



Annual report and accounts

2017-18

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Annual report



Report from the Chair and Chief Executive Officer

This has been a momentous year for our organisation, full of change and challenge, but above all opportunity. In November 2017, Arthritis Research UK and Arthritis Care merged so that we could do even more for the 10 million people living with arthritis across the UK.

We need to do more because one in six people, of every age and background, are living with a painful and misunderstood condition that can affect everything, from family life and mental health to relationships and work. We need to do more because people with arthritis need to know they have a charity that is on their side; supporting them, giving them hope and fighting their corner, with and for them.

Now Arthritis Care and Arthritis Research UK have joined forces we are excited and optimistic about the opportunity we have, to build a bigger, better and different organisation which will maximise our impact for people with arthritis across the UK.

The combination of our different, but equally vital, areas of expertise makes us a stronger, more formidable advocate for people with arthritis. We will continue to keep people with arthritis at the heart of our new organisation, listening to them and actively involving them in shaping everything that we do.

Together we will be able to do more to change attitudes towards arthritis. We will reach many thousands more with the information and support they need, influence the provision of services and invest in more essential research into better treatments and cures. We will strengthen our collective voice and press for change to improve the lives of those living with arthritis.

Though the merger has undoubtedly been a substantial focus of 2017/18, we have still achieved a huge amount for people with arthritis this year. Once the decision was made to join forces, our employees and volunteers have worked tirelessly to manage the operational reality of bringing key people, systems and processes together, while also delivering what we had set out to do this year for people with arthritis.

The changes this year mean this is no ordinary Annual report and Accounts. We will be updating you on our achievements during both the first seven months of 2017/18 as Arthritis Research UK and on our first five months as a merged organisation. While we work to develop a new name and identity to represent us going forwards we are using the Arthritis Research UK name.

Our achievements this year

Our ambitious plans for 2017/18, driven by the scale of the need of people with arthritis, meant that it was not an option to pause our core activities while we delivered the merger. This year's overarching achievement however has been making the merger happen quickly and efficiently, so together we can do more for people with arthritis.

We launched Arthritis Research UK's first major national campaign to raise the status of arthritis, challenge attitudes and build understanding of its impact. 'The Nation's Joint Problem' campaign got more people talking about arthritis and recognising its impact, as well as encouraging people with arthritis to speak out and ask for support.

Arthritis Research UK also launched and grew new services offering personalised information and support to people with arthritis, including a multi-channel helpline, a virtual assistant and a pilot for peer support. The merger then brought huge benefits, as Arthritis Care's wealth of experience in delivering advice and support face-to-face, over the telephone and online has ensured that together we can offer an even better service to people with arthritis.

Support services across the UK continue to thrive, with funding secured to maintain and develop new services for adults and young people with arthritis and their families in all four nations.

Volunteers, many of whom live with arthritis, have continued to play a major role in our successes this year. Arthritis Care's network of volunteers continued to deliver vital face-to-face services and run branches and groups in local communities. Whilst Arthritis Research UK has worked with even more people with arthritis to inform and advise on the research we fund and trained peer support volunteers to help people with arthritis before and after joint replacement surgery. We continue to rely on the efforts of our dedicated fundraisers and volunteers.

We continue to invest heavily in cutting-edge research which is most relevant and responsive to the needs of people with arthritis. We work in partnership to attract, fund and support the best researchers to ensure they focus on the science that will transform the lives of people with arthritis.

We reached more healthcare professionals than ever before with vital training and information designed to help them offer the best possible care to people with arthritis across the UK.

We built on both Arthritis Research UK and Arthritis Care's work to push the needs of people with arthritis to the forefront of local and national policy decisions. Now, as a merged organisation, we have a stronger collective voice which will ensure the needs of people with arthritis are represented across all four nations.

We have embedded an outcomes framework across the charity this year, that sets out the changes we want to see against the six quality of life outcomes that were developed by ArthritisResearch UK. As a result, all new projects and business cases must deliver on one or more of these outcomes, and the framework has been incorporated into our planning and our performance monitoring reports across the organisation.

We introduced new flexible ways of working across the organisation through our Flex programme to promote the health and wellbeing of our employees, particularly their musculoskeletal health. With new office space in London designed with these Flex principles in mind, we have made great strides towards becoming an exemplar employer.

Important developments in our finances during 2017/18

As part of coming together, on 1 November 2017, Arthritis Care's activities, assets and liabilities combined with Arthritis Research UK. By joining forces, we will be able to invest more effectively and efficiently in our charitable activities, maximising our impact on people with arthritis.

In 2017/18 85 percent of our total expenditure was on charitable activities. This compares to 78 percent in the previous year. 1 percent was spent on investment management costs (2017: 1 percent) and 14 percent on raising funds (2017: 21 percent).¹

In line with the agreement made with Arthritis Research UK's trustees in 2015 we continued to spend a proportion of the charity's reserves on transformational activities this year. However, the planned deficit was lower than expected due to increased income and a lower spend on projects and awards, as a result of the merger. The final operating deficit of £17million (2017: £10m deficit) was offset by an overall investment gain of £25m this year (2017: £46m). This means that we made more money than we spent from our reserves, enabling us to spend more on our charitable activities in the future.

As we develop our priorities and complete the operational merger that will make us fit for the future, achieving sustainability is key. We have created a Strategic Financial Model to help us map the financial implications of our plans for the next three years and allow strategic management of our combined finances. During 2017/18, this evolving model has been fully embedded in our financial planning, with employees across the organisation encouraged to work collaboratively, considering the impact of planned work on colleagues and our income and expenditure.

These financial plans consider two factors expected to affect our future income; limited growth in our legacy income over the next five years and the majority of Arthritis Research UK's intellectual property royalties ending in 2018/19. To mitigate against this, we are building on Arthritis Research UK's existing plans to diversify income streams through product design and development and partnerships. We are also devising a new income generation strategy which capitalises on the opportunities presented by our new merged organisation.

Each of our income and expenditure decisions are made ethically and responsibly. We have a rigorous investment policy in place which ensures our investments and partnerships are in line with our values and are governed by a due diligence process.

We welcome greater scrutiny of the charity sector and regulation of fundraising practice, regularly reviewing our processes to follow best practice in the way we communicate with our donors and manage their data. Providing excellent customer service is a priority, as we strive to make every interaction with our charity a positive one. Our commitment to being open, transparent and ethical in everything we do, ensures people with arthritis, our supporters and our partners can see and understand how we raise money, how we spend it and the impact that we are having.

¹These figures relate to seven months of Arthritis Research UK income and five months of income as a merged organisation.

Our plans for the next 12 months

2018/19 promises to be another challenging and exciting year. In summer 2018 we will launch our new organisation, setting out a clear purpose and vision, and throughout the year we will continue the process of operationally merging so we are fit for the future. Our investment in the research themes of pain and cure to uncover new ideas and breakthrough treatments will remain a priority. We will develop our network of volunteers across the UK and deliver more vital information, advice and support services for people with arthritis. Our campaigns will continue to raise the status of arthritis, changing and challenging attitudes towards the condition. We will influence policy and give people with arthritis a strong voice in all four nations. We will diversify our income streams, securing strategic partnerships that allow us to do more.

Thank you

At the end of this momentous year, it is particularly important that we pass on a huge note of thanks to everyone who has contributed to our successes throughout 2017/18. The dedication, the enthusiasm and the unerring support of both Arthritis Research UK and Arthritis Care donors, volunteers, funders, partners, researchers, and employees are at the heart of each of our achievements.

About Arthritis Care

Arthritis Care helps people to recognise the early signs of arthritis, get diagnosed and manage their condition well. Arthritis Care has branches and groups across the UK and offers people with arthritis information and support through face-to-face services, its helpline and an online community for people affected by arthritis.

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.

Report of the Trustees

Our purpose

When we began discussions about the future of our organisations in 2017 it became clear we shared key strategic priorities and an ambition for the future. Therefore, when we joined forces both organisations agreed to work towards Arthritis Research UK's strategic objective to 2020 - 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."

In spring 2018 we worked together to define a new vision and purpose fit for our new organisation, one which would convey our ambitious plans to transform the lives of people with arthritis:

Our vision is a world free from the pain, fatigue and isolation of arthritis.

What we set out to do this year

Last year's Arthritis Research UK annual report set out nine priorities for the organisation in 2017/18, committing us 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; and
- Providing excellent customer service to people interacting with the charity.

This report will explain more about what we have achieved in each of these areas in 2017/18. It will also report on our achievements as a merged organisation since November 2017.

Through our research

This year, research funded by Arthritis Research UK led to important developments with the potential to make a real difference to the lives of people with arthritis of all ages:

- NHS funding for a pioneering cell transplantation treatment for repairing damaged knee cartilage was announced. The Autologous Chondrocyte Implantation (ACI) treatment was introduced to the UK and trialled during two decades of ground-breaking research, supported by Arthritis Research UK and the Medical Research Council. It will offer an alternative to total joint replacement to younger people with a specific type of knee cartilage damage sometimes found after a sports injury. By treating patients at an earlier stage, it is hoped it will reduce the risk of developing painful knee osteoarthritis;
- The first smartphone app designed to help teenagers with juvenile idiopathic arthritis (JIA) to manage their health was developed at our Centre for Adolescent Rheumatology. JIApp was developed by and for teenagers with arthritis to make it easier for them to adhere to a treatment plan and look after their own health and well-being, ensuring they get the best results from their treatment. Co-funded by the Health Foundation, it helps teenagers to log symptoms, get reminders about medication and appointments and access useful information, all via their smartphone; and
- Findings from an Arthritis Research UK funded study at the University of Oxford investigating the efficacy of surgery for shoulder pain suggest arthroscopic decompression, which is commonly performed to treat this condition, may not be as effective as first thought. The CSAW trial results, published in the Lancet, have attracted global attention, fuelling a wider debate about treatment options. Shoulder pain affects around 20 percent of adults in the UK and with surgery rates rising over the last decade, these findings have implications for patients, healthcare professionals and the NHS.

Pain and cure calls

The thematic approach to research funding that Arthritis Research UK adopted last year has kept us focused throughout 2017/18 on tackling the huge research challenges we must overcome to have the biggest impact on people living with arthritis.

57 percent of people with arthritis experience pain every single day and 45 percent told us reducing pain would have a significant impact on their quality of life. To change this, we need to make a significant leap forward in our understanding of musculoskeletal pain, how it is managed and how it can be prevented.

Building upon the success of Arthritis Research UK's first pain call, our second pain challenge launched in 2017/18, dedicating £4 million of funding to research that will have a significant impact on tackling the pain of arthritis. We received a strong response, with 49 applications made by the research community. Funding will be awarded in May 2018.

We continued to develop and have now published a research roadmap for pain. This ambitious action plan for future pain research was a ground-breaking collaboration, bringing together pain experts and people with arthritis. The roadmap aims to stimulate new and much-needed national investment to tackle 14 priority pain research challenges.

In 2017/18 we invested more than £4.5 million in 12 exciting research studies that will move us further and faster along the pathway to developing a cure and more effective treatments for people with arthritis. A second 'Stacking the odds towards a cure' call will be launched in summer 2018, aiming to strengthen our work in this vital area.

Our themed research calls around pain and cure have also helped us to attract talented new investigators to the charity. 24 percent of the applications received for the second pain challenge and 12 percent of applications for the first cure challenge were from researchers we have never worked with before. Encouraging and supporting a wider range of scientists to focus their expertise on musculoskeletal research will help us to achieve our ambitions.

Patient insight and involvement

During 2017/18, people with arthritis have played an even more integral part in our review, evaluation and funding of research. We value our patient insight partners for the vital perspective they give to us and to every scientist we work with. As well as providing an essential training and advisory role, they are fantastic ambassadors for our research and the charity.

Our patient insight partner group continues to grow. By March 2018 we had 43 people with arthritis influencing and advising on research funding decisions and setting the agenda for research calls, including the latest pain and cure challenges. Eight patient insight partners also helped us to develop new website content to promote our patient involvement work and expertise, launched in March 2018.

This year we have trained 260 researchers in patient insight and involvement, including each of our directly funded fellows, to ensure their research is relevant and impactful.

This year Arthritis Research UK has forged new partnerships to increase meaningful patient involvement within the wider research community. This not only generates much-needed income for the charity, but also builds wider recognition of our work and ensures expertise is shared across the sector:

- In June 2017 we collaborated with medical technologies organisation Translate, to deliver bespoke training to researchers at universities in the Leeds City Region. More training is planned for 2018/19.
- In November 2017, eight patient insight partners took part in a focus group organised by Pfizer to develop clinical trial protocols.

New and developing partnerships

Working in partnership remains an integral strand of our research strategy, allowing us to leverage additional funding and expertise and achieve far more for people with arthritis than we could on our own. In 2017/18, Arthritis Research UK began new partnerships and developed existing ones, including:

- Collaborating with Cancer Research UK on a pioneering workshop on immune homeostasis which brought together leading research scientists specialising in inflammatory arthritis and cancer. As a result, three studies that will transform our understanding of both diseases have been jointly funded.
- Co-funding a second early career research fellowship with mental health charity MQ:Transforming Mental Health, focused on the creation and testing of a new therapy to treat anxiety in people with hypermobility.
- Continuing Arthritis Research UK's long-standing partnership with the Medical Research Council by co-funding a £5million award to the CLUSTER consortium. This five-year UK-wide research project will analyse data with the aim of identifying a panel of tests, which could lead to new, targeted treatments for childhood arthritis and its linked eye condition uveitis.
- Co-funding and co-sponsoring a CRACK-IT challenge set up by the National Centre for the Replacement, Refinement and Reduction of Animals in Research (NC3Rs), with the aim of providing researchers with an alternative to using animal models. This competition brings together industry, academics and small businesses to develop an advanced laboratory-based in vitro model of a human joint with osteoarthritis.

