

## **Arthritis Ireland**

*(Company limited by guarantee, not having share capital)*

Report of the board members and financial statements for the  
year ended 31 December 2013

**REPORT OF THE BOARD MEMBERS AND FINANCIAL STATEMENTS**  
**for the year ended 31 December 2013**

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EXECUTIVE COMMITTEE AND OTHER INFORMATION

CHAIRMAN Mr John O'Flynn

HONORARY SECRETARY Mr. Michael Kelly

HONORARY MEDICAL ADVISER Dr. Frances Stafford

CHIEF EXECUTIVE OFFICER Mr. John Church

BOARD MEMBERS  
Mr Peter Boyd (Appointed 10 October 2013)  
Dr. Suzanne Donnelly (Resigned 10 October 2013)  
Ms. Anne-Marie Healy (Appointed 10 October 2013)  
Prof. David Kane  
Mr John O'Flynn  
Mr. Conor Kavanagh  
Mr. Michael Kelly  
Ms. Miriam Molloy (Resigned 12 August 2013)  
Mr. Stephen O'Byrnes (Resigned 10 October 2013)  
Ms. Anne Plunkett  
Mr. William Quinlan  
Mr. Seoirse Smith  
Dr. Frances Stafford  
Mr John Tuohy (Appointed 4 March 2014)  
Ms Erica Mitchell (Appointed 10 October 2013)  
Mr Gerry Wilson (Appointed 10 October 2013)  
Ms Eimear Lyons (Appointed 10 October 2013)  
Dr. Bryan Whelan (Appointed 10 October 2013)

REGISTERED OFFICE  
1 Clanwilliam Square,  
Grand Canal Quay,  
Dublin 2.

BANKERS  
Allied Irish Bank Plc,  
52 Upper Baggot Street,  
Dublin 4.

Bank of Ireland,  
Ballsbridge,  
Dublin 4.

**EXECUTIVE COMMITTEE AND OTHER INFORMATION (Continued)**

BANKERS FOR THE BRANCHES	Allied Irish Bank Plc, 9 Terenure Road East, Rathgar, Dublin 6 Allied Irish Banks Plc, 11/13 Oliver Plunkett Street, Mullingar, Co. Westmeath Allied Irish Banks Plc, Main Street, Castlbar, Co. Mayo Allied Irish Banks Plc, O'Connell St., Clonmel, Co. Tipperary Allied Irish Banks Plc, Main Street, Ennistymon, Co. Clare Allied Irish Banks Plc, The Square, Gort, Co. Galway Allied Irish Banks Plc, Corbally, Limerick, Co. Limerick Allied Irish Banks Plc, Patrick Street, Cork, Co. Cork Allied Irish Banks Plc, Main Street, Tipperary, Co. Tipperary Allied Irish Banks Plc, North Main Street, Wexford, Co. Wexford Allied Irish Banks Plc, 58 Main Street, Longford, Co. Longford Allied Irish Banks Plc, Sutton, Co. Dublin Allied Irish Banks Plc, Dunlavan, Co. Wicklow Allied Irish Banks Plc, 52 Upper Baggot Street, Dublin 2
SOLICITORS	Dillon Solicitors, Unit A1, Nutgrove Office Park Rathfarnham, Dublin 14.
REGISTERED NUMBER	078931
CHARITY NUMBER	CHY 6297
AUDITORS	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2013**

The directors submit their report together with the audited financial statements for the year ended 31 December 2013.

**RESULTS FOR THE YEAR**

Total income for 2013 amounted to €1.45 million (2012: €1.25 million) which includes income associated with the Chairs of Rheumatology of €104,904 (2012: €118,840). As indicated in note 17 to the financial statements, these funds have been deemed "restricted funds" to facilitate the establishment of two academic Chairs of Rheumatology in the UCD and TCD medical schools.

