</b>					
Costs of generating funds:					
Fundraising and trading costs	8	674	—	674	985
<b>Resources expended on charitable activities</b>					
Representation and campaigning		415	67	482	670
Information		2,312	180	2,492	2,235
Training		668	424	1,092	1,631
Voluntary run branch activities		775	1,019	1,794	1,297
Hotels		—	—	—	857
Governance costs		290	—	290	198
		<b>4,460</b>	<b>1,690</b>	<b>6,150</b>	<b>6,888</b>
<b>Total resources expended</b>	<b>8</b>	<b>5,134</b>	<b>1,690</b>	<b>6,824</b>	<b>7,873</b>
<b>Net outgoing resources before transfers</b>		<b>(1,602)</b>	<b>(235)</b>	<b>(1,837)</b>	<b>(1,357)</b>
Transfer between funds		22	(22)	—	—
<b>Net outgoing resources before other recognised gains and losses</b>		<b>(1,580)</b>	<b>(257)</b>	<b>(1,837)</b>	<b>(1,357)</b>
Profit/(loss) on sale of current asset		6	—	6	(255)
Net realised gains/(losses) on investment assets		25	96	121	(25)

# Consolidated Statement of Financial Activities (continued)

(Incorporating an Income and Expenditure account) for the Year Ended 31 December 2009

	<i>Notes</i>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>2009 Total £'000</b>	<b>2008 Total £'000</b>
<b>Net incoming/(outgoing) resources plus realised gains/(losses) on investments and property</b>		(1,549)	(161)	(1,710)	(1,637)
Unrealised gains on revaluation of property for sale		—	—	—	331
Net unrealised gains/(losses) on investment assets	10	107	29	136	(723)
Actuarial gains/(losses) on defined benefit pension	15	(1,983)	—	(1,983)	(245)
<b>Net movement in funds</b>		(3,425)	(132)	(3,557)	(2,274)
Fund balances at start of year		3,071	4,310	7,381	9,655
Fund balances at end of year		(354)	4,178	3,824	7,381

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 16 & 17 to the financial statements.

# Balance sheets

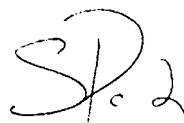
As at 31 December 2009

	Notes	2009 Group £'000	2009 Charity £'000	2008 Group £'000	2008 Charity £'000
<b>Fixed assets</b>					
Tangible	9	1,499	1,499	1,606	1,606
Investments	10	2,510	2,510	4,279	4,279
		<u>4,009</u>	<u>4,009</u>	<u>5,885</u>	<u>5,885</u>
<b>Current assets</b>					
Current asset investment		—	—	700	700
Stocks		—	—	5	2
Debtors and prepayments	11	1,435	1,435	1,749	1,767
Cash at bank and in hand	12	1,704	1,704	529	506
		<u>3,139</u>	<u>3,139</u>	<u>2,983</u>	<u>2,975</u>
<b>Creditors: amounts falling due within one year</b>	13	(421)	(421)	(488)	(478)
<b>Net current assets</b>		<u>2,718</u>	<u>2,718</u>	<u>2,495</u>	<u>2,497</u>
<b>Total assets less current liabilities</b>		<u>6,727</u>	<u>6,727</u>	<u>8,380</u>	<u>8,382</u>
<b>Creditors: amounts falling due after more than one year</b>	14	—	—	(59)	(59)
<b>Net assets excluding pension liability</b>		<u>6,727</u>	<u>6,727</u>	<u>8,321</u>	<u>8,323</u>
<b>Pension liability</b>	15	(2,903)	(2,903)	(940)	(940)
<b>Net assets including pension liability</b>		<u>3,824</u>	<u>3,824</u>	<u>7,381</u>	<u>7,383</u>
<b>Funds</b>					
Restricted funds	16	4,178	4,178	4,310	4,310
Unrestricted funds	17				
Designated funds		917	917	2,599	2,599
General funds		1,632	1,632	1,412	1,414
<b>Unrestricted funds excluding pension liability</b>		<u>2,549</u>	<u>2,549</u>	<u>4,011</u>	<u>4,013</u>
<b>Pension reserve</b>	17	(2,903)	(2,903)	(940)	(940)
<b>Total unrestricted reserve</b>		<u>(354)</u>	<u>(354)</u>	<u>3,071</u>	<u>3,073</u>
<b>Total funds</b>		<u>3,824</u>	<u>3,824</u>	<u>7,381</u>	<u>7,383</u>

Approved by the trustees on 4 May 2010 and signed on its behalf by



Rosemary Blair (Chair)



Samantha Peters (Treasurer)

# Consolidated Cashflow Statement

For the year ended 31 December 2009

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2009 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000
Net cash (outflow) from operating activities	A	(1,296)	(326)	(1,622)	(1,501)	(463)	(1,964)
Returns on investments and servicing of finance	B	8	75	83	105	118	223
Capital expenditure and investing activities	C	2,608	106	2,714	44	(3)	41
Increase/(decrease) in cash	D&E	1,320	(145)	1,175	(1,352)	(348)	(1,700)

## NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

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

	Unrestricted Funds £'000	Restricted Funds £'000	2009 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000
Net (outgoing) resources	(1,580)	(257)	(1,837)	(1,006)	(351)	(1,357)
Add back net pension service cost net of finance cost	(20)	—	(20)	(217)	—	(217)
Investment income	(43)	(75)	(118)	(125)	(118)	(243)
Servicing of finance	35	—	35	20	—	20
Depreciation	119	6	125	145	6	151
Decrease in stocks	5	—	5	15	—	15
Decrease in debtors	314	—	314	185	—	185
(Decrease) in creditors	(126)	—	(126)	(518)	—	(518)
Net cash inflow/(outflow) from operating activities	(1,296)	(326)	(1,622)	(1,501)	(463)	(1,964)

### B Returns on investments and servicing of finance

Interest and dividends received	43	75	118	125	118	243
Interest paid	(35)	—	(35)	(20)	—	(20)
Net cash inflow from returns on investment and servicing of finance	8	75	83	105	118	223

# Consolidated Cashflow Statement (continued)

For the year ended 31 December 2009

## C Capital expenditure and investing activities

	Unrestricted Funds £'000	Restricted Funds £'000	2009 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000
Purchase of tangible fixed assets	(18)	—	(18)	(63)	—	(63)
Net proceeds of sale of tangible fixed assets	—	—	—	119	—	119
Net proceeds of sale of current assets investment	706	—	706	—	—	—
Purchase of investments	(149)	(582)	(731)	(46)	(68)	(114)
Net (increase)/decrease of bank deposits, building society accounts and bonds	1,930	(13)	1,917	(15)	—	(15)
Proceeds from sale of investments	139	701	840	49	65	114
Net cash inflow (outflow) from capital expenditure and investing activities	2,608	106	2,714	44	(3)	41

