

Everyday life stories

Annual report & accounts
2016-17



8.75
million people

aged 45 and over
in the UK have
sought treatment
for osteoarthritis.¹

Over
30
million

working days are lost
due to musculoskeletal
conditions, each year.²



1 in 3 people who have long-term
pain from fractures describe it as
severe or **unbearable**.³

57%

of people living with
arthritis say they experience
pain every day.⁴



400,000
people live
with rheumatoid
arthritis in
the UK.⁵

£1.9 bn

in hospital costs per year in
the UK for hip fracture alone.⁶

¹ Based on 7-year consultation (2004–2010) prevalence in general practice.

² Office for National Statistics (ONS). Sickness Absence Report 2016.

³ National Osteoporosis Society (2014) Life with Osteoporosis report.

⁴ ESRO (2015) Living well with arthritis: identifying the unmet needs of people with arthritis (unpublished).

⁵ Symmons D et al. (2002). The prevalence of rheumatoid arthritis in the United Kingdom: new estimates for a new century. Rheumatology (Oxford) 41(7): 793–800.

⁶ National Osteoporosis Society (2015). Effective secondary prevention of fragility fractures: clinical standards for fracture liaison services.

Contents



Annual report

- 05** Report from the Chairs and Chief Executive Officer
- 11** Report of the Trustees

Everyday life stories

- 27** Patient insight partner – Susan Moore
- 28** Helpline advisor – Sandy Marshall
- 29** Fundraiser – William Brindley
- 30** Person with arthritis – Charles Robinson
- 31** Researcher – Dr Jenny Lewis
- 32** Person with arthritis – Simon Murden
- 33** Thank you

Governance & financial statements

- 35** Financial Review
- 41** Our Structure, Governance and Management
- 45** Independent Auditor's Report
- 65** Committees which support the Board of Trustees
- 72** Legal and Administrative Information





Annual Report

05 Report from the Chairs and
Chief Executive Officer

11 Report of the Trustees

Report from the Chairs and Chief Executive Officer



Liam O'Toole, CEO

A handwritten signature of Liam O'Toole in black ink.



Charles Maisey, Chair
(retired 1 March 2017)

A handwritten signature of Charles Maisey in black ink.



Rodger McMillan, Chair
(appointed 1 March 2017)

A handwritten signature of Rodger McMillan in black ink.

Welcome to the Arthritis Research UK Annual Report

10 million people across the UK have arthritis¹. Behind this big statistic lie 10 million individual stories of people whose everyday lives are limited by the pain of arthritis, whose relationships, working life and mental health can all be affected by their condition.

Arthritis remains the biggest cause of pain and disability in this country and yet the understanding of what it means to have arthritis is surprisingly poor. Arthritis is often dismissed as being the inevitable aches and pains that come with age. In fact, it has a devastating impact on people, their families and our society. Arthritis affects people of all ages, from young children to the elderly; and whether you are nine or 90 it can stop you living life to the full.

We want to change this. Our vision is to create a future free from arthritis and the impact of arthritis. We are driven by the scale of the need. We are focused on the millions of people we know could benefit from a cure, new treatments or better information, advice and support. The task we face is huge, but together we believe we can achieve it. By harnessing the power of exceptional science, the expertise and experience gained throughout our 80-year history and the passion and commitment of our researchers, employees, supporters and volunteers we are working every day to make this vision a reality.

Two years ago we announced an ambitious strategy focusing our efforts on helping people to live fuller lives with arthritis today and without it tomorrow. Throughout 2016/17 we have continued to work towards the 2020 goal set out in that strategy – to improve the quality of life of people with arthritis so they can say ‘I am in control, I am independent and I am recognised.’ This year we have focused on delivering what’s needed to make this happen.

¹ We use the term arthritis throughout this report. Arthritis and other musculoskeletal conditions are disorders of the joints, bones and muscles – including osteoarthritis, rheumatoid arthritis, back pain and osteoporosis – along with rare but serious systemic autoimmune diseases such as lupus. Together, these conditions affect around ten million peoples across the UK. Our remit covers all these conditions.



Bringing the strategy to life in 2016/17

Our achievements this year have been significant, as we see our strategy coming to life. We've changed the types of science we fund to better meet the needs of people with arthritis.

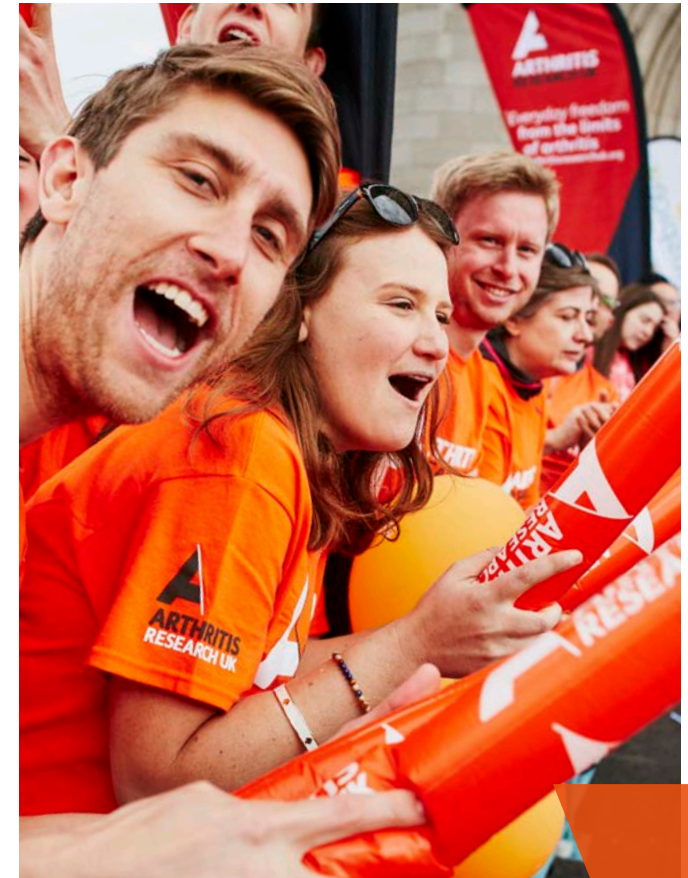
We have put a new approach and new structures in place that focus attention on the most important research issues, from cracking the pain challenge to finding a cure. We continue to invest heavily in research with the most potential to transform lives; total grants awarded total £126m supporting work at more than 70 institutions across the UK.

We have launched a new multi-channel helpline, the first element of the portfolio of high quality services we are designing to meet the need for personalised information and advice for people with arthritis. This new development means we can now directly support people with arthritis in a way we haven't done before.

People with arthritis are now woven into the fabric of our whole organisation, more than ever. We are not making decisions on their behalf; rather we are listening and we are responding to what they tell us. Insight gathered from people with arthritis is shaping and adding value to our research programmes, to our campaigns, our information and advice services and our new interest in product design and development.

By raising awareness and challenging misconceptions we are working to reveal the true reality and impact of living with arthritis. By sharing the insight and understanding we have gained in recent years, with politicians and decision makers, healthcare professionals, researchers and now with the general public we hope to drive changes across our society that will make a long-lasting difference. This year our "Work Matters to Me" campaign called for more support from employers and Government to help people with arthritis to find and stay in work. We also drew attention to product design and development to reflect the needs of people with arthritis through our partnership with the Design Council.

To ensure we can build on our strong foundations and achieve more for the 1 in 6 people living with arthritis in the UK we need to be an organisation that is fit for purpose. So, this year we have invested in the people, systems and processes we need to grow and deliver both now and in the future.



£126m

Total grants awarded

70

supporting work at more than 70 institutions across the UK



Important developments in our finances in 2016/17

In last year's Annual Report and Accounts, we reported that the trustees had agreed to spend part of our reserves on the transformational elements of our five-year strategy.

2016/17 has seen the first tranche of this expenditure, allowing us to launch vital new services and explore exciting new areas of work which will have maximum impact on the lives of people with arthritis. Our investments performed well due to movements in the markets influenced by Brexit and political changes from the US, resulting in an end of year overall gain of £46.33m. This means that we made more than we spent from our reserves which will allow us to spend more on our charitable activities in coming years.

Charitable activities absorbed 78 percent of our total expenditure in 2016/17. This compares to 76 percent in the previous year. One percent was spent on investment management costs and 21 percent on raising funds.

It is paramount that we ensure the long-term financial sustainability of the organisation as we deliver on our strategy. To achieve this:

- we have mapped out the financial implications of our plans for the next three years. This will allow more strategic management of our finances and ensure we are not overcommitting.
- we are working to strengthen our existing voluntary income. Additionally, we are diversifying our income streams, exploring the potential offered by product design to allow for the anticipated drop in legacy income and in intellectual property royalties.
- we continue to wind down our shop based retail operation whilst, thanks to the dedication of our retail colleagues, maximising profit. We continue to trade online.

78%

Charitable activities absorbed 78 percent of our total expenditure

1%

was spent on investment management costs

Our open and ethical approach

We continue to welcome greater scrutiny of the charity sector and tighter regulation of fundraising practices. Our supporters, our partners and people with arthritis that we are here to help have a right to ask questions about the way we raise our money, the way we spend it and the impact that we are having. We see the move towards greater transparency across the charity sector as positive and will continue to strive to be open and remain accountable for the decisions that we make.

We have responded to the recent regulatory changes by reviewing our approach to fundraising, aspiring to exceed best practice in how we communicate with our donors and manage their data effectively.

Our ethical investment policy, reviewed in 2015, gives us a rigorous benchmark to use to ensure our investments and our partnerships are always conducted in line with our core values as an organisation.



Our plans for the next 12 months

We are proud of our achievements this year. We feel confident about the changes we have made and the robust foundations we have laid. They have moved us closer towards our goal. However, there is so much more that we need to do.

Looking ahead to our plans for 2017/18, we will give people with arthritis more access to immediate and personalised information through an Artificial Intelligence powered virtual assistant. We will create more opportunities for people with arthritis to support each other through a peer to peer programme. We will launch a major national campaign to challenge society's attitudes to arthritis and elevate its status. We will continue to influence policy, giving people with arthritis a strong voice. We will continue to fund vital pain and cure research, forging new partnerships to harness expertise and additional funds. To achieve all of this we will carry on listening to and learning from people with arthritis, the people we are here to support today and create a better future for tomorrow.



Thank you

We know we could not achieve any of this without the incredible support of our donors, funders, partners, researchers, volunteers and employees. We would like to pass on a huge thank you to everyone who has played their part in making this year a success.

I step down this year as the Chair of the Board of Trustees during the last decade. It has been a real privilege to be involved with the charity during a period of transformation and re-focus. I am incredibly proud of the organisation that I leave, its confidence, focus and ambition. We are now poised to make a transformative difference to the lives of millions of people with arthritis. I would like to thank the Board and the executive, as well as the supporters and employees of Arthritis Research UK for their dedication and support over the years. We are delighted that Dr Rodger McMillan, will be stepping up to the chair. Having worked with him on the Board, I know that he brings a wealth of experience to lead the organisation in its next phase of development.

A huge thank you to everyone who has played their part in making this year a success.

Report of the Trustees

Dr Rodger McMillan

Alex Hesz

Professor Jonathan Cohen

Juliette Scott

Karin Hogsander

Phil Gray

Tom Hayhoe

Professor David Isenberg

Professor David Marsh

Professor Sarah Lamb

Dr Sylvie Jackson

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2017. The trustees confirm that the report and financial statements presented here comply with the current statutory requirements, the requirements of the charity's governing documents and the requirements of the Charities Statement of recommended Practice (Financial Reporting Standard 102), issued by the Charity Commission in July 2014.

The Trustees also confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives and the planning of future activities.

Our purpose

Our objective to 2020 is to make a positive and tangible change in the quality of life of people with arthritis, so they can say: “I am in control, independent and recognised.”

Our long-term commitment is to:

- Prevent arthritis
- Find a cure
- Transform the lives of people with arthritis.

What we have achieved this year

We have made real progress over the last 12 months, making the big changes needed to meet our ambitious objective to 2020, while retaining our sharp focus on what must be done to achieve our longer-term commitment – our vision of a future free from arthritis and the impact of arthritis.

Over the course of this year we have made significant strides to achieve each of these objectives and more. We have delivered new services and made positive changes to our organisation and research approach that will give us the scope we need to grow, evolve and make a real difference to the lives of people with arthritis. In those cases where we have not yet achieved the stated objective, we are confident we’ve laid down the strong foundations necessary to deliver over the next 12 months. This report will explain more about what we have done in each area, summarising our achievements throughout 2016/17.





Last year's Annual Report laid out eight priorities we wanted to deliver on to move us closer to achieving our objective. They were to:

1

Launch a user-centred enquiries service that responds effectively to the needs of those who contact us.

2

Establish a peer-to-peer grant fund to support local groups and an innovations/scale-up fund.

3

Build and launch an online 'information portal' that provides interactive access and user-generated information to support those most in need.

4

Launch a research call and roadmap designed to promote a new understanding of arthritis and to find a cure.

5

Launch a 'pain challenge' research call to the value of £5m, with a roadmap for future pain research to be funded from a major integrated fundraising appeal in 2017.

6

Develop a clear plan for UK research investment in musculoskeletal conditions to 2030, with an associated multi-million-pound investment in a partner institute.

7

Change the profile of the organisation with new roles and teams that add capacity and bring in new skills, as well as investing in our offices to support best practice in achieving good musculoskeletal health in the workforce.

8

Put in place the foundations to launch a targeted marketing campaign in spring 2017 to increase understanding of the significance of arthritis and recognition of our role.

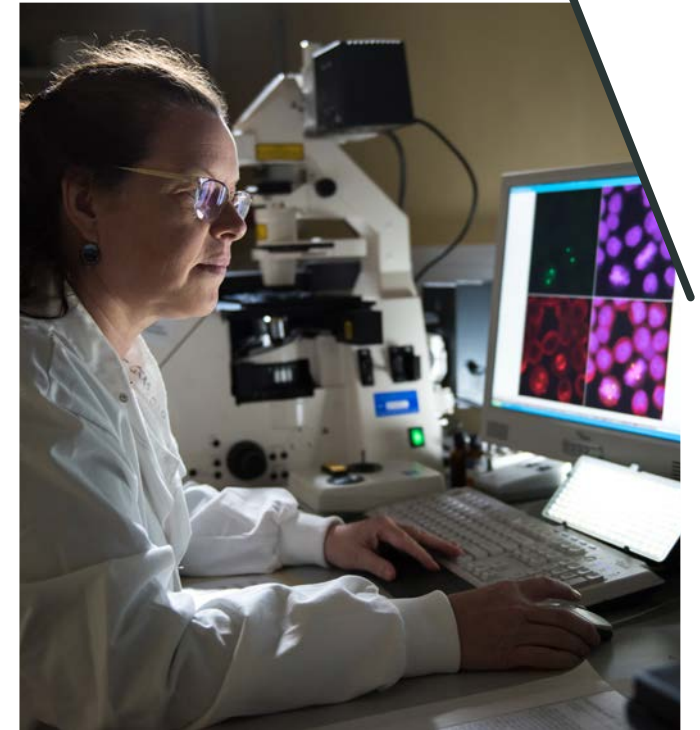
Through our research

This year, to help us achieve our strategic vision, we have made significant changes to the way we fund transformative research, adopting a new approach to ensure funding is directed to research which is most relevant and responsive to the needs of people with arthritis.

We have created a new research committee structure, establishing three new committees for Disease, Treatment and Health to help us plan and fund research in the priority areas which will enable us to have the greatest impact on the quality of life of people with arthritis. By making changes to the remit and membership of our committees we have grown and enhanced our existing expertise, working with the people who can help us to make the best funding decisions and drive our strategic vision forwards. This includes welcoming people with arthritis who bring the unique insight needed to ensure our priorities for research funding and strategy align with the needs of those living with arthritis.