Building on the success of last year's partnership between Arthritis Research UK and the Design Council, the charity once again sponsored a Spark Award, showcasing innovative product design that offers practical solutions to challenges faced by people with arthritis. We supported the development of 2017's winning design, the Workey key turner; a tool to make it easier for people with limited hand dexterity to turn keys in doors.

Investing in research leaders of tomorrow

Investing in the research leaders of tomorrow remains a priority. We continue to nurture the best new talent through our early career PhD scholarships and clinical research fellowships, as well as funding foundation, career development and senior fellowships. We are currently funding 63 fellowships across the UK.

Over the last year we have worked to make our research community even stronger and more vibrant. During 2017/18 we supported our fellows in setting up a Fellows Network, designed to share expertise and best practice in musculoskeletal research and to be a source of career advice and support among research peers. 21 fellows are already signed up to this group. Their first meeting took place at our annual fellows' event, which showcases the quality and breadth of our research and offers valuable opportunities for networking and career development.

Reinvestment in centres of excellence

This year has seen a significant re-investment of more than £12million in seven of our flagship research centres. This funding will support cutting-edge research for the next five years at the Arthritis Research UK Centres for:

- Sport, Exercise and Osteoarthritis at Nottingham University Hospitals NHS Trust.
- Adolescent Rheumatology at University College London, awarded in partnership with the Great Ormond Street Hospital Charity.
- Osteoarthritis Pathogenesis at the University of Oxford.
- Genetics and Genomics at the University of Manchester.
- Epidemiology at the University of Manchester.
- Musculoskeletal Ageing Research at the University of Birmingham.
- CIMA: The Centre for Integrated Research into Musculoskeletal Ageing at the University of Liverpool.

Measuring our impact

Our commitment to evaluating the impact of our research is embedded in everything we do. This year we worked with partners, including The National Institute for Health Research, the Medical Research Council and Wellcome, on a study to estimate the economic returns generated by investment in UK medical research into musculoskeletal conditions. The *What's It Worth?* study found that every £1 invested in MSK medical research produced direct health benefits for people with arthritis, equivalent in value to 7p, with a further 15-18p in benefits for the wider UK economy every year, for ever.

In total this year Arthritis Research UK awarded 50 new research grants to work taking place at 33 institutions across the UK and over £25million of new research grant commitments were made. Over £3.7million of funding was awarded to four PhD studentships and ten research fellowships, demonstrating our commitment to supporting early career researchers.

Through our information, advice and support

Trusted, accessible information, advice and support delivered with empathy and expertise can transform the lives of people with arthritis, helping them to feel empowered, to manage their condition and to understand they are not alone.

For many years Arthritis Care has led the way in this vital area, building a wealth of expertise and experience in offering support and services to adults and young people with arthritis and their families across the UK. Delivered in person, online or on the phone these support services are designed to help people with arthritis understand their condition, manage pain, make positive changes and feel less isolated.

For Arthritis Research UK the shift towards delivering direct support to people with arthritis has been much more recent. In 2017 the charity launched elements of a planned portfolio of information and advice services for people with arthritis. These included a multi-channel helpline, a virtual assistant and a pilot project delivering peer support to people with arthritis undergoing joint replacement surgery. These initiatives complement the existing Arthritis Care Helpline and NHS commissioned services in England.

Both organisations have also provided vital, trusted information via websites and patient information booklets for many years.

The merger has given us an opportunity to share our expertise, consolidate and reduce duplication in our work and make it easier for people with arthritis to access the information, advice and support they need. During 2017/18, together we have provided thousands of people with arthritis of all ages and their families with information, advice and support that meets their wide-ranging needs. To follow are some of the highlights of our work in this area:

Young People and Families services

We launched a Young People and Families service in South Wales, thanks to funding from Children in Need, which provides practical and emotional support for young people with arthritis, helping them to take control of their condition, make friends and build confidence.

Our presence in specialist paediatric rheumatology services in England continues to grow. In January 2018 a Young People and Families Service Coordinator joined the Paediatric Rheumatology team at Royal Manchester's Children's Hospital to offer support to young people.

We secured Children in Need funding to develop the Take Control project for another three years in Scotland. In February 2018 the project, which supports 10 to 18-year olds living with arthritis, ran a Joint Creativity arts workshop with the theme Arthritis Through the Looking Glass.

Living Well with Arthritis

We created and built partnerships to extend the reach of the Living Well with Arthritis service across Wales, for example working with:

- Specialist physiotherapists in mid Wales to support patients in rural communities with our Get Active Self-Management toolkit
- The National Exercise Referral Scheme and Expert Patient Programme to look at prevention of musculoskeletal conditions in people of all ages, including piloting a schools' information session on looking after your bones and joints
- MIND Cymru to deliver a pilot eight-week workshop called 'Arthritis & Wellbeing'

We developed the Growing Get Active for Arthritis services across Wales, rolling out the six-week Getting Active Self-Management course. Demand for places exceeded capacity and all those who took part reported making ongoing changes to their health and wellbeing.

Commissioned services

We delivered over 40 peer-led self-management courses, reaching more than 650 people with arthritis across Northern Ireland, many of whom are also managing other long-term conditions. Four out of five of the Health and Social Care Trusts in Northern Ireland renewed funding for delivery of these programmes, including Living Well with Pain. For the first time this year, we delivered self-management courses designed specifically for people living with fibromyalgia, receiving overwhelmingly positive feedback.

A 99 percent satisfaction rate was achieved by the pilot shared decision-making service in South Tees, with 98 percent of service users saying they would recommend the service to a friend or family member. This has led to a renewed contract for the service post-pilot. This service offers personalised support and advice, either face-to face or over the telephone, on self-management of arthritis for those considering knee or hip replacement surgery.

We piloted Arthritis Research UK's peer support programme, *Joint Understanding* which provides people with arthritis who have been referred for a hip or knee replacement with practical support and information to help them before and after surgery. Each peer group is led by trained volunteers who have themselves experienced a joint replacement. This new approach is being tested for 12 months in Exeter, Middlesbrough, Sheffield and Crewe. We are actively exploring the similarities between this pilot and our commissioned services in this field, to share expertise which will help us deliver the best possible service to people with arthritis.

We dealt with more than 17,000 enquiries to our helplines in Chesterfield and London. Following the merger, we continued to operate two helplines, with both teams working together to answer questions via social media, email and post, as well as over the phone. We are working towards providing one helpline with a single number by summer 2018.

We launched Arthritis Research UK's virtual assistant in summer 2017. Although it is still improving, the artificial intelligence powered tool can help people find the answers to their questions at any time of day or night. Between August 2017 and March 2018, the virtual assistant had 4,500 conversations, providing general information on different types of arthritis, medication and exercise.

Our online community, established by Arthritis Care, has more than 9,500 registered users. Between November 2017 and March 2018, it attracted almost 103,000 visitors to forums set up for people with arthritis of all ages and their families. Topics discussed included living with arthritis, benefits and work, pain management, joint replacement surgery and supporting a child with arthritis.

More than 1.3 million pieces of print information were distributed, over 7.7 million people visited our websites for information and more than 468,000 of our information booklets and exercise sheets were downloaded.²

Working alongside the Health Innovation Network, we have supported an increase in the number of sites offering ESCAPE-pain from 31 to 60, enabling 1,800 more people across England and Northern Ireland to benefit from this six-week rehabilitation programme for people with chronic joint pain. Arthritis Research UK provided initial research funding for this programme which integrates self-management and coping strategies with a personalised exercise regime and is delivered in care, leisure and community settings.

²These figures relate to seven months of the year as Arthritis Research UK and five months as a merged organisation.

Through our influencing and awareness raising

Policy and public affairs

To bring about real change for people with arthritis we need to influence Government to get the big decisions right. To do this, both Arthritis Research UK and Arthritis Care committed to speaking out on behalf of people with arthritis, campaigning with them and pushing musculoskeletal health up the political agenda.

This year, we ensured the voices of people with arthritis were heard in governments across the UK, achieving real influence amongst decision makers in all four nations.

Arthritis Research UK engaged with politicians from all parties through our campaigning activity. More than 300 of our campaigners emailed political candidates during the General Election campaign, resulting in over 350 candidates across England and Scotland pledging to support people with arthritis. We are now working with the Arthritis Champions who were successfully elected to influence activity in Parliament.

This year, for the first time, musculoskeletal conditions were made a priority programme by Public Health England. The result of years of partnership working between Arthritis Research UK and Public Health England, this is a huge achievement which will raise the profile of arthritis at a national level. We also co-produced a policy report with the then Department of Health, Public Health England and NHS England which outlines the benefits of exercise for people with arthritis, making recommendations on how to provide better opportunities for people to access physical activities in their local communities.

Our #TooYoungForArthritis campaign in Wales received a boost in March 2018 as Welsh Assembly members once again tabled questions supporting calls for the expansion of paediatric rheumatology services in Wales. This positive support builds on last year's debate where a motion was passed calling for a new paediatric rheumatology service to be established. A #TooYoungForArthritis awareness raising event in Cardiff Bay last summer was attended by over a third of Assembly members and kept the campaign momentum building.

As a result, a review of paediatric rheumatology provision is currently being undertaken by the NHS Wales body, Welsh Health Specialised Services Committee (WHSSC). In March 2018, WHSSC announced paediatric rheumatology would be included in its next annual work plan. This is a significant step towards the possibility of the current partial service being enhanced.

Other highlights include:

- Encouraging more than 1,500 people with arthritis to share their experiences in the 'Big Benefits Survey' co-ordinated by the Disability Benefits Consortium. Over 200 of our campaigners across England shared the resulting report Supporting those who need it most?, with their MPs, calling on them to do more to support people with arthritis to access the benefits system. In October, the Work and Pensions Parliamentary Committee announced an inquiry into disability benefits. The response was overwhelming, attracting 4,000 testimonies, including many from people with arthritis, which informed the Committee's influential report to Government.
- Giving young people with arthritis an opportunity to share their experiences with the Scottish government to help inform the creation of a new devolved benefits system in Scotland. In February 2018 our Young People and Families Service invited young people with arthritis to a workshop with the Scottish government's Benefits Reform Team to look at the reform of Personal Independence Payments.
- Securing a commitment in the 2017-18 NHS mandate to increase the opportunities to collect good quality data about musculoskeletal conditions in England. To support this, we established a Musculoskeletal Data Advisory Group which brought together key stakeholders to develop recommendations for collecting data on arthritis that we hope will improve treatment and care.
- Holding a Gout Awareness event at the Senedd in November 2017, in partnership with UK Gout Society, calling for the British Society for Rheumatology's recent guidelines for managing Gout to be fully implemented in Wales.
- Publishing a report exploring the importance of considering arthritis when planning how the health system addresses the growing number of people across England living with more than one long-term health condition. To tackle this challenge, our Chief Executive is leading a Richmond Group taskforce in partnership with the Royal College of General Practitioners and Guy's and St Thomas' Charity.
- Promoting a Care and Support Alliance petition, signed by over 10,000 people in just seven days, which called for a national consultation on the future of social care in England. The Government officially responded with a commitment to publish a Green Paper on social care and support by summer 2018.
- Producing a report with the British Society for Rheumatology called 'Rheumatology in Northern Ireland – The State of Play'. It recommended the Department of Health and Health and Social Care Boards across Northern Ireland should create and implement initiatives to improve management of inflammatory arthritis in primary care. It also recommends people with arthritis and clinicians from local rheumatology services be involved in any service restructure

Health intelligence

Accurate data on musculoskeletal conditions is vital to our work to improve the quality of healthcare available to people with arthritis. During 2017/18 we continued to influence and work in partnership on health intelligence projects, including:

- The launch of a musculoskeletal diseases profile on the Public Health England Fingertips tool in November 2017. It aims to provide meaningful musculoskeletal data at a local authority level on a single platform.
- Hosting the National Musculoskeletal Health Data Group in December 2017, which brings together leaders in this field to share information and best practice.
- Producing the State of Musculoskeletal Health Report, a compendium of the latest statistics and knowledge on prevalence, risk factors and the impact of musculoskeletal conditions.

Working with healthcare professionals

Both Arthritis Research UK and Arthritis Care have recognised the need to reach out to healthcare professionals, with information, training and support to help them deliver the best care and advice possible to people with arthritis. This year has seen significant growth in this priority area.

During 2017/18 Arthritis Research UK increased its professional network of GPs, practice nurses, fitness professionals and physiotherapists from 2,415 to 4,458 members. This growing community allows members to share best practice and keep up to date with the latest news, resources and developments in care for people with arthritis.

More than 3,300 GPs and primary care professionals accessed the Arthritis Research UK core skills e-learning package which aims to increase confidence in assessing, diagnosing, investigating and treating musculoskeletal problems. As a result, we estimate this year over 2.5 million consultations related to arthritis were held by a GP who had benefited from our programme.

The success of our online core skills training, combined with the response to pilot taster sessions offered at national conferences this year, has led to the development of a one-day workshop, designed to give GPs an opportunity to practice their new skills and build their confidence. We have trained a team of experts in musculoskeletal care to deliver these workshops. We plan to deliver six workshops during 2018, reaching 300 GPs with face-to-face training.

