

Arthritis Ireland

(Company limited by guarantee, not having share capital)

Report of the board members and financial statements for the
year ended 31 December 2010

**REPORT OF THE BOARD MEMBERS AND FINANCIAL STATEMENTS
for the year ended 31 December 2010**

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ARTHRITIS IRELAND

EXECUTIVE COMMITTEE AND OTHER INFORMATION

CHAIRMAN Professor Oliver FitzGerald

HONORARY SECRETARY Mr. Michael Kelly

HONORARY MEDICAL ADVISER Professor Geraldine McCarthy

CHIEF EXECUTIVE OFFICER Mr. John Church

BOARD MEMBERS Professor Oliver FitzGerald (Chairman)
Mr. Michael Kelly
Professor Geraldine McCarthy
Dr. Suzanne Donnelly
Mr. Stephen O'Byrnes
Mr. James Menton
Mr. Philip Gleeson
Ms. Shona Lee
Mr. John O'Flynn
Mr. Seoirse Smith
Ms. Anne-Marie Healy
Professor Gaye Cunnane
Ms. Anne Plunkett
Professor William Quinlan

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, 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, 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,
Unit 1A, 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 2010**

The directors submit their report together with the audited financial statements for the year ended 31 December 2010.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each year which, in accordance with applicable Irish Law and Generally Accepted Accounting Practice in Ireland, including the Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland, give a true and fair view of the state of affairs of the company and of its surplus or deficit for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. It is 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.

RESULTS FOR THE YEAR

Total income for 2010 amounted to €1.4 million (2009: €1.8 million) which includes income associated with the Chairs of Rheumatology of €82,852 (2009: €650,251). As indicated in note 16 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 2010 and 2009 income for these restricted funds results in an overall increase in income to €1.291 million compared with €1.162 million, an increase of 11.1%, despite the adverse consequences of the current economic environment. During the year, the directors maintained an appropriate cost management program to ensure that the containment of our cost base, which was reduced in the prior year, was maintained. Consequently, the surplus for 2010 (excluding the Chair income) inclusive of amortised grants, amounted to €17,187, a decrease of €11,844 compared with 2009.

Despite the current and prospective economic environment, the directors remain confident that Arthritis Ireland will continue to achieve its strategic objectives in 2011 and beyond.

ARTHRITIS IRELAND

REPORT OF THE BOARD MEMBERS for the year ended 31 December 2010 (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.

SURPLUS ON RESERVES

€

Net increase in resources for the financial year before transfers	15,494
Amortisation of capital grants (<i>note 15</i>)	1,693
	<hr/>
The directors recommended allocation of this amount to general funds	17,187
Reserves at beginning of year	1,407,245
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Reserves at end of year	1,424,432
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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 present directors are as listed on page 2, and unless otherwise stated, have served throughout the year.

At the Annual General Meeting in October 2010, Dr. Paul O'Connell, Ms. Claire Kinneavy, Ms. Bridget Aylmer, Ms. Ann Allen and Mr. Jerry O'Dwyer retired from the Board of Directors. Mr. John O'Flynn, Mr. Seoirse Smith, Ms. Anne-Marie Healy, Professor Gaye Cunnane, Mr Michael Kelly, Ms. Anne Plunkett and Professor William Quinlan were elected.

Mr Michael Kelly was appointed as honorary secretary during the year.

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 2010.

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 2010 through new branch openings and the enhancement of our helpline and also people volunteering to give their time and skills to the executive office.

**REPORT OF THE BOARD MEMBERS
for the year ended 31 December 2010 (Continued)**

RELATED PARTY TRANSACTIONS

There were no related party transactions in the year ended 31 December 2010.

ELECTORAL ACT, 1997

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:

Prof. Oliver FitzGerald

Mr. James Menton

1 September 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTHRITIS IRELAND

We have audited the financial statements of Arthritis Ireland for the year ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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

The directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you our opinion as to: whether proper books of account have been kept by the company; and whether the information given in the Report of the Directors' is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTHRITIS IRELAND

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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.

Opinion

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 affairs of the company as at 31 December 2010 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations 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.