This strengthened commitment to patient insight and involvement is fundamental to our new approach, as we strive to keep people with arthritis at the heart of the business of funding research. This year we have:

- recruited more people with arthritis to influence and advise on research funding decisions. At the beginning of 2017 we were working with 22 patient insight partners, we now have 32 and are on course to increase this number to 50 by the end of 2017.
- worked closely with national centres of excellence, other funding bodies and existing patient groups to establish a growing network of patients to help us consider the reality of living with arthritis when making funding decisions.
- shared our expertise to support and inform the wider research community, offering a consultancy service and producing a suite of resources, including a handbook and a half day training course, to promote best practice and help researchers to meaningfully involve patients in their work.



22

we were working with 22 patient insight partners,

32

we now have 32 insight partners and on course to increase to 50 by the end of 2017.

We agreed a multimillion pound joint investment to establish and fund a chair of rheumatology at Cambridge University



Through our research continued

A new, thematic approach to the way we fund research has been introduced, focusing our efforts and our resources on the major challenges we will have to overcome if we are to meet the needs of people with arthritis. During 2016/17, we made three challenge-led funding calls to the research community:

- The Pain Challenge pledged up to £5million of funding to innovative musculoskeletal pain research, focusing on both prevention and treatment of pain. We have funded 13 awards of different sizes as a result, including support for new investigators who will bring unique expertise to help us with this challenge.
- A Health Services research call, funded as a joint working programme between Arthritis Research UK and Pfizer Ltd, in partnership with the Chartered Society of Physiotherapy, Chief Scientist's Office of the Scottish Government and NHS England. Six awards of up to £300,000 were made for health services research leading to improvements in quality of life for people with arthritis.
- We launched our first ever call seeking to fund ambitious research which would help us to 'Stack the odds towards a cure', pledging up to £5million of support. This Cure Challenge builds on our established interest in regenerative medicine, the genetics of disease, understanding the immune response in disease and tackling urgent, but often under-represented, priorities in rarer diseases.

We continue to develop our plan to strengthen and stimulate new UK investment in musculoskeletal conditions. We are approaching this through partnering with and influencing other funders, as well as with UK universities and hospitals. This year we agreed a multimillion pound joint investment to establish and fund a chair of rheumatology at Cambridge University, who will stimulate exciting new avenues of research at this world-class medical campus.

Our long-term commitment to cracking pain inspired our work this year on a roadmap for pain. We know pain has a devastating impact on the lives of people with arthritis; 57 percent of people with arthritis experience pain every single day and 45 percent told us reducing pain and symptoms would have a significant impact on their quality of life. That's why we brought together leading pain experts, key organisations and people with arthritis to help us devise an ambitious action plan for future pain research to lead and influence transformation in this under-invested area, nationally and internationally. Its aims will be to prioritise the areas of research that will give the best chance of helping people with arthritis live fuller lives now, as well as working towards preventing the pain of arthritis in the future.

57%

of people with arthritis experience pain every single day

Through our research continued

Our funded research led to some important findings published this year which have the potential to make a real difference to the lives of people with arthritis of all ages:

A landmark clinical trial has discovered the biologic drug adalimumab used in combination with the drug methotrexate is a successful treatment for uveitis, an inflammatory eye condition which can cause blindness and affects one fifth of the 12,000 children in the UK with juvenile idiopathic arthritis (JIA). The trial outcomes quickly and directly led to changes in commissioning guidelines and resulted in NHS England approving the use of adalimumab in children with sight-threatening uveitis. This research will have a truly life-changing impact on many children living with JIA, both now and in the future.

Publication <http://www.nejm.org/doi/full/10.1056/NEJMoa1614160>

Ramanan AV, Dick AD, Jones AP, McKay A, Williamson PR, Compeyrot-Lacassagne S, Hardwick B, Hickey H, Hughes D, Woo P, Benton D, Edelsten C, Beresford MW. Adalimumab plus Methotrexate for Uveitis in Juvenile Idiopathic Arthritis. *N Engl J Med* 376, 1637-1646 (2017).

Researchers have robust evidence that people with rheumatoid arthritis who were prescribed disease modifying drug therapies within six months of their first symptoms experienced significantly better outcomes than patients who were treated later. The results of this 20 year study highlight how essential early diagnosis and treatment continues to be for the 400,000 people in the UK with rheumatoid arthritis.

Publication <http://onlinelibrary.wiley.com/doi/10.1002/art.40090/abstract>

Gwinnutt JM, Symmons DP, MacGregor AJ, Chipping JR, Marshall T, Lunt M, Verstappen SM.

The 20 year outcome and association between early treatment and mortality and disability in an inception cohort of patients with rheumatoid arthritis: Results from the Norfolk Arthritis Register.

Arthritis Rheumatol. doi: 10.1002/art.40090. [Epub ahead of print] (2017)

A new monitoring tool for adolescent arthritis has been developed, using a specialised MRI scanning technique also being introduced for use with cancer patients. Arthritis in teenagers is largely misunderstood which can lead to misdiagnosis and incorrect treatment. This important breakthrough will allow doctors to monitor the effectiveness of treatment ensuring young people get access to the right treatment for them as soon as possible.

Publication: <https://academic.oup.com/rheumatology/article-abstract/56/3/399/2706042/Diffusion-weighted-imaging-is-a-sensitive>

Bray TJP, Vendhan K, Ambrose N, Atkinson D, Punwani S, Fisher C, Sen D, Ioannou Y, Hall-Craggs MA. Diffusion-weighted imaging is a sensitive biomarker of response to biologic therapy in enthesitis-related arthritis. *Rheumatology* 56(3) 399-407 (2017).

Scientists have discovered that some stem cells, found in bone marrow and fat tissue, contain specific markers indicating they will have the best chance of turning into cartilage. Being able to identify, select and grow these stem cells is the first step towards developing stem-cell based therapies that can repair joints for people with osteoarthritis and cartilage damage.

Publication <https://www.hindawi.com/journals/sci/2016/6969726/>

Garcia J, Mennan C, McCarthy HS, Roberts S, Richardson JB, Wright KT.

Chondrogenic Potency Analyses of Donor-Matched Chondrocytes and Mesenchymal Stem Cells Derived from Bone Marrow, Infrapatellar Fat Pad, and Subcutaneous Fat.

Stem Cells Int. doi: 10.1155/2016/6969726 (2016)



Through our research continued

Understanding and evaluating the impact of the research we fund is becoming ever more vital to help us make the biggest difference to the lives of people with arthritis. Recognising this, during 2016/17 we adopted a new impact framework to help us assess, record and describe the benefits of our research against agreed key performance indicators. Our Research Evaluation team has also been gathering baseline data and scoping new evaluation and analysis tools. These improved processes will help us to report clearly on the impact of our research from 2017/18 onwards.

Working in partnership remains vital to achieving our goals as an organisation, not only allowing us to stimulate new and increased levels of funding vital for arthritis research, but also to secure the widest possible expertise to help us achieve our goals. In 2016/17, we developed a range of new research partnerships, including:

- co-funding a three year early research career fellowship with mental health charity MQ: Transforming Mental Health to explore the mental health issues associated with musculoskeletal conditions.
- a renewed £5million partnership investment between the UK Government, the Medical Research Council and Arthritis Research UK in two centres for research into musculoskeletal ageing across the universities of Nottingham, Birmingham, Liverpool and Sheffield.

- collaborating with the Ministry of Defence and the charity Help for Heroes on a long-term study investigating the onset of osteoarthritis in military personnel.
- planning a joint innovation workshop with Cancer Research UK to bring together scientists from different disciplines to tackle shared challenges for arthritis and cancer.

In total this year we awarded 69 research grants to work taking place at 34 institutions across the UK and over £20million of new research grant commitments were made. Over £3million of funding was awarded to seven PhD studentships and ten research fellowships, demonstrating our commitment to supporting early career researchers.

As well as working directly with other funders and institutions to ensure a strong and vibrant UK-wide investment, it is vital the funds we use to support the very best researchers also enable them to leverage new and substantial research grant funding from elsewhere. This 'follow-on' funding is substantial and for every £1 we invested in 2016-17, a further £1.11 (2016: £0.72) was secured by those researchers who went on to win these additional grants.

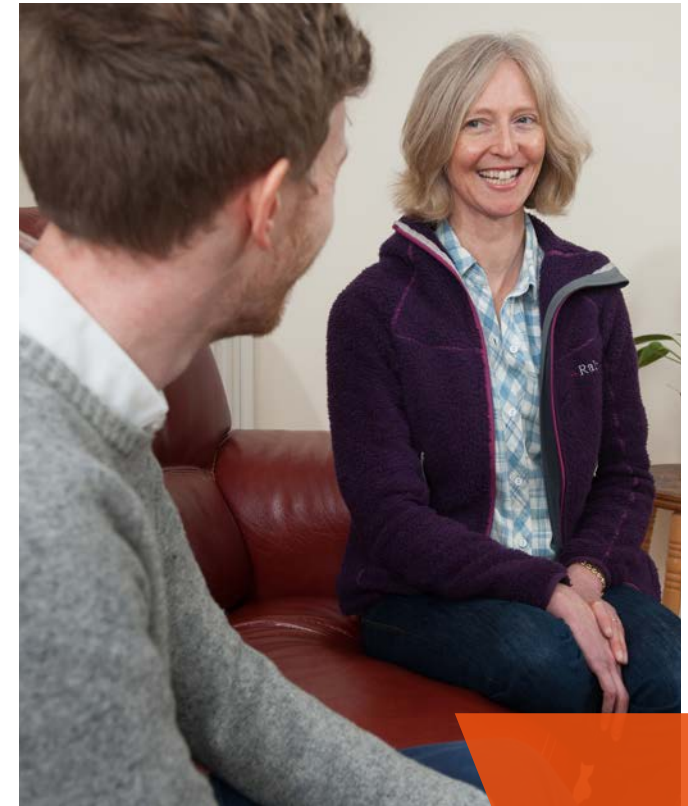
Through our information and advice

Closing the information and advice gap experienced by people with arthritis is an important strand of our commitment to improving quality of life. The insight we've gained clearly shows people need trusted information and personalised advice to feel empowered and able to manage their arthritis, yet until now this has been difficult to find. 37 percent of people with arthritis say they find the information available to them is confusing, while 42 percent struggle to find information relating to their specific condition. We have responded by investing in new services which open-up access to the information and advice people need, from understanding diagnosis to managing pain, from choosing the right treatment to exercising safely.

This year, we launched our multi-channel helpline. Our helpline is open Monday to Friday from 9am to 8pm, providing high quality information and advice to thousands of people with arthritis every year, via phone, email and letter. To deliver this vital service we have invested in a dedicated team of skilled advisors, specialist clinical support and a new telephony system to ensure we can provide the information and advice people with arthritis need when they need it.

We've also made significant progress in creating an interactive information portal. Working with IBM Watson we are designing a cutting-edge service, harnessing the latest artificial intelligence technology to deliver relevant, immediate and personalised information to people most in need. Following initial testing with over 500 people with arthritis we took the decision to reschedule the planned launch of the service this year to extend our set-up phase. Further testing is underway to ensure the portal can respond effectively to the needs of people with arthritis before the service goes live later this year.

Working with people with arthritis and healthcare professionals we have developed our plans to provide the peer-to-peer support that people with arthritis have told us that they need. Recognising more insight into this complex area was needed, we commissioned further research into the benefits of peer-to-peer support and to explore which models we could adopt to have the biggest impact on the lives of people with arthritis. We aim to launch pilot activity during 2017/18.



37%

of people with arthritis say they find the information available to them is confusing

42%

struggle to find information relating to their specific condition.



“I give Arthritis Research UK information to patients all the time because I know that it’s trusted and reliable. The exercise sheets are invaluable and I send patients straight to your website.”

GP speaking to our team at the national Pulse Live conference

Through our information and advice continued

Whilst the groundwork for our new services has been underway, we’ve continued to provide a range of information content to many people with arthritis and their healthcare professionals. We have delivered new outreach campaigns, including the Pocket Pain Guide and Everyday Moves - in partnership with Voltarol, to give people with arthritis access to better and more personalised information on issues like pain and exercise. During 2016/17, we distributed over 1.7million pieces of print information, 5.5million people visited our website for information and more than 298,000 of our information booklets were downloaded. This year we’ve also redeveloped our online information pages, making them fully responsive and easily accessible from any device.

53% of people with arthritis told us they think GPs lack specialist knowledge about their condition, so training and supporting healthcare professionals to be able to give the best possible care and advice to people with arthritis continues to be a priority. We have reached more than 50,000 healthcare professionals during 2016/17, through our courses, national conferences and newsletters. As a result, we have grown our professional network of GPs, practice nurses, physiotherapists and fitness professionals to almost 2,500 people.

This year more than 5,000 GPs and primary care professionals have benefited from our core skills e-learning package, which aims to increase confidence in assessing, diagnosing, investigating and treating musculoskeletal problems. We worked closely with the Royal College of GPs to develop a complementary series of bite-sized e-learning modules called ‘5 minutes to change your practice’ and are exploring the option of adding a practical workshop to our core training.

The Musculoskeletal Health Questionnaire (MSK-HQ), which was jointly developed by our Primary Care Sciences Research Centre at Keele University and the University of Oxford, was launched this year. In the ten months since launch, we have received licence requests from 179 healthcare settings across the UK keen to use the questionnaire. MSK-HQ asks people with musculoskeletal conditions a series of questions about their symptoms and the impact their condition is having on their life, giving healthcare professionals access to an effective tool to measure both musculoskeletal health and the impact of healthcare services.

Through our influence and awareness raising

We have seen real success this year as we continue to strive to ensure the voices of people with arthritis are heard by government and policy-makers and to establish Arthritis Research UK as a staunch advocate for the musculoskeletal sector on the national stage.

We secured the first parliamentary debate on arthritis at Westminster in more than five years. Attended by 15 MPs from across the House of Commons, including two Government Ministers, this gave us an opportunity to drive the needs of millions of people with arthritis further up the political agenda. As a result, we also secured a meeting with David Mowat MP, Parliamentary Under Secretary of State for Community Care.

We launched our 'Work Matters to Me' campaign calling for more support for people with arthritis to find, remain in and return to work. More than 50 MPs attended a drop-in session at Parliament to find out about the challenges of working with arthritis. The campaign also galvanised support from people with arthritis keen to explain why work matters to them, helping us to grow our network of active campaigners. Almost 350 supporters wrote to the Government and more than 260 people shared their experiences of work and arthritis.

Our policy work secured four significant commitments that were included in 'Improving Lives: The Work, Health and Disability Green Paper'. These were:

- a commitment to identify and collect improved data about musculoskeletal patients and services.
- recognition that more people with arthritis could benefit from care planning.
- support for new ways of providing musculoskeletal care, including self-referral to physiotherapy.
- proposals to trial new approaches to musculoskeletal services so that people's health and employment needs are met.

Other highlights include:

- our first roundtable discussion at Conservative party conference in partnership with the Chartered Society of Physiotherapists, exploring ways to reduce current pressure on primary care and featuring a supporter talking about living with rheumatoid arthritis.
- giving evidence to the House of Commons Work and Pensions Select Committee as part of their disability employment inquiry.
- recruiting 42 MSPs as 'Arthritis Champions' in Scotland, following the publication of our Scottish manifesto, and building stronger links with Scottish politicians from every party.

- expanding our policy portfolio with new positions on social care and on public health in Scotland.
- strong partnership work in the medical research sector, including support of a timely cross-sector report demonstrating the value of UK research to the EU.
- in our first year of membership of the Richmond Group of Charities working to represent the voice of people with arthritis in initiatives including a campaign to highlight the role charities can play in supporting the NHS, a partnership with Sport England designed to get people living with or at risk of long term conditions taking part in sport and a policy report entitled 'Living Longer, Living Well.'

