

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 2022  
FOR  
NATIONAL RHEUMATOID ARTHRITIS SOCIETY**

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

**Trustees**

Mr R A Boucher  
Mr S Collins  
Mr R Flowerdew  
Mr J Jordan  
Miss E Potter  
Professor P Taylor  
Miss S Webb  
Mrs A Woolf

**CEO**

Mrs C Jacklin

**Charity number**

1134859/ SC039721

**Company number**

07127101

**Registered office**

Suite 3, Beechwood  
Grove Business Park  
White Waltham  
Maidenhead  
Berks  
SL6 3LW

**Auditors**

Moore Kingston Smith LLP  
The Shipping Building  
The Old Vinyl Factory  
Blyth Road  
Hayes  
UB3 1HA

**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 2022**

The Trustees present their report and audited consolidated accounts for the year ended 31 December 2022. 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**

2022 has been a year of positive change for the National Rheumatoid Arthritis Society (NRAS). Firstly, we emerged from two years of Covid related pressures and restrictions which both increased the demand for our services, particularly our helpline and advisory activities, and reduced our ability to raise funds through volunteer fundraising and other events.

Secondly, we have now settled into our new offices near Maidenhead in Berkshire after a huge amount of planning and work by the team. The move, whilst of course disruptive in the short term, will generate significant long-term cost savings for the charity. The new office, though smaller than our previous base, is a pleasant working environment and well-suited to the needs of our flexible team.

Financially, we had budgeted to make a loss in the year, planning to use our strong reserves position to enable us to continue activities at the same level despite anticipated funding reductions. In practice, I am pleased to report that the loss in the year was much less than forecast, due to higher than expected income and slightly reduced costs, despite the one-off costs of office re-location. Fundraising across all areas remains challenging however with the exception of legacies which continues to grow; in 2022 we recorded our highest ever income from legacies. Whilst we are always enormously grateful to all those who leave bequests to NRAS, broadening and diversifying our income streams continues to be one of our most important objectives, both to grow funding in absolute terms and to increase its stability and predictability.

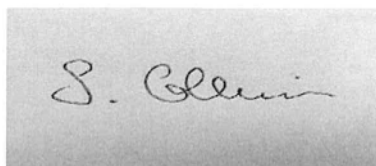
The year was also marked by our very successful Gala Dinner held in Windsor. Whilst the event was a huge amount of work and a major organisational challenge, it achieved its objectives: raising funds and saying a big thank you to our award winners. It was greatly enjoyed by all who attended.

In terms of outputs, NRAS has continued to develop new ways to reach and help those who need its services, in particular those who are newly diagnosed, when the support, information and advice we provide can make such a difference. During the year we have added to the range of our well researched advisory publications which provide a wealth of useful information made available free to all. Recognising the growing importance of the digital sphere, we have continued to develop our engaging SMILE RA e-learning programme, adding new modules on Meet The Team, Managing Pain and Flares and finally Medicines. Our Right Start initiative also continues to go from strength to strength, reaching out to those who have been newly diagnosed and connecting them to support, information and practical advice.



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None of this would be possible without the tremendous and ongoing efforts of our staff and volunteers, together with the generosity of our funders. We are fortunate indeed to be able to rely on the efforts and skills of our committed team and I would like to take this opportunity to thank you all on behalf of the Board.

A black and white photograph of a handwritten signature in cursive script, which appears to read 'S. Collins', on a light-colored rectangular piece of paper.

Simon Collins  
Chair of Trustees

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**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 living with 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 on the diseases 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;
  - 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;
- Working alongside NHS rheumatology health professionals to provide the best care for patients as well as support the clinical staff in their roles.

**Our vision and mission**

Our vision is life without limits for all those with RA and JIA.

Our mission is to enable the RA and JIA community to thrive by providing access to support, expert knowledge, engagement, campaigning, and research, all of which is informed by those living with these complex, and currently incurable, auto-immune diseases.

Underpinning all of these mission goals is our commitment to:

- Improving the equality and equity of access to the best care across the UK;
- Providing and promoting the best supported self-management resources for those living with RA and JIA;
- Harnessing digital solutions to meet the changing requirements of the individual and the NHS;
- Analysing the impact of our services to better inform our future plans;
- Ensuring the sustainability of the charity and its services by investigating opportunities for longer term engagement with funders and paid-for NRAS services;
- Investing in the continuous development of NRAS colleagues, Volunteers, Ambassadors and Trustees ensuring we maintain the highest level of expertise and knowledge to support our beneficiaries and govern the organisation.

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**Our principal activities**

We are committed to providing support, evidenced-based 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. We also support health professionals in the field of rheumatology and primary care through provision of free health professional membership of NRAS and free patient referral programme and information so that we can help them to help their patients.

Our front-line services include:

- A Helpline which operates 30 hours per week and is managed by a team of four colleagues;
- An online peer support community;
- Local and virtual groups;
- A peer-to-peer telephone support programme;
- A supported self-management modular e-learning programme;
- Information booklets;
- Websites packed with information and downloadable resources;
- Patient events (both in person and virtually)
- A membership scheme

Living with RA and JIA is not just about having physical and medical needs. These incurable diseases have a huge impact on emotional wellbeing and quality of life on both the individual and their family. We will continue to 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.

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 key reports on a topic of importance to people with RA/JIA periodically.

Translational scientific and medical research has revolutionised the field of auto-immune conditions such as RA and JIA in the few decades and whilst we do not fund medical research ourselves, we do support a growing number of academic and clinical research studies throughout the UK on an ongoing basis. We also support recruitment to clinical studies and provide expert volunteers to advise on issues of Patient and Public Involvement. We do conduct our own funded major social research studies often in partnership with an academic institute. In 2022, we continued to play a pivotal role in COVID-19 research by supporting UK, European and Global data gathering.

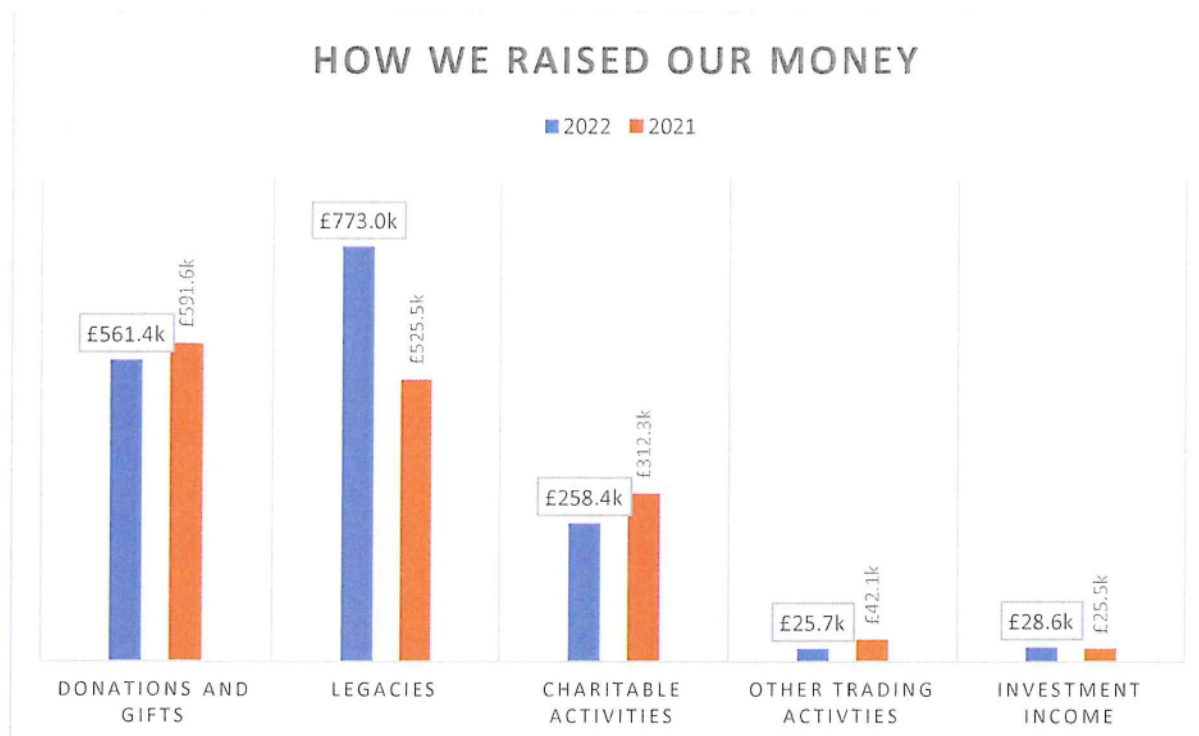
In 2022, we continued the development of our suite of e-learning self-management programmes, devised and produced by our founder and now National Patient Champion, Ailsa Bosworth MBE. Further modules are due for release in 2023. We hope that these engaging and interactive online e-learning modules will eventually be prescribed by health professionals for the benefit of their patients.