Ernst & Young
Chartered Accountants and Registered Auditors

Dublin

Date

ARTHRITIS IRELAND

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2010

	Notes	Unrestricted funds	Restricted funds	2010 Total funds	2009 Total funds
Incoming resources					
Sponsorship income	5	-	260,551	260,551	230,740
Chairs of Rheumatology	16	-	30,900	30,900	592,183
Grants received	7	-	465,064	465,064	439,652
Gifts and bequests		7,656	-	7,656	36,175
Other income	6	85,716	52,075	137,791	164,477
Fundraising income	6	472,757	-	472,757	331,783
ISR and IRHPS		-	-	-	17,710
Total incoming resources		566,129	808,590	1,374,719	1,812,720
Resources expended					
Direct expenditure		(277,029)	(615,738)	(892,767)	(832,835)
Management and administration		(20,000)	(110,000)	(130,000)	(130,000)
Fundraising expenditure	6	(253,606)	-	(253,606)	(154,653)
ISR and IRHPS expenses		-	-	-	(17,643)
Total resources expended	8	(550,635)	(725,738)	(1,276,373)	(1,135,131)
Net incoming resources before transfers	17	15,494	82,852	98,346	677,589
Amortisation of capital grants	15	1,693	-	1,693	1,693
Net movement in funds	17	17,187	82,852	100,039	679,282
Fund balances brought forward at 1 January 2010		1,407,245	650,251	2,057,496	1,378,214
Fund balances carried forward at 31 December 2010		1,424,432	733,103	2,157,535	2,057,496

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:

Prof. Oliver FitzGerald

Mr. James Menton

1 September 2011

ARTHRITIS IRELAND**BALANCE SHEET
at 31 December 2010**

		2010	2009
ASSETS EMPLOYED	Note	€	€
FIXED ASSETS			
Tangible assets	12	143,578	153,907
		<u> </u>	<u> </u>
CURRENT ASSETS			
Sundry debtors and prepayments	13	32,179	19,365
Cash at bank and in hand		2,053,586	1,955,477
		<u> </u>	<u> </u>
		2,085,765	1,974,842
CREDITORS (amounts falling due within one year)	14	(63,340)	(61,092)
		<u> </u>	<u> </u>
NET CURRENT ASSETS		2,022,425	1,913,750
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,166,003</u>	<u>2,067,657</u>
FINANCED BY			
RESERVES			
Capital grants	15	8,468	10,161
Restricted funds	16	733,103	650,251
General funds	17	1,424,432	1,407,245
		<u> </u>	<u> </u>
		<u>2,166,003</u>	<u>2,067,657</u>

On behalf of the Board:

Prof. Oliver FitzGerald

Mr. James Menton

1 September 2011

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010

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 16, 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 prepaid 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (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) *Basis of preparation*

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

(b) *Historical cost convention*

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

(c) *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.

(d) *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.

(e) *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.

(f) *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

(g) *Investments*

Fixed asset investments are stated at cost less provision for permanent diminution in value.

(h) *Stocks*

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

ARTHRITIS IRELAND

NOTES TO THE FINANCIAL STATEMENTS 31 December 2010 (Continued)

5.	SPONSORSHIP INCOME	2010	2009
		€	€
	Charities Aid Foundation (Pfizer International)	36,416	-
	FAS	33,000	33,440
	Abbot	39,000	33,400
	Wyeth Pharmaceuticals	-	15,000
	Schering Plough	31,337	25,904
	Seven Seas	12,298	3,400
	Bristol Myers Squibb	17,500	17,500
	Mundipharma	15,000	20,000
	Roche	30,000	40,000
	Nycomed	-	3,500
	Bayer Ltd	2,500	-
	Pfizer HC	28,500	-
	Home Instead Senior Care	10,000	-
	MSD	-	3,600
	Lacess Corporation (MBT)	-	15,000
	UCB Pharma	5,000	15,000
	Ankylosing Spondylitis Society of Ireland	-	996
	Marigot Ltd	-	4,000
		<u>260,551</u>	<u>230,740</u>
		<u><u>260,551</u></u>	<u><u>230,740</u></u>
6.	FUNDRAISING AND OTHER INCOME	2010	2009
		€	€
	<i>Fundraising income:</i>		
	Fundraising events		
	Income	472,757	331,783
	Expenses	(253,606)	(154,653)
		<u>219,151</u>	<u>177,130</u>
	Net fundraising income	<u><u>219,151</u></u>	<u><u>177,130</u></u>
	<i>Other income:</i>		
	Branch income	84,943	94,298
	Interest receivable	52,848	69,221
	Sundry income	-	958
		<u>137,791</u>	<u>164,477</u>
		<u><u>137,791</u></u>	<u><u>164,477</u></u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2010 (Continued)

