

Charity Registration No. 1134859/SC039721

Company Registration No. 07127101 (England and Wales)

**REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
NATIONAL RHEUMATOID ARTHRITIS SOCIETY**

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

Mr S J Crowther
Ms K J Fox
Ms E Andrews
Dr G Taylor
Ms Z C Ide
Mr RA Boucher
Ms JB Jones
Mr S Collins

CEO

Mrs A M Bosworth

Deputy CEO

Mrs C Jacklin

Charity number

1134859/ SC039721

Company number

7127101

Registered office

Ground Floor
4 The Switchback
Gardner Road
Maidenhead
Berks
SL6 7RJ

Auditors

Rouse Audit LLP
55 Station Road
Beaconsfield
Bucks
HP9 1QL

Bankers

HSBC
35 High Street
Maidenhead
SL6 1JQ

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
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**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees present their report and audited consolidated accounts for the year ended 31 December 2018. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

Chair's Report

NRAS has come a long way in just 18 years since our launch in October 2001 and we have cemented our position as the only patient-led specialist organisation providing support and advocacy specifically for over 400,000 people in the UK living with rheumatoid arthritis and over 12,000 children and their families living with the impact of Juvenile Idiopathic Arthritis.

We take pride in the fact that everything we do and stand for is patient-led. Our team works closely with members, volunteers and the wider populations of people with RA and JIA, our Board of Trustees and our team of medical and allied health advisors to develop, design, co-ordinate and deliver a wide range of high-quality services for all affected by RA and JIA. Everything that we do is only possible because of the dedication of this team of people and I extend my thanks and gratitude to each and every one of them for making 2018 such a successful year.

We delivered a very solid financial performance in 2018 enabling the charity to look to the future with sufficient funds to support our continued growth and development in 2019. Achieving sustainable income levels of over £1.2 million per annum was a key strategic aim for us and this has been successfully achieved, enabling us to invest with confidence in our core charitable services. During the year we updated six of the information booklets that we make available to anyone affected by RA and JIA, whether it be a patient, a carer, a family member or a healthcare professional, and also expanded our Helpline services to enable us to support increased contact levels by phone and email. We have continued to raise awareness of RA and JIA through campaigning where we have worked hard to influence and shape the policy and service environment to ensure equitable access to the best treatment and care for all with RA and JIA.

In the near future, we will be focusing on a number of transformational projects which will demonstrate the value that NRAS brings to improving the lives and outcomes of people with RA and JIA, whilst leading the way in the use of real-world evidence and data to enable us to provide better and more personalised services to those we serve.

We will also be embarking on a Digital Transformation Project which includes complete re-development of both websites and will revolutionise how we engage with our beneficiaries by widening access to our services to those target groups who are statistically the hardest to reach and consequently have poorer outcomes.

Our founder and Chief Executive, Ailsa Bosworth MBE, will be standing down as Chief Executive with effect from the AGM on June 26th 2019 and both Ailsa and I are delighted that our Deputy Chief Executive, Clare Jacklin, who has worked alongside Ailsa for the past 12 years, has successfully gone through a rigorous internal recruitment process, laid down by the Board and will be appointed as the new CEO at the AGM. Ailsa has led NRAS to become an internationally renowned patient organisation with an exceptional reputation and a long list of achievements over the past 17 years, and we are both sure that NRAS will go on to do a lot more in future.

Ailsa will not be disappearing; she still feels she has more to give and more to do and as the UK's most well-known RA patient she will be taking on the role of 'National Patient Champion' for NRAS and working part-time to support the organisation in a variety of different ways using her invaluable experience as CEO and as a long-term patient. She will also be contributing to the work of EULAR (European League Against Rheumatism) and embarking on an exciting research project relating to self-management with a group of health professionals from all over Europe in 2019.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2018

We look forward to the future, working in conjunction with the whole NRAS team, the members and volunteers and of course our very generous donors without whom none of this would be possible. With their continued help and support, we will continue to provide the best services for people with RA and JIA, their families and the health professionals who care for them.

Gordon Taylor

Chair of Trustees



26th June 2019
G. TAYLOR

Our purpose and activities

Guidance from the Charity Commission has been used to review and develop NRAS's aims and objectives so that activities are clearly focused to derive good public benefit.