This year we have also designed a new bespoke leadership programme for healthcare professionals, which launched in April 2018. This 18-month development programme, created together with Ashridge Executive Education, will support and coach people to become Champions of musculoskeletal care, delivering a project within their local health system which will achieve tangible outcomes for people living with arthritis. The first group of 18 MSK Champions should be recruited and inducted into the programme by October 2018.

In total during 2017/18 we reached more than 67,000 (50,000 in 2016/17) healthcare professionals, through training, events, publications and our dedicated website.

National campaigns

In August 2017, Arthritis Research UK ran its first major national campaign to challenge perceptions of arthritis, The Nation's Joint Problem. Research showed us 77 percent of people with arthritis think society doesn't understand what it's like to live with arthritis, and 78 percent believe the impact isn't understood because the condition is invisible.

The campaign, informed by the stories of people with arthritis, aimed to shift perceptions and raise the status of arthritis nationally through high impact, emotionally compelling advertising, supported by PR activity running across digital, print and broadcast media.

As a result of the six-week campaign, we saw a six percent rise in the public's perception of arthritis as a problem that affects everyone. The campaign also drove a sustained increase in all conversations about arthritis across social media and an increase in people searching and accessing information about arthritis.

To maintain the shifts that we created in summer of 2017, we went out with a smaller burst of campaign activity in April 2018 for four weeks. The next phase of the campaign is planned for autumn 2018, building on what we achieved this year.

In March 2018 we delivered our first services marketing campaign, promoting our information and advice services to people with arthritis. In two weeks, we saw a 92 percent rise increase in calls to the helpline, and a 400 percent increase in conversations with the virtual assistant.

Via our volunteers

This year, as ever, the contribution of volunteers has been pivotal to our success. Volunteers support our work, with their time, enthusiasm and experience, in almost every area of the business. We rely on volunteers, many of whom have arthritis themselves, to deliver services, run local groups, advise on our research funding decisions, share their experiences to change government policy and support our campaigns and raise the funds we need to transform lives. We are extremely grateful for the outstanding difference they make to the lives of people with arthritis across the UK.

Before we came together, the two charities worked with volunteers in different ways. Arthritis Care's volunteer network exists to deliver services and support to people with arthritis, whilst Arthritis Research UK works closely with fundraising volunteers and patient insight partners. Together we plan to recruit even more volunteers, building a network that offers people a range of opportunities to use their experience and talent to support our work.

Delivering services

Since November 2017, a team of over 800 volunteers has continued to provide practical and emotional support to people affected by arthritis across the UK. They deliver our Young People & Families services, Living Well with Arthritis and moderate the online community. Volunteers also lead over 100 local Branches and nearly 100 Groups across England, Northern Ireland, Scotland and Wales. Most of our volunteers have arthritis and can draw upon their own experiences to provide peer support to people with arthritis in their own communities.

To extend our reach and provide more much-needed support in local communities, we have worked with local volunteers to develop new groups in areas without existing support or services.

Raising vital funds for Arthritis Research UK

In 2017/18 we raised £260k (2017: £389k) through community fundraising. More than £102k of this total was raised through street and supermarket collections, bake sales, coffee mornings and public events organised by our volunteer fundraising groups or branches.

We currently have 54 fundraising branches (2017: 67) and more than 200 active volunteers (2017: 250) fundraising on our behalf in communities across the UK. Arthritis Research UK has been privileged to have the support of hundreds of longstanding volunteers, many of whom have been our passionate advocates for decades. However, this year we again saw some of our fundraising branches close, affecting both numbers of active volunteers and income raised.

Looking to the future we are committed to building on the good work of our fundraising branches, by supporting our current branches and reaching out to a new generation of volunteers, who together can grow our fundraising in local communities.

Through our income generation

2017/18 saw a welcome increase in our fundraised net income to £17.99million (2017: £15.01m). As we are now a newly merged organisation, this figure incorporates income generated by both Arthritis Research UK (over 12 months) and Arthritis Care (over five months). Coming together provides us with a unique opportunity to do more for people with arthritis and make every donation we receive work even harder.

Legacies

In 2017/18 legacies remained our largest source of income. 517 legacies left to Arthritis Research UK and Arthritis Care by our generous supporters raised more than £18 million for our work, representing a 6.7 percent increase on last year. This remains an important income source for our organisation and to help protect it in future years we invested in additional legacy marketing and stewardship activity.

Voluntary income

We saw a steady performance across our other income streams, on a par with the previous year. Over 24,000 people gave to our appeals, raised sponsorship from over 200 different events in the UK and around the world or gave in memory of a loved one. Their continued generosity, energy and commitment is hugely appreciated and we are grateful to every one of them.

Trusts and statutory funders continue to play an essential role in supporting our charitable activities all over the UK. We would like to thank all of them, but in particular:

- BBC Children in Need for generously supporting our Young People and Families services in England, Wales, Scotland and Northern Ireland.
- Garfield Weston Foundation for helping more people with hip or knee osteoarthritis benefit from our ESCAPE-pain programme and enabling it to expand its reach across the UK.
- The Masonic Charitable Foundation for funding vital research into the role of the microbiome in inflammatory arthritis at Kings College London and the establishment of new support groups for people living with arthritis around the UK.

Our Corporate Partners have been instrumental in helping us deliver our work and have supported us in a number of ways during 2017/18. From direct support of our services, for example the virtual assistant and online community, to funding bespoke awareness and education campaigns encouraging exercise and managing joint pain. We hope to grow these invaluable partnerships and seek additional corporate supporters to reach our target audiences with real impact in 2018/19.

Retail and trading

2017/18 saw the planned closure of the remaining 13 Arthritis Research UK shops. We would like to pass on our thanks to the retail employees, volunteers, donors and shoppers for their dedication, hard work and generosity over many years. We will continue with our current online trading, whilst developing plans to extend this in the future.

Our responsibilities to our donors

We welcome greater scrutiny of the charity sector and continue to take our responsibilities around supporter data seriously. It is important to us that the level of trust the public has in charities, and particularly in our charity increases. We are working to embed the latest best practice from the Institute of Fundraising into everything we do, valuing each and every supporter relationship, whether an individual, a trust or a company.

Thank you

We are incredibly grateful for the continued generosity of the people, companies and funders that support our work. Each of our donors and supporters is appreciated for the vital role they play in helping us to make a difference to the lives of people with arthritis all over the UK.

Arthritis Research UK and Legal and General

As one of the largest providers of protection products for people in the UK, Legal & General are in the business of giving people peace of mind to enjoy their lives to the full. As proud supporters of Arthritis Research UK, Legal & General are committed to helping the charity realise their goal of ensuring people with arthritis feel in control, independent and recognised.

This year Legal & General supported the charity by donating £40,000 to fund a round of user testing of the Arthritis Virtual Assistant. This new service uses artificial intelligence to answer arthritis related questions 24/7, helping people with arthritis push back the limits of their condition.

Through our infrastructure, people and processes

2017/18 has been a year of growth and organisational change as we delivered the first elements of an 18-month plan to ensure our new merged organisation has the infrastructure, people and processes in place to have a real impact on the lives of people with arthritis.

The expertise and dedication of our people will be vital for us to achieve our purpose, so a priority this year has been managing change effectively, bringing together teams from our two organisations with minimal disruption. A priority during 2017/18 has been to offer training, share regular communications and create opportunities for people from both organisations to meet and work together on shaping a new shared culture. This work will continue in 2018/19.

We also began the complex process of integrating separate systems and functions, restructured our senior leadership team and introduced a transformation programme to support and enable the operational merger over the next 18 months. A new Board of Trustees, comprising trustees from both charities, is now in place and a governance review will take place during 2018/19.

We continued to make progress with Arthritis Research UK's ambitious plans to become an exemplar employer in supporting musculoskeletal health. Our trailblazing Flex programme is designed to support collaboration, flexibility, inclusion and health and well-being. It is helping us to create a working environment which does everything we can to prevent, where possible, our employees from developing a musculoskeletal condition and fully supports employees with arthritis to manage their condition.

The roll-out of new Flex ways of working this year has introduced big changes to the organisational culture, environment and management support available to employees. We have given our people more flexibility about when, where and how they work, and given them additional support for their physical and mental health and wellbeing, particularly their musculoskeletal health.

By using existing technology more efficiently and investing in new Information and Communications Technology systems we have made it easier for colleagues to work collaboratively and flexibly. Since the merger this approach has been even more vital as employees in five offices around the UK and our home-based employees work together.

In November 2017, all London-based employees from both Arthritis Care and Arthritis Research UK moved into a new office, less than a month after the merger. The space is designed to be accessible and flexible, offering a choice of places to work to meet individual need, depending for example on whether people want to work with colleagues or need a quiet space for focused work. The building also offers a wellness room for stretching and exercise, and The Retreat, a 'time-out' space to support employees' mental health, as evidence shows a clear link between arthritis and mental health.

We also introduced this year a personal holistic health review for employees to help them understand their current level of health and well-being, with a focus on musculoskeletal health. Based on a coaching model, a resulting action plan and support is provided, where appropriate, to promote positive behaviour change.

As well as our planned move in Chesterfield, our office spaces elsewhere in the UK are also under review to ensure they support our employees' health and well-being. We are reviewing lessons learned in 2018/19 from implementing and testing the Flex principles in London, in order to adapt and develop design principles that will provide a minimum standard of support for our homeworkers and employees at offices in Belfast, Cardiff, Chesterfield and Glasgow.

“When you have arthritis, it can make all the difference if you can work from home or catch a later train on days when your symptoms would make it incredibly difficult to travel to work in rush-hour. A work environment that encourages you to take regular breaks to stretch or walk around promotes better musculoskeletal health for everyone. By considering the health and well-being of our employees in every decision, we are not only supporting our people but also making our organisation more productive.”

Looking ahead to 2018/19

The next 12 months will see us building on the strong foundations we have put in place this year, to realise our ambitions for the charity. In 2018/19 we will:

- Launch the merged organisation, with a clear purpose and vision, a new name and a new brand and visual identity in summer 2018.
- Continue the process of operationally merging and becoming fit for future.
- Ensure that we can meet the needs of people with arthritis, by developing our involvement and services offer across the UK, including peer-support models and working with local volunteers to support people with arthritis in their communities.
- Continue to raise the status of arthritis and challenge the passive acceptance of the condition.
- Influence policy in areas core to the needs of people with arthritis, giving them a strong voice across the four nations.
- Invest in pain and cure research, uncovering new ideas and breakthrough treatments. We will also plan a new programme of activity around product development and design.
- Improve and progress our income streams, including securing strategic partnerships and maximising our return on interest.
- Review our office spaces in Chesterfield, Belfast, Glasgow and Cardiff to ensure they too are effectively supporting employees' health and wellbeing.

We will monitor and evaluate our progress in achieving these deliverables throughout the next 12 months. A summary of our achievements will be published in our next annual report.

Everyday Life Stories



Kevin – Volunteer

58-year-old Kevin Costello, a volunteer at our peer support service in Newcastle, was diagnosed with knee osteoarthritis five years ago. Kevin was inspired to give his time to help others to live well with arthritis after benefiting from our support.

“In 2016 I went along to a peer support session run by Arthritis Care at my doctor’s surgery. I had tried to manage on my own without any help, but I was struggling with the fatigue, pain and reduced mobility that my arthritis was causing. I’m a keen sailor and have always been on the go, so the exhaustion was really getting to me.

“The support I received helped me to understand my condition. I learnt how to accept and manage my arthritis, rather than fight against it. It also helped me to see the surgery I needed in a more positive light. Before I worried about what surgery would stop me from doing, but having my left knee replaced has massively improved my life and I’m looking forward to getting a new right knee and getting back to sailing next year.

“When I heard Arthritis Care needed volunteers I decided to give it a go. I support people with arthritis at walk-in sessions and pain management clinics. I’ve learnt a tremendous amount from being a volunteer and it’s been great to meet so many people facing similar issues. It’s a win-win situation for me, not only am I helping other people with arthritis, I also have a much more positive outlook about my future now.”

Chrissy – Research fellow

Dr Chrissy Hammond is a research fellow at the University of Bristol. Since 2011 Arthritis Research UK has funded her innovative research exploring what we can learn about osteoarthritis in humans from genetic mutations found in the skeletal systems of zebrafish.

“My research was kickstarted seven years ago when I was awarded a career development fellowship by Arthritis Research UK. The funding allowed me to investigate something new that wasn’t being done anywhere else and gave me the time and space to test my theory.

“I’ll be eternally grateful to Arthritis Research UK for supporting my work. Their funding meant I could make the move into the field of musculoskeletal research and bring other talented people with me. I’ve since been able to access funding from other sources and have benefited from being part of a collaborative community dedicated to ground-breaking research into arthritis.

“Knowing we could make a real difference to the quality of life of people with arthritis inspires and motivates our work in the lab every day. If we can find a way to detect osteoarthritis earlier, to slow down its progress and to develop non-surgical treatments, that would have a massive impact on millions of people across the UK.”

Lynn - Patient insight partner

52-year-old Lynn Laidlaw has worked with us as a Patient Insight Partner (PIP) over the last year. By sharing her valuable insight into what it's like to live with a rare type of inflammatory arthritis, she helps to ensure we only fund the most relevant and impactful research. Lynn says:

“Two years ago, I was diagnosed with an atypical form of ankylosing spondylitis and Bechet’s Syndrome and had to retire. I loved my job as an intensive care nurse and I wasn’t ready to leave. Working with Arthritis Research UK has allowed me to use my skills and experience as a healthcare professional, alongside my personal experience of living with arthritis, to benefit others.

