

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 2023
FOR
NATIONAL RHEUMATOID ARTHRITIS SOCIETY**

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

Trustees

Mr R Bains
Mr R A Boucher
Mr S Collins
Mr R Flowerdew
Mr J Jordan
Professor P Taylor
Mrs A Woolf
Miss C Ward

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 2023**

The Trustees present their report and audited consolidated accounts for the year ended 31 December 2023. 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

It's really heartening to be able to report that 2023 was a remarkable year in many ways for NRAS, as we successfully broke many of our own internal records for service delivery. We helped more people than ever before by providing information and support via our Helpline team, in addition to our online communities including Facebook, the Health Unlocked forum and online broadcasts. We also increased the number of publications distributed to health care professionals and individuals alike, with our Benefits and Fatigue booklets being the most requested this year. Seeking to reach and assist people in new ways, we continued to develop our online suite of self-management modules (SMILE RA) and reached over 4,000 registrants by the end of the year.

As well as breaking records for the number of people we serve, we also reported one of our strongest set of financial results to date with record-breaking income of £1.87m. Recognising the very difficult fundraising situation, at the start of the year we had budgeted to record a deficit, planning to use our strong reserves position to enable us to continue to deliver services at existing levels despite anticipated funding reductions. In practice, I am pleased to report that the deficit in the year was turned around and we actually reported a net gain of over £400k, largely due to significantly higher than expected income from legacy bequests. In common with nearly all charities, our experience is that fundraising across all other areas remains challenging and whilst we are always enormously grateful to all those who so generously 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.

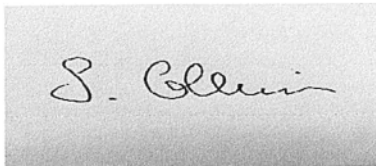
Some key successes during 2023 include:

- a highly successful nationwide survey gathering data on the impact of stress on rheumatoid arthritis symptoms. This is now being used in the development of a new resource for patients called 'Stress Matters'
- a substantial increase in our reach during RA Awareness Week via a 'fact or fiction' quiz
- an increase in engagement with monthly NRAS broadcasts on an array of topics with prestigious guest speakers and panel members
- further development of resources for UK South Asians living with RA
- Piloting the JIA Right Start programme

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
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After such a successful year on so many counts, it is therefore with sadness that I have to report that in December our CEO, Clare Jacklin, indicated her intention to step down as Chief Executive in 2024 after 5 years at the helm and a total of 17 years with NRAS. We owe a huge debt of gratitude to Clare who took over running the charity in summer of 2019, just ahead of the global COVID pandemic which hit us in early 2020. Clare successfully led the charity through those turbulent pandemic years and implemented many changes to the organisation to meet the evolving needs of our beneficiaries. It is beholden upon me to say on behalf of all the Trustees, Advisors, colleagues and Members, a massive thank you to Clare for her dedication and inspiring leadership before she leaves us in July 2024. Clare will be replaced as CEO by Peter Foxton who joins us after a successful career at Phyllis Tuckwell Hospice Care where he was Director of Income Generation.

Finally, it goes without saying that none of the great achievements I have described above would be possible without the tremendous efforts of our colleagues 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 rectangular box containing a handwritten signature in black ink. The signature appears to be 'S. Collins' written in a cursive, flowing style.

Simon Collins
Chair of Trustees

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 Rheumatoid Arthritis (RA) and Juvenile Idiopathic Arthritis (JIA) by:

- Raising awareness and understanding of RA and 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.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 last 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 on occasion conduct our own funded major social research studies often in partnership with an academic institute. In 2023, [EXAMPLE].