Objectives and activities

The objects of the Charity (the "Objects") are for the public benefit to promote the relief of people suffering from RA and JIA by:

- Raising awareness and understanding of Rheumatoid Arthritis (RA) and Juvenile Idiopathic Arthritis (JIA), including awareness of the severity of the diseases and their social and economic costs;
- Providing information on RA and JIA, including information on their treatments and drugs available;
- Advancing all aspects of the care and treatment of RA and JIA and the management of these diseases in their totality;
- Providing education generally and to individuals and their families and carers in all aspects of RA and JIA, including their treatment and management, and providing information about available support, including financial and social support;
- Supporting individuals in relation to RA and JIA and their families and carers, including putting people in touch with each other to encourage self-help and support where appropriate;

Our vision

The NRAS vision is to support all with RA and JIA to live life to the full with an underpinning mission to:

- Support everyone living with the impact of RA or JIA at the start and every step of their journey;
- To inform and be their first choice for reliable information and
- To empower all to have a voice and take control of their RA or JIA.

Our principal activities

We are committed to providing support, information, services, education, campaigning and patient advocacy of the highest quality to and on behalf of all those affected by RA and JIA as well as their families.

Our front-line services, including the helpline, online peer support community, local groups, peer-to-peer telephone support programme, information booklets, websites and patient events, continue to offer high quality, accessible and relevant support as a priority. Work is an important health outcome and we have specific resources relating to the workplace for employees and employers as well as up to date information on benefits including Personal Independence Payments. Both of these important subjects are frequently raised by people calling our Helpline.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

We are a membership organisation and provide a magazine three times per year to our Members, among other benefits. We also support health professionals in the field of rheumatology and primary care through training programmes and provision of free health professional membership of NRAS and free patient information so that we can 'help them to help their patients'. Living with RA and JIA is not just about having physical and medical needs. These diseases have a huge impact on emotional well-being and quality of life both of the individual and their family and our latest report (2018 – 'Emotional health and wellbeing matters') addresses the issues of mental health and emotional wellbeing. We therefore strive to help people by supporting all their needs in a holistic way whether physical, medical, emotional, mental, social, economic and/or employment related needs as well as those relating to access to benefits and the built environment, housing and transport.

We are at the table at a national level whenever standards and guidelines, RA/JIA pathways and access to treatment are being discussed. We conduct our own social research and publish a key report on a topic of importance to people with RA/JIA annually.

Translational scientific, and medical research has revolutionised the field of auto-immune conditions such as RA and JIA in the past 20 years and whilst we do not conduct medical research ourselves, (we do carry out major social research studies on an annual basis), we support a growing number of academic and clinical research studies throughout the UK on an on-going basis. Researchers contact us regularly for support in a variety of ways. We also recruit to clinical studies at times and provide expert volunteers to advise on issues of Patient and Public Involvement.

We are providers of supported self-management group training programmes, however the difficulty of getting such courses commissioned by Clinical Commissioning Groups or Health Boards due to the financial constraints in the NHS, means that we will, over the course of this strategic period, develop these into engaging and interactive on-line e-learning modules which ultimately, health professionals will be able to 'prescribe' for the benefit of their patients.

Achievements and performance

During 2018, we restructured the organisation internally under 2 key pillars: RA Services for Adults with RA (and Adult JIA) and JIA Services for Children and Young People (and their families). This has given greater clarity and focus to our charitable activities and both these pillars are supported by our Fundraising Team, which has expanded to seven employees, our Policy and Public Affairs Team, and our the Marcoms Team which includes communications, PR, digital media and web. This new structure has been well-received by our dedicated and hardworking staff who have delivered a sterling performance culminating in our achieving the majority of the aims and goals of the strategic plan 2016-2018.

As the charity turned 17 in the Autumn, we successfully negotiated a new 10-year lease thereby securing our base in Maidenhead for the foreseeable future.

Utilisation of social media platforms such as Facebook and Twitter has increased our reach considerably. In particular, the NRAS Health Unlocked online community, the largest global online RA community with over 1.5 million users engaging in some way with the platform in 2018, has seen an increase in users of 24% during 2018 and we now have over 25,000 registered users.

In June we celebrated the extraordinary success of our JIA family fundraisers and held a thoroughly enjoyable and noisy event in Parliament to acknowledge and recognise their hard work. The children were presented with awards and many of their constituency MPs came to meet them and hear about JIA and its impact on their daily lives and those of their families.

We launched a landmark report in Parliament in the Autumn on the impact RA/Adult JIA has on the mental health of the individual. The report entitled 'Emotional Health and Well-being Matters' comes at a time when Parliament is acknowledging the importance of investing further in supporting mental health generally, and its link with musculoskeletal disease, particularly inflammatory arthritides, where anxiety and depression are commonly reported co-morbidities.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

RA Awareness Week achieved record figures demonstrating increased reach across the whole of the UK through our various social media channels and equally our World Arthritis Day activities supporting the EULAR campaign 'Don't Delay, Connect Today' were publicised across the EULAR European health professional and patient organisations.

The Wear Purple campaign for JIA at NRAS was another huge success raising much-needed funds to support our work with children and their families affected by JIA but equally of importance, the campaign has increased awareness of this disease with more schools taking part in Wear Purple events than ever before.