“You’ve heard the saying ‘When life gives you lemons...’, well for me being a PIP is the lemonade. I’m trying to come to terms with living day-to-day with pain and fatigue and this has really helped. It’s given my life meaning and I’ve had opportunities I never would have imagined. I’ve reviewed and spoken out about research proposals put forward in both the pain and cure challenges. I have shared my views with leading scientists and they have listened to what I have to say.

“Like the other patient insight partners, I want a seat at the table because I know we bring something different and vital. Patients have an inherently practical perspective, we can cut through the noise and focus on what we know will make a difference to our everyday lives, and the millions of others just like us. It means everything to know the voices of people with arthritis are at the heart of such important research, which will ultimately lead to better treatments and care.”

Harjinder – Healthcare professional

Dr Harjinder Singh is a consultant in Sport and Exercise Medicine in Leicester. He developed an interest in musculoskeletal health during his time as a GP and is now a trainer on the Arthritis Research UK Core Skills in Musculoskeletal Care education programme for GPs.

“In 2011 Arthritis Research UK supported me with a training bursary which allowed me to pursue my interest in musculoskeletal medicine. This opportunity really changed the path of my career for which I will always be grateful. The high-quality information the charity shares with healthcare professionals continues to keep me up to date on the latest developments in research, treatment and care. I also use the charity’s patient information all the time to help the people with musculoskeletal conditions, including arthritis, I treat to better understand and self-manage their conditions.

“Delivering the new and improved Core Skills workshops for GPs is my way of contributing to an initiative that will translate into better care for people with arthritis. Arthritis Research UK’s work in this area is so important as around 20 percent of all primary care consultations revolve around musculoskeletal problems. We are helping GPs to reinforce what they learnt about musculoskeletal medicine during their undergraduate training, to refresh their skills and build their confidence. This training is a positive step forward for healthcare professionals and the patients living with arthritis who will benefit from better care as a result.”

Tom – Fundraiser

23-year-old Tom Rogers ran the London Marathon for Arthritis Care in 2017 and for Arthritis Research UK this year. Inspired by his sister Rebecca, who has lived with rheumatoid arthritis since the age of 10, he has raised more than £3000 to support our work. Tom says:

“I’ve seen how arthritis has affected Rebecca’s everyday life for the last 15 years. I knew I wanted to run the London marathon and it meant a lot to be able to do it for my sister and to raise money for a cause that means a lot to our family.”

“When I was fundraising at work, my colleagues were surprised I had a sister with arthritis. Lots of people still think arthritis is about old people having aches and pains, but it goes way beyond that. Arthritis affects whole families, as well as the individual. Rebecca spent months at a time in hospital as a teenager. As well as the huge impact on her life, my Mum had to give up work and for a long time my after-school routine was travelling up to London to visit my sister in hospital.”

“Knowing there’s new research happening all the time gives us hope for the future. New medical developments and technology could lead to alternative treatments, better care or even a cure, which could change my sister’s life. That’s why being able to raise money for Arthritis Research UK is so important to me.”

Jane – Helpline adviser

Jane Longden joined Arthritis Research UK as a helpline adviser in autumn 2017. She says:

“Working on the helpline is such a rewarding job. It’s a great feeling when you find the answer someone is looking for and know it will make a difference to their life. Every day and every call is different. We get asked anything and everything. Luckily there’s a huge amount of expertise we can draw on. We’re constantly funding new research, so we’ve got the most up-to-date information to pass onto people with arthritis.

“What’s brilliant about our services is that we learn so much from the people who contact us. The lives and experiences of our callers shape our answers and each one helps make our services even better. Every new answer we find doesn’t just help one person, it could help thousands of people. In this job you never stop learning, every day you find out something new about arthritis.

“Whatever the question, and whatever stage they are at in their arthritis journey, we give people the time they need. We’re here to listen and to help and always encourage people to come back to us if they need to.”

Susan – Helpline user

Susan Patey is in her 50s and has severe osteoarthritis in her hands, back and knees. She has called the Arthritis Research UK helpline for information and advice several times over the last year. She says:

“I’m in excruciating pain every day and feel like I’m becoming more and more dependent on the people around me. I loved my job as a special needs teacher, but last year I had to give it up because of my arthritis.

“Arthritis has had a huge impact on my daily life. I can’t drive or cook, I need help to turn lights on and off and to cut up my food. Not being able to do the little things, the daily tasks we take for granted, is what gets me down the most. I’m totally dependent on others and it’s an awful feeling.”

“I’ve called the helpline a few times, mainly to ask questions about medication and managing my pain. I would definitely recommend it and know I’ll use it again myself. It’s great to know there’s someone on the end of the phone to talk to if you need answers or just want some advice. They’re helpful, friendly and I am confident I’ll get the most up to date and trusted information available.”

Thank you

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

NC3Rs

MS society

JDRF

AMRC

ABPI

Academy Medical Sciences

CRUK

CSP

BOA

BSR

CSO

Design Council

Diabetes Research UK

Health and Care Research Wales

Helen Hamlyn

IBM

Innovate UK

Kennedy

LifeArc

MQ Mental Health

MRC

MS Society

NIHR - TCC

Nuffield Foundation

Pfizer

Rheumafonds

RNOH Royal National Orthopaedics Hospital

Wellcome - pain and neuroscience

Adint Charitable Trust

Shelagh and Tom Allen

The Barbour Foundation

BBC Children in Need (England)

BBC Children in Need (Northern Ireland)

BBC Children in Need (Scotland)

BBC Children in Need (Wales)

The Betty Baxter Charitable Will Settlement

Binks Trust

The Bothwell Charitable Trust	Andrew Lumley
The Cadogan Charity	The Lyons Charitable Trust
The Catherine Cookson Charitable Trust	Masonic Charitable Foundation
Celgene Limited	The Monument Trust
The City of London Corporation's charitable funder, City Bridge Trust	Next Retail Ltd
Constance Travis Charitable Trust	NHS Highland
Adam and Cathya Djanogly	Northwood Charitable Trust
The Donald Forrester Trust	The Norton-Freeman Charitable Trust
The Doris Louise Hailes Charitable Trust	Novartis Pharmaceuticals UK Limited
Steve and Mel Edge	Paths for All
Edith Florence Spencer Memorial Trust	The Peacock Charitable Trust
The Edith Murphy Foundation	David Pocknell
The Elizabeth & Prince Zaiger Trust	The Revere Charitable Trust
The Eveson Charitable Trust	Scottish Government
Richard Froomberg	The Simon Gibson Charitable Trust
Garfield Weston Foundation	The Sir William Coxen Trust Fund a Charity administered by the City of London Corporation
The Harry Bacon Foundation	Bradley and Gillian Stanton
Harry Cureton Charitable Trust	The Swire Charitable Trust
Health and Social Care Alliance	Voltarol
InFirst Healthcare Ltd	All donors from the Lantern Opera 2018
Inman Charity	Members of The Joint Initiative giving club
James & Patricia Hamilton Charitable Trust	Big Lottery Fund Wales
The Joan Lynette Dalton Charitable Trust	Big Lottery Fund Northern Ireland
John Jarrold Trust Ltd	Health and Social Care Board
Kathleen Laurence Trust	Ulster Garden Villages
The Late St Patrick White Charitable Trust	Southern Health and Social Care Trust
Legal & General Group plc	We also acknowledge those generous donors who wish to remain anonymous.

Governance & Financial Statements

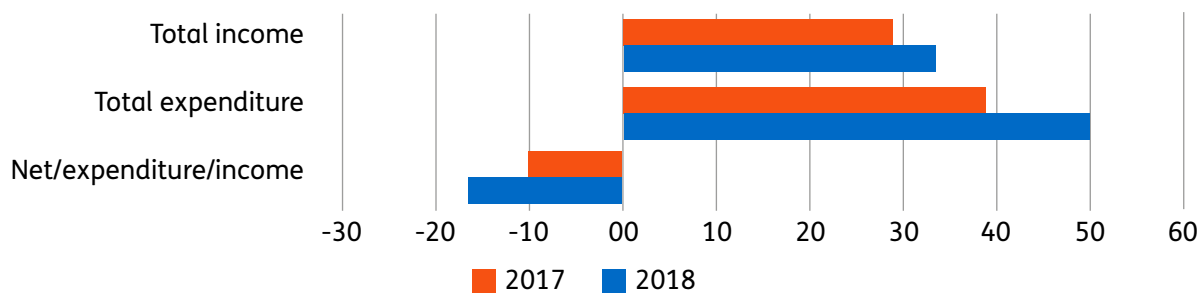


Financial Review

A summary of the financial results for the year ending 31 March 2018 are set out below, with results as a merged organisation from 1 November 2017. The charity's full set of financial statements can be found on pages 51 to 77.

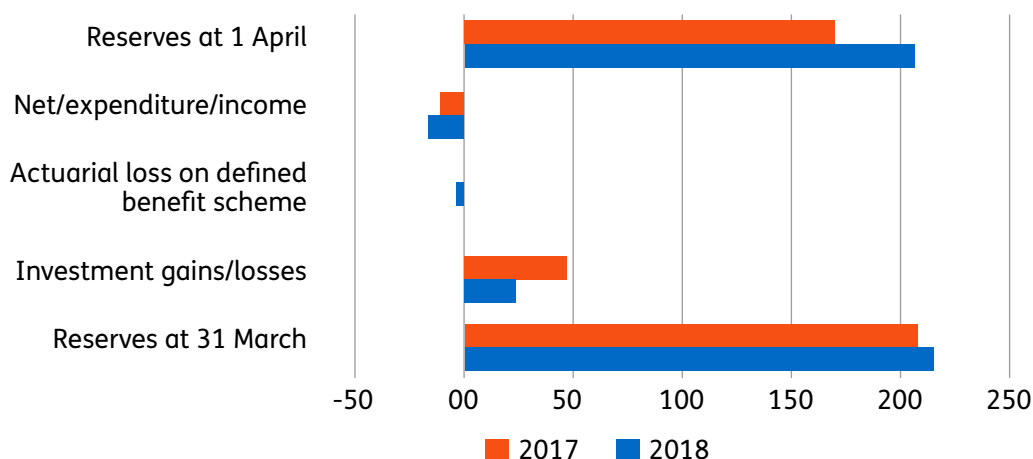
Expenditure exceeded income for the year by £16.68m (before investment gains/ losses and actuarial loss on defined benefit scheme) (2017: expenditure exceeded income by £9.93m). While the deficit was in line with our strategic plans to utilise reserves to invest in improved quality of life for people with arthritis the deficit was lower than planned due to income from the merger (£5.99m) and unexpected partial release of a legal fund relating to Intellectual Property Royalties while expenditure was lower in year due to slippage of projects and research awards into 2018/19, in part paused due to the merger.

Net expenditure/income £m



Total funds increased to £214.59m (2017: £206.79m) at year end due to overall investment gains of £24.76m (2016: £46.33m gain) due to positive performance driven by our Global Select Fund where strong returns were achieved from a variety of investments in stocks in North America. 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 on deposit and in hand increasing to £51.98m (2017: £35.72m - see balance sheet on page 52) to cover our transformational expenditure from reserves over the coming years in line with our strategy.

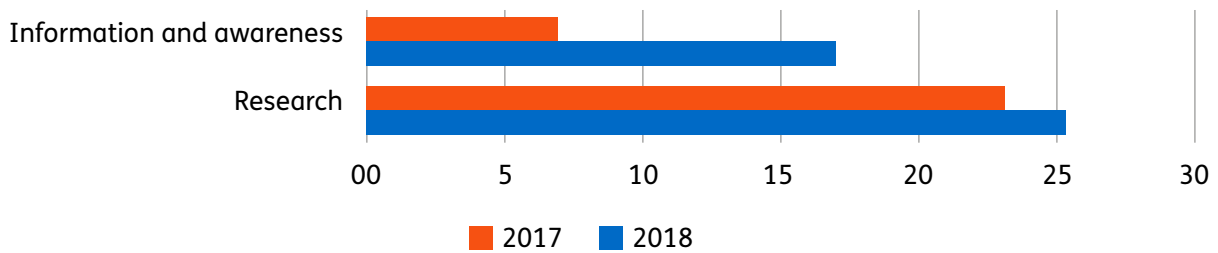
Movement in reserves £m



Charitable expenditure increased to £42.45m (2017: £30.16m) and represented 85 percent (2017: 78 percent) of our total spend for the year. This increase includes five months of charitable expenditure relating to services previously delivered by Arthritis Care and investment in key charitable projects including the recognition campaign and virtual assistant.