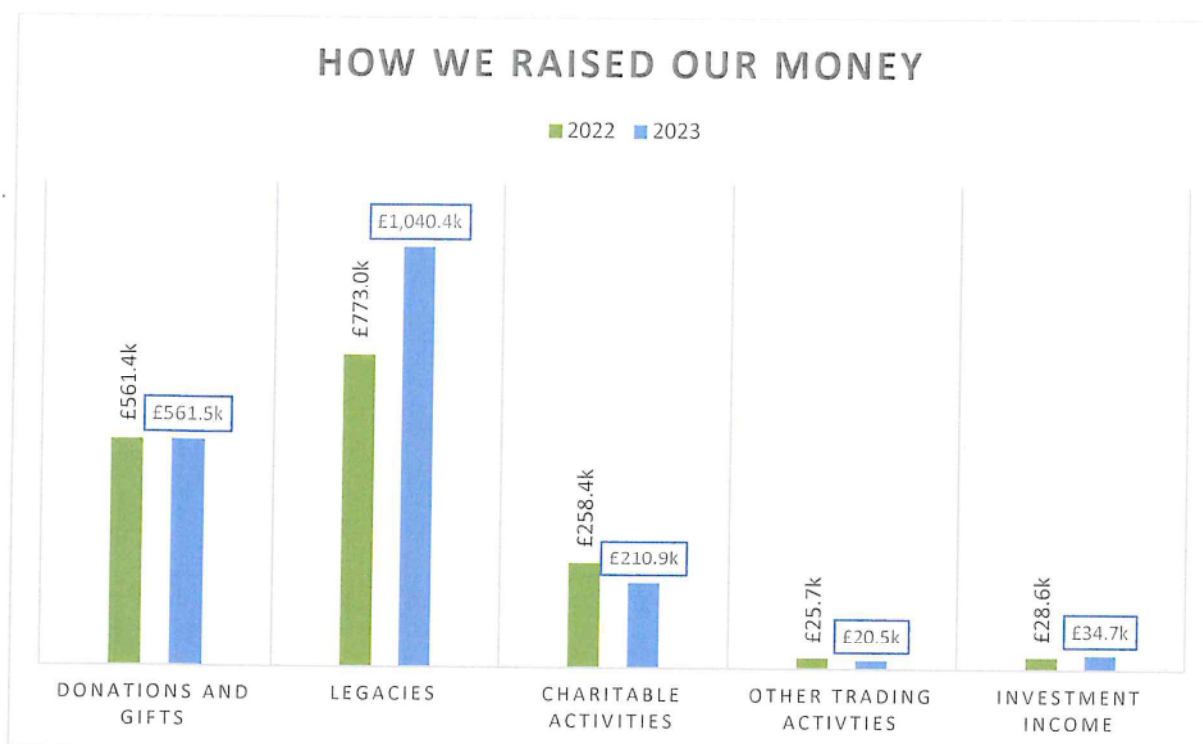
In 2023, we continued the development of our suite of e-learning self-management programmes, devised and produced by our founder and now National Patient Champion, Ailsa Bosworth MBE. We now have a total of seven modules freely available for anyone to access on our website and work will soon start on our largest and most complex module to date, Cardiovascular Disease Risk Management. In 2024 we plan a strong campaign to encourage even more health professionals to utilise the SMILE modules for patient education by signposting people living with RA to register for the programme.

We also launched a new service in 2023 which aims to support families with a child diagnosed with juvenile idiopathic arthritis (JIA). This new service is modelled on our service for rheumatoid arthritis, New2RA Right Start, and is called New2JIA Right Start

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Achievements, performance and financial review

Net income increased from £1.65m to £1.87m



The Charity increased overall income by 13% in 2023 to £1.87m making this the Charity's most successful income generation year on record. This performance was dominated by legacy bequests where reported income reached £1.04m, up 35% on 2022. Legacy income represented over 56% of the Charity's total income in 2023 and we remain immensely grateful to our very generous benefactors whose gifts enable us to continue to deliver our much-needed services and which will also provide funds to enable us to invest in enhancements to those services and new innovations especially as we enter a health environment more focussed on delivering services digitally.

Income from donations and gifts was largely unchanged overall from 2022 delivering £561.5k of income, a commendable achievement given the continued pressures on traditional fundraising streams being felt across the sector. These figures also include funds received from pharmaceutical companies who manufacture and market medicines for RA and/or JIA. This income amounted to £92.4k in 2023 (2022: £166.3k). 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.

The Charity also operates a variety of membership schemes for those living with RA or JIA, their families and health care professionals. These schemes provide access to a members' forum, monthly newsletters and a bi-annual magazine full of interesting articles and information. Income from the membership schemes totalled £85.4k in 2023 (2022: £83.1k).