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

Increase/(decrease) in cash in the period	1,320	(145)	1,175	(1,303)	(397)	(1,700)
<b>Net cash funds as at 1 January 2009</b>	(2,469)	2,998	529	(1,166)	3,395	2,229
<b>Net cash funds as at 31 December 2009</b>	(1,149)	2,853	1,704	(2,469)	2,998	529

## E Analysis of changes in net cash funds

	At 1 January 2009 £'000	Cash Flow £'000	At 31 December 2009 £'000	At 1 January 2008 £'000	Cash Flow £'000	At 31 December 2008 £'000
<b>Restricted funds:</b>						
Held by branches	2,011	(33)	1,978	2,073	(62)	2,011
Held centrally	987	(112)	875	1,322	(335)	987
	2,998	(145)	2,853	3,395	(397)	2,998
<b>Unrestricted funds:</b>						
Held centrally	(2,360)	1,260	(1,100)	(1,005)	(1,355)	(2,360)
Bank loan — repayable within one year	(50)	1	(49)	(50)	—	(50)
Bank loan — repayable after one year	(59)	59	—	(111)	52	(59)
	(2,469)	1,320	(1,149)	(1,166)	(1,303)	(2,469)
<b>Net cash funds</b>	529	1,175	1,704	2,229	(1,700)	529

# Notes to the financial statements

For the year ended 31 December 2009

## 1. Accounting policies

### (a) Accounting convention

The financial statements of the Group have been prepared under the historical cost convention, with the exception of investments which are included at market valuation and freehold properties which are included at valuation. The financial statements have been prepared in accordance with Companies Act 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, regional services and hotels. The local committee, branch and group figures have been compiled from returns by local treasurers made up to 31 October 2009. The figures for the Arthritis Care Group comprise the Charity and its subsidiary trading company, Arthritis Care (Trading) Limited.

Exemption under Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005 have been applied and an individual profit and loss account of the parent company has not been prepared.

The deficit of the parent company for the year was £3,557,000 (2008: deficit of £2,274,000).

### (c) Company status

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

### (d) Funding 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 WIP at year end on the basis of proportion delivered.

# Notes to the financial statements

For the year ended 31 December 2009

## (f) Depreciation of tangible fixed assets

Tangible fixed assets, with the exception of freehold land and buildings, are stated at cost and depreciated on a straight line basis at rates calculated to write off the cost over their expected useful economic lives as follows:

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

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

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

## (g) Stocks

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

## (h) Investments

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

## (i) Pension costs

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

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

## (j) Resources expended

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

(i) The cost of generating funds is the direct cost spent on fundraising activity including the trading company expenditure. A proportion of central support costs is allocated to the cost of generating funds.

(ii) Governance costs are the costs associated with the governance of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the charity's activities and statutory compliance costs.

(iii) Support costs, which comprise general management, payroll administration, budgeting and accounting, information technology, human resources, facilities management and financing, are allocated across the categories of charitable expenditure, governance costs and the cost of generating funds. The basis of the allocation is as follows:

# Notes to the financial statements

For the year ended 31 December 2009

Cost allocation includes an element of judgment. The charity considered the cost benefit of detailed calculations and the record keeping in deciding a basis for allocating support costs. The staff hours and therefore staff costs were deemed to be the most directly representative of how indirect costs are incurred.

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

## (k) Operating leases

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

## 2. Voluntary Income

	2009			2008		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Individual donations	671	—	671	1,287	—	1,287
Legacies (note 2 (a))	2,302	88	2,390	2,521	28	2,549
Trusts and Corporate	142	—	142	162	—	162
Other donations	9	17	26	3	17	20
	3,124	105	3,229	3,973	45	4,018

### 2(a). Legacies

	2009			2008		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Accrued legacies 1 January	(1,339)	—	(1,339)	(1,656)	—	(1,656)
Legacies received during year	2,320	88	2,408	2,838	28	2,866
Legacies accrued 31 December	1,321	—	1,321	1,339	—	1,339
	2,302	88	2,390	2,521	28	2,549

Legacies valued at £1,467,311 were receivable as at 31 December 2009 and due in 2010. We estimate we can forecast 90% of the value of these legacies with sufficient accuracy to include them in the accounts.

## 3. Activities for generating funds

	2009			2008		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Merchandising	9	—	9	2	—	2
Events	61	—	61	146	—	146
	70	—	70	148	—	148

## 4. Investment Income

	2009			2008		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Short term deposits	18	—	18	116	—	116
Dividend Income	25	—	25	9	—	9
Income from investment held by voluntary run branches	—	75	75	—	118	118
	43	75	118	125	118	243

# Notes to the financial statements

For the year ended 31 December 2009

## 5. Incoming Resources from Charitable Activities

	Representation & campaigning £'000	Information £'000	Training £'000	Voluntary run branch activities (note (5a)) £'000	2009 Total £'000	2008 Total £'000
Advertising	—	85	—	—	85	90
Publication sales	—	7	—	—	7	17
Membership and subscriptions	—	164	—	—	164	213
Holiday sales	—	—	—	—	—	437
Grants and contracts	12	46	461	—	519	635
Donations	—	50	19	726	795	715
	12	352	480	726	1,570	2,107

### 5(a). Branches

	2009 £'000	2008 £'000
<b>Income</b>		
Membership	16	43
Branch donations	726	714
Legacies	88	28
Investment income	75	116
Total incoming resources	905	901
<b>Expenditure</b>		
Welfare	1,013	916
Depreciation	6	6
<b>Total resources expended</b>	1,019	922
Net resources expended	(114)	(21)
Transfers to Central	(31)	(45)
Net realised gains on investment assets	96	1
<b>Net income and expenditure for the year</b>	(49)	(65)
Net unrealised gains/(loss) on investment assets	29	(438)
<b>Net movement in funds</b>	(20)	(503)
 <i>Cost of supporting the voluntary run branch network</i>	 775	 375
<b>Total voluntary run branch activities</b>	<b>1,794</b>	<b>1,297</b>

# Notes to the financial statements

For the year ended 31 December 2009

## 6. Staff Costs

	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
Gross pay	2,945	3,109
Social security costs	238	224
Other pension costs	(20)	(220)
Current service cost	286	297
Payments to agencies or similar for temporary help	50	174
Compensation and redundancy	86	84
	<u>3,585</u>	<u>3,668</u>

Two employees were paid emoluments between £60,000 to £70,000 (2008 — 2).

All employees earning more than £60,000 participated in the pension scheme.