Also in 2022 we launched a new service to support families with a child diagnosed with juvenile idiopathic arthritis (JIA). This new service is modelled on our similar service for rheumatoid arthritis (New2RA Right Start) and is called New2JIA Right Start.

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**Achievements, performance and financial review**

**Net income increased from £1.497m to £1.647m**



Against a background of a war in Europe, inflation and a cost-of-living crisis, our performance in 2022 was commendable with overall income up 10% on 2021. The biggest contributor to this growth was income from legacy gifts which was up 47%, or £247.5k, on 2021. Gifts from legacies continue to be an important source of income for the Charity and we are immensely grateful to our very generous benefactors whose gifts in recent years have enabled us to secure the viability of the Charity and to continue to provide our services to those in need.

During 2022 we generated £561.4k of income through donations, pledges and gifts in kind, which represented a drop of 5% on 2021 and reflected the tough economic conditions we all face. These figures also include donations received from pharmaceutical companies who manufacture and market medicines for RA and/or JIA. This income amounted to £166.3k in 2022 (2021: £198.3k). As well as helping to fund the core services that we deliver to our beneficiaries, these relationships provide NRAS with access to important information about clinical trial data and help to inform and educate our team members on RA and JIA. NRAS is now perceived by most pharmaceutical companies working in the area of immunology and rheumatology as a key expert partner in contributing to advisory boards and employee training, as well as providing support in the development of their own patient-facing support resources.

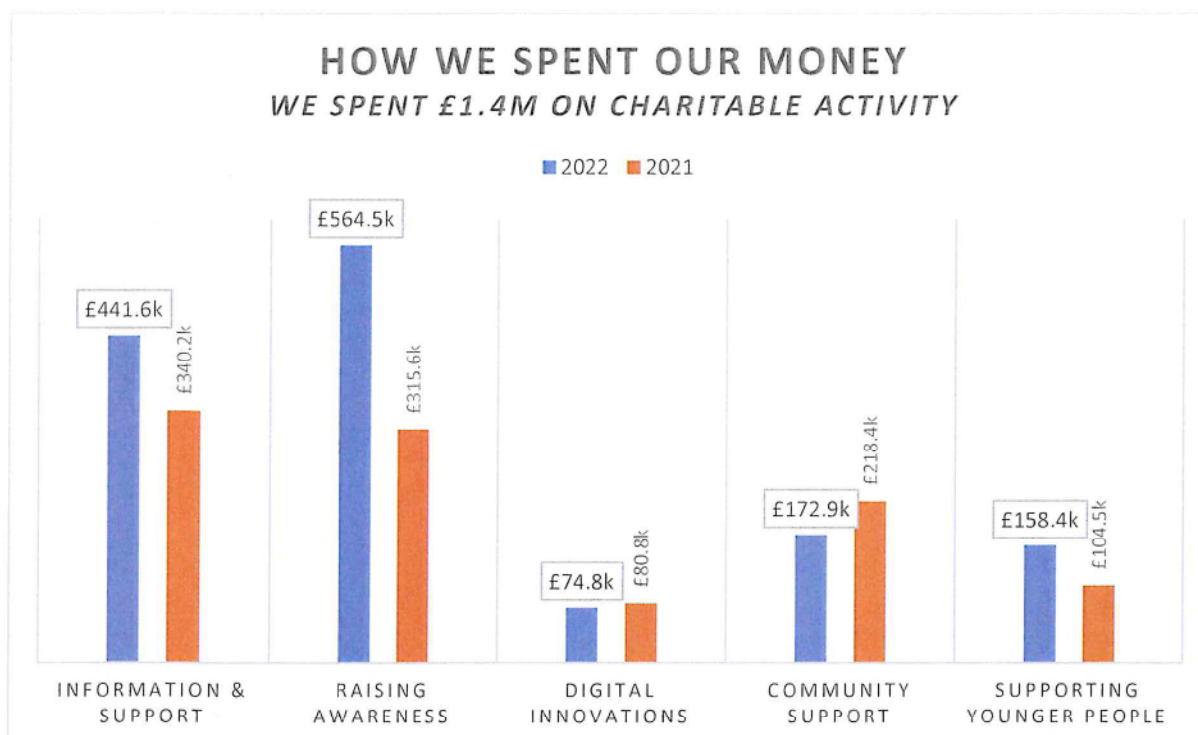
Support for NRAS was also received through grants from trusts and foundations and in 2022 this amounted to £137.0k. We would like to express particular thanks to the following organisations who all donated over £2,000 each: Garfield Weston Foundation, James Tudor Foundation, PF Charitable Trust, Vandervell Foundation, Pilkington Charities Fund, The Lady Hind Trust, The Eveson Trust, Edith

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Florence Spencer Memorial Trust, The William and Mabel Morris Charitable Trust, The Hobson Charity Limited and D'Oyly Carte Charitable Trust.

All income received through fundraising in 2022 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 care for them. NRAS would like to acknowledge and thank all the individuals, companies, trusts and foundations that have supported our work this year.

**Total expenditure increased from £1.380m to £1.794m**



Overall expenditure increased by 30% compared with the prior year largely driven by increasing staff costs, investment in our CRM systems and costs associated with the office relocation. Throughout the year we continued to focus on maintaining the suite of core services that we provide to our communities and to extending the range, and reach, of those services where costs allowed.

In line with market trends, the Charity reported a loss on its investment portfolio of over 13%, equivalent to £141.6k.

The Charity reported a consolidated net loss of £288.6k in 2022, compared with a net gain of £244.9k in 2021.

The Charity's wholly owned trading subsidiary, NRAS Community Services Limited, was largely dormant in 2022. The company delivered a small loss of £2.6k on its activities.



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***Balance sheet shows net assets of £1.6m***

Net assets in the year reduced by £288.6k reflecting:

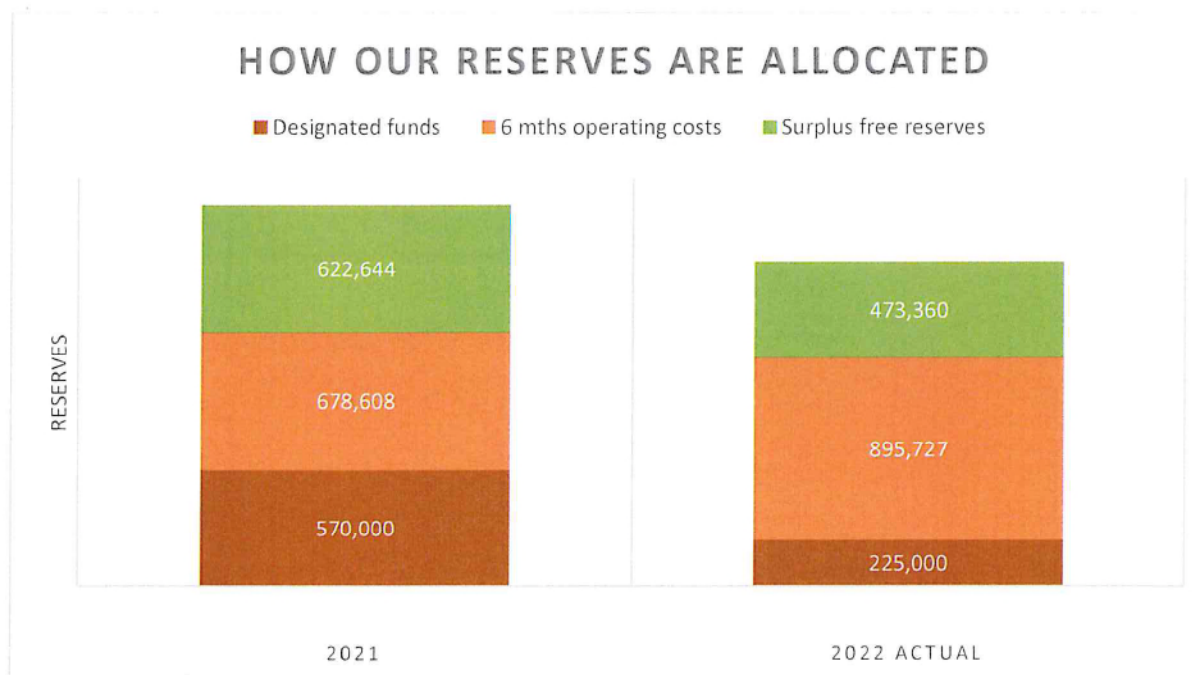
- Losses on revaluation of investments of £141.6k
- A reduction of £120.6k on cash at bank
- A small decrease of £26.4k on fixed assets and other current assets.

**Reserves policy**

***Unrestricted reserves totalled £1594.1k at the end of the year.***

During the year the Charity reviewed its reserves policy to ensure it remains consistent with its aims to ensure long-term financial sustainability. The Charity has set aside £225k of designated reserves to support the continued delivery of its core services throughout 2023 and also to cover potential investments revaluations. The Charity will also continue to hold a minimum of six months' operating costs in cash and investments. Investments and cash balances as at 31 December 2022 were valued in aggregate at £1,221.4k and six months' operating costs amount to £896k, meaning that this target was comfortably met in 2022.