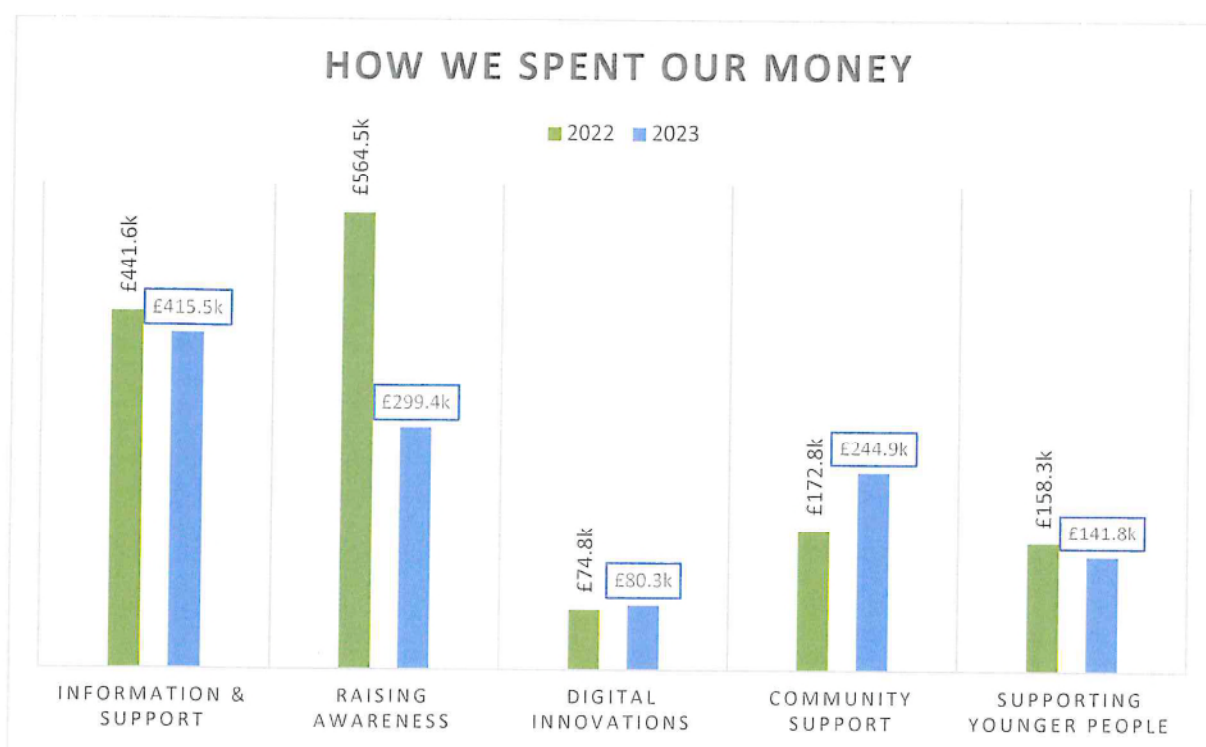
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Support for NRAS was also received through grants from trusts and foundations and in 2023 this amounted to £72.6k (2022: £137.0k). We would like to express particular thanks to the following organisations who all donated £2,000 or over each: National Communities Lotteries Fund, The Childwick Trust, The February Foundation, The John Coates Charitable Trust, Stancourt-Dicker Charitable Trust, Vandervell Foundation, The William and Mabel Morris Charitable Trust, The Joseph Strong Frazer Foundation, The Charles Littlewood Hill Trust and D'Oyly Carte Charitable Trust.

A growing area of income generation for the Charity is in the field of social research where we work with academic partners, pharmaceutical companies or other organisations to help develop and deliver new services to best meet the needs of all those we serve as well as campaign to effect change with government, the NHS and those who commission health and social care services. In 2023 income generated from research activities totalled £29.2k (2022: £8.3k).

All income received through fundraising in 2023 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 decreased from £1.79m to £1.53m



Overall expenditure reduced by 14.7% compared with the prior year, thanks partly to the successful office relocation undertaken in late 2022 as a result of which annualised office-related costs reduced by nearly 40%.

Employee numbers remained largely unchanged with the full time equivalent team numbers down from 27 in 2022 to 26 in 2023. This helped keep overall employment costs growth down to just 1.4% in 2023.

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The Charity reported a gain on its investment portfolio of over 7%, equivalent to £65.8k.

The Charity reported a consolidated net surplus of £403.9k in 2023, compared with a net deficit of £288.6k in 2022.

The Charity's wholly owned trading subsidiary, NRAS Community Services Limited, was largely dormant in 2023. The company delivered a small loss of £0.1k on its activities.

Balance sheet shows net assets of £2.0m

Net assets in the year increased by £403.9k reflecting:

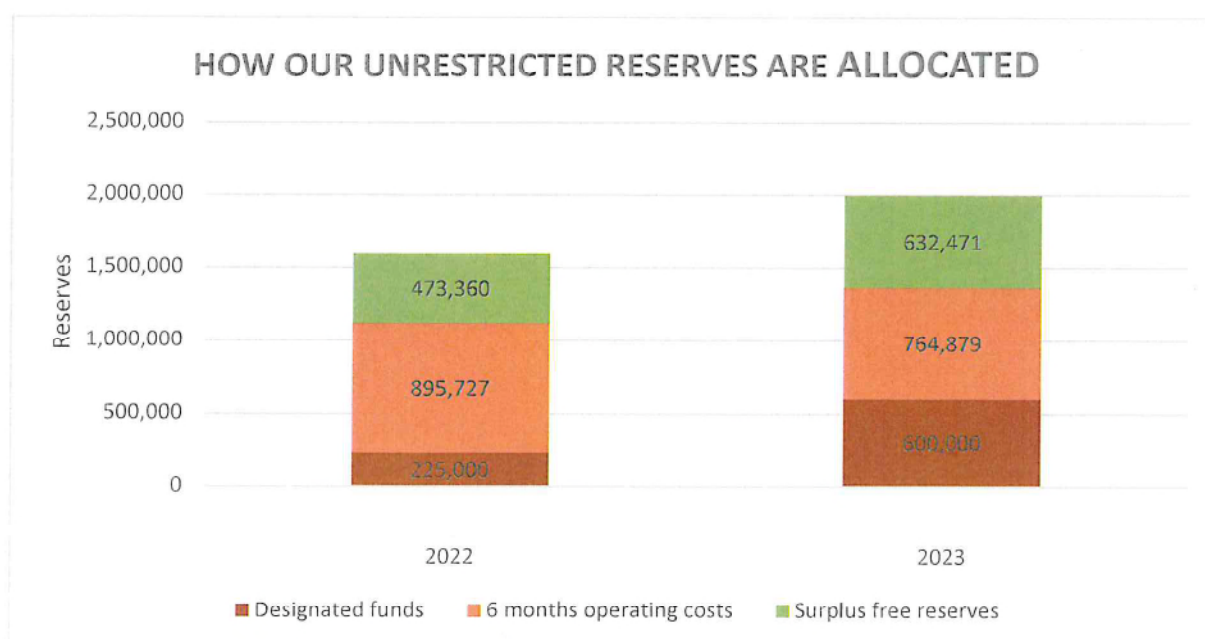
- Gains on revaluation of investments of £65.8k
- An increase of £358.5k on cash at bank
- A small decrease of £20.4k on fixed assets and other current assets.