The average number of persons employed during the year was:

		<b>Total</b>	<b>Central</b>	<b>Regions</b>	<b>Hotels</b>
Number of employees	2009	133	55	78	—
Number of employees	2008	161	52	83	26
Full time Equivalent	2009	98	52	46	—
Full time Equivalent	2008	<u>105</u>	<u>48</u>	<u>43</u>	<u>14</u>

# Notes to the financial statements

For the year ended 31 December 2009

## 7. Trading subsidiary

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

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

	2009 £'000	2008 £'000
Turnover	1	2
Cost of sales	6	(7)
Gross profit	7	(5)
Expenses	—	(1)
Net profit/(loss)	7	(6)
Amount gift aided to the charity	(5)	—
Profit/(Loss) on ordinary activities after taxation	2	(6)
Reserves brought forward	(2)	4
Reserves carried forward	—	(2)

Current assets and liabilities of the subsidiary as at 31 December 2009 were as follows:

	2009 £'000	2008 £'000
<b>Current assets</b>		
Stock	—	3
Cash	—	23
	—	26
<b>Creditors</b>		
Trade creditors	—	(10)
Amount gift aided to parent undertaking in previous year	—	(18)
	—	(28)
Net current assets/(liabilities)	—	(2)
<b>Profit &amp; loss account</b>	—	(2)

Called up share capital is £252 (2008: £252)

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

During the year the directors took the decision to allow the company to become dormant. This decision was taken on 19 November 2009. All activity in the company effectively ceased on that date. The directors do not intend to trade through the company for the foreseeable future. This decision may change at a later date.

# Notes to the financial statements

For the year ended 31 December 2009

	Costs of generating funds		Trading subsidiary		Representation and campaigning		Information		Training		Voluntary run branch activities		Support costs		2008 Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Staff Costs (note 6)	256	—	—	234	993	441	289	71	1,301	3,668							3,668
Staff recruitment & training	—	—	—	—	3	9	—	—	62	137							137
Trustees and staff expenses	3	—	—	14	45	79	20	47	86	337							337
Volunteers expenses	—	—	—	1	30	40	14	2	20	76							76
Premises & equipment	—	—	—	—	3	2	1	1	167	262							262
Insurance	—	—	—	—	—	—	—	—	45	85							85
Postage & telephone	2	—	—	2	9	12	6	—	76	120							120
Office printing & stationery	3	—	—	1	7	9	6	—	66	115							115
Advertising	1	—	—	2	10	20	2	—	5	86							86
Courses costs	—	—	—	—	11	54	1	—	10	78							78
Publications production	21	—	—	—	297	—	1	1	25	387							387
Direct mail, legacy, events	46	—	—	3	9	—	69	—	3	307							307
Professional fees (incl audit)	44	—	—	10	17	9	14	51	82	360							360
Database & IT outsourcing	35	—	—	—	54	—	51	1	69	174							174
Depreciation	—	—	—	—	5	—	6	—	114	151							151
Branch expenses (note 5a)	—	—	—	—	—	—	1,013	—	—	916							916
Grant repayments	—	—	—	—	—	—	—	—	—	195							195
Other costs	4	(6)	(6)	33	49	13	8	4	75	419							419
Support costs	415	(6)	(6)	300	1,542	688	1,501	178	2,206	7,873							7,873
	265	—	—	182	950	404	293	112	(2,206)	—							—
<b>Total resources expended</b>	680	(6)	(6)	482	2,492	1,092	1,794	290	—	6,824							7,873

# Notes to the financial statements

For the year ended 31 December 2009

## 8. Resources expended on charitable activities (continued)

	Unrestricted £'000	Restricted £'000	2009 Total £'000	Unrestricted £'000	Restricted £'000	2008 Total £'000
Depreciation charge on tangible fixed assets (owned)	119	6	125	129	22	151
Interest payable on bank loan	2	—	2	1	—	1
Operating lease costs land & buildings	33	—	33	19	—	19
Auditors remuneration for audit services	26	—	26	26	—	26
Under accrual in previous year	7	—	7	—	—	—
Auditors remuneration for non-audit services	13	—	13	—	—	—

Trustees receive no remuneration for their services in that capacity. 13 trustees (2008: 12) have been reimbursed for travel expenses incurred carrying out their activities as trustees at a cost of £7,920 (2008: £9,243).

Premiums of £14,778 were paid in the year (2008: £14,180) on a professional indemnity policy to protect the charity, trustees and employees from loss arising from neglect or defaults of the trustees or employees.

## 9. Tangible fixed assets (Group and Charity)

	Properties Freehold £'000	Fixtures & Equipment £'000	Unrestricted Total £'000	Catering Units £'000	Motor Vehicles £'000	Restricted Total £'000	Group Total £'000
<b>Cost</b>							
At the start of the year	1,740	478	2,218	21	186	207	2,425
Additions in year	—	18	18	—	—	—	18
Disposals in year	—	—	—	—	(126)	(126)	(126)
At the end of the year	1,740	496	2,236	21	60	81	2,317
<b>Depreciation</b>							
At the start of the year	262	361	623	21	175	196	819
Charge for the year	29	90	119	—	6	6	125
Disposals in year	—	—	—	—	(126)	(126)	(126)
At the end of the year	291	451	742	21	55	76	818
<b>Net book value</b>							
<b>At the end of the year</b>	1,449	45	1,494	—	5	5	1,499
At the start of the year	1,478	117	1,595	—	11	11	1,606

### Valuation of freehold properties

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

The London Office, valued at £1,740,000, was based on the market value of a similar property in the same street and the trustees believe there has been no permanent diminution in value since this valuation. There is a fixed charge on the London Office, securing the outstanding mortgage of £49,000.

# Notes to the financial statements

For the year ended 31 December 2009

## 10. Fixed Asset Investments

	Unrestricted £'000	Restricted £'000	2009 Total £'000	Unrestricted £'000	Restricted £'000	2008 Total £'000
Market value:						
UK government securities	—	—	—	—	49	49
Other listed stocks and shares	1,162	1,307	2,469	1,020	1,252	2,272
	1,162	1,307	2,469	1,020	1,301	2,321
Bank deposits and building society accounts	28	13	41	1,958	—	1,958
<b>Total for Group</b>	<b>1,190</b>	<b>1,320</b>	<b>2,510</b>	<b>2,978</b>	<b>1,301</b>	<b>4,279</b>
<b>Total for Charity</b>	<b>1,190</b>	<b>1,320</b>	<b>2,510</b>	<b>2,978</b>	<b>1,301</b>	<b>4,279</b>

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

## Movement in quoted investments

	Unrestricted £'000	Restricted £'000	2009 Total £'000	Unrestricted £'000	Restricted £'000	2008 Total £'000
<b>Market value as at 1 January 2009</b>	1,020	1,301	2,321	1,333	1,736	3,069
Less: Disposals at opening						
book value proceeds	139	701	840	49	65	114
(Gain) / Loss on sale	(25)	(96)	(121)	26	(1)	25
	114	605	719	75	64	139
<b>Add:</b>						
Acquisitions at cost	149	582	731	46	68	114
Net gains/(losses) on revaluation	107	29	136	(284)	(439)	(723)
	256	611	867	(238)	(371)	(609)
<b>Market valuation as at 31 December 2009</b>	<b>1,162</b>	<b>1,307</b>	<b>2,469</b>	<b>1,020</b>	<b>1,301</b>	<b>2,321</b>