Free reserves as at 31 December 2022 were £473.4k. Free reserves are defined as unrestricted funds which have not been earmarked and may be used generally to further the charity's objectives.



We will work hard to ensure that our funds are used judiciously so that we return the biggest benefit to our beneficiaries for each pound invested. We will continue the expansion of our supported self-management suite of modules and broaden our digital offerings as well invest in campaigns to raise awareness of RA and JIA.

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**Going concern**

***The charity continues to prepare financial statements on the basis that it is a going concern.***

Our healthy cash balance and investment portfolio means that we have sufficient liquidity to ensure that we can meet our future obligations as they become due for the foreseeable future.

**Fundraising practices**

The charity complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. This report covers the requirements charities must follow as set out in the Charities Act 2011 and the Charities Social and Protection Act 2016.

Our fundraising effort involves encouraging donations through a variety of events, applying for funds from grant-making bodies and operating a weekly lottery. Our fundraising team comprises paid employees only and we do not use the services of any professional fundraisers. All direct marketing is undertaken by the fundraising department to ensure that it is not unreasonably intrusive nor persistent. All marketing material contains clear instructions on how a person can be removed from mailing lists.

We operate our lottery compliantly under licence from our local authority and all administration is handled by a certified External Lottery Manager with the Gambling Commission.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain. We received no complaints this year in relation to fundraising activities. We have published our vulnerable persons policy on our website. In addition to our policy we have an agreed operating procedure to protect vulnerable people. Our fundraisers, who are all paid employees, are familiarised with the code of conduct to ensure that it is applied properly.

**Investment Policy and Objectives**

Longer-term assets are invested with the aim of at least maintaining the real value of capital (i.e. against inflation) within an appropriate risk profile. The Charity's investment objectives are to invest for the long-term (five years plus) in a diversified portfolio ensuring that there is sufficient liquidity available to fund any shortfalls or unfunded commitments.

Investments are managed by external professional fund managers as permitted by the relevant acts and the charity commission guidelines. The Charity aims to be a responsible investor and its professional fund managers are expected to take account of Environmental, Social and Governance (ESG) issues in their investment analysis and decision-making process and to engage with trustees when appropriate, including the provision of periodic reports covering ESG issues.

Investment performance reports are received quarterly from the fund managers and the Trustees review performance annually with the fund managers.

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**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 budget is reviewed on a quarterly basis and appropriate management decisions are taken in light of any material forecast variances.

The Charity's strategic plan for 2022-2025 was finalised in 2021 and set out that the Charity will continue to support and stand shoulder-to-shoulder with the entire rheumatology community working towards our vision of life without limits for all living with RA and JIA.

We will work collaboratively to remove barriers to being able to access the right treatment, at the right time in the right place, provided by the right professional. We will work to reduce discrimination within the workplace and the wider society towards people with inflammatory arthritis. We will also champion the best evidence-based healthcare provision no matter where in the UK someone lives and we will support all those who work within the health service to provide the best holistic care without being hampered by a system which prevents them from achieving this.

**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 RA Boucher  
Mr S Collins (Chair)  
Ms L Cook (resigning 13 June 2023)  
Mr R Flowerdew  
Mr J D Jordan (Treasurer)  
Ms E Potter  
Dr G Taylor (resigned 7 June 2022)  
Professor P Taylor (appointed 7 June 2022)  
Ms S Webb  
Mrs A Woolf (appointed 7 June 2022)

As set out in the articles (as amended in June 2019), Trustees are required to retire after three years in office. A retiring trustee shall be eligible for re-election. Mr R Flowerdew, Miss E Potter and Miss S Webb will therefore retire from office at the AGM on 13<sup>th</sup> June 2023 and will seek re-election.



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**Trustee induction and training**

New Trustees are briefed 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.

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**Risk management**

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

| <b>Risk Category</b>   | <b>Mitigation and Actions</b>  |
|--|--|
| <b>Financial performance and resilience</b><br>Significant reduction in income streams and cashflow due to economic climate could affect the future viability of the Charity   | <ul style="list-style-type: none"> <li>• Fundraising strategy focusing on provision of regular, predictable, unrestricted income streams</li> <li>• Annual budget setting process and quarterly reviews with focus on cash flows and financing of operational plans</li> <li>• Monthly management accounts detailing key performance indicators and reserves coverage</li> </ul> |
| <b>Protecting the Charity's assets</b><br>Market fluctuations caused by economic instability could negatively impact our investment portfolio and reduce the financial assets available to the Charity.                            | <ul style="list-style-type: none"> <li>• Investment policy is set so as to maintain an appropriate and prudent risk strategy</li> <li>• Investments are managed by qualified external advisers</li> </ul>  |
| <b>Maintaining a stable team</b><br>Competitive recruitment markets resulting in high levels of vacancies could impact our ability to deliver our full range of core services and lead to over-reliance on key members of the team | <ul style="list-style-type: none"> <li>• Regular benchmarking of remuneration packages to ensure competitive within the charity sector</li> <li>• Continue to prioritise staff wellbeing to maximise retention</li> <li>• Work underway on succession planning</li> </ul>  |
| <b>IT Security</b><br>Failure to ensure integrity and security of data could lead to data loss or theft, potentially resulting in fines, reputational damage and impact delivery of our core services                              | <ul style="list-style-type: none"> <li>• Engagement of third party IT consultants to manage our IT systems and controls</li> </ul>   |
| <b>Data integrity and governance including GDPR</b><br>Failure to meet our regulatory obligations could lead to fines, reputational damage and impact delivery of our core services  | <ul style="list-style-type: none"> <li>• Appointment of third party data protection specialists to identify and monitor risks and ensure compliance with regulations</li> </ul>  |
| <b>Attracting and retaining Trustees</b><br>Failure to attract trustees with a range of skills could affect the future viability of the Charity  | <ul style="list-style-type: none"> <li>• Continue to work with our network of partners and colleagues to identify suitable candidates</li> </ul>   |

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**Auditors**

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

**Trustees' responsibilities in relation to the financial statements**

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 judgments 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.

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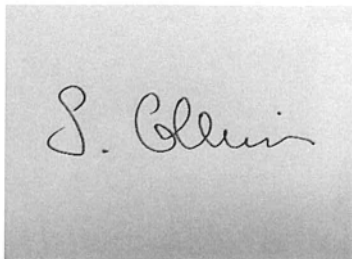
**Statement as to disclosure to our auditors**

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, 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.

S Collins  
Chair of Trustees

J Jordan  
Treasurer/ Trustee

A rectangular box containing a handwritten signature in black ink. The signature appears to be 'S. Collins' written in a cursive, flowing style.A handwritten signature in black ink, appearing to be 'J Jordan', written in a cursive style with a long, sweeping tail.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
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**Opinion**

We have audited the financial statements of National Rheumatoid Arthritis Society (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, (including the Consolidated Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

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

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**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the audit of the financial statements**

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence



**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Luke Holt (Senior Statutory Auditor) *Moore Kingston Smith LLP* Date: 16 June 2023

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

The Shipping Building  
The Old Vinyl Factory  
Blyth Road  
Hayes, London  
UB3 1HA

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.



**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

|   |       | Unrestricted   | Restricted    | Total          | Unrestricted   | Restricted    | Total          |
|---|-------|----------------|---------------|----------------|----------------|---------------|----------------|
|   |       | funds          | funds         | funds          | funds          | funds         | funds          |
|   |       | 2022           | 2022          | 2022           | 2021           | 2021          | 2021           |
|   | Notes | £'000          | £'000         | £'000          | £'000          | £'000         | £'000          |
| <b>Income from:</b>                         |       |                |               |                |                |               |                |
| Donations and legacies                      | 3     | 1,334.4        | 0.0           | 1,334.4        | 1,117.1        | 0.0           | 1,117.1        |
| Charitable activities                       | 4     | 202.9          | 55.5          | 258.4          | 249.2          | 63.1          | 312.3          |
| Other trading activities                    | 5     | 25.7           | 0.0           | 25.7           | 42.1           | 0.0           | 42.1           |
| Investment income                           | 6     | 28.6           | 0.0           | 28.6           | 25.5           | 0.0           | 25.5           |
| <b>Total income</b>                         |       | <b>1,591.6</b> | <b>55.5</b>   | <b>1,647.1</b> | <b>1,433.9</b> | <b>63.1</b>   | <b>1,497.0</b> |
| <b>Expenditure on:</b>                      |       |                |               |                |                |               |                |
| Raising funds                               | 7     | 382.0          | 0.0           | 382.0          | 320.5          | 0.0           | 320.5          |
| Charitable activities                       | 8     | 1,303.5        | 108.6         | 1,412.1        | 936.2          | 123.2         | 1,059.4        |
| <b>Total resources expended</b>             |       | <b>1,685.5</b> | <b>108.6</b>  | <b>1,794.1</b> | <b>1,256.7</b> | <b>123.2</b>  | <b>1,379.9</b> |
| Net income/(expenditure) before investments |       | (93.9)         | (53.1)        | (147.0)        | 177.2          | (60.1)        | 117.1          |
| Net gains/(losses) on investments           | 12    | (141.6)        | 0.0           | (141.6)        | 127.8          | 0.0           | 127.8          |
| Gross transfers between funds               |       | 0.0            | 0.0           | 0.0            | 0.0            | 0.0           | 0.0            |
| <b>Net movement in funds</b>                |       | <b>(235.5)</b> | <b>(53.1)</b> | <b>(288.6)</b> | <b>305.0</b>   | <b>(60.1)</b> | <b>244.9</b>   |
| Fund balances at 1 January 2022             |       | 1,871.2        | 30.9          | 1,902.1        | 1,600.4        | 56.8          | 1,657.2        |
| Transfer between funds                      |       | (41.6)         | 41.6          | 0.0            | (34.2)         | 34.2          | 0.0            |
| <b>Fund balances at 31 December 2022</b>    |       | <b>1,594.1</b> | <b>19.4</b>   | <b>1,613.5</b> | <b>1,871.2</b> | <b>30.9</b>   | <b>1,902.1</b> |