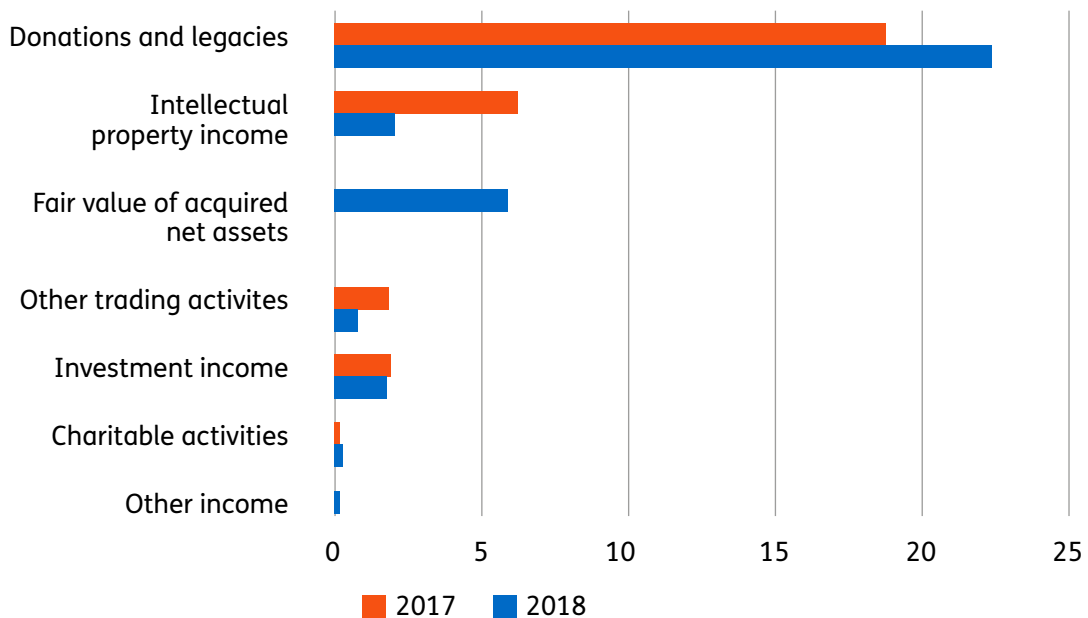
More detail is included below and in our achievements section on page 5.

Charitable expenditure £m



Overall income increased to £33.54m (2017: £28.88m) as set out below. This was driven by one off £5.99m fair value of acquired net assets from Arthritis Care which includes the restatement of legacy income in line with the Arthritis Research UK accounting policy, and increased legacy income up £3.78m to £18.37m thanks to the generosity of our supporters.

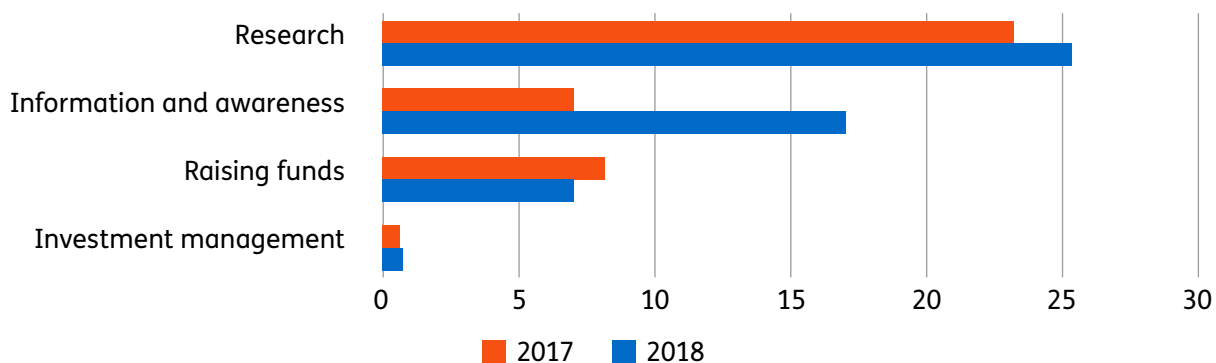
Income £m



These increases, as expected, offset lower intellectual property income of £2.03m as a consequence of several patents coming to an end (2017: £6.08m). This income is received from royalties for anti-TNF treatments developed with the Kennedy Institute. The potential for legal dispute in relation to owned patents is expected to expire in 2019 when most of the retained income (see note 3), which totals £9.77m at 31 March 2018, will be released.

Income from other trading activities arises predominately from shops and mail order catalogue sales. Income of £0.87m was generated in the year (2017: £1.86m) and we closed our remaining 13 shops as planned at the end of 2017. Interest and dividend income from our investment portfolio makes up the majority of the investment income of £1.81m (2017: £1.95m). Our five investment funds have an objective to optimise our total capital and revenue return within the parameters of our investment policy. Our funds all saw a return in the last year ahead of sector benchmark performance.

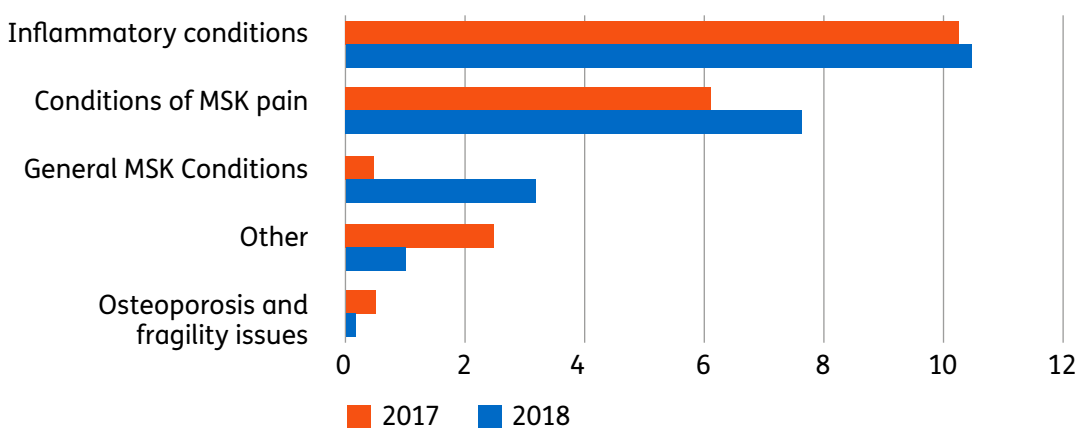
Expenditure £m



Total research expenditure was £25.42m (2017: £23.11m) which consists of research grants and related support costs.

Research grants recognised for the year totalled £22.20m (2017: £20.05m) (see note 4 on page 59). The graph below shows research spend by key area. Note 20 on pages 75-76 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 9 in the annual report.

Research Grants Recognised £m



There has been a significant increase in charitable expenditure on information and awareness with from £7.06m in 2017 to £17.03m this year. This increase reflects continuing and additional investment in key activities which have included: major national campaign to raise the status of arthritis, challenging attitudes and building understanding of its impact. Other investments have been launching our virtual assistant which is an artificial intelligence powered tool to help people find answers to questions day or night. We have also seen a significant growth providing information, training and support to healthcare professionals to enable them to deliver the best care and advice to people with arthritis.

We saw a reduction in our spend on raising funds dropping to £7.06m (2017: £8.05m) due to reduction in retail costs resulting from the closure of the remaining shop portfolio during year ending 2018.

Further information about our achievement is included from page 5.

Future periods

Following the coming together with Arthritis Care, 2018/19 will see the charity implementing new and more efficient ways of working to meet the needs of the new organisation and to enable our investment in transformational 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 further planned deficits over the next three years.

Trading Company

Arthritis Research UK Trading Limited is a 100 percent 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 2017/18 the trading company made a charitable donation of £nil (2017: £143,672) 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.

Arthritis Research UK undertakes ongoing strategic financial modelling as part of ensuring long term financial sustainability for the organisation. At the current time the modelling does not identify any key risks that require an allocation to general reserves. As our plans evolve any risks that might result in a financial consequence will be factored into the modelling and our strategic plans for our funds.

As at 31 March 2018, the charity's consolidated total funds were made up as follows:

	31 March 2018	31 March 2017
	£m	£m
Restricted funds	2.36	1.38
Designated funds	164.83	142.90
Revaluation reserve	47.40	54.85
General reserves	0.00	7.66
Total	214.59	206.79

Funds have increased in year by £7.80m, ending on the 31 March 2018 at £214.59m. The increase is due to net realised gains of £32.08m including currency losses & revaluation of property (see note 10), unrealised losses of £7.32m, actuarial loss on a defined benefit scheme of £0.28m and the operational deficit of £16.68m.

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

The charity has a policy to hold 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 percent of disclosed sales in the tobacco industry.

As part of the merger a centrally administered investment with UBS formally held by Arthritis Care was agreed to be liquidated including a fair value balance of £700k which was transferred at the point of the merger. Investments held by former Arthritis Care branches currently follow a policy as agreed by the respective branch and will be subject to review in 18/19.

Remuneration policy

Pay levels for all employees are reviewed annually and any overall percentage increases are authorised by the Board of Trustees.

Arthritis Care employees transferred to Arthritis Research UK under TUPE on 1 November and, as a result, two sets of employment terms and conditions are in operation across the Charity.

- Pay increases for all employees on Arthritis Research UK employment terms and conditions , including the Chief Executive Officer and members of the Leadership Team, are subject to individual performance assessed in line with appraisal criteria agreed as part of Arthritis Research UK's performance management system.
- Pay increases for all employees on Arthritis Care employment terms and conditions are not linked to individual performance and a flat rate percentage increase is applicable to all.

The principle of applying the same terms and conditions of employment and eligibility for employment benefits to all of our people, including our leadership team, remains though the detail of these varies, based on which underpinning set of terms and conditions is applicable. We will develop a new remuneration policy over the course of the next year for all employees and aim to move to a single set of employment terms and conditions over time.

Our approach to remuneration is, and will continue to be, based on transparency and equality. We:

- Use relevant benchmarking information when we set salaries and participate in a number of charity sector pay and benefit surveys;
- Pay salaries that recognise the specific skills that employees bring to their particular role
- Review our pay levels annually;
- Pay all employees on Arthritis Research UK employment terms at or above the UK living wage;
- Apply the same eligibility criteria for employment benefits to all; and
- Are open about how much we pay our employees.

Grants Policy

Opportunities for funding are, under usual circumstances, subject to open competition and applications are received via the online Grant Tracker system. Applications received are validated and in accordance with the requirements of the Association of Medical Research Charities (AMRC), are subject to independent, external peer review. The applications and the independent, expert peer review comments are considered by research subcommittees, expert groups or bespoke panels, who make recommendations to the charity executive relating to whether an award should be made or whether the application should be rejected. The research subcommittees and expert groups have a core membership of research, clinical and scientific experts as well as patient insight partners. Bespoke research panels are formed for specific strategic calls and expertise generated according to the needs of the call. All reviewers undergo a strict assessment to identify any conflicts of interest prior to being asked to review an application.

When applications are recommended for award they are approved in accordance with the charity's schedule of authority, and letters of award, including conditions of award are issued. All awards are managed post award for compliance and performance, and outputs are carefully monitored and disseminated appropriately.

Internal controls and risk management

Our Board of Trustees have ultimate accountability for risk management. They are responsible for ensuring that adequate systems of internal control and risk management are in place, and discharge their duties through the review of these systems. The current systems of risk management and internal control provide reasonable assurance that risks are being appropriately managed.

Employees are supported in the management of risk through training sessions and the provision of guidance and resources.

The charity operates a series of risk registers which are operationally embedded in the organisation, updated as and when appropriate. Strategic level risks that have the potential to impact on our organisational objectives are captured in an overarching corporate risk register. The Finance Committee reviews this register on a quarterly basis as do the Board of Trustees. Directorate, project, and programme risks are recorded in individual risk registers, with an escalation process via the Risk Management Group and Senior Leadership Team.

There are currently 7 key strategic risks recorded in the corporate risk register, these are listed below:

Risk	Mitigating Actions
<p>Operating Environment Changes in the external operating environment that the charity may fail to recognise and respond to</p>	<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.
<p>Reputation Management Unforeseen circumstances that have the potential to negatively impact on the charity</p>	<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.
<p>Income Failure to achieve the net income target or a major unplanned reduction in income</p>	<ul style="list-style-type: none"> • Close monitoring of the external environment. • Legacy forecasting in place and regularly reviewed. • Income diversification project in place.
<p>Managing Activities and Resources The charity fails to effectively prioritise, plan, finance and manage activities and resources</p>	<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 and programme management approach.
<p>People Failure to recruit, align and manage people and behaviours</p>	<ul style="list-style-type: none"> • HR indicators and employee establishment management. • Recruitment masterclasses for managers introduced. • Employee survey and action plans. • Competency framework. • Review and adapt the profile of the workforce to reflect the changing needs of the charity.

Risk	Mitigating Actions
<p>Compliance Non-compliance with organisational governance and statutory requirements</p>	<ul style="list-style-type: none"> • HR indicators and employee establishment management. • Recruitment masterclasses for managers introduced. • Employee survey and action plans. • Competency framework. • Review and adapt the profile of the workforce to reflect the changing needs of the charity.
<p>Fiscal Control Poor management of cash flow, treasury and investments</p>	<ul style="list-style-type: none"> • Insight through portfolio management. • Strategic financial modelling. • Monthly management accounts information assisting in financial control and planning.

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 14 Companies Act 2006 are Directors of the Charity. The Board delegates operational planning 14 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 five subsidiary dormant companies: Arthritis Matters Ltd (Company number: 10029084), Arthritis Matters Trading Ltd (Company number: 10028973), Arthritis UK Ltd

(Company number: 03450500), Arthritis Care (Company number: 529321) and Arthritis Care Trading Ltd (Company number: 2924742)

Arthritis Care remains in existence after the merger so that any post-merger legacies to Arthritis Care will be effective. The Articles of Association of Arthritis Care have been amended to reflect its status as a dormant charity and were agreed by the Board of Trustees in March 2018. The governance requirements have been streamlined so Arthritis Research UK can appoint and remove directors/trustees in writing and that there is no requirement to hold general meetings. No regulated alterations were made.

Our approach to fundraising

Section 144 (2) of the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016 require Arthritis Research UK to provide the following information about fundraising.

Direct response marketing is an important element of our fundraising activity. We work with marketing companies Catalyst Works and Brightsource to create fundraising materials and communications designed to retain our current supporters and attract new regular donors. We also worked with Ethicall, telephone fundraising specialists, on a small project during 2017-2018. Last year we did not invest in any face to face or street fundraising.