Reserves policy

Unrestricted reserves totalled £1,997.4k at the end of the year.

The Charity continues to set aside designated reserves to support the continued delivery of its core services for the upcoming twelve months and also to cover potential investment losses. These designated funds in aggregate amounted to £600k as at 31 December 2023. The Charity also continues to hold a minimum of six months' operating costs in cash and investments. Investments and cash balances as at 31 December 2023 were valued in aggregate at £1,676k giving rise to an operating cost coverage of 13.15.

Free reserves as at 31 December 2023 were £624.7k (2022: £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.



**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
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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.

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 is now in the final year of its current strategic plan which set out how the Charity would 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. Work is already underway to construct an ambitious plan to take the Charity forward over the next three years and to identify how best we can serve our communities in ever more challenging times for the health sector as a whole.

We expect to continue to 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 continue to 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 and to the date of approval of these accounts were:

Mr R Bains (appointed 22 September 2023)

Mr RA Boucher

Mr S Collins (Chair)

Ms L Cook (resigned 13 June 2023)

Mr R Flowerdew

Mr D Holloway (appointed 22 September 2023 and resigned 4 January 2024)

Mr J D Jordan (Treasurer)

Ms E Potter (resigned 5 December 2023)

Professor P Taylor

Miss C Ward (appointed 23 June 2023)

Ms S Webb (resigned 5 December 2023)

Mrs A Woolf

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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 J D Jordan will therefore retire from office at the AGM on 18th June 2024 and will seek re-election.

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.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2023

Risk management

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

Risk Category	Mitigation and Actions
Financial performance and resilience 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"> • Fundraising strategy focusing on provision of regular, predictable, unrestricted income streams • Annual budget setting process and quarterly reviews with focus on cash flows and financing of operational plans • Monthly management accounts detailing key performance indicators and reserves coverage
Protecting the Charity's assets 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"> • Investment policy is set so as to maintain an appropriate and prudent risk strategy • Investments are managed by qualified external advisers
Maintaining a stable team 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"> • Regular benchmarking of remuneration packages to ensure competitive within the charity sector • Continue to prioritise staff wellbeing to maximise retention • Work continues on succession planning
IT Security 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"> • Engagement of third party IT consultants to manage our IT systems and controls
Data integrity and governance including GDPR 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"> • Appointment of third party data protection specialists to identify and monitor risks and ensure compliance with regulations
Attracting and retaining Trustees Failure to attract trustees with a range of skills could affect the future viability of the Charity	<ul style="list-style-type: none"> • Continue to work with our network of partners and colleagues to identify suitable candidates

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
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FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Statement as to disclosure to our auditors

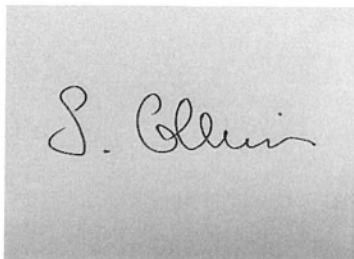
In so far as the trustees are aware at the time of approving our Trustees' annual report:

- 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 dark ink. The signature appears to be 'S. Collins' written in a cursive, flowing style.A handwritten signature in dark ink, appearing to be 'J. Jordan', written in a cursive style with a long, sweeping horizontal line at the end.

18 June 2024

NATIONAL RHEUMATOID ARTHRITIS SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL RHEUMATOID ARTHRITIS SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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 2023 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.