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 22 to 36 form part of these accounts.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
**COMPANY STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

|   |       | Unrestricted<br>funds<br>2022 | Restricted<br>funds<br>2022 | Total<br>funds<br>2022 | Unrestricted<br>funds<br>2021 | Restricted<br>funds<br>2021 | Total<br>funds<br>2021 |
|---|-------|-------------------------------|-----------------------------|------------------------|-------------------------------|-----------------------------|------------------------|
|   | Notes | £'000                         | £'000                       | £'000                  | £'000                         | £'000                       | £'000                  |
| <b>Income from:</b>                         |       |                               |                             |                        |                               |                             |                        |
| Donations and legacies                      | 3     | 1,339.2                       | 0.0                         | 1,339.2                | 1,118.6                       | 0.0                         | 1,118.6                |
| Charitable activities                       | 4     | 202.9                         | 55.5                        | 258.4                  | 249.2                         | 63.1                        | 312.3                  |
| Other trading activities                    | 5     | 25.7                          | 0.0                         | 25.7                   | 34.5                          | 0.0                         | 34.5                   |
| Investment income                           | 6     | 28.6                          | 0.0                         | 28.6                   | 25.5                          | 0.0                         | 25.5                   |
| <b>Total income</b>                         |       | <b>1,596.4</b>                | <b>55.5</b>                 | <b>1,651.9</b>         | <b>1,427.8</b>                | <b>63.1</b>                 | <b>1,490.9</b>         |
| <b>Expenditure on:</b>                      |       |                               |                             |                        |                               |                             |                        |
| Raising funds                               | 7     | 382.0                         | 0.0                         | 382.0                  | 320.5                         | 0.0                         | 320.5                  |
| Charitable activities                       | 8     | 1,300.9                       | 108.6                       | 1,409.5                | 933.3                         | 123.2                       | 1,056.5                |
| <b>Total resources expended</b>             |       | <b>1,682.9</b>                | <b>108.6</b>                | <b>1,791.5</b>         | <b>1,253.8</b>                | <b>123.2</b>                | <b>1,377.0</b>         |
| Net income/(expenditure) before investments |       | (86.5)                        | (53.1)                      | (139.6)                | 174.0                         | (60.1)                      | 113.9                  |
| Net gains/(losses) on investments           | 12    | (141.6)                       | 0.0                         | (141.6)                | 127.8                         | 0.0                         | 127.8                  |
| Gross transfers between funds               |       | 0.0                           | 0.0                         | 0.0                    | 0.0                           | 0.0                         | 0.0                    |
| <b>Net movement in funds</b>                |       | <b>(228.1)</b>                | <b>(53.1)</b>               | <b>(281.2)</b>         | <b>301.8</b>                  | <b>(60.1)</b>               | <b>241.7</b>           |
| Fund balances at 1 January                  |       | 1,866.4                       | 30.9                        | 1,897.3                | 1,598.8                       | 56.8                        | 1,655.6                |
| Transfer between funds                      |       | (41.6)                        | 41.6                        | 0.0                    | (34.2)                        | 34.2                        | 0.0                    |
| <b>Fund balances at 31 December</b>         |       | <b>1,596.7</b>                | <b>19.4</b>                 | <b>1,616.1</b>         | <b>1,866.4</b>                | <b>30.9</b>                 | <b>1,897.3</b>         |

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 22 to 36 form part of these accounts.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY  
CONSOLIDATED AND CHARITY BALANCE SHEETS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | Notes | Group          |                | Charity        |                |
|--|-------|----------------|----------------|----------------|----------------|
|  |       | 2022<br>£'000  | 2021<br>£'000  | 2022<br>£'000  | 2021<br>£'000  |
| <b>Fixed assets</b>                            |       |                |                |                |                |
| Intangible assets                              | 13    | 59.6           | 93.3           | 59.6           | 93.3           |
| Tangible assets                                | 13    | 51.0           | 24.1           | 51.0           | 24.1           |
| Investments                                    | 14    | 912.5          | 1,025.6        | 912.5          | 1,025.6        |
|  |       | <b>1,023.1</b> | <b>1,143.0</b> | <b>1,023.1</b> | <b>1,143.0</b> |
| <b>Current assets</b>                          |       |                |                |                |                |
| Debtors  | 16    | 397.7          | 444.0          | 402.9          | 450.2          |
| Cash at bank and in hand                       |       | 308.9          | 429.5          | 304.3          | 415.5          |
|  |       | <b>706.6</b>   | <b>873.5</b>   | <b>707.2</b>   | <b>865.7</b>   |
| <b>Liabilities:</b>                            |       |                |                |                |                |
| Creditors: amounts falling due within one year | 17    | (116.2)        | (114.4)        | (114.2)        | (111.4)        |
|  |       | <b>590.4</b>   | <b>759.1</b>   | <b>593.0</b>   | <b>754.3</b>   |
| <b>Net current assets</b>                      |       |                |                |                |                |
|  |       | <b>1,613.5</b> | <b>1,902.1</b> | <b>1,616.1</b> | <b>1,897.3</b> |
| <b>Total assets less current liabilities</b>   |       |                |                |                |                |
|  |       | <b>1,613.5</b> | <b>1,902.1</b> | <b>1,616.1</b> | <b>1,897.3</b> |
| <b>Income funds</b>                            |       |                |                |                |                |
| Unrestricted funds                             | 19    | 1,594.1        | 1,871.2        | 1,596.7        | 1,866.4        |
| Restricted funds                               | 19    | 19.4           | 30.9           | 19.4           | 30.9           |
|  |       | <b>1,613.5</b> | <b>1,902.1</b> | <b>1,616.1</b> | <b>1,897.3</b> |

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.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and are for circulation to the members of the company.

The parent charity income was £1,647.1k in 2022 (2021: £1,489.4k) and its loss for the year was £286.0k (2021: surplus of £240.2k).

The notes at pages 22 to 36 form part of these accounts.

The accounts were approved by the Board of Trustees on 13th June 2023



J Jordan  
Treasurer/Trustee

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | Notes | Group          |                | Charity        |                |
|--|-------|----------------|----------------|----------------|----------------|
|  |       | 2022<br>£'000  | 2021<br>£'000  | 2022<br>£'000  | 2021<br>£'000  |
| <b>Cash flows from operating activities</b>      |       |                |                |                |                |
| Cash used in operations                          | 25    | (78.5)         | (282.9)        | (73.9)         | (282.8)        |
| <b>Investing activities</b>                      |       |                |                |                |                |
| Purchase of intangible fixed assets              |       | 0.0            | (24.7)         | 0.0            | (24.7)         |
| Purchase of tangible fixed assets                |       | (42.2)         | (10.8)         | (42.2)         | (10.8)         |
| Purchase of investments                          |       | (28.5)         | (25.9)         | (28.5)         | (25.9)         |
| Interest received                                |       | 28.6           | 25.5           | 28.6           | 25.5           |
| Gift aid donation from subsidiary                |       | 0.0            | 0.0            | 4.8            | 1.5            |
| <b>Net cash used in investing activities</b>     |       | <u>(42.1)</u>  | <u>(35.9)</u>  | <u>(37.3)</u>  | <u>(34.4)</u>  |
| <b>Net decrease in cash and cash equivalents</b> |       | <u>(120.6)</u> | <u>(318.8)</u> | <u>(111.2)</u> | <u>(317.2)</u> |
| Cash and cash equivalents at beginning of year   |       | 429.5          | 748.3          | 415.5          | 732.7          |
| <b>Cash and cash equivalents at end of year</b>  |       | <u>308.9</u>   | <u>429.5</u>   | <u>304.3</u>   | <u>415.5</u>   |

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 Suite 3, Beechwood, Grove Business Park, White Waltham, Berkshire, SL6 3LW

**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 2019. 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 £'000.