Adjusting the 2013 and 2012 income for these restricted funds results in income of €1.35 million compared to €1.13 million in 2012, an increase of 19%. During the year, the directors maintained an appropriate cost management program to ensure the containment of our cost base. The deficit for 2013, (excluding the Chair income) inclusive of amortised grants, amounted to €29,205 compared to a deficit of €4,629 in 2012.

Despite the current and prospective economic environment, the directors remain confident that Arthritis Ireland will continue to achieve its strategic objectives in 2014 and beyond.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements giving a true and fair view of the state of affairs of the company and of the profit or loss for each financial year. Under that law the directors have elected to prepare financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account that 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 Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2013 (Continued)**

*REVIEW OF DEVELOPMENT OF BUSINESS ACTIVITIES*

The mission statement of Arthritis Ireland is "to help people with arthritis to achieve the best possible quality of life". Arthritis Ireland provides a comprehensive education service to people with arthritis, their families and friends on all aspects of arthritis. Arthritis Ireland provides a service which gives comfort and support to people with arthritis. Arthritis Ireland supports research into arthritis in Irish research centres. The current economic climate makes it a difficult time for voluntary organisations to raise funds.

<i>SURPLUS ON RESERVES</i>	€
Net increase in resources for the financial year before transfers	(96,627)
Amortisation of capital grants ( <i>note 16</i> )	1,693
	<hr/>
The directors recommended allocation of this amount to general funds	(94,934)
Unrestricted reserves at beginning of year	500,000
	<hr/>
	405,066
Funds reallocated from restricted to unrestricted	94,934
	<hr/>
Unrestricted reserves at end of year	500,000
	<hr/>

It was agreed at board level to formally allocate the funds included in the general reserves to restricted funds in order to meet our commitments in respect of the substantial funding to be allocated to the Chair of Rheumatology programme.

*PERFORMANCE, STRATEGY AND SIGNIFICANT RISKS*

Arthritis Ireland is dependent on fundraising, grants and other income in order to fund its activities and also depends on volunteers to support its activities.

Arthritis Ireland's strategy is to develop an appropriate fund-raising programme to provide a sustainable level of income to enable it to fulfil its objectives.

*DIRECTORS AND SECRETARY*

The directors, honorary medical adviser and honorary secretary who served during the year are set out on page 2 of these financial statements.

*TRANSACTIONS INVOLVING BOARD MEMBERS*

There were no contracts or arrangements in relation to the business of the company in which the directors had any interest, as defined by the Companies Act, 1990, at any time during the year ended 31 December 2013.

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2013**

*VOLUNTARY ASSISTANCE*

The directors wish to thank those people who have donated their time free of charge for the benefit of Arthritis Ireland. The number of volunteers giving of their time to Arthritis Ireland increased substantially during 2013 through setting up of walking groups and helpline volunteer recruitment.

*RELATED PARTY TRANSACTIONS*

There were no related party transactions in the year ended 31 December 2013.

*POLITICAL DONATIONS*

The company made no political donations during the year.

*ACCOUNTING RECORDS*

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990, with regards to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books and records of the organisation are maintained at 1 Clanwilliam Square, Grand Canal Quay, Dublin 2.

*AUDITORS*

Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On Behalf of the Board:



Date 11<sup>th</sup> September 2014

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHRITIS IRELAND

We have audited the financial statements of Arthritis Ireland for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in the preparation of the Financial Statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### *Respective responsibilities of directors and auditors*

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### *Scope of the audit of the financial statements*

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Arthritis Ireland, in common with many other charitable bodies of similar size and organisation, derives a substantial proportion of its income from sources which cannot be controlled until entered in the accounting records and which therefore is not susceptible to independent audit verification. Internal control is limited and there are no practical procedures which we could adopt to verify the completeness of the income.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHRITIS IRELAND (Continued)

### *Opinion on financial statements*

In our opinion, the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2013 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

### *Matters on which we are required to report by the Companies Acts 1963 to 2013*

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

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

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Dargan FitzGerald  
for and behalf of Ernst & Young