In 2018 we introduced a series of RA Matters Webinars which enabled us to reach audiences in excess of 300 for some online presentations. We plan in 2019 to host many more on a wide variety of topics.

During the year we generated £570,374 of income through donations, pledges and gifts in kind. The 2018 fundraising calendar was full, with spaces filled at a variety of races and challenge events across the UK, as well as with community events and activities organised and run by individual supporters. Our campaign to raise funds for JIA, 'Wear Purple for JIA', was a huge success in the year generating over £50,000 and increasing awareness in the wider community of this debilitating condition. 2018 also saw our inaugural Dinner and Dance to celebrate Diwali and raise awareness of RA in the South Asian community and raised funds of over £9,000. The annual NRAS Carol Concert in December raised just under £3,200.

In 2018, gifts from legacies raised £442,541, up from £117,722 in 2017. This is an important income source for our charity and we are immensely grateful to our very generous benefactors.

Support for NRAS was also received in 2018 through grants from trusts, foundations and livery companies and in 2018 this amounted to £96,089. We would like to express particular thanks to: The Schroder Foundation, The Leathersellers' Company Charitable Fund, A D Power Will Trust, The Edith Lillian Harrison 2000 Foundation, R G Hills Charitable Trust, The Hugh Fraser Foundation, CHK Charities Ltd, John Swire 1989 Charitable Trust, The Willie and Mable Morris Charitable Trust, The Simon Gibson Charitable Trust.

All income received through fundraising in 2018 contributed to enabling the charity to provide a full programme of resources, activities and support, which benefits those living with RA and JIA in the UK, their families, schools and the healthcare professionals who support them. NRAS would like to acknowledge and thank all the individuals, companies, livery companies, trusts and foundations that have supported our work this year.

Financial Review

The principal funding sources of income for the Charity were donations and legacies of £1,012,915, grants of £96,089 and membership income of £81,786. Overall, consolidated income in 2018 was £1,294,354 compared to £1,239,756 in 2017. Income levels were boosted in 2018 by the receipt of a very generous legacy of £300,000 from a benefactor, our largest-ever individual donation.

The charity operates a systematic approach to cost control which highlights opportunities to control costs with little risk. Our success in controlling costs whilst still continuing to deliver all of our principal services and activities is reflected in the reduction of our expenditure from £1,246,376 in 2017 to £1,140,660 in 2018.

The Charity reported a consolidated net gain of £80,875 in 2018, up from £12,065 in 2017 bringing total unrestricted funds to £1,086,953 at the end of the year.

Our balance sheet remains strong with general reserves of £1,086,953 and a healthy cash balance.

The charity's wholly owned trading subsidiary, NRAS Community Services Limited, continued to provide self-management programme support to Clinical Commissioning Groups and Trusts in 2018 and the company delivered a profit of £15,790 on its activities.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Investment Policy and Objectives

Investments are managed by professional fund managers as permitted by the relevant acts and the charity commission guidelines. The overall objective of the fund managers is to maintain an appropriate level of risk whilst retaining the real value of capital through long term investments. Reports are received quarterly from the fund managers and the Trustees review performance annually with the fund managers.

Reserves policy and going concern

Our policy is to hold a minimum of six months operating costs in cash and investments, in order to ensure the sustainability of the Charity which we comfortably met.

Future plans

The trustees approve and adopt strategic plans for the Charity every three years and detailed budgets are prepared annually to support these initiatives and demonstrate how the objectives will be delivered within the constraints of predicted funding available.

The charity's strategic plan for 2019 – 2022 was finalised in 2018 and sets out an exciting future as we will work with strategic partners to deliver transformational change to some of the key information resources that we provide by developing a suite of e-learning modules which will be available on a new digital platform that we will be launching in 2020.

In addition to these exciting developments, the charity will continue to focus on providing the best support for people with RA and JIA, their families and the health professionals who care for them.

Structure, governance and management

Governing document

The Charity is controlled by its governing documents, the memorandum and articles, and constitutes a limited by guarantee company as defined by the Companies Act 2006.

The Charity is a company limited by guarantee and does not have any share capital.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 each in the event of a winding up.

Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr S J Crowther
Ms K J Fox
Ms E Andrews
Dr G Taylor
Ms Z C Ide
Mr RA Boucher
Ms JB Jones
Mr S Collins

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

As set out in the articles one third of the Trustees, who have been longest in office, shall retire from office at each annual general meeting after the date on which they came into office. A retiring trustee shall be eligible for re-election. Mr RA Boucher, Mr S Collins and Ms Z Ide will therefore retire from office at the AGM on 26th June 2019 and all will seek re-election.