42
MSPs as 'Arthritis Champions'
in Scotland

Through our influence and awareness raising continued

Throughout the year, we have continued to raise awareness of arthritis and its impact by working closely with the media, responding to relevant topical news stories and running proactive campaigns, including Be the Difference and Share Your Everyday. We have also developed the communications strategy and campaign plans that will allow us to launch a targeted national campaign in summer 2017, challenging society's attitudes to arthritis, to elevate its status and to increase understanding of its impact.

Our ongoing interest in inclusive and accessible product design continued this year with a new partnership with the Design Council. We supported its SPARK Innovation programme by sponsoring a unique category at the annual Spark Awards 2016, recognising innovative product design offering practical solutions to challenges faced by people with arthritis. Two winning design ideas – 'Handy Fasteners' and Ezi-Plug – have been awarded funding for further development.



We also supported a six week exhibition, called New Old, at the Design Museum which focused on how designers could work with public institutions and enterprises to transform people's experience of ageing.

People with arthritis are playing a pivotal role in helping us to build understanding of the importance of design and accessibility to quality of life. We are undertaking research asking people with arthritis how and why they use products and services, and how they access them. The findings will inform our plans for transformative activity in this area in the future.





Via Our Volunteers

Our volunteers continue to make an outstanding contribution across the organisation, giving their time and enthusiasm to support every area of our work. Their commitment is especially important to our information provision, community fundraising and retail activities.

We are extremely grateful for the continued support of over 200 expert authors and reviewers, who give their time to contribute to our patient information. With their support and input we continue to develop high quality, clear, relevant and accurate content for a range of different channels and audiences.

We currently have 67 branches (2016: 115), which are volunteer fundraising groups, and more than 250 active volunteers (2016: 1,118) fundraising on our behalf in communities across England, Wales, Scotland and Northern Ireland. Despite some of our branches closing and therefore the number of our fundraising volunteers falling, this year they have raised as much as £230,000 (2016: £235,000) through street and supermarket collections, bake sales, coffee mornings and public events.



156 volunteers (2016: 178) play a vital role in the operation of our retail network of 13 shops. They carry out a range of duties, including serving customers on the tills, steaming garments, cleaning and arranging shop displays, and help with shop fundraising activities during special events. Each shop only has between one and three full-time paid employees (or the equivalent) and without volunteers our shops would not be able to open full time.

67

We currently have 67 branches (2016: 115), which are volunteer fundraising groups

250

active volunteers (2016: 1,118) fundraising on our behalf in communities

Through our income generation

Our clear and ambitious purpose and our growing understanding of the needs of people with arthritis means maximising our income is more important now than ever. Raising more funds will give us more scope to be able to deliver the new services and invest in the breakthrough treatments that will change lives.

The changing environment

The external environment in which we are fundraising is evolving. Over the last 12 months we have begun to see the impact of the changing attitudes towards charity fundraising amongst the public, as well as the new regulation that continues to flow through. Though these changes bring big challenges, we are embracing the opportunities they also bring to re-engage with our donors, to maintain their trust and to demonstrate how we are striving to be accountable, transparent and impactful in everything we do.

Legacy, voluntary and trading income

The generous legacies left to us by our supporters continue to provide the majority of our voluntary income. This year our legacy income decreased by 24 percent. The number of notifications we received during the year remained stable, but the value of those legacies has reduced on the previous year. We have been anticipating a decline in our legacy income through our forecasting and will continue to protect and stabilise this important source of income as much as we can.

The decrease in our legacy income has significantly impacted on our net income (fundraising direct income less direct expenditure) which saw a 25 percent reduction on 2015/16. Other income lines show a mixed performance, with individual giving up slightly on the previous year, events and community holding a similar position and major supporters and partnerships down slightly on 2015/16. Despite these fluctuations, we see some promising potential around new partnerships and funders which have opened up as a result of our increasing charitable activity.

During 2016/17, we have purposefully invested in exploring and appraising a range of possible opportunities for new income streams provided by our renewed strategic refocus. We are now clear how we might introduce new income over the next five years, for example through product design and development, to support our new services.

In line with the decision, announced last year, throughout 2016/17 we have been winding down our shop-based retail activity and will continue to do so up until December 2017 when our remaining 13 shops will close. We would like to acknowledge the hard work and dedication of the remaining retail team and volunteers.

Thank you

Each of our donors and funders, whether an individual, a company or a trust, is valued for the difference they are making to the lives of people with arthritis. We are committed to nurturing positive relationships with all our current supporters and reaching out to new people and organisations who can help us to achieve our vision of a future free from arthritis.

Through investment in our infrastructure, our people and our processes

As we undergo a period of rapid growth, we needed to change the profile of our organisation to ensure we can deliver real impact on the lives of people with arthritis. This year we have invested heavily in our infrastructure and in our people to build our capacity and capability in key areas. In addition to our investment in the telephony service, fundamental to the delivery of our new helpline, we have also developed our fundraising database and CRM systems, so we can manage our data safely and effectively.

We have developed our insight, evaluation and planning functions, so we can better track and measure our impact. Our new outcomes framework sets out each of the big changes we want to see happen to improve quality of life for people with arthritis. We will use this as a benchmark for all our activities going forwards.

We introduced a new brand to reflect our change in direction and to better represent the needs of people with arthritis; underpinning our plans for national awareness-raising campaigns over the coming months.

2016/17 has seen us tackle and meet the challenge of recruiting new teams with fresh skills and expertise. 70 new people joined the organisation this year which has inevitably had an impact on managers and the HR team as they worked through the recruitment and induction processes for so many new starters. However, we have continued to train and support the professional development of our existing employees, including our leadership and management team and introduced an improved cross-organisational competency framework, which sets out the behaviours expected and needed from all employees as our organisation develops and grows.

This year, with the launch of our Flex programme, we have begun to make changes to our organisation's culture, behaviour and office spaces which will ensure we are looking after the musculoskeletal health of our employees. We began to pilot new ways of working which will be rolled out during 2017/18, drawing on the expertise of our centre for Musculoskeletal Health and Work. These included a musculoskeletal health awareness programme, providing sit/stand workstations, offering flexible working practices and promoting active working. We have also found potential new premises in both London and Chesterfield that are fit for purpose for our growing organisation and will provide the accessible office space we will need to be an exemplar employer for musculoskeletal health.



Looking ahead to 2017/18

Going forwards we will continue to balance our existing and ongoing commitments to vital research activity, with our investment in new areas of transformative work that have the potential to improve quality of life for people with arthritis. As we change and grow, developing the right infrastructure, people and processes to meet the challenges and opportunities ahead, our long-term financial stability will always be front of mind.

As we look ahead to the next 12 months we are clear and confident about what we need to do to move us even closer to achieving our 2020 objective. We've taken stock, learning from what has gone well this year and from the areas that have challenged us the most and we continue to listen to people with arthritis. As a result, we will build on our successes to date during 2017/18, committing to:

- Launching a major national campaign to raise the status of arthritis, challenging attitudes and building understanding of its impact
- Promoting and developing our range of new information and advice services, including the information portal and peer-to-peer support

- Influencing the adoption of musculoskeletal interventions, such as ESCAPE knee pain
- Influencing policy in areas core to the needs of people with arthritis, giving them a strong voice
- Continuing to fund pain and cure research, uncovering new ideas and breakthrough treatments, and extending our interest in vital health services research
- Developing and embedding our integrated income and expenditure model, including setting up new income streams
- Moving into new offices in both London and Chesterfield and further promoting high quality musculoskeletal health
- Embedding our outcome framework
- Providing excellent customer service to people interacting with the charity

We will monitor our progress in achieving these deliverables, applying our new outcome framework so we can better report on the impact of our activities on people with arthritis. A summary of our achievements will be provided in the next annual report.



Everyday life stories

- 27 Patient insight partner – Susan Moore
- 28 Helpline advisor – Sandy Marshall
- 29 Fundraiser – William Brindley
- 30 Person with arthritis – Charles Robinson
- 31 Researcher – Dr Jenny Lewis
- 32 Person with arthritis – Simon Murden
- 33 Thank you

Susan

Susan Moore is one of the many people who help us by sharing valuable insight into what it's like living with arthritis. Susan was diagnosed with rheumatoid arthritis more than 20 years ago and has fibromyalgia and osteoarthritis. She explains:

“Every day is a challenge when you have chronic pain. Everything hurts and it can become completely overwhelming. Getting up, getting ready and going out every day is the only way I can distract myself and cope with the pain.”

Susan played a vital role in the patient group that helped our researchers to develop the ‘Pain Roadmap’:

“I’m passionate about helping researchers and healthcare professionals to understand the reality of living with chronic pain. What Arthritis Research UK is doing is incredibly important because the only way we’ll find the answers is by patients and researchers working together.

Being involved in this project has made me realise chronic pain is being taken seriously and that there are fantastic people out there committed to doing something about it. Because the pain of arthritis is invisible it’s difficult to explain what you’re going through; it means so much to know I am being listened to.”



“Everyday is a challenge when you have chronic pain”

Sandy

Sandy Marshall joined Arthritis Research UK in 2017 as team leader on our new helpline. She was diagnosed with rheumatoid arthritis aged 16 so has plenty of personal experience of living with arthritis. Sandy says:

“It’s been really exciting to play a part in establishing such an important new service. People with arthritis are not getting the information they need to fully understand and manage their condition. We are here to fill that gap.

Through the helpline we are giving people control by helping them to understand their choices, supporting them to be independent by advising on everything from aids and adaptation to benefits and recognising the impact the condition has on their life. Listening and ensuring each caller knows we doing everything we can to advise and support them is an essential part of the job.

I’ve tried many different treatments over the years, but now I am on biologics and my disease is as controlled as it’s ever been. It means a lot to be working for the organisation that funded the research into the drugs that have been life-changing for me. To be doing a job that makes a real difference to the lives of people with arthritis every day is even better.”



“It’s been really exciting to play a part in establishing such an important new service”

William

William Brindley has run five marathons for Arthritis Research UK, raising more than £19,000 for our work. His support is inspired by seeing the devastating impact arthritis has had on his family, but also the positive effects of the right treatment. He says:

“It was my wife’s idea that I run my first London marathon for you. From that first contact with the charity I felt like part of the team. I always feel supported and appreciated which really motivates me when I’m training and fundraising. I’ve been lucky enough to have fantastic support, but it’s through fundraising that I’ve realised just how many families are affected by arthritis.

When my wife fell ill it came out of nowhere; she was diagnosed with rheumatoid arthritis at 37 and all three of us struggled to come to terms with it. But eight years on my wife is receiving treatment that means she can live a full and active life, juggling being a Mum to our 13-year-old daughter with a full-time job as a university nurse senior lecturer.

I support Arthritis Research UK because of your commitment to improve the quality of life of people with arthritis. I see first-hand every day what living with arthritis is like, so I know how vital your work is. Because of research funded by you, life is better for our whole family.”



“She was diagnosed at 37 and all three of us struggled to come to terms with it”

Charles

Having lived with osteoarthritis for many years, Charles Robinson, 62, has had both knees and his left hip replaced over the last decade. Charles is passionate about the importance of the research into arthritis, saying:

“I’ve seen the difference research has made to my own life. Because of the advances made in joint replacement surgery by the time of my last knee replacement I found I recovered faster and had less post-operative pain. I’m a keen swimmer and walker and I’ve been able to get back to exercising quicker than expected which has had a positive effect on the rest of my life.

I love life, so I am determined to make my new knees and hip last as long as possible and to get the most out of them. Arthritis can really knock you for six and turn your life upside-down. When you’re in pain you crave normality and just want to be able to carry on doing everything you used to be able to do.

Arthritis research is vital as it gives people like me a lifeline to a better future and you can’t put a price on that. What you do is so important because it helps people with arthritis to move forward, rather than feeling their lives are heading in reverse.”



“Arthritis research is vital as it gives people like me a lifeline to a better future”

Dr Jenny Lewis

Dr Jenny Lewis is a senior clinical research occupational therapist at the Royal National Hospital for Rheumatoid Diseases in Bath. She received her first major research grant from Arthritis Research UK in the first Pain Challenge round.

“I specialise in working with patients with altered perception of their painful limbs; people who think their limbs are very different in shape and size to reality. We’ve found using visual illusions to change that perception has a positive impact on pain levels. We’re intrigued about why this is. So, with your funding, we’ll use functional MRI imaging to look at neural networks in the brains of people with hand osteoarthritis and Complex Regional Pain Syndrome who also experience body perception disturbance. By comparing this brain activity with that of healthy volunteers we hope to identify where the problem lies, in order to potentially target that area for treatment in the future.

The impact of this funding will be felt in lots of different ways. Most importantly, it allows us to explore pain from a different perspective. By looking at pain differently we hope to move closer to being able to effectively target its causes and improve the lives of people with arthritis. It allows us to bring together experts from different disciplines to work together



for the first time and enables me to lead this international collaboration, moving on to the next stage of my research career.

Your commitment to funding this area is extremely valuable because it is giving pain research the recognition and support it needs.”

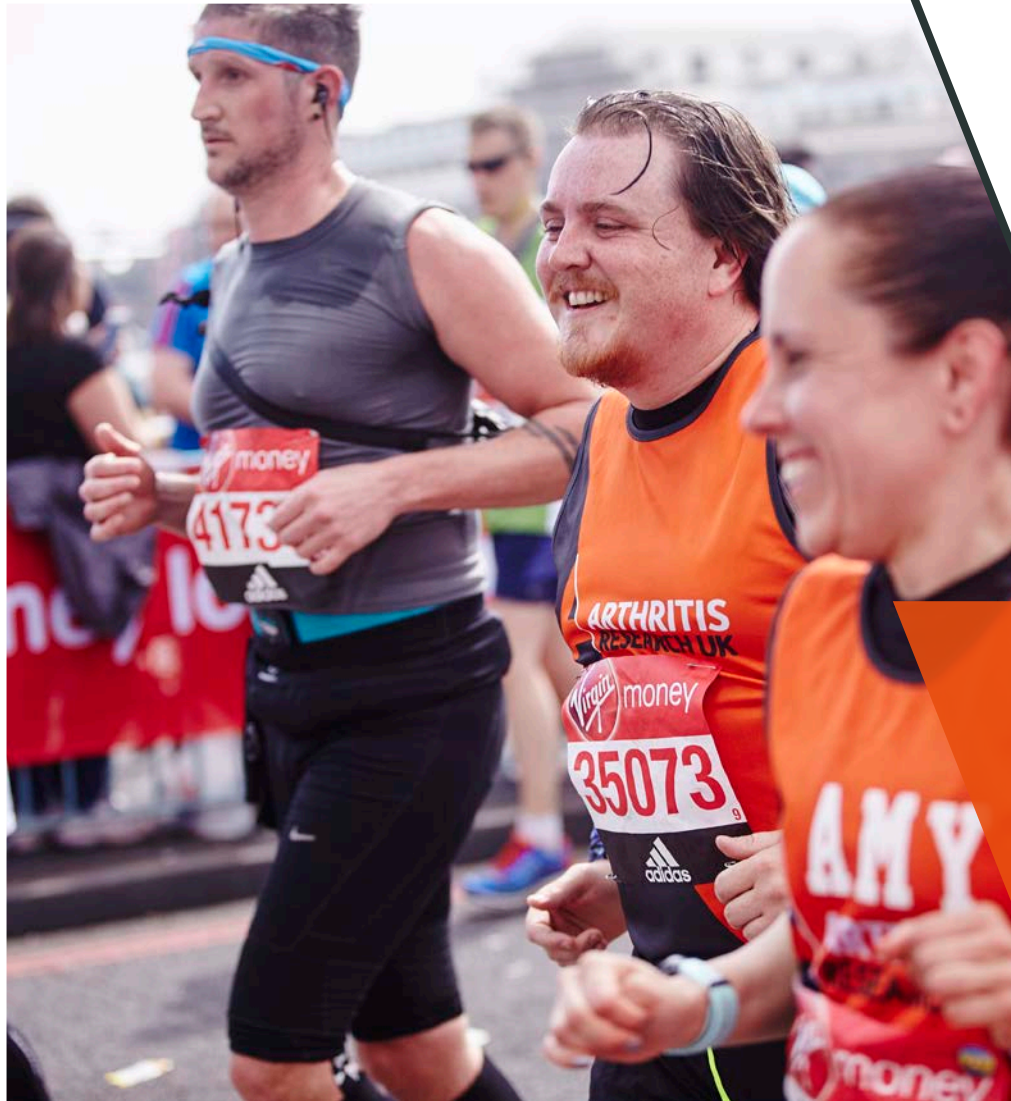
“The impact of this funding will be felt in lots of different ways”

Simon

Simon Murden, aged 37, was diagnosed with psoriatic arthritis in his early 20s. For the last five years he has benefited from successful treatment with anti-TNF therapy, inspiring him to raise awareness and money to support our work. Simon explains:

“Anti-TNF therapy has worked wonders, it’s really made a difference to my life after some difficult years of trying different treatments that just didn’t work for me. Responding so well to the treatment also kick started my love of running. It was incredibly tough at first, but running helps me to manage my arthritis and I feel better and stronger than I ever did in my 20s.