	Market	%
L&G BARC MM UK ALPHA 2 I DIS	79,574	13.39%
LLOYDS TSB O/S FM LLOYDS GILT	79,437	13.36%
AVIVA INVEST EURPN PPTY MORLEY CX DIS	77,376	13.02%
ODEY ASSET MGT LLP OPUS NAV	75,147	12.64%
VERITAS ASSET MANAGEMENT ASIAN FUND	66,829	11.24%
M&G SECURITIES UK Select Sterling A Inc	63,785	10.73%
JPMORGAN FLEMING ASSET MANAGEMENT	52,264	8.79%
EDINBURGH PARTNERS OPPTS FD	50,985	8.58%
GAM GBL DIVSFD A NAV	49,038	8.25%

# Notes to the financial statements

For the year ended 31 December 2009

## 11. Debtors

	2009		2008	
	Group £'000	Unrestricted Charity £'000	Group £'000	Unrestricted Charity £'000
Trade debtors	72	72	133	133
Legacies receivable	1,321	1,321	1,339	1,339
Other debtors	31	31	38	38
Amount due from subsidiary undertaking	—	—	—	18
Accrued income	11	11	239	239
<b>Total</b>	<b>1,435</b>	<b>1,435</b>	<b>1,749</b>	<b>1,767</b>

## 12. Cash at bank and in hand

	2009		2008	
	Unrestricted £'000	Restricted £'000	Group £'000	Charity £'000
Held by:				
Local committees, branches and groups	—	1,978	1,978	1,978
Central office	(1,149)	875	(274)	(274)
Subsidiary undertaking	—	—	—	—
<b>Total</b>	<b>(1,149)</b>	<b>2,853</b>	<b>1,704</b>	<b>1,704</b>
Held by:				
Local committees, branches and groups	—	2,011	2,011	2,011
Central office	(2,492)	987	(1,505)	(1,505)
Subsidiary undertaking	23	—	23	—
<b>Total</b>	<b>(2,469)</b>	<b>2,998</b>	<b>529</b>	<b>506</b>

## Cash and bank

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

## 13. Creditors: amounts falling due within one year

	2009		2008	
	Group £'000	Unrestricted Charity £'000	Group £'000	Unrestricted Charity £'000
Trade creditors	169	169	249	249
Statutory creditors	71	71	70	70
Other creditors	3	3	89	79
Bank loan repayable within one year	49	49	50	50
Accruals	129	129	30	30
<b>Total</b>	<b>421</b>	<b>421</b>	<b>488</b>	<b>478</b>

# Notes to the financial statements

For the year ended 31 December 2009

## 14. Creditors: amounts falling due after one year

	2009 £'000	2008 £'000
Bank loan:	—	59

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

## 15. Retirement benefits

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

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 is expected to commence in June 2010.

The most recent formal valuation of the scheme was performed as at 30 September 2009. As a result of the previous (September 2006) valuation and following consultation with employees from the 1 January 2008 the contribution rates for employer and employee are 14.7% and 7% respectively when agreement was obtained to replace the final salary scheme with a career average scheme instead.

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

	2009 £'000	2008 £'000
Present value of funded obligations	(8,422)	(5,561)
Fair value of plan assets	5,519	4,621
Net liability	(2,903)	(940)

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

	2009 £'000	2008 £'000
Current service cost	214	297
Interest on obligation	377	376
Expected return on plan assets	(342)	(403)
Total	249	270
Actual return on plan assets	722	(1,198)

# Notes to the financial statements

For the year ended 31 December 2009

## 15. Retirements benefits (continued)

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

	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
Opening defined benefit obligation	5,561	6,383
Service cost	214	297
Interest cost	377	376
Contributions by employees	128	135
Actuarial losses / (gains)	2,363	(1,356)
Benefits paid	(221)	(274)
Closing defined benefit obligation	<u>8,422</u>	<u>5,561</u>

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

	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
Opening fair value of plan assets	4,621	5,471
Expected return	342	403
Actuarial gains and (losses)	380	(1,601)
Contributions by employer	269	487
Contributions by employees	128	135
Benefits paid	(221)	(274)
	<u>5,519</u>	<u>4,621</u>

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

	<b>2009</b> <b>£'000</b>	<b>2,008</b> <b>£'000</b>
(Deficit) in scheme at beginning of year	(940)	(912)
Current service cost	(214)	(297)
Contributions	269	487
Other finance income	(35)	27
Actuarial (loss)	(1,983)	(245)
	<u>(2,903)</u>	<u>(940)</u>

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

	<b>2009</b> <b>%</b>	<b>2008</b> <b>%</b>
Equities (split into material classes eg: European, North American)	66%	66%
Bonds (split into material classes eg: European, North American)	27%	26%
Property	6%	7%
Cash	1%	1%

# Notes to the financial statements

For the year ended 31 December 2009

## 15. Retirements benefits (continued)

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

	<b>2009</b>	<b>2008</b>
	%	%
Discount rate at the end of the year	6%	7%
Expected return on plan assets at the end of the year	7%	7%
Future salary increases	5%	4%
Future pension increases	3%	2%
Inflation assumption	3%	3%

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

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	8,422	5,561	6,383	6,197	5,310
Plan assets	5,519	4,621	5,471	5,064	4,374
(Deficit)	(2,903)	(940)	(912)	(1,133)	(936)
Experience adjustments on plan liabilities	(18)	(15)	5	(286)	(15)
Experience adjustments on plan assets	380	(1,601)	(145)	140	412

# Notes to the financial statements

For the year ended 31 December 2009

## 16. Restricted funds

### Central and regional funds

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

### Local committee branches and group funds

Local committee, branch and group funds are raised and controlled locally for services to people with arthritis in the local area. Fund balances are supported by cash, investments and fixed assets.

	1 January 2009 £'000	Incoming Resources £'000	Resources expended £'000	Transfers £'000	31 December 2009 £'000
<b>Central &amp; regional funds</b>					
Representation & campaigning	58	8	67	1	—
Information	139	96	171	16	80
Training	207	428	411	14	238
Infrastructure projects	27	17	22	(22)	—
Patterson bequest	557	—	—	—	557
<b>Restricted funds</b>	<b>988</b>	<b>549</b>	<b>671</b>	<b>9</b>	<b>875</b>
<b>Local committee branch &amp; group funds</b>	<b>3,322</b>	<b>1,031</b>	<b>1,019</b>	<b>(31)</b>	<b>3,303</b>

## 17. Unrestricted Funds

	1 January 2009 £'000	New designations £'000	Movement in funds utilised / realised £'000	Transfers £'000	31 December 2009 £'000
<b>Designated</b>					
Contingency reserve	845	—	—	—	845
Key projects & development reserve	1,617	—	—	(1,617)	—
Training and information programmes	137	—	(37)	(28)	72
<b>Total designated funds</b>	<b>2,599</b>	<b>—</b>	<b>(37)</b>	<b>(1,645)</b>	<b>917</b>
General funds	1,412	3,670	(5,117)	1,667	1,632
Pension reserve	(940)	—	(1,963)	—	(2,903)
<b>Group unrestricted funds</b>	<b>3,071</b>	<b>3,670</b>	<b>(7,117)</b>	<b>22</b>	<b>(354)</b>

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

### Contingency reserve

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

### Key projects and development reserve

Set up to fund projects and to take advantage of opportunities and innovative projects, it has been fully utilised in the year financing the charity's deficit.