Ms JB Jones will retire as a Trustee at the AGM on 26th June 2019 and we thank her for her contribution and wise counsel during the three-year period that she served.

Trustee induction and training

New Trustees undergo an orientation day to brief them on their legal obligations under Charity law, the content of the constitution and decision-making process, the business plan and recent financial performance of the Charity. As part of the process they meet key employees and other Trustees and may attend additional, relevant external training as required.

Organisation

The body of Trustees consists of not fewer than four and no more than twenty trustees and administers the Charity through the Senior Executives.

Related parties and co-operation with other organisations

None of our trustees receives remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a supplier or other party with which the charity transacts must be disclosed to the full board of trustees. In the current year no such related party transactions were reported.

Pay policy for senior staff

Remuneration for key management personnel is benchmarked against the voluntary sector and is set by the Trustees. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings.

Risk management

The trustees have a risk management strategy including a formal risk evaluation which is carried out each year.

The key risks are identified below:

- Adequacy of cash to run the Charity. Costs are monitored closely throughout the year. The Charity constantly monitors the cash position and future cash requirements. Fundraising strategy is developed with an emphasis on the provision of regular and predictable income streams. Reserves of a minimum of 6 months operating costs are held as realisable investments.
- Investment of surplus cash. Investments continue to be managed by St James's Place Wealth Management with a view to maintaining an appropriate and prudent risk strategy for the Charity whilst retaining the real value of the capital.
- Reliance on key individuals. This is recognised and the senior management team work with staff to ensure teams are diverse as possible to reduce over reliance on any one individual. Key personnel have a three-month notice period. Succession planning is in place and is revised periodically to account for any senior staff movement.

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FOR THE YEAR ENDED 31 DECEMBER 2018**

- IT security. A support contract is in place with 3rd party IT experts covering all aspects of IT performance and security. Internal security is in place and monitored and updated where appropriate.
- Information standard. The charity works to the same standards demanded by the Information Standard kite-mark, however, we withdrew from this scheme as we did not feel that the government were giving sufficient priority to charities achieving this kite mark which comes at reasonable cost to the charity.
- Reputational risk in relation to the Charity's wholly owned commercial subsidiary NRAS Community Services Limited (NCSL). The Charity maintains clear and open communication to all interested parties on the work and rationale behind NCSL and the commissioning services it undertakes. Disclosure is made in the accounts of the subsidiary along with an explanation of its activities.
- Attracting and retaining Trustees. The Charity periodically reviews the number of Trustees to ensure that there is a minimum number of Trustees on the board with the right spread of skills and experience to meet the current and future needs of the Charity.

Auditors

In accordance with the company's articles, a resolution proposing that Rouse Audit LLP be re-appointed as auditor of the company will be put at a General Meeting.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees, who are also the directors of National Rheumatoid Arthritis Society for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

the trustees, having made enquiries of fellow trustees and the group's auditor, that they ought to have individually taken, and have each taken all steps that he/she is obliged to take as a trustee, in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Trustees' report, including the strategic report, was approved by the board of Trustees.



.....
SJ Crowther
Treasurer/Trustee

Dated: 26 June 2019

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF NATIONAL RHEUMATOID ARTHRITIS SOCIETY**

Opinion

We have audited the group and charity accounts of National Rheumatoid Arthritis Society (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

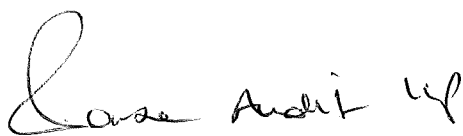
In preparing the accounts, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's trustees, as a body, in accordance with section 144 of the Charities Act 2011, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under those Acts. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Rouse Audit LLP

Chartered Accountants
Statutory Auditor

55 Station Road
Beaconsfield
Bucks
HP9 1QL

9/7/2019

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted funds	Total Funds 2018	Unrestricted funds As restated	Total Funds 2017 As restated
	Notes	£	£	£	£
<u>Income from:</u>					
Donations and legacies	3	1,012,915	1,012,915	525,058	525,058
Charitable activities	4	214,607	214,607	612,877	612,877
Other trading activities	5	41,478	41,478	77,367	77,367
Investment Income	6	25,354	25,354	24,454	24,454
Total Income		1,294,354	1,294,354	1,239,756	1,239,756
<u>Expenditure on:</u>					
Raising funds	7	207,238	207,238	236,895	236,895
Charitable activities	8	933,422	933,422	1,009,481	1,009,481
Total resources expended		1,140,660	1,140,660	1,246,376	1,246,376
Net income/(expenditure)		153,694	153,694	(6,620)	(6,620)
Net gains/(losses) on investments	12	(72,819)	(72,819)	18,685	18,685
Gross transfers between funds		-	-	-	-
Net movement in funds		80,875	80,875	12,065	12,065
Fund balances at 1 January 2018		1,006,078	1,006,078	994,013	994,013
Transfer between funds		-	-	-	-
Fund balances at 31 December 2018		1,086,953	1,086,953	1,006,078	1,006,078