Sometimes I feel because arthritis isn’t life threatening, people forget about it and because the pain is invisible, people just don’t understand it. That’s why what you do is so important. I know my arthritis isn’t going to go away, and I’ve seen the massive impact it has on other peoples’ lives too, so I want there to be new and better treatments and support out there for all of us in future.”



“Anti-TNF therapy has really made a difference to my life”

Thank you

We would like to thank all our volunteers, donors, campaigners, trusts, foundations, corporate supporters, celebrity supporters, contributors, reviewers, researchers, employees, advocates, spokespeople and partners.

We would also like to say a special thank you to the many people living with arthritis that have spoken out and shared their stories. Through interviews, fundraising activities and campaigning, we have been able to raise awareness of the impact of arthritis has on everyday lives and generate much needed funds.

Quite simply, our work wouldn't be possible without you. Through your generous contributions you have helped make a real difference in the advancement of arthritis research and crucially, to the lives of people living with arthritis.

The Adint Charitable Trust
Shelagh and Tom Allen
The Barbour Foundation
Boots UK Limited
The Bothwell Charitable Trust
The Cadogan Charity
The C M Lowe Charitable Trust
Constance Travis Charitable Trust
Adam and Cathya Djanogly
Steve and Mel Edge
Edith Florence Spencer Memorial Trust
Edith Murphy Foundation
The Elizabeth & Prince Zaiger Trust
The Eveson Charitable Trust
Richard Froomberg
GlaxoSmithKline plc.
The Harry Bacon Foundation
Infirst Healthcare
The Inman Charity
The James & Patricia Hamilton Charitable Trust
The Joan Lynette Dalton Charitable Trust
John Jarrold Trust Limited
Kathleen Laurence Trust
The L & R Gilley Charitable Trust
Andrew Lumley
Masonic Charitable Foundation
Miss Margaret Butters Reekie Charitable Trust
Northwood Charitable Trust
The Peacock Charitable Trust
Pfizer Ltd

The Pilkington Charities Fund
P F Charitable Trust
David Pocknell
The Revere Charitable Trust
Robert Barr's Charitable Trust
The Sir Edward Lewis Foundation
The Sir James Reckitt Charity
The Sir William Coxen Trust
Fund a Charity administered by the City of London Corporation
The Late St Patrick White Charitable Trust
Miss A Stratton
The Swire Charitable Trust
Sylvia Waddilove Foundation UK
The Violet M Richards Charity
All donors from the Lantern Opera 2017
Members of The Joint Initiative giving club
Our Farnham branch in its 50th year
Alex Rennie and Neil Donald
Medical Research Council
MQ
AMS
Design Council
Helen Hamlyn Centre
NC3Rs
NIHR
Rheumafonds
Wellcome
GOSHCC
JRDF
Medical Technologies IKC

Royal College of Surgery of England & Edinburgh
Pfizer
Chartered Society of Physiotherapists
Chief Scientist's Office of the Scottish Government
CRUK
Alzheimer's Society
Parkinson's UK
Marie Curie
Autistica
INVOLVE
St Georges NHS trust
Action for ME
East Midlands AHSN
VoiceNorth
NHS Research Scotland
Translate
Arthritis Society
Arthritis Ireland
NIHR CLAHRC East of England
Shared learning group on research involvement

We also acknowledge those generous donors who wish to remain anonymous

Governance and financial statements

- 35** Financial Review
- 41** Our Structure, Governance and Management
- 45** Independent Auditor's Report
- 65** Committees which support the Board of Trustees
- 72** Legal and Administrative Information

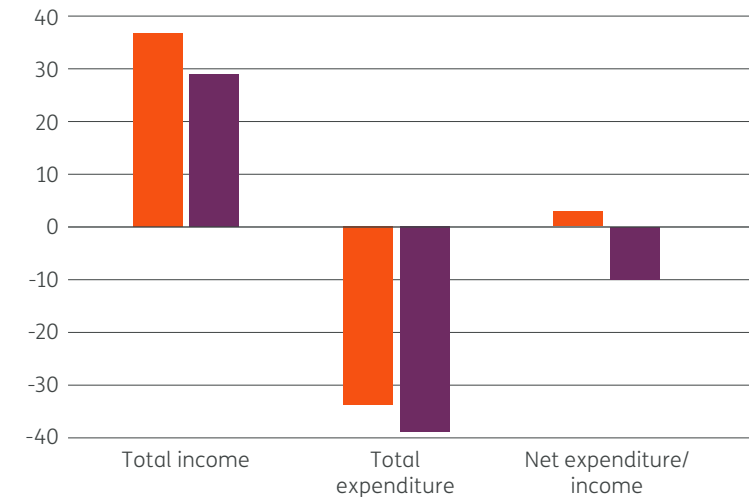
Financial review

A summary of the financial results for the year ending 31 March 2017 are set out below while the charity's full set of financial statements can be found on pages 47 to 64.

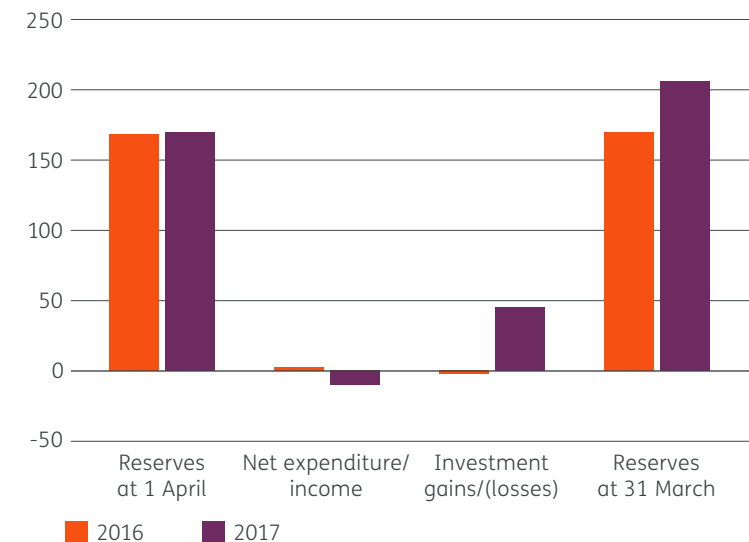
Expenditure exceeded income for the year by £9.93m (before investment gains/ losses) (2016: income exceeded expenditure by £2.90m). This is in line with our strategic plans to utilise reserves to invest in improved quality of life for people with arthritis.

Total funds increased to £206.79m (2016: £170.39m) at year end due to overall investment gains of £46.33m (2016: £1.33m loss) further to exceptional movements within the markets influenced by Brexit and the political changes in the US. In line with our revised investment policy (see page 38), cashflow requirements for the next two years are held as cash and cash equivalents which has resulted in cash increasing to £35.72m (2016: £19.13m).

Net expenditure/income £m



Movement in reserves £m



Charitable expenditure increased to £30.16m (2016: £25.82m) and represented 78% (2016: 76%) of our total spend for the year – an increase of 2% from 2016.

More detail is included below and in our achievements section on pages 12–24.

Overall income fell by £7.80m in 2017 to £28.88m (2016: £36.68m) as set out below. This was driven by fewer large legacies than historically received, an expected fall in intellectual property income, and lower trading income as we reduced the number of shops in operation.

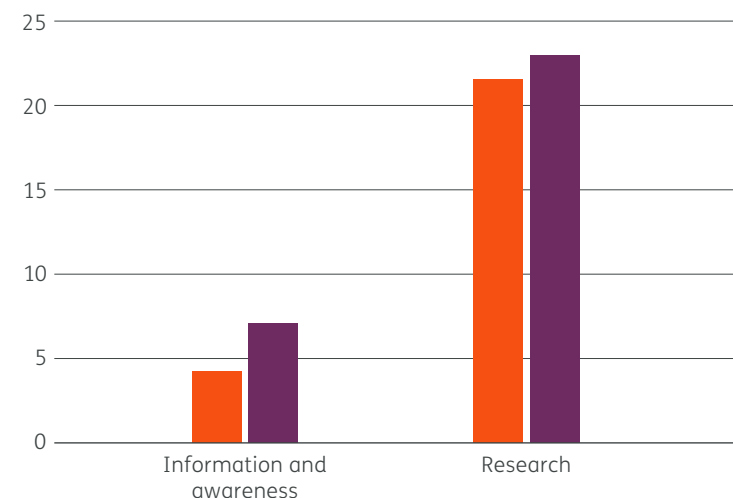
Through the generosity of our supporters we received £18.87m (2016: £22.90m) in donations and legacies this year. Sponsorship increased by 38% to £0.53m (2016: £0.38m) while donations increased by 13% to £3.76m (2016: £3.32m). Collectively this helped to offset lower income from legacies which totalled £14.59m (2016: £19.20m).

As expected we received lower intellectual property income of £6.08m in the year (2016: £8.44m) and expect this income to fall further in 2018. This income is received from royalties for anti-TNF treatments developed with the Kennedy Institute.

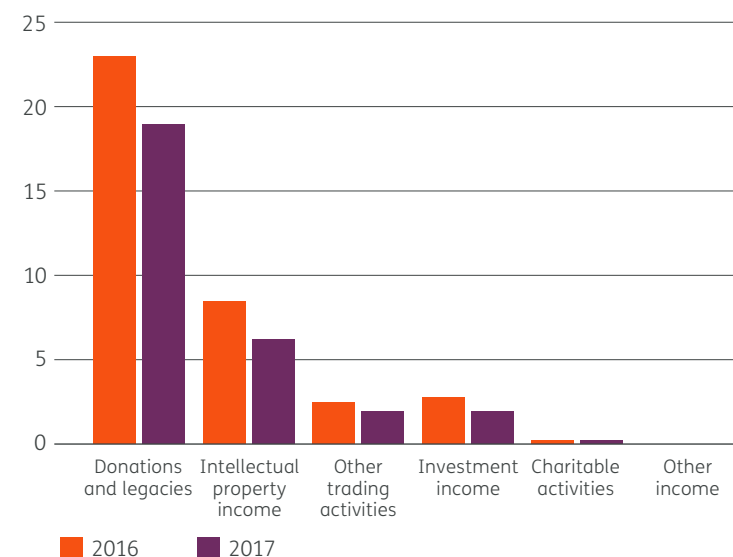
Income from other trading activities arises predominately from shops and mail order catalogue sales. Income of £1.86m was generated in the year (2016: £2.42m) and a significant element of this reduction in income relates to the closure of 3 shops, leaving 13 shops trading at year end.

Interest and dividend income from our investment portfolio makes up the majority of the investment income of £1.95m (2016: £2.74m). The reduction year on year relates primarily to a change in our investment portfolio which generates less dividend income. Our four investment funds have an objective to optimise our total capital and revenue return within the parameters of our investment policy. Our largest fund saw a return in the last year ahead of sector benchmark performance.

Charitable expenditure £m



Income £m



Total research expenditure was £23.11m (2016: £21.62m) which consists of research grants and related support costs.

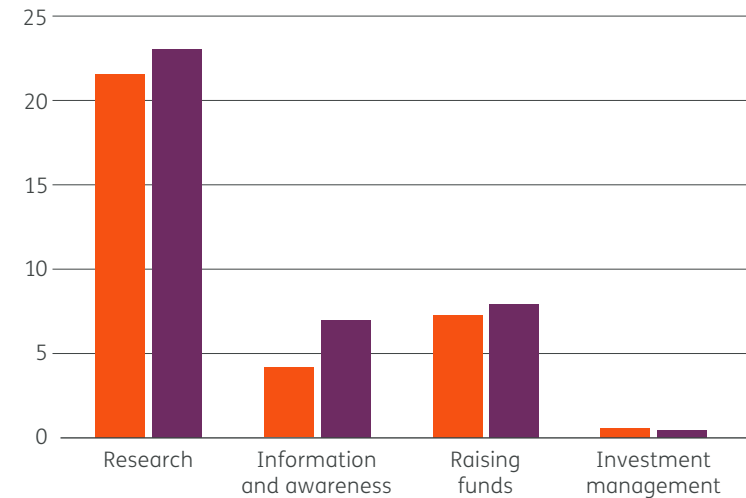
Research grants recognised for the year totalled £20.05m (2016: £19.09m) (see note 4 on page 53). The graph opposite shows research spend by key area. Note 20 on pages 63–64 provides more detail on the grants awarded and the recipient institutions in year.

Highlights of what we have achieved this year in our Research can be found from page 14 in the annual report.

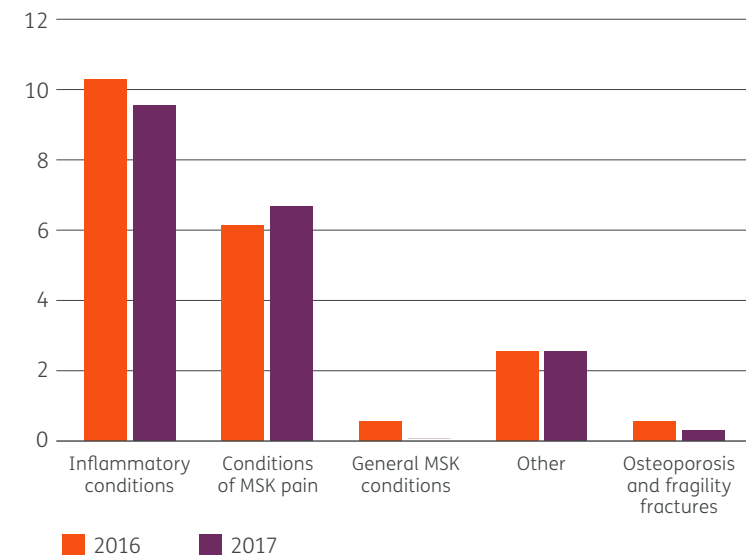
There has been a significant increase in charitable expenditure on information and awareness with from £4.20m in 2016 to £7.06m this year. Projects have included the launch of a new multi-channel helpline, the first element of the portfolio of high quality services we are designing to meet the need for trusted information and advice for people with arthritis. We have also continued developing and testing our interactive information portal and engaging with healthcare professionals.

Further information about our achievement is included from page 12.

Expenditure £m



Research Grants Recognised £m



Future periods

2017/18 will see the charity implement exciting plans for charitable expenditure on transformative projects designed to achieve significant increases in the quality of life for our beneficiaries as set out on page 25. A significant element of these projects will be funded from our reserves through a planned deficit of £36m.