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

**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 2022. 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. This expectation is based on the strong investments and cash position, reflecting a significant amount of unrestricted funds and the financial performance of the Charity. 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 2022**

**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 probable. 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;

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.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1 Accounting policies**

**(Continued)**

**1.6 Intangible and tangible fixed assets and depreciation**

Intangible and 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            | 25% 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).

**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.

***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.

**1 Accounting policies**

(Continued)

***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.

**1.11 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.

**1.12 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.

**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**  
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**3 Donations and legacies**

|                         | Group          |                | Charity        |                |
|-------------------------|----------------|----------------|----------------|----------------|
|                         | 2022           | 2021           | 2022           | 2021           |
|                         | £'000          | £'000          | £'000          | £'000          |
| Donations and gifts     | 561.4          | 591.6          | 566.2          | 593.1          |
| Legacies receivable     | 773.0          | 525.5          | 773.0          | 525.5          |
|                         | <u>1,334.4</u> | <u>1,117.1</u> | <u>1,339.2</u> | <u>1,118.6</u> |
| <i>Analysis by fund</i> |                |                |                |                |
| Restricted funds        | 0.0            | 0.0            | 0.0            | 0.0            |
| Unrestricted funds      | <u>1,334.4</u> | <u>1,117.1</u> | <u>1,339.2</u> | <u>1,118.6</u> |
|                         | <u>1,334.4</u> | <u>1,117.1</u> | <u>1,339.2</u> | <u>1,118.6</u> |

**4 Income from charitable activities**

|                         | Group        |              | Charity      |              |
|-------------------------|--------------|--------------|--------------|--------------|
|                         | 2022         | 2021         | 2022         | 2021         |
|                         | £'000        | £'000        | £'000        | £'000        |
| Subscriptions           | 83.1         | 81.7         | 83.1         | 81.7         |
| Lottery income          | 30.0         | 22.2         | 30.0         | 22.2         |
| Research studies        | 8.3          | 0.0          | 8.3          | 0.0          |
| Grants                  | 137.0        | 208.4        | 137.0        | 208.4        |
|                         | <u>258.4</u> | <u>312.3</u> | <u>258.4</u> | <u>312.3</u> |
| <i>Analysis by fund</i> |              |              |              |              |
| Restricted funds        | 55.5         | 63.1         | 55.5         | 63.1         |
| Unrestricted funds      | <u>202.9</u> | <u>249.2</u> | <u>202.9</u> | <u>249.2</u> |
|                         | <u>258.4</u> | <u>312.3</u> | <u>258.4</u> | <u>312.3</u> |

**5 Other trading activities**

|  | Group       |             | Charity     |             |
|--|-------------|-------------|-------------|-------------|
|  | 2022        | 2021        | 2022        | 2021        |
|  | £'000       | £'000       | £'000       | £'000       |
| Merchandising and other trading income | 25.7        | 34.5        | 25.7        | 34.5        |
| Trading subsidiary income              | <u>0.0</u>  | <u>7.6</u>  | <u>0.0</u>  | <u>0.0</u>  |
|  | <u>25.7</u> | <u>42.1</u> | <u>25.7</u> | <u>34.5</u> |

**6 Investments**

|                                | Group       |             | Charity     |             |
|--------------------------------|-------------|-------------|-------------|-------------|
|                                | 2022        | 2021        | 2022        | 2021        |
|                                | £'000       | £'000       | £'000       | £'000       |
| Income from listed investments | <u>28.6</u> | <u>25.5</u> | <u>28.6</u> | <u>25.5</u> |
|                                | <u>28.6</u> | <u>25.5</u> | <u>28.6</u> | <u>25.5</u> |

NATIONAL RHEUMATOID ARTHRITIS SOCIETY  
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7 Expenditure on raising funds

|                              | Group and Charity |              |
|------------------------------|-------------------|--------------|
|                              | 2022              | 2021         |
|                              | £'000             | £'000        |
| Staging fundraising events   | 74.0              | 43.7         |
| Staff costs                  | 227.6             | 201.9        |
| Support costs                | 65.9              | 64.1         |
| Governance costs             | 14.5              | 10.8         |
| Expenditure on raising funds | <b>382.0</b>      | <b>320.5</b> |
| <i>Analysis by fund</i>      |                   |              |
| Restricted funds             | 0.0               | 0.0          |
| Unrestricted funds           | <b>382.0</b>      | <b>320.5</b> |
|                              | <b>382.0</b>      | <b>320.5</b> |

8 Expenditure on charitable activities

| Group                                  | Provision of info<br>& support | Digital<br>innovations | Raising<br>awareness | Community<br>support | Supporting our<br>young people | Total          |
|--|--------------------------------|------------------------|----------------------|----------------------|--------------------------------|----------------|
|  | 2022                           | 2022                   | 2022                 | 2022                 | 2022                           | 2022           |
|  | £'000                          | £'000                  | £'000                | £'000                | £'000                          | £'000          |
| Direct costs                           | 48.6                           | 23.7                   | 58.5                 | 0.0                  | 10.0                           | 140.8          |
| Staff costs                            | 246.7                          | 51.1                   | 293.8                | 92.5                 | 75.2                           | 759.3          |
| Share of support costs (see note 9)    | 131.8                          | 0.0                    | 197.8                | 65.9                 | 65.9                           | 461.4          |
| Share of governance costs (see note 9) | 14.5                           | 0.0                    | 14.5                 | 14.4                 | 7.2                            | 50.6           |
|  | <b>441.6</b>                   | <b>74.8</b>            | <b>564.6</b>         | <b>172.8</b>         | <b>158.3</b>                   | <b>1,412.1</b> |
| <i>Analysis by fund</i>                |                                |                        |                      |                      |                                |                |
| Restricted funds                       | 24.7                           | 74.8                   | 0.0                  | 0.0                  | 9.1                            | 108.6          |
| Unrestricted funds                     | 416.9                          | 0.0                    | 564.6                | 172.8                | 149.2                          | 1,303.5        |
|  | <b>441.6</b>                   | <b>74.8</b>            | <b>564.6</b>         | <b>172.8</b>         | <b>158.3</b>                   | <b>1,412.1</b> |

| Group                                  | Provision of info<br>& support | Digital<br>innovations | Raising<br>awareness | Community<br>support | Supporting our<br>young people | Total          |
|--|--------------------------------|------------------------|----------------------|----------------------|--------------------------------|----------------|
|  | 2021                           | 2021                   | 2021                 | 2021                 | 2021                           | 2021           |
|  | £'000                          | £'000                  | £'000                | £'000                | £'000                          | £'000          |
| Direct costs                           | 31.8                           | 38.3                   | 21.2                 | 0.0                  | 17.0                           | 108.3          |
| Staff costs                            | 233.5                          | 42.5                   | 219.6                | 143.6                | 50.1                           | 689.3          |
| Share of support costs (see note 9)    | 64.1                           | 0.0                    | 64.1                 | 64.0                 | 32.0                           | 224.2          |
| Share of governance costs (see note 9) | 10.8                           | 0.0                    | 10.7                 | 10.7                 | 5.4                            | 37.6           |
|  | <b>340.2</b>                   | <b>80.8</b>            | <b>315.6</b>         | <b>218.3</b>         | <b>104.5</b>                   | <b>1,059.4</b> |
| <i>Analysis by fund</i>                |                                |                        |                      |                      |                                |                |
| Restricted funds                       | 21.3                           | 80.8                   | 8.9                  | 0.0                  | 12.2                           | 123.2          |
| Unrestricted funds                     | 318.9                          | 0.0                    | 306.7                | 218.3                | 92.3                           | 936.2          |
|  | <b>340.2</b>                   | <b>80.8</b>            | <b>315.6</b>         | <b>218.3</b>         | <b>104.5</b>                   | <b>1,059.4</b> |