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes at pages 14 to 25 form part of these accounts.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
CONSOLIDATED AND CHARITY BALANCE SHEETS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Group		Charity	
		2018	2017 As restated	2018	2017 As restated
		£	£	£	£
Fixed assets					
Tangible assets	13	14,041	60,550	14,041	60,550
Investments	14	703,504	751,123	703,505	751,124
		<u>717,545</u>	<u>811,673</u>	<u>717,546</u>	<u>811,674</u>
Current assets					
Debtors	16	54,992	44,716	70,061	91,558
Cash at bank and in hand		436,895	321,723	401,522	226,789
		<u>491,887</u>	<u>366,439</u>	<u>471,583</u>	<u>318,347</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(122,479)	(172,034)	(117,967)	(167,235)
		<u>369,408</u>	<u>194,405</u>	<u>353,616</u>	<u>151,112</u>
Net current assets					
		<u>1,086,953</u>	<u>1,006,078</u>	<u>1,071,162</u>	<u>962,786</u>
Total assets less current liabilities					
		<u>1,086,953</u>	<u>1,006,078</u>	<u>1,071,162</u>	<u>962,786</u>
Income funds					
Unrestricted funds	19	1,086,953	1,006,078	1,071,162	962,786
		<u>1,086,953</u>	<u>1,006,078</u>	<u>1,071,162</u>	<u>962,786</u>

The charity is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No trustee of the charity has deposited notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011 and constitute the annual accounts required by the Companies Act 2006 and are for circulation to trustees of the company.

As permitted by s408 Companies Act 2006, the Charity has not presented its own Statement of Financial Activities and related notes. The Charity's net income for the year was £108,376 (2017: net expenditure of £31,227).

The notes at pages 14 to 26 form part of these accounts

The accounts were approved by the Board of Trustees on 26 June 2019

SJ Crowther
Treasurer/Trustee

Company Registration No. 07127101

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Group		Charity	
		2018	2017	2018	2017
		As restated	As restated	As restated	As restated
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	24	115,018	20,057	131,288	(9,060)
Investing activities					
Purchase of tangible fixed assets		-	(38,532)	-	(38,532)
Purchase of investments		(25,200)	(24,440)	(25,200)	(25,366)
Interest received		25,354	24,454	25,354	24,454
Dividend received		-	-	43,291	-
Net cash used in investing activities		<u>154</u>	<u>(38,518)</u>	<u>43,445</u>	<u>(39,444)</u>
Net cash used in financing activities		-	-	-	-
Net (decrease)/increase in cash and cash equivalents		<u>115,172</u>	<u>(18,461)</u>	<u>174,733</u>	<u>(48,504)</u>
Cash and cash equivalents at beginning of year		321,723	340,184	226,789	275,293
Cash and cash equivalents at end of year		<u>436,895</u>	<u>321,723</u>	<u>401,522</u>	<u>226,789</u>

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1 Accounting policies

Charity information

National Rheumatoid Arthritis Society is a private company limited by guarantee incorporated in England and Wales and Scotland. The registered office is Ground Floor, 4 Switchback, Gardner Road, Maidenhead, Berks, SL6 7RJ.

1.1 Accounting convention

These accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charity has decided to early adopt the amendments to FRS 102 (issued December 2017 - Triennial review).

As permitted by FRS 102, the charity has taken advantage of the following exemptions:

- s408 CA 2006 - disclosure of individual statement of financial activities.

Preparation of consolidated financial statements

These consolidated financial statements incorporate the financial statements of the Charity and its subsidiary undertaking, NRAS Community Services Limited, made up to 31 December 2018. Intercompany transactions, balances and unrealised gains on transactions between the Charity and its subsidiary are eliminated. Accounting policies of subsidiary undertakings have been changed where necessary to ensure consistency with the policies adopted by the Group. The income of the trading subsidiary is included in the Consolidated Statement of Financial Activities within other trading activities. Expenditure is included in wages and support costs.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are funds which are 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. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

The charity receives grants in respect of charitable activities run by the charity. Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Subscription income is recognised on a rolling basis from the date of membership.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds includes costs related to fundraising events, merchandising and advertising; and
Expenditure on charitable activities includes staff costs and support costs relating to different projects conducted during the year (see note 8).