Dublin

Date: 17/9/14

# ARTHRITIS IRELAND

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2013

	Notes	Unrestricted funds	Restricted funds	2013 Total funds	2012 Total funds
<b>Incoming resources</b>					
Sponsorship income	5	-	438,100	438,100	214,908
Chairs of Rheumatology	17	-	104,904	104,904	118,840
Grants received	7	-	412,072	412,072	378,597
Gifts and bequests		78,735	-	78,735	64,515
Other income	6	74,621	-	74,621	212,531
Fundraising income	6	342,488	-	342,488	258,229
<b>Total incoming resources</b>		<b>495,844</b>	<b>955,076</b>	<b>1,450,920</b>	<b>1,247,620</b>
<b>Resources expended</b>					
Direct expenditure		(88,364)	(787,262)	(875,626)	(856,855)
Management and administration		(148,151)	(1,191)	(149,342)	(112,218)
Fundraising expenditure	6	(355,956)	-	(355,956)	(166,029)
<b>Total resources expended</b>	8	<b>(592,471)</b>	<b>(788,453)</b>	<b>(1,380,924)</b>	<b>(1,135,102)</b>
<b>Net incoming resources before transfers</b>	18	<b>(96,627)</b>	<b>166,623</b>	<b>69,996</b>	<b>112,518</b>
Amortisation of capital grants	16	1,693	2,820	4,513	1,693
<b>Net movement in funds</b>	18	<b>(94,934)</b>	<b>169,443</b>	<b>74,509</b>	<b>114,211</b>
<b>Fund balances brought forward at 1 January 2013</b>		<b>500,000</b>	<b>2,271,198</b>	<b>2,771,198</b>	<b>2,656,987</b>
Funds reallocated to unrestricted from restricted		94,934	(94,934)	-	-
<b>Fund balances carried forward at 31 December 2013</b>		<b>500,000</b>	<b>2,345,707</b>	<b>2,845,707</b>	<b>2,771,198</b>

There are no recognised gains or losses in either year other than the income taken to general reserve. The above items have arisen from continuing activities.

On behalf of the Board:

*John O'Flynn*

11<sup>th</sup> September 2014  
Date

*Deirdre*

# ARTHRITIS IRELAND

## BALANCE SHEET at 31 December 2013

		2013 €	2012 €
ASSETS EMPLOYED	Note		
FIXED ASSETS			
Tangible assets	12	127,862	123,550
CURRENT ASSETS			
Sundry debtors and prepayments	13	28,792	50,818
Cash at bank and in hand		1,467,595	1,308,089
Investments	14	1,368,000	1,500,000
		2,864,387	2,858,907
CREDITORS (amounts falling due within one year)	15	(127,173)	(206,177)
NET CURRENT ASSETS		2,737,214	2,652,730
TOTAL ASSETS LESS CURRENT LIABILITIES		2,865,076	2,776,280
FINANCED BY			
RESERVES			
Capital grants	16	19,369	5,082
Restricted funds	17	2,345,707	2,271,198
General funds	18	500,000	500,000
		2,865,076	2,776,280

On behalf of the Board:

*John O'Flynn*  
11<sup>th</sup> September 2014  
Date

*David Keane*

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2013**

**1. ACTIVITY**

Arthritis Ireland is governed by a memorandum and articles of association and its three key objectives are:

- (i) To provide support and ancillary services to improve the quality of life of people living with arthritis;
- (ii) To support research into the prevention, causes and cure of arthritis;
- (iii) To influence the key policymakers within the Irish healthcare system to reduce the burden of disability arising from arthritis.

Arthritis Ireland has throughout the year been fundraising and spending its funds in support of its objectives. As explained fully in note 17, it is funding research and academic teaching through the establishment of chairs of rheumatology in University College Dublin and Trinity College Dublin.

**2. STATUS OF COMPANY**

Arthritis Ireland is a charitable company limited by guarantee which was set up on 13 October 1980. This means that gifts of money to the company will qualify for tax relief in Ireland, provided the conditions set out in the legislation are met.