NATIONAL RHEUMATOID ARTHRITIS SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL RHEUMATOID ARTHRITIS SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2023

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL RHEUMATOID ARTHRITIS SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2023

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL RHEUMATOID ARTHRITIS SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2023

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)

Date: 26 June 2024

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 2023

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds	funds	funds	funds	funds
		2023	2023	2023	2022	2022	2022
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations and legacies	3	1,601.9	0.0	1,601.9	1,334.4	0.0	1,334.4
Charitable activities	4	162.2	48.7	210.9	202.9	55.5	258.4
Other trading activities	5	20.5	0.0	20.5	25.7	0.0	25.7
Investment income	6	34.7	0.0	34.7	28.6	0.0	28.6
Total income		1,819.3	48.7	1,868.0	1,591.6	55.5	1,647.1
Expenditure on:							
Raising funds	7	348.0	0.0	348.0	382.0	0.0	382.0
Charitable activities	8	1,132.3	49.6	1,181.9	1,303.5	108.6	1,412.1
Total resources expended		1,480.3	49.6	1,529.9	1,685.5	108.6	1,794.1
Net income/(expenditure) before investments		339.0	(0.9)	338.1	(93.9)	(53.1)	(147.0)
Net gains/(losses) on investments	12	65.8	0.0	65.8	(141.6)	0.0	(141.6)
Gross transfers between funds		0.0	0.0	0.0	0.0	0.0	0.0
Net movement in funds		404.8	(0.9)	403.9	(235.5)	(53.1)	(288.6)
Fund balances at 1 January 2023		1,594.1	19.4	1,613.5	1,871.2	30.9	1,902.1
Transfer between funds		(1.5)	1.5	0.0	(41.6)	41.6	0.0
Fund balances at 31 December 2023		1,997.4	20.0	2,017.4	1,594.1	19.4	1,613.5

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 2023

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds	funds	funds	funds	funds
		2023	2023	2023	2022	2022	2022
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations and legacies	3	1,601.9	0.0	1,601.9	1,339.2	0.0	1,339.2
Charitable activities	4	162.2	48.7	210.9	202.9	55.5	258.4
Other trading activities	5	20.5	0.0	20.5	25.7	0.0	25.7
Investment income	6	34.7	0.0	34.7	28.6	0.0	28.6
Total income		1,819.3	48.7	1,868.0	1,596.4	55.5	1,651.9
Expenditure on:							
Raising funds	7	348.0	0.0	348.0	382.0	0.0	382.0
Charitable activities	8	1,132.2	49.6	1,181.8	1,300.9	108.6	1,409.5
Total resources expended		1,480.2	49.6	1,529.8	1,682.9	108.6	1,791.5
Net income/(expenditure) before investments		339.1	(0.9)	338.2	(86.5)	(53.1)	(139.6)
Net gains/(losses) on investments	12	65.8	0.0	65.8	(141.6)	0.0	(141.6)
Gross transfers between funds		0.0	0.0	0.0	0.0	0.0	0.0
Net movement in funds		404.9	(0.9)	404.0	(228.1)	(53.1)	(281.2)
Fund balances at 1 January		1,596.7	19.4	1,616.1	1,866.4	30.9	1,897.3
Transfer between funds		(1.5)	1.5	0.0	(41.6)	41.6	0.0
Fund balances at 31 December		2,000.1	20.0	2,020.1	1,596.7	19.4	1,616.1

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 2023**

	Notes	Group		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Intangible assets	13	26.0	59.6	26.0	59.6
Tangible assets	13	36.9	51.0	36.9	51.0
Investments	14	1,008.5	912.5	1,008.5	912.5
		1,071.4	1,023.1	1,071.4	1,023.1
Current assets					
Debtors	16	403.8	397.7	409.0	402.9
Cash at bank and in hand		667.4	308.9	664.4	304.3
		1,071.2	706.6	1,073.4	707.2
Liabilities:					
Creditors: amounts falling due within one year	17	(125.2)	(116.2)	(124.7)	(114.2)
Net current assets		946.0	590.4	948.7	593.0
Total assets less current liabilities		2,017.4	1,613.5	2,020.1	1,616.1
Income funds					
Unrestricted funds	19	1,997.4	1,594.1	2,000.1	1,596.7
Restricted funds	19	20.0	19.4	20.0	19.4
		2,017.4	1,613.5	2,020.1	1,616.1

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

The accounts were approved by the Board of Trustees on 18 June 2024



J Jordan
Treasurer/Trustee

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Group		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash flows from operating activities					
Cash used in operations	25	358.0	(78.5)	359.6	(73.9)
Investing activities					
Purchase of intangible fixed assets		0.0	0.0	0.0	0.0
Purchase of tangible fixed assets		(4.0)	(42.2)	(4.0)	(42.2)
Purchase of investments		(30.2)	(28.5)	(30.2)	(28.5)
Interest received		34.7	28.6	34.7	28.6
Gift aid donation from subsidiary			0.0		4.8
Net cash used in investing activities		<u>0.5</u>	<u>(42.1)</u>	<u>0.5</u>	<u>(37.3)</u>
Net decrease in cash and cash equivalents		<u>358.5</u>	<u>(120.6)</u>	<u>360.1</u>	<u>(111.2)</u>
Cash and cash equivalents at beginning of year		308.9	429.5	304.3	415.5
Cash and cash equivalents at end of year		<u>667.4</u>	<u>308.9</u>	<u>664.4</u>	<u>304.3</u>

**NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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)". 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 2023. 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 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 and at least for 12 months from approval of these accounts. 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.