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs include both direct expenditure incurred on charitable activities and those costs which assist the work of the charity including office and administrative costs. They are all incurred directly in the furthering of the charity's aims and purposes. Distinction has been made for those costs relating to the raising of funds and to governance, these costs have been analysed separately.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The bases on which support costs have been allocated are set out in Note 9.

Fundraising costs are specified in Note 7.

Governance costs are specified in Note 9.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Improvements to property	20% straight line or lease period if shorter
Website development	10% straight line
Fixtures, fittings & equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.1 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employments of an employee or to provide termination benefits.

1.1 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.1 Restatement

Restatements are accounting adjustments arising from a change in accounting policy. The change in accounting policy is applied as if the new policy has always been applied. See note 26 for more details.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

3 Donations and legacies

	2018	2017
	£	As restated £
Donations and gifts	570,374	407,336
Legacies receivable	442,541	117,722
	<u>1,012,915</u>	<u>525,058</u>
Analysis by fund		
Unrestricted funds	<u>1,012,915</u>	<u>525,058</u>
	<u>1,012,915</u>	<u>525,058</u>

4 Charitable activities

	2018	2017
	£	As restated £
Appeals	1,772	2,796
Subscriptions	81,786	81,526
Research & studies	15,412	41,900
Lottery income	19,548	14,244
Grants	96,089	472,411
	<u>214,607</u>	<u>612,877</u>
Analysis by fund		
Unrestricted funds	<u>214,607</u>	<u>612,877</u>
	<u>214,607</u>	<u>612,877</u>

5 Other trading activities

	2018	2017
	£	£
Merchandising	7,993	8,801
NCSL income	33,485	68,566
	<u>41,478</u>	<u>77,367</u>

6 Investments

	2018	2017
	£	£
Income from listed investments	25,200	24,440
Interest receivable	154	14
	<u>25,354</u>	<u>24,454</u>

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7 Expenditure on raising funds

	Unrestricted funds 2018 £	Total 2018 £
Staging fundraising events	29,561	29,561
Staff costs	134,943	134,943
Support costs	35,561	35,561
Governance costs	7,173	7,173
Expenditure on raising funds	207,238	207,238

	Unrestricted funds 2017 As restated £	Total 2017 As restated £
Staging fundraising events	48,333	48,333
Fundraising agents	7,175	7,175
Staff costs	132,684	132,684
Support costs	40,926	40,926
Governance costs	7,777	7,777
Expenditure on raising funds	236,895	236,895

8 Charitable activities

	Provision of info & support 2018 £	Raising awareness 2018 £	Hosting NRAS events 2018 £	Hosting JIA events 2018 £	Total 2018 £
Direct costs	113,573	19,450	2,431	17,404	152,858
Staff costs	207,781	103,715	134,943	105,045	551,484
Share of support costs (see note 9)	65,604	44,731	35,561	44,731	190,627
Share of governance costs (see note 9)	13,234	9,023	7,173	9,023	38,453
	400,192	176,919	180,108	176,203	933,422
Analysis by fund					
Unrestricted funds	400,192	176,919	180,108	176,203	933,422

	Provision of info & support 2017 As restated £	Raising awareness 2017 As restated £	Hosting NRAS events 2017 As restated £	Hosting JIA events 2017 As restated £	Total 2017 As restated £
Direct costs	119,394	23,838	7,508	16,454	167,194
Staff costs	204,420	102,168	132,684	103,472	542,744
Share of support costs (see note 9)	88,740	60,504	48,101	60,504	257,849
Share of governance costs (see note 9)	14,349	9,784	7,777	9,784	41,694
	426,903	196,294	196,070	190,214	1,009,481
Unrestricted funds	426,903	196,294	196,070	190,214	1,009,481

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9 Support costs

	Support costs 2018	Governance costs 2018	Total 2018	Support costs 2017	Governance costs 2017	Total 2017
	As restated	As restated	As restated	As restated	As restated	As restated
	£	£	£	£	£	£
Staff costs		15,858	15,858		15,546	15,546
IT	13,338		13,338	47,235		47,235
Office	97,388		97,388	90,686		90,686
Other overheads	62,953		62,953	109,235		109,235
Depreciation & dilapidations	52,509		52,509	49,030		49,030
Insurance		5,066	5,066		4,415	4,415
Professional fees		12,416	12,416		13,355	13,355
Auditors' remuneration:						
Audit fees		11,000	11,000		10,980	10,980
Other services		1,217	1,217		5,000	5,000
Trustee expenses		69	69	2,589	175	2,764
	226,188	45,626	271,814	298,775	49,471	348,246
Analysed between						
Fundraising (note 7)	35,561	7,173	42,734	40,926	7,777	48,703
Charitable activities (note 8)	190,627	38,453	229,080	257,849	41,694	299,543
	226,188	45,626	271,814	298,775	49,471	348,246

The above costs were allocated on a headcount basis.