Arthritis Research UK is registered with the Fundraising Regulator, the Fundraising Preference Service and is also a member of the Institute of Fundraising, the National Council for Voluntary Organisations and the Lotteries Council. We train and support our employees and volunteers so they are aware of and work within the required fundraising standards and regulation. We are not aware of any failure by our employees or volunteers to meet these standards during 2017-2018. During the year we received 61 complaints about our fundraising activity, all of which were resolved without raising ongoing issues.

We take our responsibilities around managing our supporters' data very seriously and do everything we can to respect both their privacy and communication choices. We are investing in our technology infrastructure and putting clear data governance procedures in place to help us. 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 employees and volunteers who might have contact with vulnerable people, whether they are donors or service users. We regularly 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 86 as 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.

Trustees are recruited in accordance with the Articles of Association of the Charity and in line with the terms of reference of the Appointments and Remuneration Committee. 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.

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.

The trustees are committed to effective, efficient and transparent governance of the merged charity and have committed to reviewing our governance arrangements as part of our transformational programme to 2020. This review will take place during 2018 and will include specific consideration of the principles of the Charity Governance Code.

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; and
- 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; and
- 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 2018, the Trustees were supported by the committees listed below:

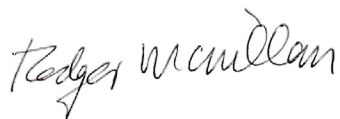
- Appointments and Remuneration Committee
- Finance Committee
- Charitable Purposes Committee, which is itself supported by:
 - Disease Sub Committee
 - Treatment Sub Committee
 - Health Sub Committee
 - College of Experts
 - Clinical Studies Sub Committee
 - Patient Insight Partner Group
 - Fellowship 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 31st March 2018, 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 5 July 2018, and approved on 5 July 2018.



Dr Rodger McMillan

Chair of the Board of Trustees

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

Opinion

We have audited the financial statements of Arthritis Research UK (“the Parent Charitable Company”) and its subsidiaries (“the Group”) for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, Consolidate and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2018 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

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

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. The other information comprises: Report from the Chair and Chief Executive Officer and Report of the Trustees (including the Strategic Report). The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- Proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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 Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick

Date: 10 July 2018

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 2018.

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2018 Total Funds £'000	2017 Total Funds £'000
Income from					
Donations and legacies	2	20,683	1,729	22,412	18,874
Other trading activities	2	869	-	869	1,863
Investment income	2	1,805	-	1,805	1,947
Intellectual property income	3	2,033	-	2,033	6,087
Fair value of acquired net assets	22	5,230	757	5,987	-
Charitable activities	2	89	163	252	101
Other	2	187	2	189	12
Total Income		30,896	2,651	33,547	28,877
Expenditure					
Raising Funds	7	7,064	-	7,064	8,053
Investment management costs	7	710	-	710	585
Charitable activities:					
- Research	7	24,187	1,233	25,420	23,107
- Information & Awareness	7	16,731	302	17,033	7,057
Total Expenditure	7	48,692	1,535	50,227	38,802
Net (expenditure) income before net gains on investments		(17,796)	1,116	(16,680)	(9,925)
Net gains on investments	10	24,760	-	24,760	46,329
Actuarial loss on defined benefit scheme		(279)	-	(279)	-
Transfers between funds		141	(141)	-	-
Net movement in funds		6,826	975	7,801	36,404
Reconciliation of funds					
Funds brought forward		205,408	1,382	206,790	170,386
Total funds carried forward		212,234	2,357	214,591	206,790

The notes on pages 54 to 77 form part of these financial statements. Our shop network was discontinued by the end of the calendar year 2017. The shops portfolio in 2018 contributed through the trading company £51k (2017: £167k) of other trading activities income and £41k (2017: £80k) of direct costs.

Consolidated and Charity Balance Sheets

As at 31 March 2018		Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
	Note				
Fixed assets					
Tangible assets	9	2,419	895	2,419	895
Investments	10	155,539	165,529	155,789	165,779
Investment property	10	8,240	8,200	8,240	8,200
Total Fixed Assets		166,198	174,624	166,448	174,874
Current assets					
Stocks		14	40	-	7
Debtors	12	12,367	10,356	12,355	10,446
Cash on deposit		49,291	33,385	49,291	33,385
Cash in hand		2,689	2,336	2,409	1,934
Total Current Assets		64,361	46,117	64,055	45,772
Creditors – amounts falling due within one year					
Creditors	13	(2,667)	(1,490)	(2,669)	(1,455)
Grant payments due within one year	4	(13,163)	(11,712)	(13,163)	(11,712)
Total Creditors due within one year		(15,830)	(13,202)	(15,832)	(13,167)
Net current assets		48,531	32,915	48,223	32,605
Total assets less current liabilities		214,729	207,539	214,671	207,479
Provisions for liabilities	20	(138)	(749)	(138)	(749)
Net assets		214,591	206,790	214,533	206,730
The funds of the group: Unrestricted income funds:					
General reserve	14	-	7,659	-	7,745
Designated funds	14 & 15	164,835	142,899	164,777	142,753
Revaluation reserve	14	47,399	54,850	47,399	54,850
Total unrestricted funds		212,234	205,408	212,176	205,348
Restricted income funds	14	2,357	1,382	2,357	1,382
Total funds	14	214,591	206,790	214,533	206,730

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 £33.54m (2017: £28.88m). The net increase in funds dealt with in the financial statements of the Charity was £7.80m (2017: £36.40m).

Approved by the Trustees on 5th July 2018 and signed on 5th July 2018.

Dr Rodger McMillan
Chair of the Board of Trustees

The notes on pages 54 to 77 form part of these financial statements.
Company Number: 00490500

Consolidated Cash Flow Statement

For the year ended 31 March 2018	2018 £'000	2017 £'000
Cash flows from operating activities		
Net income for the reporting period (statement of financial activities)	7,801	36,404
Depreciation charge	281	168
Profit on disposal of fixed assets	-	-
Dividends, interest and rent from investments	(1,805)	(1,947)
Net gains on investments	(24,760)	(46,329)
Decrease in stocks	26	13
(Increase) / Decrease in debtors	(2,011)	3,648
Increase in creditors	1,177	361
(Decrease) / Increase in provisions	(611)	306
Research and education grants recognised during the year	22,202	20,045
Research and education grants paid during the year	(20,751)	(20,175)
Net cash used in operating activities	(18,451)	(7,506)
Cash flows from investing activities		
Dividends, interest and rents from investments	1,805	1,946
Investment income movement	23	57
Proceeds from the sale of property, plant and equipment	8	-
Purchase of property, plant and property	(1,182)	(437)
Proceeds from the sale of investments	94,891	61,023
Purchase of investments	(59,989)	(37,537)
Net cash provided/ (used in) by investing activities	34,926	25,052
Change in cash and cash equivalents in the reporting period	16,474	17,546
Cash and cash equivalents at the beginning of the reporting period	35,721	19,129
Cash and cash equivalents due to the exchange rate movements	(215)	(954)
Cash and cash equivalents at the end of the reporting period	51,980	35,721

The notes on pages 54 to 77 form part of these financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

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 2018. 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. 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. However, year ending 31 March 2018 Trustees have agreed no general reserves will be held given the risk profile of the charity.
- **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 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.

Per note 17, the fifth pension fund which transferred from Arthritis Care at the point of merger is held separately from those of the charity in an independently administered scheme. The charity has adopted the full requirements of FRS 102 section 28.

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

The assets of the defined pension schemes are held separately from those of the charitable company in an independently administered fund. The pension cost charged to the SOFA represents contributions payable under the scheme by the charitable company to fund. The charitable company has no liability under the scheme other than for the payments of those contributions.

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 percent 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.

Cash

Cash in hand consists of cash at bank and in hand. Cash on deposit consists of short term investments with an original maturity date of three months or less

2. Income

	Unrestricted Income £'000	Restricted Income £'000	2018 Total Income £'000	Unrestricted Income £'000	Restricted Income £'000	2017 Total Income £'000
Donations & Legacies						
Legacies	17,234	1,133	18,367	14,018	568	14,586
Donations	2,957	596	3,553	3,209	553	3,762
Sponsorship	492	-	492	526	-	526
Total	20,683	1,729	22,412	17,753	1,121	18,874
Other Trading Activities						
Registration and raffle	87	-	87	184	-	184
Charity shops	645	-	645	1,497	-	1,497
Mail order and other trading	137	-	137	182	-	182
Total	869	-	869	1,863	-	1,863
Investment Income						
Listed Investments	1,656	-	1,656	1,684	-	1,684
Unlisted Investments	14	-	14	14	-	14
Rent from investment property	132	-	132	134	-	134
Bank Interest	3	-	3	115	-	115
Total	1,805	-	1,805	1,947	-	1,947
Intellectual property income (note 3)	2,033	-	2,033	6,080	-	6,080
Fair value of acquired net assets (note 21)	5,230	757	5,987	-	-	-
Income from charitable activities	89	163	252	21	80	101
Other income	187	2	189	12	-	12
Total Income	30,896	2,651	33,547	27,676	1,201	28,877

3. Intellectual Property Income

	2018 £'000	2017 £'000
Intellectual Property Income	2,033	6,080

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

A number of patents discontinued during 2018 resulting in reduced income. 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 percent of these funds which at 31 March 2018 represented up to £9,771k (2017: £5,413k). 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. However, final resolution is expected in late 2018. £1.1m was received during in year and is included within income.

4. Grants Commitments and Creditors

	2018 £'000
Grant creditors	
Balance at 1 April 2017	11,712
Movement in the year:	
Awards recognised	22,202
Awards paid	(20,751)
Balance at 31 March 2018	13,163
Grant commitments	
Balance at 1 April 2017	56,097
Movement in the year:	
New awards (not included within the accounts)	25,916
Total awards recognised within the accounts (see note 20)	22,202
Balance at 31 March 2018	59,811
Total Grant Commitments and Creditors	
Balance at 1 April 2017	67,809
Balance at 31 March 2018	72,974

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

	2018 £'000	2017 £'000
Fees payable to the charity's auditors for the audit of the charity's annual accounts	34	36
Other services – taxation and pension compliance services	5	8
Total Audit Remuneration	39	44

6. Operating Leases

The amounts expensed under operating leases during the year were £1,246k (2017: £728k). Committed lease payments for future periods are as follows with the increase due to a new London office.

	2018 £'000	2017 £'000
Less than 1 year	344	607
2 to 5 years	4,177	926
Over 5 years	3,759	48
Operating Leasing Payments	8,280	1,581

7. Expenditure Analysis

	Awards Recognised £'000	(note 8) Employee Costs £'000	Allocated Costs £'000	Support Costs £'000	2018 Total £'000	2017 Total £'000
Raising Funds						
Legacies	–	208	92	188	488	430
Donations	–	2,219	1,839	1,187	5,245	4,679
Other Activities	–	591	596	144	1,331	2,944
Total Cost of Raising Funds	–	3,018	2,527	1,519	7,064	8,053
Investment Management Costs	–	–	709	1	710	585
Charitable Activities						
Research	22,251	1,727	661	781	25,420	23,107
Information & Awareness	–	4,806	9,553	2,674	17,033	7,057
Total Charitable Activities	22,251	6,533	10,214	3,455	42,453	30,164
Total Expenditure	22,251	9,551	13,450	4,975	50,227	38,802

Restricted expenditure of £1,535k (2017: £1,025k) all related to research grants.

7. Expenditure Analysis continued

Support Costs	Finance & Procurement £'000	HR & Organisational Development £'000	ICT £'000	Corporate Services £'000	Governance £'000	External Affairs £'000	Total £'000
Legacies	18	15	52	115	–	1	201
Donations	98	79	279	614	184	7	1,261
Activities	–	–	3	–	130	2	135
Investments	–	–	–	–	–	1	1
Research	72	57	195	449	53	35	861
Information & Awareness	187	150	643	1,173	340	23	2,516
Grand Total	375	301	1,172	2,351	707	69	4,975

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

The large elements of expenditure with ICT are maintenance, development and licences while property costs are the large proportion of corporate services costs.

Governance Costs Analysed	2018 £'000	2017 £'000
Audit Fees	39	44
Board of Trustees Costs	16	38
Other Costs	14	14
Total Governance Costs	69	96

8. Staff Costs

	2018 £'000	2017 £'000
Gross salaries	8,094	6,286
Employers national insurance costs	820	646
Pension costs	603	456
Other employee costs	34	30
	9,551	7,418

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 2018 were £95k (2017: £12k). For the year ending 31 March 2018 total remuneration to the Transformational Leadership Team was £802k (2017: £690k) while employer pension and national insurance contributions were £70k and £101k respectively (2017: £62k and £87k).

8. Staff Costs continued

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

	Average Headcount		Average FTE	
	2018	2017	2018	2017
Charitable Activities	174	98	160	92
Raising Funds	81	101	71	91
	255	199	231	183

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	2018 Actual Pay Headcount	2018 Actual Payments	2017 Actual Pay Headcount	2017 Actual Payments
Between £60,000–£64,999	2	£122,444	2	£123,159
Between £70,000–£74,999	1	£65,164	1	£60,580
Between £80,000–£84,999	1	£64,462	–	–
Between £90,000–£94,999	1	£74,022	3	£260,043
Between £95,000–£99,999	4	£390,280	2	£192,441
Between £100,000–£104,999	1	£102,574	1	£100,563
Between £140,000–£144,999	1	£142,647	1	£142,647

All employees are eligible for a range of benefits which can be viewed on our website at: 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, 8 Trustees (2017: 6) have been reimbursed for expenses directly incurred in carrying out their activities as Trustees at a cost of £4k for the year ended 31 March 2018 (2017: £7k). The expenses policy applies to all employees, including the Senior Leadership Team.