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.

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
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Donations and gifts	561.5	561.4	561.5	566.2
Legacies receivable	1,040.4	773.0	1,040.4	773.0
	<u>1,601.9</u>	<u>1,334.4</u>	<u>1,601.9</u>	<u>1,339.2</u>
<i>Analysis by fund</i>				
Restricted funds	0.0	0.0	0.0	0.0
Unrestricted funds	<u>1,601.9</u>	<u>1,334.4</u>	<u>1,601.9</u>	<u>1,339.2</u>
	1,601.9	1,334.4	1,601.9	1,339.2

4 Income from charitable activities

	Group and charity	
	2023	2022
	£'000	£'000
Subscriptions	85.4	83.1
Lottery income	23.7	30.0
Research studies	29.2	8.3
Grants	72.6	137.0
	<u>210.9</u>	<u>258.4</u>
<i>Analysis by fund</i>		
Restricted funds	48.7	55.5
Unrestricted funds	<u>162.2</u>	<u>202.9</u>
	210.9	258.4

5 Other trading activities

	Group and charity	
	2023	2022
	£'000	£'000
Merchandising and other trading income	<u>20.5</u>	<u>25.7</u>
	20.5	25.7

6 Investments

	Group and charity	
	2023	2022
	£'000	£'000
Income from listed investments	<u>34.7</u>	<u>28.6</u>
	34.7	28.6

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7 Expenditure on raising funds

	Group and Charity	
	2023	2022
	£'000	£'000
Staging fundraising events	44.0	74.0
Staff costs	251.0	227.6
Support costs	39.6	65.9
Governance costs	13.4	14.5
Expenditure on raising funds	348.0	382.0
<i>Analysis by fund</i>		
Restricted funds	0.0	0.0
Unrestricted funds	348.0	382.0
	348.0	382.0

8 Expenditure on charitable activities

Group	Provision of info & support	Digital innovations	Raising awareness	Community support	Supporting our young people	Total
	2023	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Direct costs	54.8	19.1	28.5	0.0	7.3	109.7
Staff costs	268.0	61.2	138.7	191.9	88.2	748.0
Share of support costs (see note 9)	79.2	0.0	118.9	39.6	39.6	277.3
Share of governance costs (see note 9)	13.4	0.0	13.4	13.4	6.7	46.9
	415.4	80.3	299.5	244.9	141.8	1,181.9
<i>Analysis by fund</i>						
Restricted funds	33.4	5.8	0.0	0.0	10.4	49.6
Unrestricted funds	382.0	74.5	299.5	244.9	131.4	1,132.3
	415.4	80.3	299.5	244.9	141.8	1,181.9

Group	Provision of info & support	Digital innovations	Raising awareness	Community support	Supporting our 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
	441.6	74.8	564.6	172.8	158.3	1,412.1
<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
	441.6	74.8	564.6	172.8	158.3	1,412.1

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
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8 Expenditure on charitable activities

Charity	Provision of info & support	Digital innovations	Raising awareness	Community support	Supporting our young people	Total
	2023	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Direct costs	54.8	19.1	28.5	0.0	7.3	109.7
Staff costs	268.0	61.2	138.7	191.9	88.2	748.0
Share of support costs (see note 9)	79.1	0.0	118.9	39.6	39.6	277.2
Share of governance costs (see note 9)	13.4	0.0	13.4	13.4	6.7	46.9
	415.3	80.3	299.5	244.9	141.8	1,181.8
Analysis by fund						
Restricted funds	33.4	5.8	0.0	0.0	10.4	49.6
Unrestricted funds	381.9	74.5	299.5	244.9	131.4	1,132.2
	415.3	80.3	299.5	244.9	141.8	1,181.8

Charity	Provision of info & support	Digital innovations	Raising awareness	Community support	Supporting our 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
	439.0	74.8	564.6	172.8	158.3	1,409.5
Analysis by fund						
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
	439.0	74.8	564.6	172.8	158.3	1,409.5

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
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9 Support costs

Group	Support costs	Governance costs	Total	Support costs	Governance costs	Total
	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs		36.5	36.5		34.0	34.0
IT	88.2		88.2	97.6		97.6
Office	86.8		86.8	145.5		145.5
Professional and consultancy fees	22.1	2.2	24.3	104.6	9.6	114.2
Irrecoverable VAT	26.3		26.3	56.5		56.5
Other overheads	41.8		41.8	73.1		73.1
Depreciation & dilapidations	51.7		51.7	50.0		50.0
Insurance		4.6	4.6		5.7	5.7
Auditors' remuneration:						
- Audit fees		17.0	17.0		15.8	15.8
- Other services		0.0	0.0		0.0	0.0
	316.9	60.3	377.2	527.3	65.1	592.4
Analysed between						
Fundraising (note 7)	39.6	13.4	53.0	65.9	14.5	80.4
Charitable activities (note 8)	277.3	46.9	324.2	461.4	50.6	512.0
	316.9	60.3	377.2	527.3	65.1	592.4

The above costs were allocated on a headcount basis.