Trading Company

Arthritis Research UK Trading Limited is a 100% subsidiary of the charity, incorporated in England and Wales, and is principally engaged in the sale of Christmas cards and gifts and the trading activities on behalf of the parent company, Arthritis Research UK. Taxable profits are transferred as a charitable donation to the charity. For 2016/17 the trading company made a charitable donation of £143,672 (2016: £68,522) to the charity.

Reserves policy

The charity has significant ongoing commitments to research expenditure, and a clear strategic objective to invest in new areas of charitable expenditure to improve the quality of life for people with arthritis. Investment is required in fundraising activity to sustain strategic plans, and other investment to maintain fit for purpose charity infrastructure.

The Trustees have authorised an excess of expenditure over income in future periods to fund these commitments.

Income levels are expected to fall over the coming years with the expiry of intellectual property income. Other fundraised income sources are inherently subject to fluctuation. Investment values are also subject to unpredictable market movements. Reserves are required to underpin all these factors in line with sound financial management practice.

All outstanding commitments to research expenditure at the year-end (with the exception of the first three months, which are current liabilities), are held as Designated Funds. Other commitments that have been made internally but are not yet contractually agreed are also held as Designated Funds.

The Trustees have further agreed a policy of holding general reserves equivalent to not less than three months' operating expenses.

As at 31 March 2017, the charity's consolidated total funds were made up as follows:

	31 March 2017	31 March 2016
	£m	£m
Restricted funds	1.38	1.21
Designated funds	142.90	142.87
Revaluation reserve	54.85	20.13
General reserves	7.66	6.18
Total	206.79	170.39

Funds have increased in year by £36.40m, ending on the 31 March 2017 at £206.79m. The increase is due to net realised gains of £11.67m including currency losses (see note 10), unrealised gains of £34.99m, net unrealised loss in investment property of £0.33m and the operational deficit of £9.93m.

The general reserves of £7.66m represent free reserves comprising of 4.9 months of forward operating expenditure. The Trustees are comfortable with the level of reserves and do not consider them to be excessive.

Funds are defined as all cash, investments, current assets less current liabilities held in the name of Arthritis Research UK and its trading subsidiary.

The charity reserves policy is kept under review by the Finance Committee with periodic consideration by the Board of Trustees.

Investment policy

This was revised during the year to a position of holding sufficient funds as cash and cash equivalents to meet cash flow requirements for the next two years. Surplus funds are available for investment by the charity's investment managers.

Arthritis Research UK Finance Committee has set a benchmark for the distribution of the investment portfolio, against which the actual performance is monitored, with the aim of optimising long-term total return, within appropriate risk parameters. Arthritis Research UK investment managers have discretion to manage the portfolio within this framework. Arthritis Research UK's ethical policy specifically excludes direct investments in companies with more than 10% of disclosed sales in the tobacco industry.

Remuneration policy

Pay levels for all Arthritis Research UK employees are reviewed annually and any overall percentage increases are authorised by the Board of Trustees. Pay increases for all employees, including the Chief Executive Officer and members of the Senior Leadership Team, are subject to individual performance assessed in line with the performance appraisal criteria agreed as part of the Charity's performance management system.

Our remuneration policy for all employees is based on transparency and equality. We do this by:

- making sure that our roles are paid at a similar level to other roles in the sector – we use relevant benchmarking information when we set salaries and participate in a number of charity sector pay and benefit surveys
- paying salaries that recognise the specific skills that employees bring to their particular role
- reviewing our pay levels annually
- paying all our employees at or above the UK living wage

- recognising and rewarding the individual contribution of each employee through our annual appraisal system
- applying the same terms and conditions of employment and eligibility for employment benefits to all of our people, including our senior leadership team
- being open about how much we pay our employees.

Grants Policy

Applications for funding are received via our online grant system in response to a specific grant call. Applications received are then validated and in accordance with the requirements of the Association of Medical Research Charities (AMRC), they are subject to external peer review. The applications and the expert peer review comments are then considered by independent review panels, which make a recommendation on whether to make an award or reject the application. The review panels have a core membership of research experts and patient insight partners. All reviewers are checked for any conflicts of interest prior to being asked to review an application.

Once applications have been recommended for an award they are approved in accordance with our schedule of authority, and letters of award are then issued.

Internal controls and risk management

In working towards achieving its objectives the charity will inevitably be exposed to risks. Our risk management and systems of internal control provide reasonable assurances that these risks are being suitably managed. The Board of Trustees has ultimate responsibility for risk management and discharges its duties through the review of the charity's systems of internal control and risk management processes.

The key strategic risks facing the charity are:

Risk	Mitigating Actions
Operating Environment Changes in the external operating environment that the charity may fail to recognise and respond to	<ul style="list-style-type: none"> • Monitoring of legislative and regulatory changes. • Horizon scanning and utilisation of insights to inform decision making. • Networking and maximising opportunities through a commercial approach.
Reputation Management Unforeseen circumstances that have the potential to negatively impact on the charity	<ul style="list-style-type: none"> • Proactive reporting, management and investigation of incidents and potential adverse events. • Provision of specialist resources in areas such as legal, procurement, risk, compliance and communications. • Performance monitoring of grant recipients to ensure terms and conditions are met and output delivered. • Monitoring of public confidence in charities.
Income Failure to achieve the net income target or a major unplanned reduction in income	<ul style="list-style-type: none"> • Close monitoring of the external environment. • Legacy forecasting in place and regularly reviewed. • Income diversification project in place.
Managing Activities and Resources The charity fails to effectively prioritise, plan, finance and manage activities and resources	<ul style="list-style-type: none"> • Performance framework in place to monitor performance and to inform decision making and future planning. • Rolling 12-month forecasting and financial modelling • Ongoing implementation of project appraisal and costing procedures.
People Failure to recruit, align and manage people and behaviours	<ul style="list-style-type: none"> • HR indicators and staff establishment management. • Recruitment masterclasses for managers introduced. • Staff survey and action plans. • Competency framework. • Review and adapt the profile of the workforce to reflect the changing needs of the charity.
Compliance Non-compliance with organisational governance and statutory requirements	<ul style="list-style-type: none"> • Ongoing monitoring of legal and regulatory requirements. • Provision of specialist resources in areas such as legal and compliance. • Internal reviews implemented around compliance with the Institute of Fundraising Code of Practice and Data Protection.
Fiscal Control Poor management of cash flow, treasury and investments	<ul style="list-style-type: none"> • Increased post award insight through portfolio management. • Strategic financial modelling. • Monthly management accounts information assisting in financial control and planning.

Strategic risks are captured in an overarching corporate risk register, which is formally reviewed on a quarterly basis by the Arthritis Research UK Finance Committee and the Trust Board annually. Collectively, finance, performance and risk are monitored and reviewed through the unified report, which is submitted to the Finance Committee on a quarterly basis. Operational and project risks are recorded in individual risk registers, with an escalation process to the corporate risk register via the Risk Management Group and Senior Leadership Team.

Staff are supported through risk management training, guidance in the form of a risk toolkit and the provision of specialist advice.

Going Concern

Trustees have reviewed our financial position and plans along with our risk management and believe the Charity and the Group have adequate resources to continue operational existence for the foreseeable future and support the going concern basis for these annual accounts.

Our Structure, Governance and Management

Legal status

The registered name of the Charity is Arthritis Research UK.

The governing documents of the Charity are its Memorandum and Articles of Association dated 31 January 1951 and last amended on 6 October 2012. The Charity is a company limited by guarantee, the liability of the members of the Board of Trustees being limited to £1 each.

The Charity is also registered with the Office of the Scottish Charity Regulator.

Our management

Arthritis Research UK is governed by the Board of Trustees who for the purpose of the Companies Act 2006 are Directors of the Charity. The Board delegates operational planning and day-to-day management, including financial authority, to the Chief Executive and through him to the executive team, within approved limits.

The performance of the Chief Executive is overseen by the Board through reports and briefings presented by him and the executive team at Board meetings.

The Charity promotes equal opportunities for all employees and at all times gives full and fair consideration to applications for employment made by disabled persons.

The trading company Directors consist of the Chief Executive and Chair of the Finance Committee who delegate day-to-day management to the executive team, within approved limits.

Our supporters

The Charity's achievements are heavily reliant on the loyal support of our donors, volunteers, funders, campaigners and corporate partners.

Their contribution is made in many different ways: from supporting us financially, making valuable introductions and volunteering time to providing insight and advice and sharing knowledge. The Charity is extremely grateful to all its supporters for not only helping us to achieve our charitable objectives, but also for making a difference to the lives of people with arthritis all over the UK.

Our trading subsidiary

The Charity owns 249,999 of the 250,000 issued ordinary shares of Arthritis Research UK Trading Limited, a company registered in England. A trustee of the Charity owns the 1 remaining share as a nominee trustee. It is principally engaged in the sale of Christmas cards and gifts, and the trading activities on behalf of the parent company. The results of Arthritis Research UK Trading Limited have been consolidated with those of the Charity on a line-by-line basis. All taxable profits of the subsidiary are gifted to the Charity. The Company donates all its profits to the Charity.

We also have three dormant subsidiary companies: Arthritis Matters Ltd (Company number: 10029084), Arthritis Matters Trading Ltd (Company number: 10028973) and Arthritis UK Ltd (Company number: 03450500).

Our approach to fundraising

Section 144 (2) of the Charities Act 2011 requires Arthritis Research UK to provide the following information about fundraising.

Direct response marketing is an important element of our fundraising activity. We contract with telemarketing company Ethicall to make fundraising calls on our behalf to current and prospect donors. Ethicall handled 9,672 calls for us between April and November 2016. Our customer information is sourced

mainly from our own records, but also from third parties where we have secured appropriate consent to contact them.

Ethicall operate their own comprehensive Code of Conduct which includes:

- Membership of the Direct Marketing Association
- Ethical Award from the Ethical Company Association
- Institute of Fundraising Corporate Supporter
- TPS Assurance
- Good Shopping Guide Ethical Services

We have registered with the newly formed Fundraising Regulator and are also a member of the Institute of Fundraising and the National Council for Voluntary Organisations. We have procedures in place to ensure our employees and volunteers comply with fundraising standards and regulation and are not aware of any failure by our employees, volunteers or by Ethicall to meet these standards. We are committed to acting promptly in following up on any information indicating we have not met these standards.

During the year we received 67 complaints about our fundraising activity, all of which were resolved without raising ongoing issues.

We take our responsibilities on managing our contact data very seriously and respect our supporters' privacy and communication choices. We do not swap, sell or share our supporters' details to other charities or organisations for marketing purposes.

We are particularly aware of the risks to vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy, is unreasonably persistent or places undue pressure on a person to give money or other property.

We have corporate safeguarding policies in place which are shared with all staff and volunteers who might have contact with vulnerable people, whether they are donors or service users, and we periodically check these policies are understood and adhered to.

Our Board of Trustees

The Board of Trustees is responsible for the overall governance, policy and work of the Charity. It is also responsible for ensuring that the Charity delivers charitable outcomes for the benefit of people suffering from all forms of arthritis, in accordance with Charity Commission guidance.

The Trustees are volunteers and do not receive any remuneration for their services, but may claim reasonable expenses properly incurred in connection with attendance at meetings or other duties. The Board of Trustees meets formally four times each year.

The current members of the Board are listed on page 72 and are the Trustees who served during the year. Also listed are the Vice-Presidents of the Charity (who do not have Trustee status). The Chair of the Board is elected for a maximum term of five years, and may serve a maximum of two consecutive terms. Ordinary members are elected for a term of four years and may serve a maximum of two consecutive terms of office.

As set out in the Articles of Association new Trustees are appointed for their first term of office by the Appointments and Remuneration Committee and continue in office until the next Annual Board Meeting, where the appointment is approved by the Trustees. In accordance with the regulations of the Charity the Appointments and Remuneration Committee must seek candidates for any vacancy by an external process.

New Trustees are provided with an induction training pack, and site visits. The continuing development of all Trustees is addressed through regular updates and refresher presentations (including invited expert speakers), at Board meetings and an annual residential conference.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of Arthritis Research UK for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that in so far as each of the Trustees is aware:

- There is no relevant audit information of which the charitable company's auditor is not aware
- The Trustees have taken all steps that they ought to have taken 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 in the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Board committees

During the year ended 31 March 2017, the Trustees were supported by the committees listed below:

- Appointments and Remuneration Committee
- Finance Committee
- Charitable Purposes Committee, which is itself supported by:
 - Disease Sub Committee
 - Treatment Sub Committee
 - Health Sub Committee
 - College of Experts
 - Clinical Studies Sub Committee
 - Patient Insight Partner Group
 - Fellowship Expert Group

All committees operate under specific terms of reference drawn up by the Board of Trustees, which ratifies the decisions of each committee.

Auditors

BDO LLP were appointed as auditors for the year ending 31 March 2017, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

This Report including the Strategic Report was reviewed by the Board of Trustees at their meeting on 13 July 2017, and approved on 13 July 2017.

Dr Rodger McMillan
Chair of the Board of Trustees

Independent Auditor's Report to the Members of Arthritis Research UK

We have audited the financial statements of Arthritis Research UK for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, 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. We have been appointed auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements and the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the charity and its environment obtained during the course of the audit we have identified no material misstatements in the strategic report and trustees' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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.

BDO LLP

Fiona Condron (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor Gatwick

17th July 2017

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

Consolidated Statement of Financial Activities

Incorporating an income and expenditure account for the year ended 31 March 2017

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2017 Total Funds £'000	2016 Total Funds £'000
Income from					
Donations and legacies	2	17,753	1,121	18,874	22,900
Other trading activities	2	1,863	–	1,863	2,419
Investment income	2	1,947	–	1,947	2,740
Intellectual property income	3	6,080	–	6,080	8,437
Charitable activities	2	21	80	101	168
Other	2	12	–	12	13
Total Income		27,676	1,201	28,877	36,677
Expenditure					
Raising Funds	7	8,053	–	8,053	7,343
Investment management costs	7	585	–	585	608
Charitable activities:					
– Research	7	22,082	1,025	23,107	21,619
– Information & Awareness	7	7,057	–	7,057	4,204
Total Expenditure	7	37,777	1,025	38,802	33,774
Net gains/ (losses) on investments	10	46,328	–	46,328	(1,334)
Net movement in funds		36,227	176	36,403	1,569
Reconciliation of funds					
Funds brought forward		169,182	1,207	170,389	168,820
Total funds carried forward		205,409	1,383	206,792	170,389

The notes on pages 50 – 64 form part of these financial statements. Our existing shop network (currently 13 shops) will discontinue by the end of the calendar year 2017. The shops portfolio in 2017 contributed £167k (2016: £244k) of other trading activities income and £80k (2016: £102k) of direct costs.

Consolidated and Charity Balance Sheets

As at 31 March 2017

	Note	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Fixed assets					
Tangible assets	9	895	627	895	627
Investments	10	165,529	141,460	165,779	141,710
Investment property	10	8,200	8,530	8,200	8,530
Total Fixed Assets		174,624	150,617	174,874	150,867
Current assets					
Stocks		40	53	7	6
Debtors	12	10,356	14,003	10,446	14,151
Cash on deposit		33,385	18,624	33,385	18,624
Cash in hand		2,336	506	1,933	299
Total Current Assets		46,117	33,185	45,771	33,080
Creditors – amounts falling due within one year					
Creditors	13	(1,491)	(1,130)	(1,455)	(1,275)
Grant payments due within one year	4	(11,712)	(11,841)	(11,712)	(11,841)
Total Creditors due within one year		(13,203)	(12,971)	(13,167)	(13,116)
Net current assets		32,914	20,214	32,604	19,963
Total assets less current liabilities		207,538	170,831	207,478	170,830
Provisions for liabilities	19	(749)	(442)	(749)	(442)
Net assets		206,789	170,389	206,729	170,388
The funds of the group:					
Unrestricted income funds:					
General reserve	14	7,659	6,180	7,745	6,179
Designated funds	14 & 15	142,899	142,869	142,753	142,869
Revaluation reserve	14	54,850	20,133	54,850	20,133
Total unrestricted funds		205,408	169,182	205,348	169,181
Restricted income funds	14	1,382	1,207	1,382	1,207
Total funds	14	206,790	170,389	206,730	170,388

The Charity has not presented its own statement of financial activities as permitted by Section 408 (4) of the Companies Act 2006. The total income dealt with in the financial statements of the Charity were £28.52m (2016: £36.25m). The net increase in funds dealt with in the financial statements of the Charity was £36.34m (2016: £1.57m).