### Training and information programmes

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

# Notes to the financial statements

For the year ended 31 December 2009

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund balances at 31 December are represented by:			
Tangible fixed assets	1,494	5	1,499
Investments	1,190	1,320	2,510
Current assets:			
Stock and debtors	1,435	—	1,435
Cash & bank	note (i) (1,149)	2,853	1,704
Current liabilities	(421)	—	(421)
Net assets	<u>2,549</u>	<u>4,178</u>	<u>6,727</u>
<b>Unrealised gains included above:</b>			
On investment assets (see below)	107	29	136

### Reconciliation of movements in unrealised gains on investment assets:

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Unrealised gains at 1 January 2009	(284)	439	155
Deduct in respect of disposals in year	(16)	(37)	(53)
	<u>(268)</u>	<u>476</u>	<u>208</u>
Add: Net gains arising on revaluations in year	375	(447)	(72)
Unrealised gains at 31 December 2009	<u>107</u>	<u>29</u>	<u>136</u>

Note (i)

There is a surplus of £1,055K (2008: £2,416K) of liquid resources available for the core work of the charity made up of the excess of unrestricted investments and current assets over all liabilities. Apart from designations of £917K, the charity now has a deficit of £1,271K (2008: £472K) of general funds.

## 19. Operating leases

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

	2009 Land and buildings £'000	2008 Land and buildings £'000
Less than 1 year	—	4
2–5 Years	28	20
	<u>28</u>	<u>24</u>

## Appendix A: Restricted central and regional funds

	Opening balance at 1 January 2009 £	Income £	Expenditure £	Transferred £	Closing balance at 31 December 2009 £
<b>Project</b>					
<b>Representation and campaigning</b>					
DH S64 Involving Patients as expert users	42,692	7,725	50,417	—	—
PARE manifesto	5,843	—	5,892	49	—
International organisation for youth	3,468	—	3,468	—	—
Leeds Project	7,042	—	7,042	—	—
Infrastructure project reallocation	(539)	60	76	555	—
<b>Representation and campaigning total</b>	<b>58,506</b>	<b>7,785</b>	<b>66,895</b>	<b>604</b>	<b>—</b>
<b>Information</b>					
Central England health information point	932	—	932	—	—
NICE COXIBs review	39,057	—	39,057	—	—
Young Persons Helpline	—	1,000	—	—	1,000
London development project	7,954	12,500	20,454	—	—
North England volunteer project	5,633	7,966	13,599	—	—
Northern Ireland — information point	1,246	—	—	—	1,246
Northern Ireland TSB — information point	182	—	182	—	—
DH S64 Community Health Information Libraries	18,284	43,294	22,059	—	39,519
Scotland information outreach	11,419	6,454	14,064	—	3,809
Outlook Scotland	5,442	—	5,442	—	—
South East England information project	9,743	—	9,743	—	—
BLF SHIPS—South East England hospital	10,798	25,488	13,845	—	22,441
South West England information point Yeovil	3,000	—	3,000	—	—
Break Out – BOUT	—	—	—	7,000	7,000
Wales volunteering	3,589	—	1,428	—	2,161
Wales firewall project	460	—	8,929	—	(8,469)
NI-Let's Talk – Pfizer UK & UGV	25,487	—	18,215	—	7,272
CHK Trust – Training Publications	4,000	—	—	—	4,000
Infrastructure project reallocation	(8,606)	6,781	8,689	10,514	—
<b>Information total</b>	<b>138,620</b>	<b>103,483</b>	<b>179,638</b>	<b>17,514</b>	<b>79,979</b>

## Appendix A: Restricted central and regional funds (continued)

	Opening balance at 1 January 2009 £	Income £	Expenditure £	Transferred £	Closing balance at 31 December 2009 £
<b>Training</b>					
Training Assessors and Volunteers Project	—	16,600	—	2,689	19,289
NIPFW—NI Positive Future Workshop	—	4,960	1,765	—	3,195
Central England challenging arthritis	12,436	32,306	7,736	—	37,006
Get Fit For Arthritis / Northern Ireland	—	24,816	21,574	—	3,242
London South East BLF London dvpt project	2,900	—	200	(2,700)	—
DH S64 Partners in local service delivery	18,729	—	18,729	—	—
North England Challenging arthritis	37,040	42,356	79,396	—	—
Northern Ireland challenging arthritis	1,216	77,598	59,140	—	19,674
DHSSPSNI Children's Fund	(12,373)	29,660	24,201	—	(6,914)
Scotland challenging arthritis	35,201	70,511	21,352	—	84,360
Scotland branch match funding	39,659	—	33,865	—	5,794
South England challenging arthritis	23,700	113,323	96,316	—	40,707
CP Rural Communities Project	29,909	—	8,693	—	21,216
Wales challenging arthritis	11,529	719	245	—	12,003
Young people and families SW England	21,083	15,103	37,302	—	(1,116)
Infrastructure project reallocation	(14,326)	10,501	13,455	17,280	—
<b>Training total</b>	<b>206,703</b>	<b>438,453</b>	<b>423,969</b>	<b>17,269</b>	<b>238,456</b>
<b>Infrastructure projects</b>					
SCSE2 Scottish Executive Soc Work 10	—	17,342	22,220	4,878	—
Reallocated representation & campaigning	539	(60)	(76)	(555)	—
Reallocated to information	8,606	(6,781)	(8,689)	(10,514)	—
Reallocation to training	17,826	(10,501)	(13,455)	(20,780)	—
<b>Infrastructure project total</b>	<b>26,971</b>	<b>—</b>	<b>—</b>	<b>(26,971)</b>	<b>—</b>
Patterson bequest	556,346	—	—	—	556,346
<b>Restricted project total</b>	<b>987,146</b>	<b>549,721</b>	<b>670,502</b>	<b>8,416</b>	<b>874,781</b>