Charity	Support costs	Governance costs	Total	Support costs	Governance costs	Total
	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs		36.5	36.5		34.0	34.0
IT	88.2		88.2	97.6		97.6
Office	86.7		86.7	145.5		145.5
Professional and consultancy fees	22.1	2.2	24.3	104.6	9.6	114.2
Irrecoverable VAT	26.3		26.3	56.5		56.5
Other overheads	41.8		41.8	73.1		73.1
Depreciation & dilapidations	51.7		51.7	50.0		50.0
Insurance		4.6	4.6		5.7	5.7
Auditors' remuneration:						
- Audit fees		17.0	17.0		13.2	13.2
- Other services			0.0			0.0
Trustee expenses			0.0			0.0
	316.8	60.3	377.1	527.3	62.5	589.8
Analysed between						
Fundraising (note 7)	39.6	13.4	53.0	65.9	14.5	80.4
Charitable activities (note 8)	277.2	46.9	324.1	461.4	48.0	509.4
	316.8	60.3	377.1	527.3	62.5	589.8

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 1 trustee was reimbursed a total of £12 travelling expenses (2022: £nil).

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11 Employees

Number of employees

	2023 Number	2022 Number
The average monthly number of employees during the year was:		
All employees - Group and Charity	30	31
The average monthly number of full-time equivalent employees during the year was:		
All employees - Group and Charity	26	27

Employment costs

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Wages and salaries	910.6	905.6	910.6	905.6
Social security	46.8	83.4	46.8	83.4
Pension costs	78.1	31.8	78.1	31.8
	<u>1,035.5</u>	<u>1,020.8</u>	<u>1,035.5</u>	<u>1,020.8</u>

The total amount of redundancy payments made by the Company in the year was £5,100 (2022: £5,499).

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

	2023 Number	2022 Number
£60,001 - £70,000	0	1
£70,001 - £80,000	1	0

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2023 £'000	2022 £'000
Aggregate Compensation	184.9	171.4

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
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12 Net gains/(losses) on investments

	2023	2022
	£'000	£'000
Revaluation of investments	65.8	(141.6)

13 Tangible and intangible fixed assets - Group and Charity

	Intangible assets	Tangible assets		
	Website development	Improvements to property	Fixtures, fittings & equipment	Total tangible assets
	£'000	£'000	£'000	£'000
Cost				
At 31 December 2022	134.8	25.8	54.7	80.5
Additions	0.0	0.0	4.0	4.0
Disposals	0.0	0.0	0.0	0.0
At 31 December 2023	134.8	25.8	58.7	84.5
Depreciation				
At 31 December 2022	75.2	1.3	28.2	29.5
Charge for the year	33.6	5.1	13.0	18.1
Disposals	0.0	0.0	0.0	0.0
At 31 December 2023	108.8	6.4	41.2	47.6
Carrying amount				
At 31 December 2023	26.0	19.4	17.5	36.9
At 31 December 2022	59.6	24.5	26.5	51.0

14 Fixed asset investments - Group and Charity

	2023	2022
	£'000	£'000
Listed investments		
Market value at 1 January	912.5	1,025.6
Additions (including interest reinvested)	30.2	28.5
Revaluation	65.8	(141.6)
Market value at 31 December	1,008.5	912.5

15 Financial instruments

	2023	2022
	£'000	£'000
Carrying amount of financial assets		
Instruments measured at amortised cost	355.2	362.3
Instruments measured at fair value through profit or loss	1,008.5	912.5
Carrying amount of financial liabilities		
Measured at amortised cost	97.5	102.0

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

16 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	17.7	44.9	17.7	44.9
Amounts owed by group undertakings	0.0	0.0	5.2	5.2
Other debtors	337.5	317.4	337.5	317.4
Prepayments and accrued income	48.6	35.4	48.6	35.4
	<u>403.8</u>	<u>397.7</u>	<u>409.0</u>	<u>402.9</u>

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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	15.7	17.2	15.7	17.2
Other taxes and social security costs	27.7	14.2	27.7	14.2
Other creditors	55.7	53.3	55.7	51.3
Accruals and deferred income	26.1	31.5	25.6	31.5
	<u>125.2</u>	<u>116.2</u>	<u>124.7</u>	<u>114.2</u>

Deferred income included in the financial statements as follows:

	2023	2022
	£'000	£'000
At 1 January	0.0	0.0
Movement during the year	<u>13.8</u>	<u>0.0</u>
At 31 December	<u>13.8</u>	<u>0.0</u>

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 £46.8k (2022: £31.8k).