Approved by the Trustees on 13 July 2017 and signed on 13 July 2017.

Dr Rodger McMillan
Chair of the Board of Trustees

The notes on pages 50 – 64 form part of these financial statements Company Number: 00490500

Consolidated Cash Flow Statement

For the year ended 31 March 2017

	2017 £'000	2016 £'000
Cash flows from operating activities		
Net income for the reporting period (statement of financial activities)	36,402	1,569
Depreciation charge	171	168
Profit on disposal of fixed assets	–	(13)
Dividends, interest and rent from investments	(1,946)	(2,740)
(Gains) / Losses on investments	(46,328)	1,334
Decrease / (Increase) in stocks	13	(2)
Decrease / (Increase) in debtors	3,648	(1,527)
Increase / (Decrease) in creditors	361	(46)
Increase / (Decrease) in provisions	306	(223)
Research and education grants recognised during the year	20,045	19,088
Research and education grants paid during the year	(20,175)	(18,930)
Net cash used in operating activities	(7,503)	(1,322)
Cash flows from investing activities		
Dividends, interest and rents from investments	1,946	2,387
Investment income movement	57	(13)
Proceeds from the sale of property, plant and equipment	–	28
Purchase of property, plant and property	(437)	(100)
Proceeds from the sale of investments	61,023	102,546
Purchase of investments	(37,537)	(105,466)
Net cash provided/ (used in) by investing activities	25,052	(618)
Change in cash and cash equivalents in the reporting period	17,549	(1,940)
Cash and cash equivalents at the beginning of the reporting period	19,129	20,716
Cash and cash equivalents due to the exchange rate movements	(952)	353
Cash and cash equivalents at the end of the reporting period	35,726	19,129

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the Charity Statement of Recommended Practice, Financial Reporting Standard 102 (Charities SORP FRS102) issued by the Charity Commission in July 2014 and the Companies Act 2006. Arthritis Research UK is a public benefit entity.

The consolidated financial statements comprise the Charity and its trading subsidiary Arthritis Research UK Trading Limited and cover the year ending 31 March 2017. They have been prepared under the historical cost convention as modified by the revaluation of listed investments at market value. The Charity's investment in its subsidiary has been included in the accounts at cost as there is no readily available market value and the Trustees consider that the cost of obtaining a valuation outweighs the benefit to the users of the accounts.

Income

All income is accounted for when the Charity is entitled to the income, the amount can be quantified with reasonable accuracy and the probability of receipt of the income is more likely than not. Legacies are accounted for when probate has been granted, the estate has an estimated value, and there are no material uncertainties relating to the estate.

Gifts donated for resale are included as income when they are sold, except for new goods which have been donated for resale which are valued at wholesale cost. No amounts are included in the financial statements for services donated by volunteers. Additionally, no amounts have been included for donated use of facilities as such amounts are not considered to be financially significant. All incoming resources are attributable to UK activity.

Expenditure

Expenditure is accounted for on an accruals basis.

Where costs cannot be directly attributed to particular activities they have been allocated to activities on a basis consistent with the use of the resources.

Publicity costs relating to raising the public awareness of the Charity are included within the costs of raising funds. Publicity costs incurred in furtherance of Arthritis Research UK's educational charitable objects are included within charitable activities as information and awareness. Governance costs incurred consist of audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Support costs consist of central resources that support all activities undertaken by the charity. Further information can be found in note 7.

Support costs are allocated to activities on the basis of staffing resource within activities. Irrecoverable VAT costs are included with the expenditure on which the VAT was charged in the Statement of Financial Activities.

Grants Payable

Grant awards are charged to the financial statements as the obligation arises. Irrespective of the method of funding, and as a result of the termination clauses within the grants terms and conditions, the obligation is deemed to be a value equivalent to 3 months of the total grant commitment together with any amounts claimed by the grantee at the year end. The balance of the potential grant commitment is identified as Designated Funds.

Fixed Assets

Arthritis Research UK's tangible fixed assets are stated at cost less depreciation. Depreciation of tangible assets is provided on a straight line basis at the rates set out below which are sufficient to write them down to their residual value over their estimated useful lives.

Freehold property – 2%

Fixtures and fittings – 10–25%

Computer equipment – 33%

Motor vehicles – 25%

Computer software – 20%–33%

Freehold land is not depreciated.

Assets with a cost below £1,000 are not capitalised.

Funds

Arthritis Research UK maintains the following types of fund:

- Restricted Income – funds which are subject to restrictions imposed by the donors.
- Designated – money set aside by the Trustees from unrestricted funds for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.
- General Reserve – unrestricted funds which can be used by the Trustees for the general purposes of Arthritis Research UK.
- Revaluation Reserve – the difference between the historic cost of investments and their market value.

Investments

Listed investments are shown in the balance sheet at their bid-market valuation. Property leased to commercial tenants is treated as an investment property and is valued at open market value per an independent external valuation.

Stock

Stocks consist of goods for resale and are stated at the lower of cost and net realisable value, except for new goods which have been donated for resale which are valued at wholesale cost.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in the Statement of Financial Activities.

Pensions

Pension contributions which are explained in note 17 are charged to the Statement of Financial Activities in the period in which they become payable.

Leases

Rental costs under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Debtors

A debtor arises when future economic benefits are expected to flow to entity and is recognised at its recoverable amount.

Creditors

A liability is recognised at its settlement amount when there is a present obligation to the entity arising from past events.

Accounting Estimates

Legacies – income is accrued when probate has been granted, the estate has an estimated value based on the grant of probate or estate accounts (where provided), and there are no material uncertainties relating to the administration of the estate. 10% is then deducted for administrative costs based on an historical average.

Intellectual Property Income – unless there are exceptional circumstances, income is accrued for a period based on recent monthly average receipted income.

Provisions – shop dilapidation provisions are estimates based on surveys while those covering offices are based on similar historic actual costs.

2. Income

	Unrestricted Income £'000	Restricted Income £'000	2017 Total Income £'000	Unrestricted Income £'000	Restricted Income £'000	2016 Total Income £'000
Donations & Legacies						
Legacies	14,018	568	14,586	17,956	1,244	19,200
Donations	3,209	553	3,762	2,428	891	3,319
Sponsorship	526	–	526	381	–	381
Total	17,753	1,121	18,874	20,765	2,135	22,900
Other Trading Activities						
Registration and raffle	184	–	184	339	–	339
Charity shops	1,497	–	1,497	1,909	–	1,909
Mail order and other trading	182	–	182	171	–	171
Total	1,863	–	1,863	2,419	–	2,419
Investment Income						
Listed Investments	1,684	–	1,684	2,455	–	2,455
Unlisted Investments	14	–	14	10	–	10
Rent from investment property	134	–	134	169	–	169
Bank Interest	115	–	115	106	–	106
Total	1,947	–	1,947	2,740	–	2,740
Intellectual property income	6,080	–	6,080	8,437	–	8,437
Income from charitable activities	21	80	101	47	121	168
Other income	12	–	12	13	–	13
Total Income	27,676	1,201	28,877	34,421	2,256	36,677

3. Intellectual Property Income

	2017 £'000	2016 £'000
Intellectual Property Income	6,080	8,437

Intellectual property royalties were received from anti-TNF treatments developed with the Kennedy Trust for Rheumatology Research.

The Kennedy Trust holds funds for all parties involved in the development of the anti-TNF treatments and might be used to protect the related patents. Arthritis Research UK is entitled to 22% of these funds which at 31 March 2017 represented up to £5,413k (2016: £2,536k).

This is not accounted for as an asset in our financial statements as Arthritis Research UK is not yet able to reliably measure the amounts due.

Post year end a proportion of these funds was released by the Kennedy Trust, resulting in a royalty payment to Arthritis Research UK of £1.10m.

4. Grants Commitments and Creditors

	2017 £'000
Grant creditors	
Balance at 1 April 2016	11,841
Movement in the year:	
Awards recognised	20,045
Awards paid	(20,175)
Balance at 31 March 2017	11,711
Grant commitments	
Balance at 1 April 2016	61,584
Movement in the year:	
New awards (not included within the accounts)	14,558
Total awards recognised within the accounts (see note 20)	20,045
Balance at 31 March 2017	56,097
Total Grant Commitments and Creditors	
Balance at 1 April 2016	73,425
Balance at 31 March 2017	67,808

A value equivalent to 3 months of the total grant liability is maintained in short-term liabilities. The balance of the potential grant liability is identified as Designated Funds.

5. Auditors Remuneration

	2017 £'000	2016 £'000
Fees payable to the charity's auditors for the audit of the charity's annual accounts	36	38
Other services – taxation and pension compliance services	8	10
Total Audit Remuneration	44	48

6. Operating Leases

The amounts paid under operating leases during the year were £375k (2016: £456k). Committed lease payments for future periods are as follows:

	2017 £'000	Restated 2016 £'000
Less than 1 year	607	644
2 to 5 years	926	1,553
Over 5 years	48	210
Total Operating Leasing Charges	1,581	2,407

7. Expenditure Analysis

	Awards Recognised £'000	(note 8) Staff Costs £'000	Allocated Costs £'000	Support Costs £'000	2017 Total £'000	2016 Total £'000
Raising Funds						
Legacies	–	194	88	148	430	626
Donations	–	2,001	1,740	938	4,679	3,358
Other Activities	–	1,150	1,083	711	2,944	3,359
Total Cost of Raising Funds	–	3,345	2,911	1,797	8,053	7,343
Investment Management Costs	–	–	583	1	584	608
Charitable Activities						
Research	20,130	1,568	751	658	23,107	21,619
Information & Awareness	–	2,504	3,241	1,312	7,057	4,204
Total Charitable Activities	20,130	4,072	3,992	1,970	30,164	25,823
Total Expenditure	20,130	7,417	7,486	3,768	38,801	33,774

Restricted expenditure of £1,025k (2016: £5,632k) all related to research grants.

Support Costs

	Finance & Procurement £'000	HR & Organisational Development £'000	ICT £'000	Corporate Services £'000	Governance £'000	External Affairs £'000	Total £'000
Legacies	8	12	34	72	1	20	147
Donations	43	68	189	399	12	227	938
Other Activities	39	62	171	361	7	71	711
Investments	–	–	–	–	1	–	1
Research	32	51	140	295	58	82	658
Information & Awareness	41	65	179	377	17	633	1,312
Grand Total	163	258	713	1,504	96	1,033	3,767

The apportionment of support costs is based on staffing resource within activities except governance which has been apportioned by total expenditure incurred by activities.

Governance Costs Analysed

	2017 £'000	2016 £'000
Audit Fees	44	38
Board of Trustees Costs	38	28
Other Costs	14	7
Total Governance Costs	96	73

8. Staff Costs

	2017 £'000	2016 £'000
Gross salaries	6,286	5,618
Employers national insurance costs	646	569
Pension costs	456	408
Other staff costs	30	31
	7,418	6,626

There is no difference of employee numbers and costs between the group and the charity. Total redundancy & termination payments for the year ending 31 March 2017 were £12k (2016: £39k). For the year ending 31 March 2017 total remuneration to the Senior Leadership Team was £690k (2016: £639k) while employer pension and national insurance contributions were £62k and £87k respectively (2016: £55k and £81k).

The average number of employees (headcount) and FTE during the period was:

	Average Headcount		Average FTE	
	2017	2016	2017	2016
Charitable Activities	98	84	92	95
Raising Funds	101	103	91	76
	199	187	183	171

The table below summarises the number of employees who received £60,000 or more in the year along with the related collective payments.

Gross annual salary	2017 Actual Pay Headcount	2017 Actual Payments	2016 Actual Pay Headcount	2016 Actual Payments
Between £60,000–£64,999	2	£123,159	1	£60,285
Between £70,000–£74,999	1	£60,580	–	–
Between £90,000–£94,999	3	£260,043	3	£272,372
Between £95,000–£99,999	2	£192,441	1	£98,109
Between £100,000–£104,999	1	£100,563	–	–
Between £135,000–£139,999	–	–	1	£137,556
Between £140,000–£144,999	1	£142,647	–	–

All employees are eligible for a range of benefits which can be viewed on our website at:
<http://www.arthritisresearchuk.org/about-us/our-finances-and-pay.aspx>

The Trustees of Arthritis Research UK receive no remuneration for their services in that capacity but, in line with the Charity's expenses policy, 6 Trustees (2016: 8) have been reimbursed for expenses directly incurred in carrying out their activities as Trustees at a cost of £7k for the year ended 31 March 2017 (2016: £11k). The expenses policy applies to all staff, including the Senior Leadership Team.

Trustees collectively made donations of £8k in year ending 31 March 2017 (2016: £3k).

9. Tangible Assets

Group and Charity

	Assets Under Construction £'000	Freehold Land & Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Computer Software £'000	Motor Vehicles £'000	Total £'000
Cost							
At 1 April 2016	–	679	478	768	181	34	2,141
Additions	214	–	31	143	49	–	437
Disposals	–	–	(23)	(85)	–	–	(108)
At 31 March 2017	214	679	486	826	230	34	2,470
Depreciation							
At 1 April 2016	–	345	333	635	178	18	1,514
Charge for the year	–	14	34	104	15	4	171
Released on disposals	–	–	(23)	(85)	–	–	(108)
At 31 March 2017	–	359	344	654	193	22	1,572
Net Book Value							
At 31 March 2017	214	320	142	172	37	12	897
At 31 March 2016	–	334	145	132	2	16	627

Assets under construction consist of a new fundraising database. No depreciation has been charged in respect of this asset.

10. Investments

Group	Market Value 2017 £'000	Market Value 2016 £'000	Cost 2017 £'000	Cost 2016 £'000
Listed investments:				
UK Equities	12,198	13,063	6,899	8,303
Overseas Equities	127,510	98,956	85,326	85,811
Emerging Markets	19,988	11,444	13,985	10,295
Index Linked	–	10,728	–	9,933
Other	182	5,577	107	6,829
Accrued Income	133	190	133	190
Listed Investments	160,011	139,958	106,450	121,361
Cash deposits	5,517	1,502	5,424	1,502
Sub Total	165,528	141,460	111,874	122,862
Investment Property	8,200	8,530	6,994	6,994
Total Investments	173,728	149,990	118,868	129,857
Charity				
As stated above for the group	173,729	149,990	118,867	129,857
Investment in subsidiary* (Arthritis Research UK Trading Limited)	250	250	250	250
Total	173,979	150,240	119,117	130,107

*no market value so held at cost

Group & Charity Listed Investments	2017 £'000	2016 £'000
Carrying value (market value) at beginning of period	149,990	148,390
Add: additions at cost	33,513	105,466
Accrued Income	(57)	13
Additions/ (Withdraws) from cash deposit investments	4,024	(7,239)
Proceeds of sale	(61,023)	(95,306)
Profit/(loss) on revaluation of investments*	47,283	(1,334)
Carrying value (market value) at end of period	173,730	149,990
*Reconciliation of revaluation of investments to net gains per SOFA		
	2017 £'000	2016 £'000
Realised gains	12,622	18,551
Unrealised gains / (losses)	34,991	(20,575)
Total	47,613	(2,024)
Currency losses	(954)	–
Gain in revaluation of Property	(330)	690
Net gains on investments (SOFA)	46,329	(1,334)

The portfolio of securities was managed on Arthritis Research UK's behalf by Baillie Gifford & Co, Ruffer LLP, Standard Life and Royal London Asset Management. The investment property has been valued by an external independent qualified surveyor on the basis of the asset being sold in its current capacity. The value is based on an analysis of recent market transactions, supported by market knowledge derived from the surveyors' professional experience.