NATIONAL RHEUMATOID ARTHRITIS SOCIETY  
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8 Expenditure on charitable activities

| Charity                                | Provision of info<br>& support | Digital<br>innovations | Raising<br>awareness | Community<br>support | Supporting our<br>young people | Total          |
|--|--------------------------------|------------------------|----------------------|----------------------|--------------------------------|----------------|
|  | 2022                           | 2022                   | 2022                 | 2022                 | 2022                           | 2022           |
|  | £'000                          | £'000                  | £'000                | £'000                | £'000                          | £'000          |
| Direct costs                           | 48.6                           | 23.7                   | 58.5                 | 0.0                  | 10.0                           | 140.8          |
| Staff costs                            | 246.7                          | 51.1                   | 293.8                | 92.5                 | 75.2                           | 759.3          |
| Share of support costs (see note 9)    | 131.8                          | 0.0                    | 197.8                | 65.9                 | 65.9                           | 461.4          |
| Share of governance costs (see note 9) | 11.9                           | 0.0                    | 14.5                 | 14.4                 | 7.2                            | 48.0           |
|  | <b>439.0</b>                   | <b>74.8</b>            | <b>564.6</b>         | <b>172.8</b>         | <b>158.3</b>                   | <b>1,409.5</b> |
| <b>Analysis by fund</b>                |                                |                        |                      |                      |                                |                |
| Restricted funds                       | 24.7                           | 74.8                   | 0.0                  | 0.0                  | 9.1                            | 108.6          |
| Unrestricted funds                     | 414.3                          | 0.0                    | 564.6                | 172.8                | 149.2                          | 1,300.9        |
|  | <b>439.0</b>                   | <b>74.8</b>            | <b>564.6</b>         | <b>172.8</b>         | <b>158.3</b>                   | <b>1,409.5</b> |

| Charity                                | Provision of info<br>& support | Digital<br>innovations | Raising<br>awareness | Community<br>support | Supporting our<br>young people | Total          |
|--|--------------------------------|------------------------|----------------------|----------------------|--------------------------------|----------------|
|  | 2021                           | 2021                   | 2021                 | 2021                 | 2021                           | 2021           |
|  | £'000                          | £'000                  | £'000                | £'000                | £'000                          | £'000          |
| Direct costs                           | 31.8                           | 38.3                   | 21.2                 | 0.0                  | 17.0                           | 108.3          |
| Staff costs                            | 233.5                          | 42.5                   | 219.6                | 143.6                | 50.1                           | 689.3          |
| Share of support costs (see note 9)    | 64.7                           | 0.0                    | 64.1                 | 64.0                 | 32.0                           | 224.8          |
| Share of governance costs (see note 9) | 7.3                            | 0.0                    | 10.7                 | 10.7                 | 5.4                            | 34.1           |
|  | <b>337.3</b>                   | <b>80.8</b>            | <b>315.6</b>         | <b>218.3</b>         | <b>104.5</b>                   | <b>1,056.5</b> |
| <b>Analysis by fund</b>                |                                |                        |                      |                      |                                |                |
| Restricted funds                       | 21.3                           | 80.8                   | 8.9                  | 0.0                  | 12.2                           | 123.2          |
| Unrestricted funds                     | 316.0                          | 0.0                    | 306.7                | 218.3                | 92.3                           | 933.3          |
|  | <b>337.3</b>                   | <b>80.8</b>            | <b>315.6</b>         | <b>218.3</b>         | <b>104.5</b>                   | <b>1,056.5</b> |

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
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**9 Support costs**

| Group                             | Support costs<br>2022<br>£'000 | Governance costs<br>2022<br>£'000 | Total<br>2022<br>£'000 | Support costs<br>2021<br>£'000 | Governance costs<br>2021<br>£'000 | Total<br>2021<br>£'000 |
|-----------------------------------|--------------------------------|-----------------------------------|------------------------|--------------------------------|-----------------------------------|------------------------|
| Staff costs                       |                                | 34.0                              | 34.0                   |                                | 23.5                              | 23.5                   |
| IT                                | 97.6                           |                                   | 97.6                   | 79.5                           |                                   | 79.5                   |
| Office                            | 145.5                          |                                   | 145.5                  | 116.6                          |                                   | 116.6                  |
| Professional and consultancy fees | 104.6                          | 9.6                               | 114.2                  | 16.5                           | 0.0                               | 16.5                   |
| Irrecoverable VAT                 | 56.5                           |                                   | 56.5                   | (1.7)                          |                                   | (1.7)                  |
| Other overheads                   | 73.1                           |                                   | 73.1                   | 38.6                           |                                   | 38.6                   |
| Depreciation & dilapidations      | 50.0                           |                                   | 50.0                   | 38.8                           |                                   | 38.8                   |
| Insurance                         |                                | 5.7                               | 5.7                    |                                | 5.4                               | 5.4                    |
| Auditors' remuneration:           |                                |                                   |                        |                                |                                   |                        |
| - Audit fees                      |                                | 15.8                              | 15.8                   |                                | 12.0                              | 12.0                   |
| - Other services                  |                                | 0.0                               | 0.0                    |                                | 7.5                               | 7.5                    |
|                                   | <b>527.3</b>                   | <b>65.1</b>                       | <b>592.4</b>           | <b>288.3</b>                   | <b>48.4</b>                       | <b>336.7</b>           |
| Analysed between                  |                                |                                   |                        |                                |                                   |                        |
| Fundraising (note 7)              | 65.9                           | 14.5                              | 80.4                   | 64.1                           | 10.8                              | 74.9                   |
| Charitable activities (note 8)    | 461.4                          | 50.6                              | 512.0                  | 224.2                          | 37.6                              | 261.8                  |
|                                   | <b>527.3</b>                   | <b>65.1</b>                       | <b>592.4</b>           | <b>288.3</b>                   | <b>48.4</b>                       | <b>336.7</b>           |

The above costs were allocated on a headcount basis.

| Charity                           | Support costs<br>2022<br>£'000 | Governance costs<br>2022<br>£'000 | Total<br>2022<br>£'000 | Support costs<br>2021<br>£'000 | Governance costs<br>2021<br>£'000 | Total<br>2021<br>£'000 |
|-----------------------------------|--------------------------------|-----------------------------------|------------------------|--------------------------------|-----------------------------------|------------------------|
| Staff costs                       |                                | 34.0                              | 34.0                   |                                | 23.5                              | 23.5                   |
| IT                                | 97.6                           |                                   | 97.6                   | 79.5                           |                                   | 79.5                   |
| Office                            | 145.5                          |                                   | 145.5                  | 116.6                          |                                   | 116.6                  |
| Professional and consultancy fees | 104.6                          | 9.6                               | 114.2                  | 16.5                           | 0.0                               | 16.5                   |
| Irrecoverable VAT                 | 56.5                           |                                   | 56.5                   | (1.7)                          |                                   | (1.7)                  |
| Other overheads                   | 73.1                           |                                   | 73.1                   | 39.2                           |                                   | 39.2                   |
| Depreciation & dilapidations      | 50.0                           |                                   | 50.0                   | 38.8                           |                                   | 38.8                   |
| Insurance                         |                                | 5.7                               | 5.7                    |                                | 5.4                               | 5.4                    |
| Auditors' remuneration:           |                                |                                   |                        |                                |                                   |                        |
| - Audit fees                      |                                | 13.2                              | 13.2                   |                                | 8.5                               | 8.5                    |
| - Other services                  |                                |                                   | 0.0                    |                                | 7.5                               | 7.5                    |
| Trustee expenses                  |                                |                                   | 0.0                    |                                |                                   | 0.0                    |
|                                   | <b>527.3</b>                   | <b>62.5</b>                       | <b>589.8</b>           | <b>288.9</b>                   | <b>44.9</b>                       | <b>333.8</b>           |
| Analysed between                  |                                |                                   |                        |                                |                                   |                        |
| Fundraising (note 7)              | 65.9                           | 14.5                              | 80.4                   | 64.1                           | 10.8                              | 74.9                   |
| Charitable activities (note 8)    | 461.4                          | 48.0                              | 509.4                  | 224.8                          | 34.1                              | 258.9                  |
|                                   | <b>527.3</b>                   | <b>62.5</b>                       | <b>589.8</b>           | <b>288.9</b>                   | <b>44.9</b>                       | <b>333.8</b>           |

The above costs were allocated on a headcount basis.

**10 Trustees**

None of the Trustees (nor any persons connected with them) received any remuneration during the year, and they were reimbursed a total of £nil travelling expenses (2021: £nil).

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
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**11 Employees**

**Number of employees**

|   | <b>2022<br/>Number</b> | <b>2021<br/>Number</b> |
|---|------------------------|------------------------|
| The average monthly number of employees during the year was:                      |                        |                        |
| All employees - Group and Charity   | 31                     | 32                     |
| The average monthly number of full-time equivalent employees during the year was: |                        |                        |
| All employees - Group and Charity   | 27                     | 24                     |

**Employment costs**

|                    | <b>Group</b>   |              | <b>Charity</b> |              |
|--------------------|----------------|--------------|----------------|--------------|
|                    | <b>2022</b>    | <b>2021</b>  | <b>2022</b>    | <b>2021</b>  |
|                    | <b>£'000</b>   | <b>£'000</b> | <b>£'000</b>   | <b>£'000</b> |
| Wages and salaries | 905.6          | 829.3        | 905.6          | 829.3        |
| Social security    | 83.4           | 69.1         | 83.4           | 69.1         |
| Pension costs      | 31.8           | 16.3         | 31.8           | 16.3         |
|                    | <u>1,020.8</u> | <u>914.7</u> | <u>1,020.8</u> | <u>914.7</u> |

The total amount of redundancy payments made by the Company in the year was £5,499 (2021: £10,000).