**3. BASIS OF PREPARATION**

The company is substantially dependent on fundraising and donations received to cover its operating expenses. The board of directors believe that the level of income will remain adequate for the foreseeable future so that the company can continue its present operations. In these circumstances, the accounts are prepared on a going concern basis.

Due to its charitable status, the company is exempt from the reporting and disclosure requirements of the Companies (Amendment) Act, 1986 under Section 2(1) (a) of that act. The company is not required to prepare a cash flow statement as it falls within the definition of a small company within this legislation.

The company has complied with the provisions of the "Statement of Recommended Practice (SORP) Accounting and Reporting by Charities", February 2005, in preparing the financial statements, and with the relevant provisions of the Charities Act, 2009.

The financial statements include the activities of and the funds held by the company's voluntary branches.

**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2013 (Continued)**

**4. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these financial statements.

**(a) Historical cost convention**

The financial statements are prepared under the historical cost convention. The company has consistently applied all relevant accounting standards.

**(b) Income recognition**

Part of the company's income is derived from charitable donations. The company operates internal control procedures on this income once this money has been received by the company.

**(c) Government grants**

**Capital**

Grants relating to expenditure on fixed assets are treated as a deferred credit and are credited to revenue on the same basis as the related fixed assets are depreciated.

**Revenue**

Revenue grants and donated funds are credited to the statement of financial activities in the year that the related expenditure is incurred. Grants and funds received but not yet utilised are shown in creditors. Grants relating to the educational programmes are credited to the statement of financial activities when received.

**(d) Cost of generating funds**

Fundraising costs include the cost of advertising, producing publications, printing and mailing fundraising material and staff costs in these areas. All costs of generating funds are recognised on an accruals basis.

**(e) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Buildings	2%	Straight Line
Fixtures and equipment	10%	Straight Line
Computer equipment	33%	Straight Line
Motor Vehicles	20%	Straight Line

# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2013 (Continued)

### 4. ACCOUNTING POLICIES (continued)

#### (f) Investments

Debt securities and other fixed income securities are classified as held to maturity (HTM) and valued at amortised cost. The Company has the ability and the intent to hold to maturity. The capital amount of the investments is guaranteed subject to their retention to maturity and therefore the cost is not written down.

#### (g) Stocks

Stocks of information leaflets are not included in the assets of the company.

5. SPONSORSHIP INCOME	2013 €	2012 €
Abbvie	80,400	71,500
MSD	11,400	40,000
Seven Seas	20,000	4,734
Bristol Myers Squibb	15,000	22,500
Mundipharma	10,000	15,000
Roche	25,000	35,000
Pfizer HC	173,550	136,208
UCB Pharma	12,500	-
RCSI	200	200
Astra Zeneca	4,000	4,376
Irish Life Corporate	25,000	25,000
Dublin Bus	-	5,000
Other sponsorship	-	90
Deferred revenue	48,900	(144,700)
JC General Services	7,500	-
Hidden Hearing	4,650	-
	<u>438,100</u>	<u>214,908</u>

# NOTES TO THE FINANCIAL STATEMENTS 31 December 2013 (Continued)

<b>6.</b>	<b>FUNDRAISING AND OTHER INCOME</b>	<b>2013</b>	<b>2012</b>
		€	€
	Fundraising events		
	Income	342,488	258,229
	Expenses	(355,956)	(166,029)
		<u>          </u>	<u>          </u>
	Net fundraising income	(13,468)	92,200
		<u>          </u>	<u>          </u>
	<i>Other income:</i>		
	Branch income	69,734	89,212
	Interest income	4,887	123,319
		<u>          </u>	<u>          </u>
		74,621	212,531
		<u>          </u>	<u>          </u>
<b>7.</b>	<b>GRANTS RECEIVED</b>	<b>2013</b>	<b>2012</b>
		€	€
	Department of Environment, Community, and Local Government	61,230	65,000
	Health Service Executive	167,044	177,616
	The Atlantic Philanthropies	147,166	141,232
	Branch grants	13,632	17,749
	Deferred revenue	23,000	(23,000)
		<u>          </u>	<u>          </u>
		412,072	378,597
		<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2013 (Continued)**