The valuation was in accordance with the appropriate sections of the current RICS Professional Standards (PS) and RICS Global Valuation Practice Statements (VPS) contained in the RICS Valuation – Professional Standards 2014 incorporating the IVSC International Valuation Standards (the ‘Red Book’).

The basis of market value as defined in VPS4 of the ‘Red Book’ being: ‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

	2017 £’000	2016 £’000
Charity investment in subsidiary		
Investment in subsidiary (Arthritis Research UK Trading Limited) (note 11)	250	250

11. Subsidiary Company

The Charity owns 249,999 of the 250,000 issued ordinary shares of Arthritis Research UK Trading Limited, a company registered in England. A trustee of the Charity owns the 1 remaining share as a nominee trustee. It is principally engaged in the sale of Christmas cards and gifts, and the trading activities on behalf of the parent company. The results of Arthritis Research UK Trading Limited have been consolidated with those of the Charity on a line-by-line basis. All taxable profits of the subsidiary are gifted to the Charity. A summary of the results of the subsidiary is shown below:

Arthritis Research UK Trading Limited

(Company number: 00891517)

	Charity Shops £’000	Mail Order £’000	Other Trading £’000	2017 £’000	2016 £’000
Turnover	167	58	130	355	431
Cost of sales	(80)	(20)	(43)	(143)	(182)
Gross profit	87	38	87	212	249
Administrative expenses	–	(39)	(29)	(68)	(82)
Net profit	87	(1)	58	144	167

The aggregate of the assets, liabilities and capital and reserves was:

	2017 £’000	2016 £’000
Assets	493	416
Liabilities	(183)	(88)
Net Assets	310	328

Group Transactions

For the year ending 31 March 2017:

- Arthritis Research Trading Limited made a gift donation of its net profit of £143,672 (2016: £68,522) to the charity
- There was a management fee from the charity to Arthritis Research Trading Limited of £11,125 (2016: £11,125).

Dormant Subsidiaries

There were 3 dormant subsidiary companies at year end: Arthritis Matters Ltd (Company number: 10029084), Arthritis Matters Trading Ltd (Company number: 10028973) and Arthritis UK Ltd (Company number: 03450500).

12. Debtors

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amount due from subsidiary company	–	–	149	165
Tax	96	–	95	–
VAT	21	60	21	60
Prepayments	361	446	361	446
Accrued income	9,587	13,347	9,587	13,347
Other debtors	291	150	232	133
	10,356	14,003	10,445	14,151

13. Creditors

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amount due to subsidiary company	–	–	–	165
VAT	12	3	–	–
Other creditors	761	256	752	249
Other Taxes and Social Security	287	376	287	376
Accruals	431	495	416	485
	1,491	1,130	1,455	1,275

No interest is levied on balances due to or from subsidiary companies and any balances are repayable on demand.

14. Movement in Funds and Total Recognised Gains and Losses

	Group General Reserve £'000	Designated Funds £'000	Revaluation Reserve £'000	Restricted Funds £'000	Group Total £'000
Balance sheet at 1 April 2016	6,181	142,868	20,133	1,207	170,389
Incoming resources for the year	27,674	–	–	1,201	28,875
Outgoings for the year	(37,776)	–	–	(1,025)	(38,801)
Net realised and unrealised investment gains	46,328	–	–	–	46,328
Transfer between funds	(34,747)	30	34,717	–	–
Total recognised losses for the financial year	1,479	30	34,717	176	36,402
Balance sheet at 31 March 2017	7,660	142,898	54,850	1,383	206,791

The General Reserve arises from unrestricted funds held in accordance with the Reserves Policy. A full analysis of Designated Funds is provided in note 15.

The Revaluation Reserve represents the difference between the historic cost of investments and their market value amount.

Movement in funds and total recognised gains and losses continued

Movement in Restricted Income Funds

	Balance Sheet as at 1 April 2016 £'000	Income £'000	Expenditure £'000	Balance Sheet as at 31 March 2017 £'000
Donor Funded Projects				
Inflammatory Conditions				
ANCA-associated vasculitis	1	–	1	–
Juvenile Dermatomycosis's	–	1	1	–
Juvenile Idiopathic Arthritis	–	14	14	–
Rheumatoid Arthritis	11	301	261	51
Scleroderma	–	3	3	–
Sub Total	12	319	280	51
Conditions of MSK pain				
Developmental dysplasia of the hip	–	5	5	–
Fibromyalgia	1	53	53	–
Osteoarthritis	261	86	315	32
Pain	–	213	195	18
Sub Total	262	357	568	51
General MSK conditions	–	173	173	–
Sub Total	–	173	173	–
Osteoporosis and fragility fractures				
Osteoporosis	–	2	–	2
Sub Total	–	2	–	2
Other	933	346	–	1,279
Total Restricted Funds	1,207	1,197	1,021	1,383

This note has been revised to reflect the latest categories of projects that restricted funds are appropriately allocated to in accordance with the restrictions associated with the funds. Other (£1,279k) denotes restricted income yet to be assigned in line with its donated restrictions. Restricted income funds research into the following three groups of conditions:

Inflammatory conditions

In inflammatory conditions, such as rheumatoid arthritis the immune system attacks the body's own tissues causing painful inflammation and damage to the joints and can harm the internal organs.

Conditions of MSK pain

Conditions of musculoskeletal pain such as osteoarthritis involve painful damage to joints over time, as well as conditions such as back pain.

Osteoporosis and fragility fractures

This is the silent weakening of bone, which in itself is painless. The first sign of a problem may be when a fragile bone breaks, causing pain and disability. Healthy bones are sturdy and can easily cope with everyday knocks. For millions of people with osteoporosis a minor fall – even from standing height – can result in a major fracture.

15. Designated Funds – Group and Charity

	Note 4 Grants £'000	Strategic charitable commitments £'000	Fixed Asset Fund £'000	Total £'000
Balance at 1 April 2016	61,583	80,658	627	142,868
Net transfers to General Reserve	(5,488)	5,250	268	30
Balance at 31 March 2017	56,095	85,908	895	142,898

Designated funds represent existing commitments by Arthritis Research UK to third parties in respect of long term scientific projects that have been awarded by Arthritis Research UK committees and certain planned extension to those projects. In addition, it includes commitments to long term scientific projects which Arthritis Research UK has agreed internally that it will make. These are all projects to which Arthritis Research UK is currently committed and which represents its ongoing research programme.

There are three elements to the designated fund which represent total amounts set aside: -

- The recognition of all grant commitments, already processed, and approved, through the Arthritis Research UK committee peer review structure beyond the initial three months of the grants remaining life, at the balance sheet date. The first three month commitment being recognised as a currently liability.
- Recognising the commitment of Arthritis Research UK to provide a series of long term scientific projects and other charitable initiatives.
- Fixed asset fund which represents those assets not under construction (see note 9).

16. Analysis of Group and Charity Net Assets between Funds

	General Funds £'000	Designated Funds £'000	Revaluation Reserve £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 March 2016 are represented by:					
Tangible fixed assets	-	627	-	-	627
Investments	13,659	116,198	20,133	-	149,990
Current assets	5,935	26,043	-	1,207	33,185
Current liabilities	(12,971)	-	-	-	(12,971)
Provisions	(442)	-	-	-	(442)
Total net assets	6,181	142,868	20,133	1,207	170,389

	General Funds £'000	Designated Funds £'000	Revaluation Reserve £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 March 2017 are represented by:					
Tangible fixed assets	-	895	-	-	895
Investments	10,260	108,619	54,850	-	173,729
Current assets	11,350	33,385	-	1,382	46,117
Current liabilities	(13,202)	-	-	-	(13,202)
Provisions	(749)	-	-	-	(749)
Total net assets	7,659	142,899	54,850	1,382	206,790

General funds comprise the General Reserve and the Revaluation Reserve which are unrestricted.

17. Pension Arrangements

Arthritis Research UK contributes to three pension funds whose assets are held separately from those of Arthritis Research UK in independently administered funds.

Prudential Assurance Company Limited administers one of the pension funds, a defined contribution scheme, which is closed to new members. This has 1 member.

The second scheme is a multi-employer defined benefit scheme, operated by Flexiplan No.1 ECC which is closed to new members. This has 1 member. As of April 2017, no further employer contributions are required

The third pension fund and the Charity's current Group Personal Pension Plan is managed by Royal London. All employees are eligible for membership and are actively encouraged to join. All three schemes are accounted for as defined contribution schemes. The pension charge for the period ending 31 March 2017 represents contributions payable by Arthritis Research UK to the funds and amounted to £0.46m (2016: £0.41m).

18. Related Party Transactions

Three Arthritis Research UK Trustees were based at UK institutions which received grant payments during the course of the year. The details are as follows:

Trustee	Institution	Amount Recognised £'000	Amount in Creditors £'000	Amount in Designated £'000	Awarded 2017 £'000
Professor David Isenberg / Professor David Marsh	University College London	292	686	4,294	1,565
Professor Sarah Lamb	University of Oxford	106	946	6,068	1,186

There is a standard item of each committee and board meeting for members to declare any conflicts of interest in relation to the agenda. In advance of the meeting the governance team will check the register of interests and as appropriate make a note within the chairs brief to ensure conflicted trustees / committee members are invited to vacate the room during discussions of the relevant agenda item.

19. Provisions for Liabilities (Charity and Group)

	2017 £'000	2016 £'000
At 1 April	442	665
Charge/ (release) during the year	307	(223)
At 31 March	749	442

The provision relates to those shops where there is a requirement to return the property at the end of the lease in a specific condition.

20. Research Grants New Award

The table below summarises all the new grant awards committed within the financial year.

	2017 £'000	2016 £'000
69 awards over £10,000 (2016: 68 awards)	15,548	21,400
Supplements to existing grants	622	400
Awards unutilised	(1,613)	(1,015)
	14,557	20,785

All grant awards are made to institutions. Details of grants awarded over £10,000 are shown on the following page. The recognised awards column reflects payments and accruals in the year.

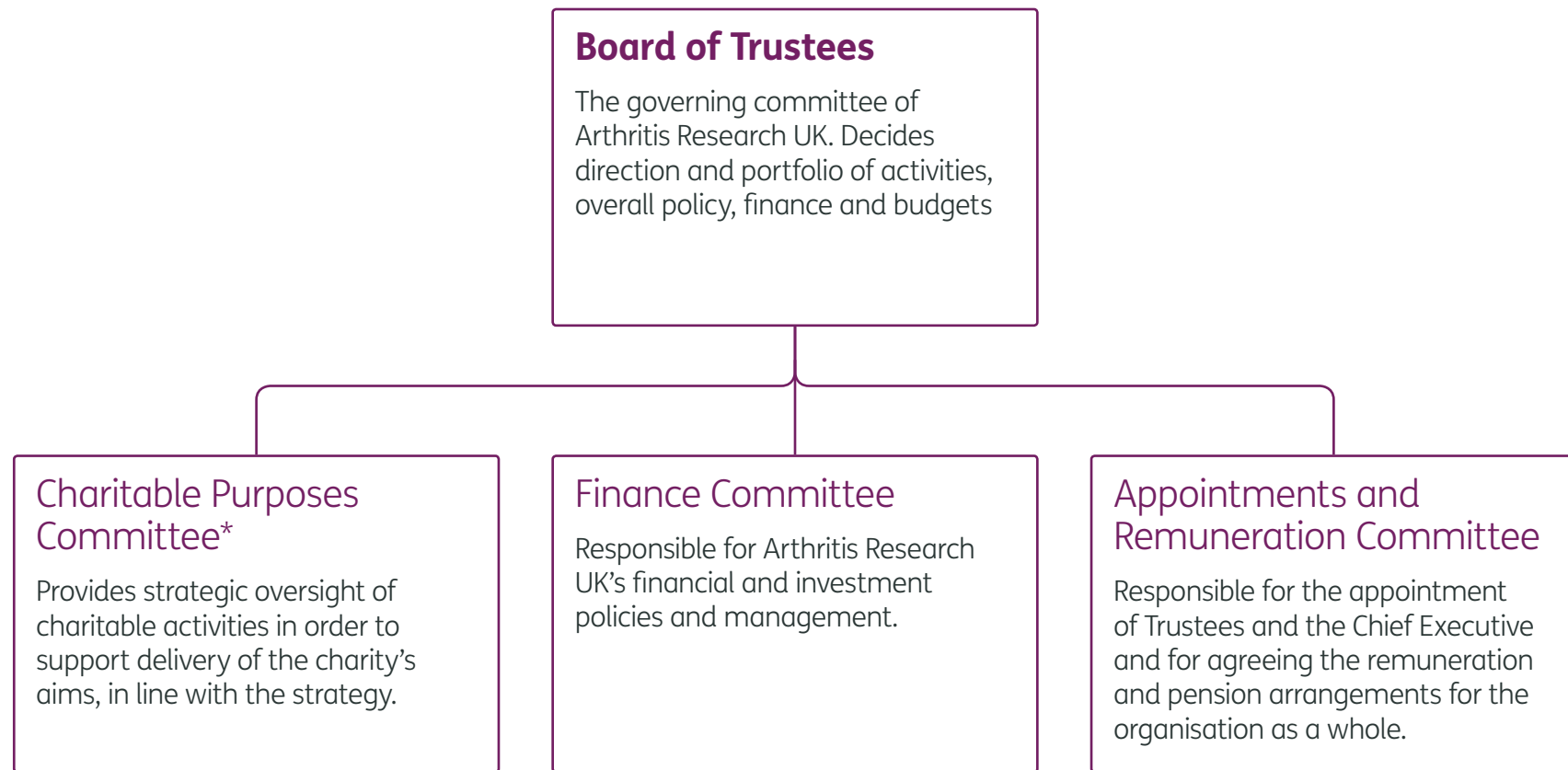
	Recognised Awards (note 4) £'000	Number of Grants	Awarded (over £10,000) £'000
Academy of Medical Sciences	96	1	192
De Monfort University	84	1	90
Defence Medical Rehabilitation Centre	15	1	293
Design Council	217	2	230
Imperial College London	32	1	449
Keele University	107	4	851
King's College London	118	5	1,818
Loughborough University	33	1	50
Manchester Metropolitan University	32	1	50
Newcastle University	–	1	279
Northumberland, Tyne & Wear NHS foundation Trust	33	1	202
Queen Mary University of London	289	4	946
Queen's University of Belfast	–	1	142
Sheffield Hallam University	4	1	100
The Royal Veterinary College	6	1	215
University College London	292	8	1,565
University Hospitals Bristol NHS Foundation Trust	21	1	21
University of Aberdeen	34	2	334
University of Bath	21	1	98
University of Birmingham	111	4	1,426
University of Cambridge	7	2	237
University of Dundee	22	1	261
University of East Anglia	–	1	143
University of Edinburgh	–	2	345
University of Glasgow	133	4	718
University of Leeds	18	1	103
University of Liverpool	72	5	1,175
University of Manchester	202	4	804
University of Nottingham	107	5	755
University of Oxford	106	5	1,186
University of Sheffield	12	1	99
University of Southampton	20	1	363
University of St Andrews	30	1	119

	Recognised Awards (note 4) £'000	Number of Grants	Awarded (over £10,000) £'000
University of West of England	6	1	204
University of Warwick	43	1	299
Research Grants – Under £10k	17,702		5
Other Grants – Under £10k	18		–
Unutilised grant spend	–		(1,609)
Total Grants	20,043	77	14,558

21. Non-adjusting event after the end of the reporting period

Arthritis Research UK is moving its London office during the forthcoming year to Saffron House, Farringdon. This will enable the charity to create a working environment, spaces and practices that foster collaboration, flexibility and inclusivity, and position Arthritis Research UK as an exemplar employer in supporting health and wellbeing, including good MSK health, through its workspaces, culture and ways of working. At the time of the accounts being signed, a lease is due to be signed for 10 years, with a financial commitment of £9.65m.