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

|                   | <b>2022<br/>Number</b> | <b>2021<br/>Number</b> |
|-------------------|------------------------|------------------------|
| £60,001 - £70,000 | 1                      | 1                      |

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows:

|                        | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|------------------------|-----------------------|-----------------------|
| Aggregate Compensation | 171.4                 | 223.8                 |

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
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**FOR THE YEAR ENDED 31 DECEMBER 2022**

**12 Net gains/(losses) on investments**

|                            | <b>2022</b>  | <b>2021</b>  |
|----------------------------|--------------|--------------|
|                            | <b>£'000</b> | <b>£'000</b> |
| Revaluation of investments | (141.6)      | 127.8        |

**13 Tangible and intangible fixed assets - Group and Charity**

|                            | <b>Intangible assets</b>   | <b>Tangible assets</b>          |   |                              |
|----------------------------|----------------------------|---------------------------------|---|------------------------------|
|                            | <b>Website development</b> | <b>Improvements to property</b> | <b>Fixtures, fittings &amp; equipment</b> | <b>Total tangible assets</b> |
|                            | <b>£'000</b>               | <b>£'000</b>                    | <b>£'000</b>                              | <b>£'000</b>                 |
| <b>Cost</b>                |                            |                                 |   |                              |
| At 31 December 2021        | 298.9                      | 61.7                            | 140.9                                     | 202.6                        |
| Additions                  | 0.0                        | 25.8                            | 16.4                                      | 42.2                         |
| Disposals                  | (164.1)                    | (61.7)                          | (102.6)                                   | (164.3)                      |
| <b>At 31 December 2022</b> | <b>134.8</b>               | <b>25.8</b>                     | <b>54.7</b>                               | <b>80.5</b>                  |
| <b>Depreciation</b>        |                            |                                 |   |                              |
| At 31 December 2021        | 205.6                      | 59.7                            | 118.8                                     | 178.5                        |
| Charge for the year        | 33.7                       | 3.3                             | 12.0                                      | 15.3                         |
| Disposals                  | (164.1)                    | (61.7)                          | (102.6)                                   | (164.3)                      |
| <b>At 31 December 2022</b> | <b>75.2</b>                | <b>1.3</b>                      | <b>28.2</b>                               | <b>29.5</b>                  |
| <b>Carrying amount</b>     |                            |                                 |   |                              |
| At 31 December 2022        | 59.6                       | 24.5                            | 26.5                                      | 51.0                         |
| At 31 December 2021        | 93.3                       | 2.0                             | 22.1                                      | 24.1                         |

**14 Fixed asset investments - Group and Charity**

|   | <b>2022</b>  | <b>2021</b>    |
|---|--------------|----------------|
|   | <b>£'000</b> | <b>£'000</b>   |
| <b>Listed investments</b>                 |              |                |
| Market value at 1 January                 | 1,025.6      | 871.9          |
| Additions (including interest reinvested) | 28.5         | 25.9           |
| Revaluation                               | (141.6)      | 127.8          |
| <b>Market value at 31 December</b>        | <b>912.5</b> | <b>1,025.6</b> |

**15 Financial instruments**

|   | <b>2022</b>  | <b>2021</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| <b>Carrying amount of financial assets</b>                |              |              |
| Instruments measured at amortised cost                    | 362.3        | 398.6        |
| Instruments measured at fair value through profit or loss | 912.5        | 1,025.6      |
| <b>Carrying amount of financial liabilities</b>           |              |              |
| Measured at amortised cost                                | 102.0        | 95.9         |

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY**  
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**16 Debtors**

|   | Group        |              | Charity      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2022         | 2021         | 2022         | 2021         |
|   | £'000        | £'000        | £'000        | £'000        |
| <b>Amounts falling due within one year:</b> |              |              |              |              |
| Trade debtors                               | 44.9         | 85.6         | 44.9         | 85.6         |
| Amounts owed by group undertakings          | 0.0          | 0.0          | 5.2          | 6.2          |
| Other debtors                               | 317.4        | 313.0        | 317.4        | 313.0        |
| Prepayments and accrued income              | 35.4         | 45.4         | 35.4         | 45.4         |
|   | <b>397.7</b> | <b>444.0</b> | <b>402.9</b> | <b>450.2</b> |

Other debtors include £25.3k relating to long term debtors receivable in greater than one year's time

**17 Creditors: amounts falling due within one year**

|                                       | Group        |              | Charity      |              |
|---------------------------------------|--------------|--------------|--------------|--------------|
|                                       | 2022         | 2021         | 2022         | 2021         |
|                                       | £'000        | £'000        | £'000        | £'000        |
| Trade creditors                       | 17.2         | 9.2          | 17.2         | 9.2          |
| Other taxes and social security costs | 14.2         | 18.5         | 14.2         | 18.5         |
| Other creditors                       | 53.3         | 17.7         | 51.3         | 14.7         |
| Accruals and deferred income          | 31.5         | 69.0         | 31.5         | 69.0         |
|                                       | <b>116.2</b> | <b>114.4</b> | <b>114.2</b> | <b>111.4</b> |

|  | 2022       | 2021       |
|--|------------|------------|
|  | £'000      | £'000      |
| Deferred income included in the financial statements as follows: |            |            |
| At 1 January   | 0.0        | 41.1       |
| Movement during the year   | 0.0        | (41.1)     |
| At 31 December   | <b>0.0</b> | <b>0.0</b> |

Income was deferred in 2020 in relation to grants received which related to services that were delivered in 2021.

**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 £31.8k (2021: £16.3k).

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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 31<br>December 2022 |
|---|------------------------------|-------------------------------|-------------------------------|---------------------------|--------------------------------|
|   | Balance at 1<br>January 2022 | Incoming<br>resources<br>2022 | Resources<br>expended<br>2022 | Transfer of<br>funds 2022 |                                |
|   | £'000                        | £'000                         | £'000                         | £'000                     | £'000                          |
| Unrestricted  | 1,871.2                      | 1,553.4                       | (1,784.2)                     | (271.3)                   | 1,369.1                        |
| Designated - Juvenile Idiopathic Arthritis activities         | 0.0                          | 38.2                          | (42.9)                        | 4.7                       | 0.0                            |
| Designated - to cover predicted operating losses in next year | 0.0                          | 0.0                           |                               | 125.0                     | 125.0                          |
| Designated - to cover potential investment losses             | 0.0                          | 0.0                           |                               | 100.0                     | 100.0                          |
|   | <b>1,871.2</b>               | <b>1,591.6</b>                | <b>(1,827.1)</b>              | <b>(41.6)</b>             | <b>1,594.1</b>                 |

|   | Movement in funds            |                               |                               |                           | Balance at 31<br>December 2021 |
|---|------------------------------|-------------------------------|-------------------------------|---------------------------|--------------------------------|
|   | Balance at 1<br>January 2021 | Incoming<br>resources<br>2021 | Resources<br>expended<br>2021 | Transfer of<br>funds 2021 |                                |
|   | £'000                        | £'000                         | £'000                         | £'000                     | £'000                          |
| Unrestricted  | 1,600.4                      | 1,386.4                       | (1,036.6)                     | (79.0)                    | 1,871.2                        |
| Designated - Juvenile Idiopathic Arthritis activities | 0.0                          | 47.5                          | (92.3)                        | 44.8                      | 0.0                            |
|   | <b>1,600.4</b>               | <b>1,433.9</b>                | <b>(1,128.9)</b>              | <b>(34.2)</b>             | <b>1,871.2</b>                 |