8.	RESOURCES EXPENDED	Note	2013 €	2012 €
	Professional membership		2,589	2,854
	Administrative costs		148,151	148,858
	Maintenance and insurance		17,187	14,724
	Depreciation	12	15,583	13,218
	Education		535,184	423,341
	Community		273,204	334,155
	Accountancy fees		20,331	24,483
	Auditor's fees	9	-	-
	Board meeting, election costs and audit committee		2,381	2,521
	Bank charges		2,634	1,714
	Miscellaneous charges		4,035	2,274
	Fundraising expenditure (including branch expenses)		355,956	166,029
	Organisational development		2,498	918
	Chair expenses		1,191	13
			<u>1,380,924</u>	<u>1,135,102</u>

9.	NET INCOMING RESOURCES FOR FINANCIAL YEAR BEFORE TRANSFERS	2013 €	2012 €
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The net incoming resources have been arrived at  
after charging/(crediting):

Depreciation of tangible assets ( <i>note 12</i> )	15,583	13,218
Auditor's remuneration*	-	-
Interest income (Bank and Chair)	<u>(109,791)</u>	<u>(147,159)</u>

\*Ernst & Young have carried out the audit on a pro bono basis for 2013 and 2012.

None of the directors receives remuneration for his or her services.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2013 (Continued)**

**10. EMPLOYEES AND REMUNERATION**

The average number of persons employed by the company during the year was as follows:

	<i>2013</i> <i>Number</i>	<i>2012</i> <i>Number</i>
Office and administration	<u>10</u>	<u>10</u>
	<i>2013</i> €	<i>2012</i> €
Wages and salaries	493,283	525,287
Social welfare costs	52,738	55,118
Pension contributions*	10,642	11,680
Other payroll costs	5,492	13,087
	<u>562,155</u>	<u>605,172</u>

Staff are also employed on a temporary basis and their remuneration is included above. They are engaged in leading education projects and specific fundraising events.

\* Amounts referred to above as "pension contributions" relate to amounts paid into personal retirement savings accounts (PRSA) by the company.

**11. TAXATION**

The foundation is a charity and is not liable to income tax or corporation tax.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2013 (Continued)**

**12. TANGIBLE ASSETS**

	Freehold building €	Fixtures & equipment €	Motor vehicles €	Total €
Cost				
At 31 December 2012	144,687	241,883	-	386,570
Additions	-	1,095	18,800	19,895
At 31 December 2013	144,687	242,978	18,800	406,465
Depreciation				
At 31 December 2012	71,411	191,609	-	263,020
Charge for the year	2,894	9,869	2,820	15,583
At 31 December 2013	74,305	201,478	2,820	278,603
Net book values				
At 31 December 2013	70,382	41,500	15,980	127,862
At 31 December 2012	73,276	50,274	-	123,550

**13. DEBTORS**

	2013 €	2012 €
Prepayments and other debtors	28,792	50,818

**14. INVESTMENTS**

Held to maturity investments

	2013 €	2012 €
At amortised cost		
Debt securities*	1,368,000	1,500,000
At purchased price		
Debt securities*	1,368,000	1,500,000
At fair value		
Debt securities	1,450,101	1,497,758

# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2013 (Continued)

### 14. INVESTMENTS (Continued)

\*An amount of €132,000 in relation to the BCP 50/50 Split Deposit Bond was repaid during the year, in accordance with the repayment schedule.

Held to maturity investments comprise of €550,000 invested in an Irish Life Clear Tracker 9 Bond and €818,000 invested in a BCP 50/50 Split Deposit Bond. The Company has the ability and the intent to hold investments to maturity. The capital amount of the investments is guaranteed subject to their retention to maturity and therefore the need to write down the amortised cost does not arise.