Details of the Committees which support the Board of Trustees



*In December 2015 the Board of Trustees approved the establishment of a single, broad-based committee to oversee the complete portfolio of Arthritis Research UK's charitable activities. The Charitable Purposes Committee replaced the (now ceased) Scientific Strategy Committee's role in maintaining strategic oversight and will advise the

Board accordingly. The inaugural meeting of this new committee took place on 2 June 2016. As part of this review of governance three strategic research subcommittees were established to replace the previous research subcommittees. These consist of Disease, Treatment and Health and they held their inaugural meetings on the 12 October 2016.

Charitable Purposes Committee (CPC)

The Charitable Purposes Committee is a committee of the Board of Trustees of Arthritis Research UK, created to exercise on behalf of the Board strategic oversight of charitable activities. Its primary role is to consider the relative balance and alignment of activities to address the needs of people with arthritis, whilst supporting the Charity's horizon scanning by providing a wider external perspective and intelligence.

Professor Jon Cohen
(Chair)

Professor Phil Conaghan

Professor Janet Darbyshire
(Chair of Treatment Subcommittee)

Professor Ray Fitzpatrick
(Chair of Health Subcommittee)

Mr Tom Hayhoe (ex-officio)

Professor Luke O'Neill
(Chair of Disease Subcommittee)

Mr Charles Maisey
(ex-officio) (retired 1 March 2017)

Dr Rodger McMillan
(ex-officio) (appointed 1 March 2017)

Professor James Raftery

Ms Juliette Scott

Dr Jane Taylor

Dr Louise Wilson

Appointments and Remuneration Committee

Responsible for the appointment of Trustees and the Chief Executive Officer and for agreeing the remuneration and pension arrangements for the organisation as a whole.

Mr Charles Maisey
(Chair) (retired 1 March 2017)

Dr Rodger McMillan
(Chair) (appointed 1 March 2017)

Professor Jon Cohen

Mr Phil Gray

Mr Tom Hayhoe

Ms Karin Hogsander

Finance Committee

Responsible for Arthritis Research UK's financial and investment policies and management.

Mr Tom Hayhoe
(Chair)

Councillor Joe Carlebach
(resigned December 2017)

Ms Julie France
(resigned 12 September 2016)

Mr Philip Gray
(appointed 13 June 2016)

Mr Peter Henderson
(retired 13 June 2016)

Ms Karin Hogsander

Dr Andrew Holford

Mr Richard Lanyon

Mr Charles Maisey
(ex-officio) (retired 1 March 2017)

Dr Rodger McMillan
(ex-officio) (appointed 1 March 2017)

Mr Paul Rowen
(retired 1 March 2017)

Disease Subcommittee

The disease subcommittee provides expert advice and intelligence to the Charity, evaluates research activity and makes or supports funding recommendations.

The disease subcommittee considers (1) Discovery research which provides knowledge and understanding of normal and diseased systems that underpin the cause of musculoskeletal disease and management of disease risk, prevention, diagnosis, treatment and cure. (2) Pre-clinical experimental research which characterises and progresses early development of therapeutic and prophylactic interventions.

Mr David Chandler

Patient insight partner

Professor Iain Chessell

AstraZeneca

Dr Mohini Gray

University of Edinburgh

Dr Maureen Grossman

Patient insight partner

Professor John Isaacs

Newcastle University

Professor Simon Jones

Vice-Chair, Cardiff University

Professor Karl Kadler

University of Manchester

Professor David Leon

London School of Hygiene and Tropical Medicine

Professor Kim Midwood

University of Oxford

Professor Ali Mobasher

University of Surrey

Professor Luke O'Neill

Chair, Trinity College, Dublin and GSK

Professor Kevin Shakesheff

University of Nottingham

Professor John Todd

University of Cambridge

Professor Lucy Wedderburn

University College London

Mr Colin Wilkinson

Patient insight partner

Professor Jane Worthington

University of Manchester

Treatment Subcommittee

The treatment subcommittee provides expert advice and intelligence to the Charity, evaluates research activity and makes or supports funding recommendations.

The treatment subcommittee considers clinical and experimental research to assess whether therapeutic and prophylactic interventions work and are safe under ideal or selected conditions by development and testing of interventions to manage musculoskeletal disease risk, prevention, diagnosis, treatment and cure.

Dr Caroline Alexander

Imperial College Healthcare NHS Trust

Professor Sita Bierma-Zeinstra

University Medical Centre Rotterdam, Erasmus MC

Ms Karyn Boniface

Patient insight partner

Professor Maya Buch

University of Leeds

Professor Cyrus Cooper

joint Vice-Chair, University of Southampton

Dr Angela Crook

MRC Clinical Trials Unit, University College London

Professor Janet Darbyshire

Chair, University College London

Professor Elaine Hay

Keele University

Dr John Ioannou

University College London Hospitals

Dr David Jayne

University of Cambridge

Professor Hill Gaston,

University of Cambridge

Mr Michael Green

Patient insight partner

Professor Alex Macgregor

University of East Anglia

Professor John Norrie

joint Vice-Chair, University of Edinburgh

Mr Alan Reynolds

Ex Wyeth

Professor Linda Sharples

University of Leeds

Dr Isolde Victory

Patient insight partner

Health Subcommittee

The health subcommittee provides expert advice and intelligence to the Charity, evaluates research activity and makes or supports funding recommendations.

The health subcommittee considers (1) applied research to assess whether methods of practical implementation of therapeutic and prophylactic interventions, to manage musculoskeletal disease risk, prevention, diagnosis and treatment work, in terms that matter to the patient. (2) Health Service research which assesses the provision and delivery of health and social care services and evaluating factors affecting the quality of care.

Professor Joy Adamson
Newcastle University

Professor Ashley Blom
University of Bristol

Mrs Wendy Broderick
Patient insight partner

Professor Chris Eccleston
University of Bath

Professor Ray Fitzpatrick
Chair, University of Oxford

Professor John Goodacre
Lancaster University

Professor Andy Judge
University of Oxford

Mr Philip Knowles
Patient insight partner

Professor Ruth Macdonald
University of Manchester

Professor Gary Macfarlane
Vice-Chair, University of Aberdeen

Professor Sue Mawson
Vice-Chair, University of Sheffield

Mr Alistair Mew
NHS Sheffield CCG

Dr Joanne Protheroe
Keele University

Professor Catherine Sackley
King's College London

Dr Janet Suckley
Patient insight partner

College of Experts

The college of experts was created to widen the range of available expertise to our subcommittees using a committed and defined pool of expertise. Members of the college are secured for up to four years and asked predominantly to supplement time-bound funding panels and the subcommittees on specific funding calls. Members may also be invited to provide expert input to strategic planning.

Professor Daniel Aeschlimann
Cardiff University

Dr Rachel Archer
University of Sheffield

Dr Simon Arthur
University of Dundee

Professor Anne Barton
University of Manchester

Dr Neil Basu
University of Aberdeen

Professor Ilaria Bellantuono
University of Sheffield

Professor Jessica Bertrand
University Hospital Magdeburg,
Germany

Dr Helen Birch
University College London

Ms Francesca Blunt
Patient Insight Partner

Professor George Bou-Gharios
University of Liverpool

Dr Rosemary Boyton
Imperial College London

Professor James Brewer
University of Glasgow

Dr Marwan Bukhari
Lancaster Royal Infirmary

Susan Burn
Patient Insight Partner

Dr Ruaidhri Carmody
University of Glasgow

Professor Ernest Choy
Cardiff University

Professor Ian Clark
University of East Anglia

Professor Peter Clegg
University of Liverpool

Dr Charlotte Cockle
Patient Insight Partner

Dr Fiona Cramp
University of the West of England

Dr Deborah Cunningham Graham
King's College London

Professor Kevin Davies
University of Sussex

Mrs Annabel Dawson
Patient Insight Partner

Professor Anthony Day
University of Manchester

Professor Jean-Michel Dayer
University of Geneva

Professor Francesco Dell'Accio
Queen Mary University
College London

Dr Jayesh Dudhia
The Royal Veterinary College

Professor Kate Dunn
Keele University

Dr Emma Dures
University of the West of England

Dr John Edwards
Keele University

Professor Michael Ehrenstein
University College London

Dr Paul Genever
University of York

Dr Andrea Goebel
University of Liverpool

Mr Michael Green
Patient Insight Partner

Professor Margaret Hall-Craggs
University College London Hospital
NHS Trust

Professor William Harnett
University of Strathclyde

Dr Nicholas Harvey
University of Southampton

Professor Markus Heller
University of Southampton

Dr Frances Henson
University of Cambridge

Mr Henning Hermjakob
Wellcome Trust

Dr Jonathan Hill
Keele University

Dr Paula Holland
Lancaster University

Dr Alan Holmes
University College London

Dr Yoshifumi Itoh
University of Oxford

Professor Anthony Jones
University of Manchester

Dr Gareth Jones
University of Aberdeen

Dr Sue Jowett
University of Birmingham

Dr Ilyas Khan
Swansea University

Professor Martin Knight
Queen Mary University of London

Dr Nicola Kuiper
Keele University

Dr Janine Lamb
University of Manchester

Dr Birgit Leitinger
Imperial College London

Dr Heidi Lempp
King's College London

Dr Karen Macpherson
Patient Insight Partner

Dr Julian Marchesi
Imperial College London

Dr Deborah Mason
Cardiff University

Professor Claudia Mauri
University College London

Dr John McBeth
University of Manchester

Dr Helen McGettrick
University of Birmingham

Professor Alison McGregor
Imperial College London

Professor Paul McNamee
University of Aberdeen

Abigail Mendy
Patient Insight Partner

Dr Qing-Jun Meng
University of Manchester

Maggy Milner
Patient Insight Partner

Dr Andrew Moore
University of Bristol Professor

Ann Morgan
University of Leeds

Professor Chris Murphy
University of Oxford

Professor Wan-Fai Ng
Newcastle University

Mrs Louise Parker
Royal Free Hampstead NHS Trust

Ms Rebecca Parris
Patient Insight Partner

Dr Zoe Paskins
Keele University

Professor Mauro Perretti
Queen Mary University of London

Professor Andrew Pitsillides
The Royal Veterinary College

Dr Kenneth Poole

University of Cambridge

Dr Simon Powis

University of St Andrews

Dr Maria Pujades Rodriguez

University of Leeds

Professor Anisur Rahman

University College London

Mr Kenneth Rankin

Newcastle University

Professor Karim Raza

University of Birmingham

Dr Elizabeth Renzoni

National Heart & Lung Institute

Professor Ian Roberts

University of Manchester

Dr Karyn Ross

University of Strathclyde

Professor Hazel Screen

Queen Mary University of London

Dr Ben Seymour

University of Cambridge

Professor Lee Shepstone

University of East Anglia

Mr Nashat Siddiqui

Kinston NHS Trust

Dr Neil Snowden

Pennine Musculoskeletal Partnership

Dr Valerie Sparkes

Cardiff University

Dr Andrew Sutton

University of Leeds

Professor Jonathan Tobias

University of Bristol

Professor Irina Udalova

University of Oxford

Dr Jet Veldhuijzen van Zanten

University of Birmingham

Dr Suzanne Verstappen

University of Manchester

Professor Stephen Ward

University of Bath

Professor Steve Watson

University of Birmingham

Dr James Whiteford

Queen Mary University of London

Elizabeth Wilkins

Patient Insight Partner

Dr Anwen Williams

Cardiff University

Mr Dan Williams

Royal Cornwall Hospitals Trust

Dr Frances Williams

King's College London

Professor Gerry Wilson

University College Dublin

Dr Vikki Wylde

University of Bristol

Dr Amy Zavatsky

University of Oxford

Patient Insight Partner Group

Our patient insight partners are a group of people from across the UK who have a wide range of experiences of living with a musculoskeletal condition. They are instrumental in bringing a patient perspective to the decision-making process within the Research directorate. We collaborate with our patient insight partners on a number of activities including:

- setting research priorities
- supporting researchers to undertake effective public and patient involvement
- reviewing research proposals
- monitoring and providing ongoing input into funded research
- evaluating and disseminating outcomes of research

Clinical Studies Subcommittee

The clinical studies sub-committee assesses all clinical study applications on the basis of their scientific and strategic importance as well as quality and appropriateness of the methodology, whilst also studying expert peer reviews collated for each application.

Professor Daniel Aletaha

Professor Sita Bierma-Zienstra

Dr Angela Crook

Professor Janet Darbyshire
(Chair)

Professor Hill Gaston

Professor Laure Gossec

Professor Hazel Inskip

Professor John Kirwan

Professor John Norrie
(Vice Chair)

Professor Linda Sharples

Fellowship Expert Group

The fellowship expert group assists the Charity in planning, developing and undertaking activities that support the next generation of musculoskeletal researchers and oversees the recommendation of career support awards. The fellowship expert group is a sub-group of the three funding subcommittees, disease, treatment and health.

Professor Joy Adamson

Newcastle University

Professor Maya Buch

University of Leeds

Ms Katie Hackett

Newcastle University

Professor Alexander Macgregor

University of East Anglia

Dr Joanne Protheroe

Keele University

Dr Blandine Poulet

University of Liverpool

Professor Jane Worthington

University of Manchester, (Chair)

Professor Lucy Wedderburn

University College London

Legal and Administrative Information

Charity details

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Chesterfield S41 7TD

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Website

www.arthritisresearchuk.org

A company limited by guarantee
and registered in England and
Wales (00490500)

A Charity registered in England
and Wales (207711) and in
Scotland (SC041156)

Chief Executive

Dr Liam O'Toole

Director of Finance & Corporate Services

Mr Justin Parfitt

Director of Strategic Development

Ms Adrienne Skelton

Director of Research & Programmes

Dr Stephen Simpson

Director of External Affairs

Ms Olivia Belle

Director of Fundraising

Ms Charlotte Guiver

Director of Human Resources & Organisational Development

Ms Nicola Peachey

Board of Trustees

Dr Rodger McMillan

(Chair) (appointed 1 March 2017)

Mr Charles Maisey

(Chair) (retired 1 March 2017)

Councillor Joe Carlebach

(resigned 7 December 2016)

Professor Jonathan Cohen

Mr Phil Gray

Mr Tom Hayhoe

Mr Alex Hesz

Ms Karin Hogsander

(Deputy Chair)

Professor David Isenberg

Dr Sylvie Jackson

Professor Sarah Lamb

Professor David Marsh

Mr Paul Rowen

(retired 1 March 2017)

Ms Juliette Scott

The details of the committees
which support the Board of Trustees
are set out on pages 65 – 71 of
this report.

Honorary Vice-Presidents

Mrs Sue Arnott

Dr Colin Barnes

Dr Peter Copeman

Professor Graham Hughes

Patron

Her Royal Highness

The Duchess of Cornwall

Professional advisers

Auditors

BDO LLP

2 City Place

Beehive Ring Road Gatwick

West Sussex RH6 0PA

Bankers

NatWest plc

5 Market Place Chesterfield S40 1TJ

Investment managers

Baillie Gifford & Co Calton Square

1 Greenside Row Edinburgh

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Ruffer LLP

80 Victoria Street London SW1E 5JL

Royal London Asset Management

55 Gracechurch Street

London EC3V 0RL

Standard Life Investments

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