Trustees collectively made donations of £3k in year ending 31 March 2018 (2017: £8k).

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 2017	214	679	486	826	230	34	2,469
Additions	178	-	1,206	428	-	-	1,812
Disposals	-	-	-	-	-	(27)	(27)
At 31 March 2018	392	679	1,692	1,254	230	7	4,254
Depreciation							
At 1 April 2017	-	359	344	634	193	22	1,572
Charge for the year	-	14	92	156	16	4	281
Released on disposals	-	-	-	-	-	(18)	(18)
At 31 March 2018	-	373	436	810	209	7	1,835
Net Book Value							
At 31 March 2018	392	306	1,256	444	21	-	2,419
At 31 March 2017	214	320	142	172	37	12	897

Assets under construction consist of ongoing investment in our IT infrastructure, particularly in sourcing and implementing a new organisational CRM platform to replace our current one that is no longer fit for purpose and currently £nil net book value. No depreciation has been charged in respect of this asset under construction.

10. Investments

Group	Market Value 2018 £'000	Market Value 2017 £'000	Cost 2018 £'000	Cost 2017 £'000
Listed investments:				
UK Equities	7,357	12,198	4,529	6,899
Overseas Equities	30,435	127,511	30,435	85,326
Emerging Markets	103,280	19,988	66,123	13,985
Index Linked	-	-	7,945	-
Other	643	182	48	107
Accrued Income	109	133	109	133
Listed Investments	155,539	160,011	109,189	106,450
Cash deposits	-	5,517	-	5,424
Sub Total	155,539	165,529	109,189	111,874
Investment Property	8,240	8,200	6,994	6,994
Total Investments	163,779	173,729	116,183	118,868
Charity				
As stated above for the group	163,779	173,729	116,183	118,686
Investment in subsidiary* (Arthritis Research UK Trading Limited)	250	250	250	250
Total	164,029	173,979	116,433	119,118

*no market value so held at cost

Group & Charity Listed Investments	2018 £'000	2017 £'000
Carrying value (market value) at beginning of period	173,729	149,990
Add: additions at cost	59,989	33,513
Accrued Income	(23)	(57)
(Withdraws) / Additions from cash deposit investments	(5,514)	4,024
Proceeds of sale	(89,377)	(61,023)
Profit/(loss) on revaluation of investments*	24,975	47,283
Carrying value (market value) at end of period	163,779	173,730

*Reconciliation of revaluation of investments to net gains per SOFA

	2018 £'000	2017 £'000
Realised gains	32,257	12,622
Unrealised gains / (losses)	(7,322)	34,991
Total	24,935	47,613
Currency losses	(215)	(954)
Gain in revaluation of Property	40	(330)
Net gains on investments (SOFA)	24,760	46,329

10. Investments continued

The portfolio of securities were mainly 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 2017 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.'

Charity investment in subsidiary	2018 £'000	2017 £'000
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	2018 £'000	2017 £'000
Turnover	51	53	93	53	355
Cost of sales	(42)	(10)	(65)	(117)	(143)
Gross profit	9	43	28	80	212
Administrative expenses	–	(70)	(13)	(83)	(68)
Net profit	9	(27)	15	(3)	144

Subsidiary Company continued

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

	2018 £'000	2017 £'000
Assets	317	493
Liabilities	(10)	(183)
Net Assets	307	310

Group Transactions

For the year ending 31 March 2018:

- Arthritis Research Trading Limited made a gift donation of its net profit of £nil (2017: £143,672) to the charity
- There was a management fee from the charity to Arthritis Research Trading Limited of £7,000 (2017: £11,125).

Dormant Subsidiaries

We also have five subsidiary dormant companies: Arthritis Matters Ltd (Company number: 10029084), Arthritis Matters Trading Ltd (Company number: 10028973), Arthritis UK Ltd (Company number: 03450500), Arthritis Care (Company number: 529321) and Arthritis Care Trading Ltd (Company number: 2924742)

12. Debtors

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amount due from subsidiary company	-	-	-	148
Tax	102	96	101	95
VAT	-	21	-	21
Prepayments	1,683	361	1,684	361
Accrued income	10,242	9,587	10,242	9,587
Other debtors	340	291	328	234
	12,367	10,356	12,355	10,446

13. Creditors

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amount due to subsidiary company	-	-	12	-
VAT	56	12	56	-
Other creditors	860	793	857	785
Other Taxes and Social Security	328	254	328	254
Accruals	1,423	431	1,146	416
	2,667	1,490	2,669	1,455

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 2017	7,659	142,868	54,850	1,382	206,790
Incoming resources for the year	30,893	-	-	2,651	33,544
Outgoings for the year	(48,692)	-	-	(1,535)	(50,227)
Net realised and unrealised investment gains	24,760	-	-	-	24,760
Actuarial loss on defined benefit scheme	(27)	-	-	-	(276)
Transfer between funds	(14,344)	21,936	(7,451)	(141)	-
Total recognised losses for the financial year	(7,659)	21,936	(7,451)	975	7,801
Balance sheet at 31 March 2018	-	164,835	47,399	2,357	214,591

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.

14. Movement in Funds and Total Recognised Gains and Losses continued

Movement in Restricted Income Funds

Donor Funded Projects	Balance Sheet as at 1 April 2017 £'000	Transfers £'000	Income £'000	Expenditure £'000	Balance Sheet as at 31 March 2018 £'000
Research					
Academic Health Science Networks (AHSN)	202	74	260	226	310
CELGENE partnership	-	-	50	-	50
Developmental dysplasia of the hip (DDH)	-	-	5	5	-
Escape Knee pain	-	-	145	145	-
Fibromyalgia	-	1	8	9	-
General MSK conditions	-	-	321	321	-
Gout	-	-	12	1	11
Helpline	-	16	-	16	-
Juvenile Idiopathic Arthritis (JIA)	-	40	8	48	-
Lupus	-	1	-	1	-
Osteoarthritis (OA)	32	15	78	115	10
Osteoporosis (OP)	2	34	1	14	23
wOther	2	-	-	-	2
Pain	17	25	59	72	29
Virtual Assistant	-	-	40	40	-
Psoriatic Arthritis (PsA)	-	-	1	1	-
Rheumatoid Arthritis (RA)	51	208	110	219	150
Un-Allocated	1,076	(506)	676	-	1,246
Sub Total Research	1,382	92	1,774	1,233	1,831
Central & Regional Funds					
Information	-	36*	2	7	31
Services	-	522*	119	283	358
Local Committee & Branch Funds	-	149*	-	12	137
Sub-total Central & Regional	-	707*	121	302	526
Total Restricted Funds	1,382	615	1,895	1,535	2,357

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. Until restricted income is allocated to a project, it is held under unallocated. *Arthritis Care transferred £757k of restricted balances at the point of merger on 1 November 2017.

15. Designated Funds – Group and Charity

	(Note 4) Grants £'000	Strategic charitable commitments £'000	Fixed Asset Fund £'000	Total £'000
Balance at 1 April 2017	56,096	85,908	895	142,899
Net transfers to General Reserve	3,715	16,697	1,524	21,936
Balance at 31 March 2018	59,811	102,605	2,419	164,835

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 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 £'000	Designated Funds £'000	Revaluation Reserve £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 March 2018 are represented by:					
Tangible fixed assets	-	2,419	-	-	2,419
Investments	-	116,380	47,399	-	163,779
Current assets	15,968	46,036	-	2,357	64,361
Current liabilities	(15,830)	-	-	-	(15,830)
Provisions	(138)	-	-	-	(138)
Total net assets	-	164,835	47,399	2,357	214,591

17. Pension Arrangements

Arthritis Research UK contributes to four 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. There are no ongoing contributions.
- 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 2018 represents contributions payable by Arthritis Research UK to the funds and amounted to £0.52m (2017: £0.46m).
- The fourth pension fund, which transferred from Arthritis Care at the point of merger is the TPT flexible retirement plan scheme which has operated since the end of 2010 and is defined contribution pension scheme. This is now closed to new members. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charged to the SoFA represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions. For the period 1 November 2017 to 31 March 2018, contributions payable by Arthritis Research UK was £44k.
- The fifth pension fund, which transferred from Arthritis Care at the point of merger is a defined benefit funded pension scheme which operated until the end of 2010 by Arthritis Care. This is a separate Trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out on 31 March 2018 by a qualified actuary, independent of the schemes sponsoring employer. The major assumptions used by the actuary are shown below.

The net assets of the pension scheme are not recognised as an asset on the balance sheet in line with accounting standards on such matters.

	2018 £'000
Present value of funded obligations	(11,798)
Fair value of plan assets	12,737
Net assts/ (Liability)	939

Defined Benefits Costs Recognised In Other Recognised gains and losses	2018 £'000
Return in plan assets (excluding amounts included in net interest cost)	264
Effects of the demographic and financial assumptions underlying the present value of the plan liabilities – gain	121
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in the net interest cost) – loss	(664)
Total amount recognised in other recognised gains and losses – loss	(279)
Actual return on plan assets	402

Changes in the present value of the defined benefit obligation are as follows:	2018 £'000
Opening defined benefit obligation	nil
Transferred benefit obligation from Arthritis Care (note 21)	12,052
Service cost	38
Interest cost	133
Actuarial loss	(121)
Benefits paid, death in service insurance, premiums and expenses	(304)
Closing defined benefit obligation	11,798

Changes in the fair value of plan assets are as follows:	2018 £'000
Opening fair value of plan assets	nil
Transferred fair value of plan assets from Arthritis Care (note 21)	12,417
Interest Income	138
Actuarial gains	264
Contributions by employer	222
Benefits paid, death in service insurance, premiums and expenses	(304)
	12,737

The movement in the surplus/ (deficit) during the period is as follows:	2018 £'000
Asset in scheme at beginning of the year	nil
Assets transferred from Arthritis Care (note 21)	90
Current service costs	(38)
Interest cost	(133)
Interest Income	138
Contributions by employer	222
Actuarial loss	(279)
	nil

Defined benefit costs recognised in profit and loss	2018 £'000
Expenses	38
Defined benefit costs recognised in profit and loss account	38

The major categories of plan assets as a percentage of total plan assets are as follows	2018
Equities	49%
Bonds	45%
Property	5%
Cash	1%

Principle actuarial assumptions at the balance sheet date (expressed as a weighted averages)	2018
Discount rate at the end of the year	2.60%
Future salary increases	4.20%
Future pension increases	2.60%
Inflation assumption (RPI)	3.20%
Inflation assumption (CPI)	2.20%

18. Related Party Transactions

Two 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 2018 £'000
Professor David Isenberg	University College London	1,341	917	6,939	3,967
Professor Sarah Lamb	University of Oxford	2,566	885	6,418	2,752

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

In addition, we paid £4k (2017: £3k) for membership with National Voices, where Ms Olivia Belle is a Trustee.

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)

	2018 £'000	2017 £'000
At 1 April	749	442
Charge/ (release) during the year	(611)	307
At 31 March	138	749

The provision relates to four shops and old offices 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.

	2018 £'000	2017 £'000
55 awards over £10,000 (2017: 69 awards)	25,824	15,548
Supplements to existing grants	840	622
Awards unutilised	(748)	(1,613)
	25,916	14,557

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

	Recognised Awards (note 4) £'000	Number of Grants	Awarded (over £10,000) £'000
Academic Health Science Network North East and North Cumbria	18	1	30
Academy of Medical Sciences	129	1	412
Addenbrookes Hospital	30	1	293
Anglia Ruskin University	(1)	-	-
Cambridge University Hospitals NHS Foundation Trust	(38)	-	-
Cardiff University	788	-	(24)
De Monfort University	6	-	-
Defence Medical Rehabilitation Centre (DMRC) Headley Court	4	-	-
Design Council	97	-	-
Dudley Group of Hospitals NHS Trust	(1)	-	(1)
Glasgow Caledonian University	11	-	-
Imperial College London	1,252	1	27
Keele University	775	4	1,167
Kennedy Institute of Rheumatology	312	1	-
King's College London	1,191	3	375
Loughborough University	10	-	-
Manchester Metropolitan University	19	-	-
NC3Rs	181	1	430
Newcastle University	347	1	801
Norfolk & Norwich University Hospital	28	-	-
North West AHSN	15	1	30
Northumberland, Tyne & Wear NHS Foundation Trust	76	-	-
Nottingham University Hospitals NHS Trust	843	1	1,999
Queen Mary University of London	809	3	633
Queen's University Belfast	96	-	-