## Appendix B: Branches

Name	Opening funds 1 January 2009 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2009 £
A.C. T Burton on Trent	5,051	7,088	6,895	(356)	4,888
Aberdeen	701,311	(16,513)	48,722	35,261	671,337
Aberystwyth	1,763	1,526	1,577	—	1,712
AC Preston	1,625	187	17	—	1,795
AC Self Help Group Kilmarnock	151	—	—	(151)	—
Airedale & Dist. Support Group	1,877	1,036	1,228	(1)	1,684
Alford & District	1,010	—	—	(1,010)	—
Alnwick	1,872	2,422	2,236	—	2,058
Alton & District	10,324	2,617	2,627	(22)	10,292
Altrincham & District	11,608	6,560	5,973	1,077	13,272
Amesbury and District	4,995	6,772	8,265	2	3,504
Ammanford	(1)	—	(1)	—	—
Antrim Branch	4,518	2,922	2,485	(159)	4,796
Arbroath	594	—	—	(594)	—
Armagh	2,272	—	—	(2,272)	—
Ashby de la Zouch	6,787	1,908	2,745	—	5,950
Ashford	7,334	2,452	2,687	—	7,099
Atherton	2,769	1,127	1,427	8	2,477
Axe Valley Charabanc Group	1,461	—	(1)	(1,462)	—
Aylesbury Vale	3,930	1,715	1,824	—	3,821
Ballymoney	3,347	1,718	1,712	—	3,353
Banbridge	16,067	5,123	7,531	—	13,659
Banchory	2,912	—	—	(2,912)	—
Bangor Self Help Group	807	903	569	—	1,141
Barrow-in-Furness	4,934	1,354	1,155	293	5,426
Barry	1,701	—	—	(1,701)	—
Basildon	—	—	—	—	—
Bathgate	3,620	—	—	(3,620)	—
Belfast East	7,366	1,070	763	—	7,673
Belfast Self Help Group	1,762	2,035	2,458	—	1,339
Berwick upon Tweed	615	358	179	—	794
Beverley and District	5,552	2,394	2,495	—	5,451
Bexley & District	10,529	17,441	17,226	905	11,649
Billericay	1,252	996	1,389	(1)	858
Bingham & District	11,748	7,076	8,306	53	10,571
Birmingham South West	6,340	(4,198)	—	(2,142)	—
Bishopbriggs	—	—	—	—	—
Blackburn & Darwen	7,026	7,110	6,993	—	7,143
Blackpool & Fylde	31,691	7,372	9,727	33	29,369
Blandford	3,052	1,200	1,554	1	2,699
Bradford	2,806	2,470	66	(2,673)	2,537
Braintree	4,260	4,526	3,183	—	5,603
Bridgwater	2,202	1,619	1,550	—	2,271
Bridlington & District	6,946	4,006	5,087	40	5,905
<b>Sub-total Carried Forward</b>	<b>907,786</b>	<b>86,392</b>	<b>160,649</b>	<b>18,597</b>	<b>852,126</b>

## Appendix B: Branches (continued)

	Opening funds 1 January 2009 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2009 £
<b>Sub-total Brought Forward</b>	907,786	86,392	160,649	18,597	852,126
Bridport	11,896	4,492	5,784	—	10,604
Brighton Sash	1,544	—	—	(1,544)	—
Bristol and Glos	542	—	(1)	(543)	—
Bristol North	344	—	—	(344)	—
Burnham on Sea	11,429	3,611	4,467	—	10,573
Burscough/Ormskirk	3,163	642	2,009	18	1,814
Caernarfon & District	4,114	1,196	1,937	—	3,373
California Farm	1,514	760	1,061	—	1,213
Callander	3,437	6,671	6,456	(255)	3,397
Camberley	5,945	846	1,681	—	5,110
Cambs Suffolk	346	—	—	(346)	—
Cannock & District / N Birmingham Yac	4,783	5,860	7,318	—	3,325
Carrickfergus	3,473	3,392	3,292	20	3,593
Central Arthritis Self-Help	2,797	—	—	(2,797)	—
Central England Regional Committee	70,246	13,775	9,093	—	74,928
Central Fife & Tayside	63	329	208	—	184
Chandlers Ford & Eastleigh	2,227	3,271	2,514	—	2,984
Chatham and District	25,072	3,554	3,640	—	24,986
Chelmsford	4,451	2,855	2,558	(1)	4,747
Chester	7,378	21,393	21,836	(394)	6,541
Chippenham	3,752	13,225	14,549	(1)	2,427
Christchurch & District	9,538	—	—	(9,538)	—
Clash	9,361	14,419	10,010	—	13,770
Clevedon	1,221	1,567	1,017	—	1,771
Clevedon North	4,779	2,296	3,751	—	3,324
Clydach	7,444	6,006	6,735	(381)	6,334
Clydebank	6,442	679	1,061	—	6,060
Coatbridge	938	—	—	(938)	—
Coleraine	2,810	—	(1)	(2,811)	—
Condorrat & Kilsyth	4,760	7,744	9,020	(9)	3,475
Coventry & District	12,049	848	1,541	1,241	12,597
Crickhowell & District	1,326	1,803	2,185	(75)	869
Crowborough	846	—	—	(846)	—
Cumbernauld	6,394	2,633	4,239	—	4,788
Darlington	1,725	—	—	(1,725)	—
Deal	7,573	4,205	3,895	—	7,883
Denbigh & District	3,614	4,091	2,927	—	4,778
Dengie Hundred Branch	914	2,354	2,411	—	857
Derby/Notts	280	—	85	(86)	109
Devizes	9,819	2,875	3,772	(293)	8,629
Dingwall	3,385	2,803	2,121	(1)	4,066
Donaghadee	884	14,299	14,369	—	814
Doune And Dunblane	2,183	3,718	3,346	(3)	2,552
Dover	31,235	3,014	4,629	(26,243)	3,377
<b>Sub-total Carried Forward</b>	1,205,822	247,618	326,164	(29,298)	1,097,978