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
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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 1 January 2023	Incoming resources 2023	Resources expended 2023	Transfer of funds 2023	Balance at 31 December 2023
	£'000	£'000	£'000	£'000	£'000
Unrestricted	1,369.1	1,809.3	(1,362.2)	(418.8)	1,397.4
Designated - Juvenile Idiopathic Arthritis activities	0.0	10.0	(52.3)	42.3	0.0
Designated - to cover predicted operating losses in next year	125.0			375.0	500.0
Designated - to cover potential investment losses	100.0			0.0	100.0
	1,594.1	1,819.3	(1,414.5)	(1.5)	1,997.4

Movement in funds

	Balance at 1 January 2022	Incoming resources 2022	Resources expended 2022	Transfer of funds 2022	Balance at 31 December 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
	1,871.2	1,591.6	(1,827.1)	(41.6)	1,594.1

Restricted Funds

Movement in funds

	Balance at 1 January 2023	Incoming resources 2023	Resources expended 2023	Transfer of funds 2023	Balance at 31 December 2023
	£'000	£'000	£'000	£'000	£'000
Information video in Hindi	1.1				1.1
Enhanced Right Start	7.8		(8.5)	0.7	0.0
Stress management project	10.5	11.3	(22.6)	0.8	0.0
Blood Monitoring publication	0.0	2.3	(2.3)		0.0
JIA Right Start	0.0	11.5	(10.4)		1.1
Mission RA project	0.0	3.6	(0.8)		2.8
Q Lab project	0.0	20.0	(5.0)		15.0
	19.4	48.7	(49.6)	1.5	20.0

Movement in funds

	Balance at 1 January 2022	Incoming resources 2022	Resources expended 2022	Transfer of funds 2022	Balance at 31 December 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 Imagined 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
	30.9	55.5	(108.6)	41.6	19.4

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20 Analysis of net assets between funds - Group

	Restricted £'000	Unrestricted £'000	Total £'000
Fund balances at 31 December 2023 are represented by:			
Tangible fixed assets	0.0	36.9	36.9
Investments	0.0	1,008.5	1,008.5
Current assets/(liabilities)	20.0	952.0	972.0
	20.0	1,997.4	2,017.4

Fund balances at 31 December 2022 are represented by:

	Restricted £'000	Unrestricted £'000	Total £'000
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
	19.4	1,594.1	1,613.5

Analysis of net assets between funds - Charity

	Restricted £'000	Unrestricted £'000	Total £'000
Fund balances at 31 December 2023 are represented by:			
Tangible fixed assets	0.0	36.9	36.9
Investments	0.0	1,008.5	1,008.5
Current assets/(liabilities)	20.0	954.7	974.7
	20.0	2,000.1	2,020.1

Fund balances at 31 December 2022 are represented by:

	Restricted £'000	Unrestricted £'000	Total £'000
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
	19.4	1,596.7	1,616.1

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:

	2023 £'000	2022 £'000
Within one year	47.6	31.6
Between two and five years	77.1	112.5
Over five years	124.7	144.1

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
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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:

	2023	2022
	£'000	£'000
Turnover	0.0	0.0
Cost of sales	0.0	0.0
Gross profit	0.0	0.0
Administrative expenses	(0.1)	(2.6)
Net profit	(0.1)	(2.6)
Retained earnings brought forward in subsidiary	(2.6)	4.8
Gift aid to National Rheumatoid Arthritis Society	0.0	(4.8)
Retained earnings carried forward in subsidiary	(2.7)	(2.6)
The assets and liabilities were:		
The aggregate of the assets, liabilities and funds was:		
Assets	3.0	4.6
Liabilities	(5.7)	(7.2)
Total net assets	(2.7)	(2.6)
Called up share capital	0.0	0.0
Profit and loss reserve	(2.7)	(2.6)
	(2.7)	(2.6)

23 Related party transactions

There were no related party transactions in the year (2022: nil) requiring disclosure.

24 Capital Commitments

As at 31 December 2023 the Charity had capital commitments of £nil (2022: £nil).

NATIONAL RHEUMATOID ARTHRITIS SOCIETY
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25 Cash generated from/ (used in) operations

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Surplus/ (loss) for the year	403.9	(288.6)	404.0	(281.2)
Adjustments for:				
Investment income recognised in profit or loss	(34.7)	(28.6)	(34.7)	(28.6)
Fair value gains and losses on investments	(65.8)	141.6	(65.8)	141.6
Gift aid donation from subsidiary				(4.8)
Depreciation and impairment of intangible fixed asset:	33.6	33.7	33.6	33.7
Depreciation and impairment of tangible fixed assets	18.1	15.3	18.1	15.3
Movements in working capital:				
(Increase)/ decrease in debtors	(6.1)	46.3	(6.1)	47.3
Increase/ (decrease) in creditors	9.0	1.8	10.5	2.8
Cash generated from/(used in) operations	358.0	(78.5)	359.6	(73.9)

26 Analysis of changes in net funds

	At start of year £'000	Cash flows £'000	At end of year £'000
Cash and cash equivalents	308.9	358.5	667.4
Total	308.9	358.5	667.4