15. CREDITORS (amounts falling due within one year)	2013 €	2012 €
Creditors	29,669	8,005
Deferred income	77,000	167,700
Accrued expenses	976	8,274
PAYE and PRSI	19,528	22,198
	<u>127,173</u>	<u>206,177</u>

16. CAPITAL GRANTS	2013 €	2012 €
At beginning of year	5,082	6,775
Capital grants received	18,800	-
Amortised in the year	(4,513)	(1,693)
	<u>19,369</u>	<u>5,082</u>

All grants are in respect of fixtures and equipment and motor vehicles and the grant income is deferred in order to match the depreciation charge on the related assets.

17. RESTRICTED FUNDS – CHAIRS OF RHEUMATOLOGY	2013 €	2012 €
At beginning of year	2,271,198	2,156,987
Transferred to/(from) General Funds ( <i>note 18</i> )	(94,934)	(127,590)
Funds reallocated from unrestricted to restricted	-	241,801
Surplus on restricted funds during the year	169,443	-
	<u>74,509</u>	<u>114,211</u>
At end of year	<u>2,345,707</u>	<u>2,271,198</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2013 (Continued)**

**17. RESTRICTED FUNDS – CHAIRS OF RHEUMATOLOGY (Continued)**

In 2013 the general reserves were reviewed and, in line with Arthritis Ireland's obligation to meet the matched funding criteria of the Atlantic Philanthropies grant, the above sum of €94,934 was transferred from restricted (2012: €114,211 was transferred to restricted), giving a total restricted funds at 31 December 2013 of €2,345,707 (2012: €2,271,198).

These funds have been restricted to establish two academic Chairs of Rheumatology in the UCD and TCD medical schools. This programme aims to address the significant gap in research and teaching time in Ireland and also aims to improve the understanding of arthritis amongst medical students. The overall objective is to improve the lives of people living with arthritis through better service provision. Arthritis Ireland has raised funds through its own activities and through the support of The Atlantic Philanthropies, the HSE, industry partners, individual donors and its voluntary branch network. This programme has now come to fruition with the appointment of the first chair in rheumatology at UCD on 1 July 2013 with TCD expected to follow shortly.

Arthritis Ireland's commitment to this programme is to fund the academic and research sessions of the Chairs of Rheumatology posts for a period of five years, after which the universities will assume the cost. This commitment amounts to approximately €2.5m in total over five years and all funds categorised as restricted above are ring-fenced and set aside to fund this activity.

<b>18. RECONCILIATION OF MOVEMENTS IN GENERAL FUNDS</b>	<b>2013 €</b>	<b>2012 €</b>
Net incoming resources for the year	(96,627)	240,108
Amortisation of capital grants ( <i>note 16</i> )	1,693	1,693
Net movement in general funds	(94,934)	241,801
Opening general funds	500,000	500,000
Funds reallocated to/(from) unrestricted (to)/from restricted	405,066 94,934	741,801 (241,801)
Closing general funds	500,000	500,000

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2013 (Continued)**

**18. RECONCILIATION OF MOVEMENTS IN  
GENERAL FUNDS (Continued)**

It was agreed by the Board of Directors in January 2010 that a €500,000 general reserve would be maintained for the purpose of continuing operations in anticipation of a difficult fundraising environment and the discontinuation of the Atlantic Philanthropies and Department of Environment, Community and Local Government grants in 2013.

**19. SHARE CAPITAL**

The company is limited by guarantee and does not have a share capital. At the balance sheet date, there were 14 members whose guarantee is limited to €1.27 each. This guarantee continues for one year after membership ceases.

**20. COMMITMENTS**

The company has no unprovided commitments at 31 December 2013.

**21. POST BALANCE SHEET EVENTS**

No significant events have taken place since the year end that would result in adjustment to the 2013 financial information or inclusion of a note thereto.

**22. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of Directors on