## Appendix B: Branches (continued)

	Opening funds 1 January 2009 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2009 £
<b>Sub-total Brought Forward</b>	1,205,822	247,618	326,164	(29,298)	1,097,978
Dudley	1,244	3,864	2,824	—	2,284
Dumfries	7,675	4,997	5,774	(28)	6,870
Dungannon	4,434	—	—	(4,434)	—
East Kilbride	4,433	—	—	(4,433)	—
East London Asian	1,010	149	213	403	1,349
Eastbourne	12,606	3,999	6,604	(50)	9,951
Edinburgh	692	1,473	1,231	—	934
Edmonton	1,943	1,494	1,246	—	2,191
E-mash	2,977	4,162	2,239	28	4,928
Enfield	389	—	(1)	(390)	—
Enniskillen	9,447	6,244	5,347	—	10,344
Exeter	8,742	—	1	(8,741)	—
Exmouth	37,802	2,424	5,819	(26,550)	7,857
Felixstowe	4,564	2,961	3,239	157	4,443
Ferndown	69,054	15,929	7,826	(55,001)	22,156
Fleetwood	1,544	1,113	1,649	(108)	900
Gateshead	4,687	19,042	15,966	(106)	7,657
Glasgow East	8,797	1,860	3,259	—	7,398
Glasgow North	269,636	21,923	13,223	22,542	300,878
Glasgow South	97,635	69,861	15,345	9,890	162,041
Glasgow South West	40,188	4,477	8,640	1	36,026
Glenrothes	1,830	—	—	(1,830)	—
Gloucester	3,320	6,306	6,224	—	3,402
Grantham	5,280	2,753	1,893	—	6,140
Grantown-on-spey & District	2,028	3,055	2,254	—	2,829
Grayshott	5,975	2,659	3,018	(98)	5,518
Greenock	4,859	—	—	(4,859)	—
Grimsby & Cleethorpes	7,877	9,144	8,244	(2,428)	6,349
Guernsey	13,720	1,512	3,447	—	11,785
Halifax	3,595	6,470	4,299	—	5,766
Halton & District	6,711	3,465	2,833	—	7,343
Hampshire Alc	83	—	—	(83)	—
Harrogate	7,684	2,098	4,248	(20)	5,514
Hastings	—	—	—	—	—
Havant	3,578	2,510	2,632	—	3,456
Haverfordwest	11,906	6,694	6,967	—	11,633
Haverfordwest Hydrotherapy Group	2,471	4,946	4,380	—	3,037
Hawick	484	658	553	(119)	470
Haywards Heath & Dist	3,722	2,497	3,002	(158)	3,059
Helensburgh	10,123	3,374	5,614	254	8,137
Hereford	6,336	1,269	2,581	—	5,024
Herts/Essex	1,818	2,991	3,229	—	1,580
Highland Islands and Grampian	733	139	191	—	681
Hinckley & District Self Help	2,361	2,887	3,626	—	1,622
<b>Sub-total Carried Forward</b>	1,901,815	479,017	495,843	(105,459)	1,779,530

## Appendix B: Branches (continued)

	Opening funds 1 January 2009 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2009 £
<b>Sub-total Brought Forward</b>	1,901,815	479,017	495,843	(105,459)	1,779,530
Huddersfield Midway Support Gp	775	639	484	(6)	924
Hull & East Riding AC Support	2,336	721	969	—	2,088
Hull (Kingston Upon Hull)	4,905	894	4,120	—	1,679
Hurst Green	1,281	(459)	—	(822)	—
Hyndburn & District	—	7,136	7,653	3,020	2,503
Ilford	5,589	1,140	2,271	—	4,458
Ilkey & District	11,725	1,896	3,421	—	10,200
Inverurie & District	2,902	22,951	5,218	(1)	20,634
Ipswich	10,440	6,398	2,857	(56)	13,925
Isle of Harris	262	201	109	—	354
Islington & Hackney	16,900	700	1,051	(770)	15,779
Jersey	104,536	5,344	7,794	(50)	102,036
Jointz Parents Yac Group	7,619	2,700	5,494	—	4,825
Keighley Central	—	2,103	1,339	—	764
Kendal	3,072	14,257	5,529	—	11,800
Kent	433	15	90	(30)	328
Kettering	5,100	3,408	3,338	(55)	5,115
Kidderminster Self Help Group	4,514	426	238	76	4,778
Kings Lynn	—	858	275	—	583
Kingston upon Thames	998	708	835	(43)	828
Kirkby in Ashfield	3,285	10,269	9,851	—	3,703
Kirkcaldy	645	640	1,058	—	227
Kirriemuir	3,343	2,005	2,024	—	3,324
Lambeth	6,601	1,178	2,240	(110)	5,429
Lancashire/Cumbria	1,742	837	860	(55)	1,664
Lancaster	2,663	858	1,043	(15)	2,463
Lea Valley	5,205	2,477	3,159	—	4,523
Leeds	1,470	8,359	2,127	—	7,702
Leic/Northants/RU	302	498	541	1,090	1,349
Lichfield	5,055	4,400	4,470	753	5,738
Lincolnshire	185	38	154	(69)	—
Lisnaskea	8,139	3,999	4,262	—	7,876
Llanelli Arthritis Self Help Group	—	350	1,052	736	34
London Area Liaison Committee	366	620	658	(328)	—
Long Eaton	3,739	(3,372)	—	(367)	—
Luton & District	5,202	566	1,175	2	4,595
Maghera	1,707	1,590	932	—	2,365
Magherafelt	4,694	2,666	3,104	(988)	3,268
Maidenhead	3,331	2,964	2,340	(1)	3,954
Manchester South	6,679	2,394	3,769	—	5,304
Mercia Hydrotherapy Group	6,176	1,621	1,357	—	6,440
Merthyr Tydfil	3,627	3,045	2,047	(914)	3,711
Mid-way Support Grp Yorkshire	2,245	725	596	—	2,374
Milford-on-Sea	3,746	1,527	1,564	15	3,724
<b>Sub-total Carried Forward</b>	2,165,349	601,307	599,311	(104,447)	2,062,898

## Appendix B: Branches (continued)

	Opening funds 1 January 2009 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2009 £
<b>Sub-total Brought Forward</b>	2,165,349	601,307	599,311	(104,447)	2,062,898
Montrose	1,104	1,628	1,088	(222)	1,422
Musselburgh	5,069	4,997	5,279	—	4,787
Nairn & District	192,188	16,428	26,796	18,285	200,105
Neath & District	7,744	4,978	3,941	—	8,781
New Malden	4,446	882	2,359	(226)	2,743
Newark & District	8,598	1,695	1,947	—	8,346
Newcastle (County Down)	762	2,308	1,484	—	1,586
Newcastle City	3,400	3,411	4,868	(713)	1,230
Newham	2,689	763	2,091	—	1,361
Newmarket	6,242	5,206	5,305	21	6,164
Newton Abbot	50,614	5,102	8,300	(109)	47,307
Newton Stewart	5,611	4,755	5,322	—	5,044
Newtownabbey	1,750	—	—	(1,750)	—
Newtownards	2,063	539	878	—	1,724
Norfolk	185	246	247	117	301
North Area Liaison Committee	804	1,873	2,320	—	357
North England Regional Committee	29,130	22,711	19,748	1	32,094
North Staffs Self-help	4,012	2,153	2,833	—	3,332
North Walsham	26,772	5,013	9,493	(10,461)	11,831
North West	1,392	2,159	1,858	(32)	1,661
Northamptonshire, Leicestershire & Rutland Alc	479	—	—	(479)	—
Northampton	15,892	7,386	7,537	2	15,743
Northampton Link Group	6,409	3,971	3,981	(153)	6,246
Northern Ireland ALC	1,671	—	—	(1,671)	—
Northern Ireland Regional Committee	17,852	17,263	4,884	(3,571)	26,660
Oldham Branch	9,657	160	1,077	(7,085)	1,655
Omagh	9,501	4,805	5,618	—	8,688
Orkney	16,864	4,880	7,108	—	14,636
Oswestry Selfhelp Hydrotherapy	4,293	5,503	4,935	(145)	4,716
Otley & District	—	1,852	520	496	1,828
Paisley	2,583	2,550	1,864	—	3,269
Peebles & District	3,446	449	2,824	—	1,071
Peterhead & District	1,859	1,218	927	—	2,150
Pinner	4,857	3,213	4,384	(40)	3,646
Plym Arthritis Care Self Help	14,080	16,613	14,705	—	15,988
Plymouth	26,974	2,631	2,531	(45)	27,029
Pontefract & District	10,539	7,221	9,050	20	8,730
Portadown	2,200	1,722	2,194	—	1,728
Porthmadog	999	304	867	—	436
Potters Bar	5,510	3,685	4,325	—	4,870
Prestonpans	—	3,665	1,255	—	2,410
Redditch	1,504	639	629	—	1,514
Reigate & District Support Grp	3,364	3,313	3,482	(2)	3,193
Rochdale	221	—	—	(221)	—
<b>Sub-total Carried Forward</b>	2,680,678	781,197	790,165	(112,430)	2,559,280