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, and they were reimbursed a total of £69 travelling expenses (2017: £2,764).

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
All employees	23	25

Employment costs

	2018 £	2017 £
Wages and salaries	634,289	630,243
Social security	53,796	56,993
Pension costs	14,199	13,473

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000 is as follows:

	2018 £	2017 £
£60,001 - £70,000	1	1

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12 Net gains/(losses) on investments

	2018	2017
	£	As restated £
Revaluation of investments	(72,819)	18,685

13 Tangible fixed assets - Group and Charity

	Improvements to property	Website development	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2017	58,150	164,205	63,955	286,310
Additions	-	-	38,532	38,532
At 31 December 2017	58,150	164,205	102,487	324,842
Additions	-	-	-	-
At 31 December 2018	58,150	164,205	102,487	324,842
Depreciation				
At 1 January 2017	35,855	130,788	53,619	220,262
Charge for the year	11,628	16,416	15,986	44,030
At 31 December 2017	47,483	147,204	69,605	264,292
Charge for the year	10,665	16,416	19,428	46,509
At 31 December 2018	58,148	163,620	89,033	310,801
Carrying amount				
At 31 December 2018	2	585	13,454	14,041
At 31 December 2017	10,667	17,001	32,882	60,550

14 Fixed asset investments

	2018	2017
	£	As restated £
Listed investments		
Market value at 1 January	751,123	707,998
Additions	25,200	24,440
Revaluation	(72,819)	18,685
Market value at 31 December	703,504	751,123

15 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	54,992	44,716
Equity instruments measured at cost less impairment	703,504	751,123
Carrying amount of financial liabilities		
Measured at amortised cost	105,008	156,228

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

16 Debtors

	Group		Charity	
	2018	2017	2018	2017
				As restated
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	19,160	22,218	14,000	15,377
Amounts owed by group undertakings	-	-	20,230	53,683
Bad debt provision	-	(968)	-	(968)
Other debtors	4,403	-	4,403	-
Prepayments and accrued income	31,429	23,466	31,428	23,466
	<u>54,992</u>	<u>44,716</u>	<u>70,061</u>	<u>91,558</u>

17 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	33,720	40,593	33,720	39,873
Other taxes and social security costs	17,471	15,806	17,471	13,703
Other creditors	24,786	21,061	23,274	19,085
Accruals and deferred income	46,502	94,574	43,502	94,574
	<u>122,479</u>	<u>172,034</u>	<u>117,967</u>	<u>167,235</u>

	2018	2017
	£	£
Deferred income included in the financial statements as follows:		
At 1 January	5,000	-
Movement during the year	(5,000)	5,000
At 31 December	-	5,000

Income had been deferred for an event occurring in 2018.

18 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £14,199 (2017: £13,473).

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

19 Fund reconciliation

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Unrestricted Funds

	Movement in funds				
	Balance at 1 January 2018	Incoming resources 2018	Resources expended 2018	Transfer of funds 2018	Balance at 31 December 2018
	£	£	£	£	£
Unrestricted	1,001,078	1,196,458	(1,037,276)	(73,307)	1,086,953
Designated - Juvenile Idiopathic Arthritis	5,000	97,896	(176,203)	73,307	-
	1,006,078	1,294,354	(1,213,479)	-	1,086,953

	Movement in funds as restated				
	Balance at 1 January 2017	Incoming resources 2017	Resources expended 2017	Transfer of funds 2017	Balance at 31 December 2017
	£	£	£	£	£
Unrestricted	972,963	796,869	(768,754)	-	1,001,078
Designated - Juvenile Idiopathic Arthritis	-	175,726	(170,726)	-	5,000
Designated - Cardiovascular self-management online resource	21,050	62,500	(83,550)	-	-
Designated - Self-management of RA	-	18,500	(18,500)	-	-
Designated - Love Your Heart	-	36,050	(36,050)	-	-
Designated - Accessible information project	-	29,500	(29,500)	-	-
Designated - External Affairs - Groups	-	17,600	(17,600)	-	-
Designated - NRAS Growth and Development	-	121,696	(121,696)	-	-
	994,013	1,258,441	(1,246,376)	-	1,006,078

The trustees have reviewed the funds relating to all projects (including JIA) that were previously treated as restricted funds and have confirmed that these funds fall within the charity's core activities. As such the trustees have determined that these should be treated as designated funds. Comparative figures for 2017 have been restated in respect of these funds.