Restricted Funds

|  | Movement in funds            |                               |                               |                           | Balance at 31<br>December 2022 |
|--|------------------------------|-------------------------------|-------------------------------|---------------------------|--------------------------------|
|  | Balance at 1<br>January 2022 | Incoming<br>resources<br>2022 | Resources<br>expended<br>2022 | Transfer of<br>funds 2022 |                                |
|  | £'000                        | £'000                         | £'000                         | £'000                     | £'000                          |
| Development of elearning suite                           | 0.0                          | 15.0                          | (49.0)                        | 34.0                      | 0.0                            |
| Development of online self-management course in Scotland | 0.1                          | 0.0                           | (0.1)                         | 0.0                       | (0.0)                          |
| Information video in Hindi                               | 1.5                          | 0.0                           | (0.4)                         | 0.0                       | 1.1                            |
| Blood Monitoring publication                             | 5.2                          | 0.0                           | (9.0)                         | 3.8                       | 0.0                            |
| Development of exercise support app                      | 0.0                          | 3.1                           | (6.0)                         | 2.9                       | 0.0                            |
| Enhanced Right Start                                     | 14.1                         | 10.0                          | (16.3)                        | 0.0                       | 7.8                            |
| JIA Imagine Futures project                              | 10.0                         | 0.0                           | (10.2)                        | 0.2                       | 0.0                            |
| Reprint of Medicines booklet                             | 0.0                          | 2.3                           | (3.0)                         | 0.7                       | 0.0                            |
| JIA video  | 0.0                          | 2.5                           | (2.5)                         | 0.0                       | 0.0                            |
| Stress management project                                | 0.0                          | 22.6                          | (12.1)                        | 0.0                       | 10.5                           |
|  | <b>30.9</b>                  | <b>55.5</b>                   | <b>(108.6)</b>                | <b>41.6</b>               | <b>19.4</b>                    |

|  | Movement in funds            |                               |                               |                           | Balance at 31<br>December 2021 |
|--|------------------------------|-------------------------------|-------------------------------|---------------------------|--------------------------------|
|  | Balance at 1<br>January 2021 | Incoming<br>resources<br>2021 | Resources<br>expended<br>2021 | Transfer of<br>funds 2021 |                                |
|  | £'000                        | £'000                         | £'000                         | £'000                     | £'000                          |
| Development of elearning suite                           | 0.0                          | 15.0                          | (44.9)                        | 29.9                      | 0.0                            |
| Development of online self-management course in Scotland | 12.2                         | 0.0                           | (13.9)                        | 1.8                       | 0.1                            |
| Re-development of DAS app                                | 11.3                         | 0.0                           | (11.6)                        | 0.3                       | 0.0                            |
| JIA publications   | 10.5                         | 0.0                           | (12.2)                        | 1.7                       | 0.0                            |
| Information video in Hindi                               | 5.0                          | 0.0                           | (3.5)                         | 0.0                       | 1.5                            |
| Blood Monitoring publication                             | 8.9                          | 0.0                           | (3.7)                         | 0.0                       | 5.2                            |
| Community pharmacy engagement                            | 8.9                          | 0.0                           | (8.9)                         | 0.0                       | 0.0                            |
| Development of exercise support app                      | 0.0                          | 6.3                           | (6.8)                         | 0.5                       | 0.0                            |
| Right Start evaluation project                           | 0.0                          | 31.8                          | (17.7)                        | 0.0                       | 14.1                           |
| JIA Imagined Futures project                             | 0.0                          | 10.0                          | 0.0                           | 0.0                       | 10.0                           |
|  | <b>56.8</b>                  | <b>63.1</b>                   | <b>(123.2)</b>                | <b>34.2</b>               | <b>30.9</b>                    |



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**20 Analysis of net assets between funds - Group**

|  | <b>Restricted<br/>£'000</b> | <b>Unrestricted<br/>£'000</b> | <b>Total<br/>£'000</b> |
|--|-----------------------------|-------------------------------|------------------------|
| <b>Fund balances at 31 December 2022 are represented by:</b> |                             |                               |                        |
| Tangible fixed assets  | 0.0                         | 51.0                          | 51.0                   |
| Investments  | 0.0                         | 912.5                         | 912.5                  |
| Current assets/(liabilities)                                 | 19.4                        | 630.6                         | 650.0                  |
|  | <b>19.4</b>                 | <b>1,594.1</b>                | <b>1,613.5</b>         |

**Fund balances at 31 December 2021 are represented by:**

|                              | <b>Restricted<br/>£'000</b> | <b>Unrestricted<br/>£'000</b> | <b>Total<br/>£'000</b> |
|------------------------------|-----------------------------|-------------------------------|------------------------|
| Tangible fixed assets        | 0.0                         | 24.1                          | 24.1                   |
| Investments                  | 0.0                         | 1,025.6                       | 1,025.6                |
| Current assets/(liabilities) | 30.9                        | 821.5                         | 852.4                  |
|                              | <b>30.9</b>                 | <b>1,871.2</b>                | <b>1,902.1</b>         |

**Analysis of net assets between funds - Charity**

|  | <b>Restricted<br/>£'000</b> | <b>Unrestricted<br/>£'000</b> | <b>Total<br/>£'000</b> |
|--|-----------------------------|-------------------------------|------------------------|
| <b>Fund balances at 31 December 2022 are represented by:</b> |                             |                               |                        |
| Tangible fixed assets  | 0.0                         | 51.0                          | 51.0                   |
| Investments  | 0.0                         | 912.5                         | 912.5                  |
| Current assets/(liabilities)                                 | 19.4                        | 633.2                         | 652.6                  |
|  | <b>19.4</b>                 | <b>1,596.7</b>                | <b>1,616.1</b>         |

**Fund balances at 31 December 2021 are represented by:**

|                              | <b>Restricted<br/>£'000</b> | <b>Unrestricted<br/>£'000</b> | <b>Total<br/>£'000</b> |
|------------------------------|-----------------------------|-------------------------------|------------------------|
| Tangible fixed assets        | 0.0                         | 24.1                          | 24.1                   |
| Investments                  | 0.0                         | 1,025.6                       | 1,025.6                |
| Current assets/(liabilities) | 30.9                        | 816.7                         | 847.6                  |
|                              | <b>30.9</b>                 | <b>1,866.4</b>                | <b>1,897.3</b>         |

**21 Commitments under operating leases**

At the reporting end date the group and charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | <b>2022<br/>£'000</b> | <b>2021<br/>£'000</b> |
|----------------------------|-----------------------|-----------------------|
| Within one year            | 31.6                  | 81.2                  |
| Between two and five years | 112.5                 | 16.9                  |
| Over five years            | 0.0                   | 0.0                   |
|                            | <b>144.1</b>          | <b>98.1</b>           |

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**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:

|   | <b>2022</b>  | <b>2021</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Turnover  | 0.0          | 7.6          |
| Cost of sales   | 0.0          | 0.0          |
| Gross profit  | <u>0.0</u>   | <u>7.6</u>   |
| Administrative expenses                                 | <u>(2.6)</u> | <u>(2.8)</u> |
| Net profit  | <u>(2.6)</u> | <u>4.8</u>   |
| Retained earnings brought forward in subsidiary         | 4.8          | 1.5          |
| Gift aid to National Rheumatoid Arthritis Society       | <u>(4.8)</u> | <u>(1.5)</u> |
| Retained earnings carried forward in subsidiary         | <u>(2.6)</u> | <u>4.8</u>   |
| The assets and liabilities were:                        |              |              |
| The aggregate of the assets, liabilities and funds was: |              |              |
| Assets  | 4.6          | 14.0         |
| Liabilities   | <u>(7.2)</u> | <u>(9.2)</u> |
| Total net assets  | <u>(2.6)</u> | <u>4.8</u>   |
| Called up share capital                                 | 0.0          | 0.0          |
| Profit and loss reserve                                 | <u>(2.6)</u> | <u>4.8</u>   |
|   | <u>(2.6)</u> | <u>4.8</u>   |

**23 Related party transactions**

There were no related party transactions in the year (2021: nil) requiring disclosure.

**24 Capital Commitments**

As at 31 December 2022 the Charity had capital commitments of £nil (2021: £nil).

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**25 Cash (used in)/ generated from operations**

|   | <b>Group</b>  |                | <b>Charity</b> |                |
|---|---------------|----------------|----------------|----------------|
|   | <b>2022</b>   | <b>2021</b>    | <b>2022</b>    | <b>2021</b>    |
|   | <b>£'000</b>  | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
| (Loss)/ Surplus for the year                          | (288.6)       | 244.9          | (281.2)        | 241.7          |
| Adjustments for:                                      |               |                |                |                |
| Investment income recognised in profit or loss        | (28.6)        | (25.5)         | (28.6)         | (25.5)         |
| Fair value gains and losses on investments            | 141.6         | (127.8)        | 141.6          | (127.8)        |
| Gift aid donation from subsidiary                     |               |                | (4.8)          | (1.5)          |
| Depreciation and impairment of intangible fixed asset | 33.7          | 29.4           | 33.7           | 29.4           |
| Depreciation and impairment of tangible fixed assets  | 15.3          | 9.4            | 15.3           | 9.4            |
| Movements in working capital:                         |               |                |                |                |
| (Increase)/ decrease in debtors                       | 46.3          | (329.3)        | 47.3           | (329.3)        |
| Increase/ (decrease) in creditors                     | 1.8           | (84.0)         | 2.8            | (79.2)         |
| <b>Cash (used in)/ generated from operations</b>      | <b>(78.5)</b> | <b>(282.9)</b> | <b>(73.9)</b>  | <b>(282.8)</b> |

**26 Analysis of changes in net funds**

|              | <b>At start of<br/>year<br/>£'000</b> | <b>Cash flows<br/>£'000</b> | <b>At end of<br/>year<br/>£'000</b> |
|--------------|---------------------------------------|-----------------------------|-------------------------------------|
| Cash         | 429.5                                 | (120.6)                     | 308.9                               |
| <b>Total</b> | <b>429.5</b>                          | <b>(120.6)</b>              | <b>308.9</b>                        |