## Appendix B: Branches (continued)

	Opening funds 1 January 2009 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2009 £
<b>Sub-total Brought Forward</b>	2,680,678	781,197	790,165	(112,430)	2,559,280
Rochford	4,330	3,079	4,174	—	3,235
Romford	15,059	7,351	6,131	5	16,284
Romsey	5,021	—	—	(5,021)	—
Rushden & Higham	3,935	2,686	3,402	—	3,219
Scarborough	5,041	459	757	281	5,024
Scotland Committee	2,477	1,432	2,256	—	1,653
Scotland West and Solway	1,480	—	—	(1,480)	—
Scunthorpe	7,106	5,698	5,604	—	7,200
Shetland	13,118	5,841	8,107	(29)	10,823
Shipley	2,358	1,798	1,602	77	2,631
Shrops/Staffs	551	610	330	(10)	821
Skegness	6,072	1,780	3,197	69	4,724
Sleaford	3,882	1,461	2,296	—	3,047
Somerset	797	37	260	—	574
Somerton	1,712	1,143	1,406	—	1,449
South Forest Self Help Group	4,706	3,829	3,177	—	5,358
South Scotland Alc	1,911	1,082	2,032	(2)	959
South Shields	4,358	11,289	10,288	251	5,610
Southampton	848	11,828	1,935	(562)	10,179
South-east England Regional Committee	83,675	(5,959)	26,811	—	50,905
South-west England Regional Committee	19,910	24,842	21,216	5,555	29,091
St Albans	21,827	1,853	3,467	13	20,226
St Andrews	3,019	1,100	3,397	—	722
St Helens	4,567	1,124	3,379	—	2,312
Stafford	6,044	5,226	4,065	13	7,218
Stamford	4,648	(2,743)	—	(1,905)	—
Stonehaven	5,446	2,744	3,230	—	4,960
Stroud	15,451	10,850	9,559	(416)	16,326
Sutton	12,850	14,039	13,786	—	13,103
Swindon Self Help Group	—	2,621	1,425	—	1,196
Syston	2,473	2,475	3,054	—	1,894
Taunton	69,192	15,915	15,837	(28,922)	40,348
Teesdale	3,198	2,277	2,242	—	3,233
Thamesmead	4,720	315	2,339	35	2,731
Thanet West	14,826	2,433	5,164	(39)	12,056
Thetford	1,353	1,108	1,345	(4)	1,112
Thornton Cleveleys	2,077	2,381	2,308	—	2,150
Torbay	59,402	5,959	9,076	—	56,285
Wakefield & District	—	910	384	—	526
Wales Regional Committee	24,724	818	2,171	(879)	22,492
Walsall	10,926	2,600	3,020	(37)	10,469
Waltham Forest South	11,448	4,671	7,017	4	9,106
Wandsworth	13,031	1,194	1,947	—	12,278
Wansbeck	521	898	407	—	1,012
<b>Sub-total Carried Forward</b>	3,160,768	942,251	993,765	(145,433)	2,963,821

## Appendix B: Branches (continued)

	Opening funds 1 January 2009 £	Receipts £	Payments £	Asset changes and adjustments £	Closing balance at 31 December 2009 £
<b>Sub-total Brought Forward</b>	3,160,768	942,251	993,765	(145,433)	2,963,821
Watford	119,070	6,034	8,809	26	116,321
Wear Valley Support Group	529	2,498	1,998	—	1,029
Wellingborough	3,097	1,646	1,713	47	3,077
Wells	23,520	6,400	4,798	(282)	24,840
Wembley & Kingsbury	19,275	10,093	9,690	—	19,678
West Bromwich Self Help Group	17,051	26,570	36,178	50	7,493
West Lothian AC Self Help Grp	1,850	1,068	453	—	2,465
West Midlands Alc	444	(386)	—	(58)	—
West Somerset (Wilton & Watchet)	1,889	3,232	3,506	—	1,615
Weston Supermare	7,777	5,356	5,883	—	7,250
Winsford	2,226	2,690	3,198	33	1,751
Woking	7,733	3,693	3,680	—	7,746
Woodford	35,539	11,281	14,558	(365)	31,897
Woolton (Liverpool)	3,138	—	—	(3,138)	—
Worthing & District	5,175	8,437	6,899	—	6,713
Wrightington Self Help Group	1,457	1,702	1,018	—	2,141
YAC people and family group	—	—	—	450	450
Yeovil	77,071	12,926	13,562	(35,623)	40,812
Yorkshire	1,075	741	880	—	936
Ystrad Mynach	5,928	2,047	2,942	—	5,033
Ystradgynlais	8,244	1,451	1,313	6	8,388
Accounting adjustments	(180,358)	(143,335)	(70,062)	184,287	(69,344)
Depreciation	—	—	6,121	—	(6,121)
Investment Gains/(Losses)	—	124,729	—	—	124,729
	<b>3,322,498</b>	<b>1,031,124</b>	<b>1,050,902</b>	<b>—</b>	<b>3,302,720</b>

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# Thank you

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Ballymena Golf Club	Miss E M Lidbury Charitable Trust
Banbridge Arthritis Care Branch	Merck Sharp and Dohme
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Mrs J Lamond	



### Front cover

David Smalley's climb to Everest Base Camp in April 2010, was the latest in a string of fundraising activities, including the proceeds from his first novel. David, who has psoriatic arthritis, has raised £5,000 for us.



**ARTHRITIS CARE**

*Empowering  
people with arthritis.*

**Arthritis Care is the UK's largest charity working with  
and for all people with Arthritis**

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(10am-4pm Mon-Fri)

[www.arthritiscare.org.uk](http://www.arthritiscare.org.uk)

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