	Recognised Awards (note 4) £'000	Number of Grants	Awarded (over £10,000) £'000
Robert Jones & Agnes Hunt Orthopaedic & District Hospitals Trust	12	1	29
Royal College of Art	33	-	-
Royal United Hospital	11	-	-
Sheffield Hallam University	28	-	-
Swansea University	10	-	-
The Royal Veterinary College	204	1	146
United Bristol Healthcare NHS Trust	111	-	-
University College London	1,341	8	3,967
University College London Hospital Trust	56	1	955
University Hospitals Bristol NHS Foundation Trust	72	-	-
University of Aberdeen	852	3	547
University of Bath	28	-	-
University of Birmingham	958	5	2,946
University of Bristol	119	1	500
University of Cambridge	763	1	348
University of Dundee	43	-	-
University of East Anglia	116	1	153
University of Edinburgh	462	-	(4)
University of Exeter	462	-	-
University of Glasgow	1,632	1	24
University of Leeds	295	-	(56)
University of Liverpool	235	2	1,177
University of Manchester	3,053	10	4,994
University of Nottingham	841	1	163
University of Oxford	2,566	6	2,752
University of Salford	29	1	652
University of Sheffield	158	-	-
University of Southampton	699	-	-
University of St Andrews	62	-	-
University of Sussex	80	1	125
University of the West of England	71	-	-
University of Warwick	245	-	-
University of York	18	-	-
Unknown	38	2	110
Wellcome Trust	42	-	-
William Harvey Research Institute	19	1	204
Matched Funding	(143)	-	-
Other Grants – Under £10k	6	-	12
Total Grants	22,202	66	25,916

21. Transfer of Activities to Arthritis Research UK from Arthritis Care

During 2017 Trustees agreed a merger between Arthritis Research UK and Arthritis Care with activities, assets and liabilities transferring on 1 November 2017. The net assets acquired by Arthritis Research UK at fair value are summarised as follows:

	Merger £'000s	Policy Alignment £000s	Total £'000
Fixed Assets	-	-	-
Investments	700	-	700
Debtors	307	1,387	1,694
Cash at Bank and in hand	3,969	-	3,969
Creditors	(402)	-	(402)
Net Current Assets	4,574	1,387	5,961
Other Payables due after more than one year	(64)	-	(64)
Defined benefit pension scheme asset*	90	-	90
Total Net Assets	4,600	1,387	5,987
Restricted Funds	757	-	757
Unrestricted Funds	3,843	1,387	5,230
Total Funds	4,600	1,387	5,987

*payments in advance of scheduled contributions

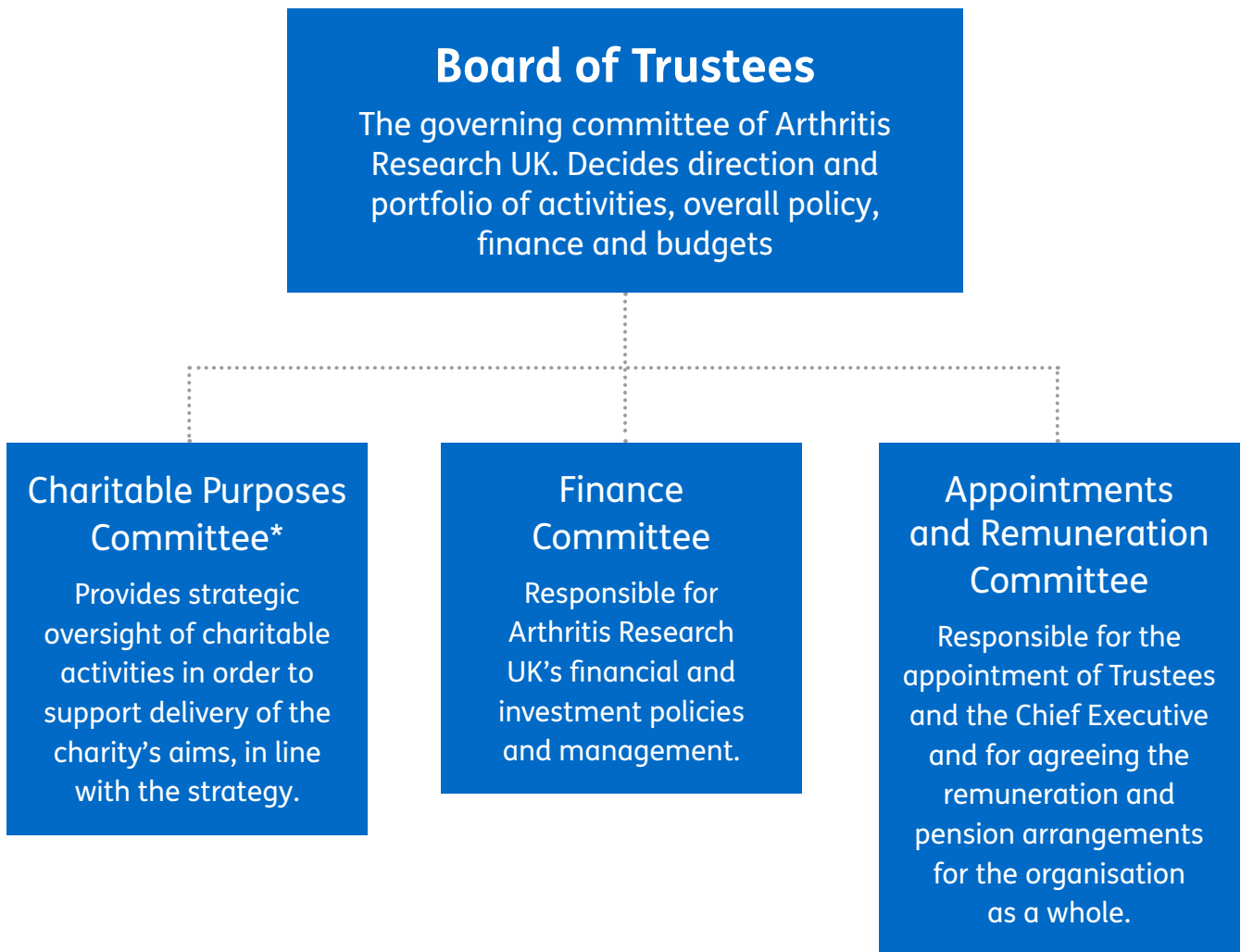
The net transfer has been accounted for as income resource in the SOFA along with an additional £1,387k for realigning legacies income to the Arthritis Research UK policy (see accounting policies note 1, page 54). The overall net assets including the legacy income adjustment is £5,987k.

22. Ex Gratia Payments

For the year ending 31 March 2017, three ex gratia payments relating to legacies were approved by the Board. Of these one has been ratified by the Charity Commission and paid (£15k) in the year ending 31 March 2018.

For the year ending 31 March 2018, one ex gratia payment relating to a legacy was approved by the Board and ratified by the Charity Commission. Payment (£2k) will be made in the year ending 31 March 2019.

Details of the Committees which support the Board of Trustees



*As referenced in the 2016/17 Annual report, in 2016 the Charitable Purpose Committee was set up, maintaining strategic oversight of charitable activities and the three newly established strategic research subcommittees. The Charitable Purpose Committee met twice during 2017/18 and the strategic research subcommittees have operated and embedded during 2017/18. As part of the governance review the meetings of the Charitable Purpose Committee are on hold, with oversight of key charitable activities being maintained by the Board of Trustees, whilst the responsibilities of the Charitable Purpose Committee are defined in line with the current governance requirements.

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 James Raftery
Professor Phil Conaghan	Ms Juliette Scott
Professor Janet Darbyshire (Chair of Treatment Subcommittee)	Dr Jane Taylor
Professor Ray Fitzpatrick Chair of Health Subcommittee	Dr Louise Wilson
Professor Luke O’Neill (Chair of Disease Subcommittee)	Mr Tom Hayhoe (ex-officio)
	Dr Rodger McMillan (ex-officio)

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is a committee of the Board of Trustees of Arthritis Research UK, created to exercise on behalf of the Board a supervisory oversight and scrutiny of all aspects of the charity’s policies and procedures in relation to the appointment of trustees and the Chief Executive Officer (CEO); and remuneration and pensions arrangements for the organisation.

Dr Rodger McMillan (Chair)	Mr Tom Hayhoe
Professor Jon Cohen	Ms Karin Hogsander
Mr Phil Gray	Mr Peter Anscombe (joined February 2018)

Finance Committee

The Finance Committee is a committee of the Board of Trustees created to exercise, on behalf of the Board of Trustees, a supervisory oversight, judgement and scrutiny of all aspects of the Charity’s corporate financial policies and operations. Alongside this, the committee will provide the Board of Trustees with an informed and independent assessment of the management and control of resources and of risk throughout the Charity. It will also be responsible for reviewing the Annual report and Accounts and in particular plans for sustainability, and to make its position known with recommendations to the Board for decision.

Mr Tom Hayhoe (Chair)	Dr Andrew Holford
Mr Philip Gray	Mr Richard Lanyon
Ms Karin Hogsander	Dr Rodger McMillan (ex-officio)

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 Ali Mobasheri, University of Surrey
Professor Iain Chessell, AstraZeneca	Professor Luke O’Neill, Chair, Trinity College, Dublin and GSK
Dr Mohini Gray, University of Edinburgh	Professor Kevin Shakesheff, University of Nottingham
Dr Maureen Grossman, Patient insight partner	Dr Neil Snowden, Pennine Musculoskeletal Partnership
Professor John Isaacs, Newcastle University	Professor John Todd, University of Cambridge
Professor Simon Jones, Vice-Chair, Cardiff University	Professor Lucy Wedderburn , University College London
Professor Karl Kadler, University of Manchester	Mr Colin Wilkinson, Patient insight partner
Professor David Leon, London School of Hygiene and Tropical Medicine	Professor Jane Worthington, University of Manchester
Professor Bridget Lumb, University of Bristol	
Professor Kim Midwood, University of Oxford	

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

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

Dr Tim Morris, MRC Clinical Trials Unit at UCL

Mr Alan Reynolds, Ex Wyeth

Professor Linda Sharples, Joint Vice Chair, University of Leeds

Professor Lee Shepstone, University of East Anglia

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

Dr Ruaidhri Carmody, University of Glasgow

Professor Ernest Choy, Cardiff University	Mr Henning Hermjakob, Wellcome Trust
Professor Ian Clark, University of East Anglia	Dr Jonathan Hill, Keele University
Professor Peter Clegg, University of Liverpool	Dr Paula Holland, Lancaster University
Dr Charlotte Cockle, Patient Insight Partner	Dr Alan Holmes, University College London
Dr Elizabeth Cottrell, Keele University	Dr Yoshifumi Itoh, University of Oxford
Professor Carol Courtney, University of Illinois	Professor Anthony Jones, University of Manchester
Dr Fiona Cramp, University of the West of England	Dr Gareth Jones, University of Aberdeen
Dr Deborah Cunninghame Graham, King's College London	Dr Sue Jowett, University of Birmingham
Professor Kevin Davies, University of Sussex	Dr Claudia Kemper, National Institutes of Health
Mrs Annabel Dawson, Patient Insight Partner	Dr Ilyas Khan, Swansea University
Professor Anthony Day, University of Manchester	Professor Martin Knight, Queen Mary University of London
Professor Jean-Michel Dayer, University of Geneva	Dr Nicola Kuiper, Keele University
Professor Francesco Dell'Accio, Queen Mary University College London	Dr Janine Lamb, University of Manchester
Dr Jayesh Dudhia, The Royal Veterinary College	Dr Birgit Leitinger, Imperial College London
Professor Kate Dunn, Keele University	Dr Heidi Lempp, King's College London
Dr Emma Dures, University of the West of England	Dr Karen Macpherson, Patient Insight Partner
Dr John Edwards, Keele University	Dr Julian Marchesi, Imperial College London
Professor Michael Ehrenstein, University College London	Dr Deborah Mason, Cardiff University
Dr Paul Genever, University of York	Professor Claudia Mauri, University College London
Dr Andreas Goebel, University of Liverpool	Dr John McBeth, University of Manchester
Professor Margaret Hall-Craggs, University College London Hospital NHS Trust	Dr Helen McGettrick, University of Birmingham
Professor William Harnett, University of Strathclyde	Professor Alison McGregor, Imperial College London
Dr Nicholas Harvey, University of Southampton	Professor Paul McNamee, University of Aberdeen
Professor Markus Heller, University of Southampton	Abigail Mendy, Patient Insight Partner
Dr Frances Henson, University of Cambridge	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

Mr Nashat Siddiqui, Kingston NHS Trust

Professor Hamish Simpson,
University of Edinburgh

Dr Valerie Sparkes, Cardiff University

Mr Simon Stones, University of Liverpool

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

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.

Ms Katie Hackett, Newcastle University

Professor Alexander MacGregor,
University of East Anglia

Dr Blandine Poulet, University of Liverpool

Dr Joanne Protheroe, Keele University

Professor Lucy Wedderburn,
University College London

Professor Jane Worthington, University
of Manchester, (Chair)

Legal and Administrative Information

Charity details

Chief Executive
Dr Liam O’Toole

**Director of Finance
& Corporate Services**
Mr Justin Parfitt

**Director of Policy Health
& Social Care Improvement**
Ms Adrienne Skelton

Director of Research
Dr Stephen Simpson

Director of Transformation
Ms Olivia Belle

Director of Income Generation
Ms Charlotte Guiver

**Director of Voluntary
& Statutory Income**
Ms Di Gornall
(to 13th April 2018)

**Director of Organisational
Development**
Ms Nicola Peachey

**Director of Involvement
& Services**
Mr Stewart Long

**Director of Communications
& Marketing**
Ms Phillipa Williams

Board of Trustees

Dr Rodger McMillan
(Chair)

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
(retired March 2018)

Ms Juliette Scott

Mr Peter Anscombe
(appointed 1 November 2017)

Mr Ian Walters
(appointed 1 November 2017)

Professor Martijn Steultjens
(appointed 1 November 2017)

The details of the committees which support the Board of Trustees are set out on pages 78 to 85 of this report.

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Mrs Sue Arnott
Dr Colin Barnes
Dr Peter Copeman
Professor Graham Hughes

Patron
Her Royal Highness The Duchess of Cornwall

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