Fund descriptions

Juvenile Idiopathic Arthritis

Approximately 12,000 children and young people in the UK have Juvenile Idiopathic Arthritis (JIA) although over 90,000 family members are affected by this. JIA is one of the commonest causes of physical disability in childhood. Our JIA service raises awareness of JIA as public awareness of children getting JIA is extremely low, provides information and support to families through a variety of means including a dedicated website www.jia.org.uk, on-line community forum, publications and social media outreach, organises events for children and families affected by JIA and campaigns at government level to ensure that the needs of families, children and young people affected by JIA are understood and prioritised amongst other long term conditions.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

20 Analysis of net assets between funds - Charity

	Unrestricted £	Total £
Fund balances at 31 December 2018 are represented by:		
Tangible fixed assets	14,041	14,041
Investments	703,505	703,505
Current assets/(liabilities)	353,616	353,616
	<u>1,071,162</u>	<u>1,071,162</u>
Fund balances at 31 December 2017 are represented by:		
	Unrestricted As restated £	Total As restated £
Tangible fixed assets	60,550	60,550
Investments	751,124	751,124
Current assets/(liabilities)	151,112	151,112
	<u>962,786</u>	<u>962,786</u>

21 Commitments under operating leases

At the reporting end date the group and charity had outstanding commitments for future minimum lease

	2018 £	2017 As restated £
Within one year	67,554	59,258
Between two and five years	<u>228,350</u>	<u>8,406</u>
	<u>295,904</u>	<u>67,664</u>

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

22 Subsidiary company

The charity owns the whole of the issued ordinary share capital of NRAS Community Services Ltd (company number: 8953247), a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the Statement of financial activities. The total net profit is gifted to the charity. A summary of the results of the subsidiary is shown below:

	2018	2017
	£	As restated £
Turnover	33,485	68,566
Cost of sales	(1,750)	(1,450)
Gross profit	31,735	67,116
Administrative expenses	(15,945)	(23,825)
Net profit	15,790	43,291
Retained earnings brought forward in subsidiary	43,293	2
Gift aid to National Rheumatoid Arthritis Society	(43,291)	-
Retained earnings carried forward in subsidiary	15,792	43,293
The assets and liabilities were:		
The aggregate of the assets, liabilities and funds was:		
Assets	40,533	101,775
Liabilities	(24,741)	(101,773)
Total net assets	15,792	2
Called up share capital	1	1
Profit and loss reserve	15,791	1
	15,792	2

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2018	2017
	£	£
Aggregate Compensation	123,133	185,400

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

24 Cash generated from operations	Group		Charity	
	2018	2017	2018	2017
		As restated		As restated
	£	£	£	£
Surplus for the year	80,875	12,065	65,085	12,065
Adjustments for:				
Investment income recognised in profit or loss	(25,354)	(24,454)	(25,354)	(24,440)
Fair value gains and losses on investments	72,819	(18,685)	72,819	(18,685)
Depreciation and impairment of tangible fixed assets	46,509	44,030	46,509	44,030
Movements in working capital:				
Increase in debtors	2,949	(7,851)	21,498	(36,460)
Decrease in creditors	(62,780)	14,952	(49,269)	14,430
Cash generated from operations	115,018	20,057	131,288	(9,060)

25 Analysis of changes in net debt

	At start of year	Cash flows	At end of year
	£	£	£
Cash	321,723	115,172	436,895
Total	321,723	115,172	436,895

26 Restatement

The charity receives income from its subsidiary under gift aid as set out in accounting policy 1.4.

The policy has been changed in line with the SORP clarification issued on 5 October 2018 (Update Bulletin 2). Previously income was recognised in the year to which it related, under Update Bulletin 2 amounts are now recognised as a distribution from its subsidiary in the year in which they are paid.

For the year ended 31 December 2017 the effect of the change in the charity only accounts is to decrease the gift aid donation during the year ended 31 December 2017 by £43,291 from £43,291 to £nil and the net income is decreased by £43,291 from £12,065 to a net expenditure of £31,226. Debtors at the 31 December 2017 are decreased by £43,291 from £134,849 to £91,558, and therefore the net assets and closing funds at 31 December 2017 are decreased by £43,291 from £1,006,077 to £962,786.

The comparative figures of the charity have been restated to reflect the application of the new policy.

There is no effect on the group accounts.

The trustees have reviewed the funds relating to all projects (including JIA) that were previously treated as restricted funds and have confirmed that these funds fall within the charity's core activities and have determined that these should be treated as designated funds. Comparative figures for 2017 have been restated in respect of these funds.

The comparatives in note 21 have been restated to show the correct commitment figures.

The comparatives in note 24 and the cash flow statement have been restated to show the correct figures.

The trustees have reviewed the cost allocation between raising funds, charitable activities, support costs and governance costs and have reviewed the basis for apportionment of costs. Comparative figures for 2017 on notes 7, 8 and 9 have been restated to reflect this new allocation.