7.	GRANTS RECEIVED		2010	2009
			€	€
	Department of Environment, Community, and Local Government		80,352	89,280
	Health Service Executive		185,221	196,000
	DOHC National Lottery		8,800	-
	The Atlantic Philanthropies		150,127	144,352
	Branch grants		36,564	5,140
	Other grants		4,000	4,880
			<u>465,064</u>	<u>439,652</u>
			<u><u>465,064</u></u>	<u><u>439,652</u></u>
8.	RESOURCES EXPENDED	Note	2010	2009
			€	€
	Professional membership		3,721	4,041
	Administrative costs		144,171	135,800
	Maintenance and insurance		17,865	25,665
	Depreciation	12	12,725	15,345
	Education		444,893	407,448
	Community (including branch expenses)		295,397	335,152
	Solicitors' costs		738	608
	Accountancy fees		24,000	24,106
	Auditors' fees	9	-	-
	Board meeting, election costs and audit committee		2,269	5,417
	Refurbishment costs		-	4,373
	Bank charges		1,976	2,007
	Miscellaneous charges		852	1,625
	Fundraising expenditure*		253,606	154,653
	ISR and IRHPS expenses		-	17,643
	Organisational development**		74,160	1,248
			<u>1,276,373</u>	<u>1,135,131</u>
			<u><u>1,276,373</u></u>	<u><u>1,135,131</u></u>

* Fundraising expenses include €73,874 for National Raffle costs. The annual raffle format has changed to an outsourced model to increase revenue and reduce costs internally, which was successful in 2010.

** Arthritis Ireland commissioned Genesis Marketing Communications Limited to research and develop a new communications platform that would help address the public understanding of arthritis and engage more people with Arthritis Ireland in accessing services and fundraising.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2010 (Continued)

9.	NET INCOMING RESOURCES FOR FINANCIAL YEAR BEFORE TRANSFERS	2010 €	2009 €
	The net incoming resources have been arrived at after charging/(crediting) the following:	98,346	677,589
	Depreciation of tangible assets (<i>note 12</i>)	12,725	15,345
	Auditors' remuneration*	-	-
	Interest receivable	(52,848)	(69,221)
		<u> </u>	<u> </u>

*Ernst & Young have carried out the audit on a pro bono basis for 2010 and 2009.

None of the directors receives remuneration for their services.

10. EMPLOYEES AND REMUNERATION

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

	2010 <i>Number</i>	2009 <i>Number</i>
Office and Administration	10	9
	<u> </u>	<u> </u>

	2010 €	2009 €
Wages and salaries	509,286	516,862
Social welfare costs	52,493	54,643
Pension contributions*	16,728	15,447
Other payroll costs	3,208	2,989
	<u> </u>	<u> </u>
	<u>581,715</u>	<u>589,941</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 2010 (Continued)

12. TANGIBLE ASSETS

	<i>Freehold building</i> €	<i>Fixtures & equipment</i> €	<i>Total</i> €
<i>Cost</i>			
At 31 December 2009	144,687	233,081	377,768
Additions	-	2,396	2,396
	<hr/>	<hr/>	<hr/>
At 31 December 2010	144,687	235,477	380,164
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 31 December 2009	62,729	161,132	223,861
Charge for the year	2,894	9,831	12,725
	<hr/>	<hr/>	<hr/>
On 31 December 2010	65,623	170,963	236,586
	<hr/>	<hr/>	<hr/>
<i>Net book values</i>			
At 31 December 2010	<u>79,064</u>	<u>64,514</u>	<u>143,578</u>
At 31 December 2009	<u>81,958</u>	<u>71,949</u>	<u>153,907</u>

13. DEBTORS	<i>2010</i> €	<i>2009</i> €
Prepayments and other debtors	32,179	19,365
	<hr/>	<hr/>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<i>2010</i> €	<i>2009</i> €
Creditors	3,985	21,950
Deferred income	20,324	11,300
Accrued expenses	15,316	7,462
PAYE and PRSI	23,715	20,380
	<hr/>	<hr/>
	<u>63,340</u>	<u>61,092</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2010 (Continued)

15.	CAPITAL GRANTS	2010	2009
		€	€
	At beginning of year	10,161	11,854
	Amortised in the year	(1,693)	(1,693)
		<u>8,468</u>	<u>10,161</u>
	At end of year	<u><u>8,468</u></u>	<u><u>10,161</u></u>

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

16.	RESTRICTED FUNDS – CHAIRS OF RHEUMATOLOGY	2010	2009
		€	€
	At beginning of year	650,251	-
		<u>650,251</u>	<u>-</u>
	Transferred from General Funds (<i>note 17</i>)		
	Represented by:		
	- funds raised	30,900	592,183
	- interest earned	52,075	58,068
	- expenses	(123)	-
		<u>82,852</u>	<u>650,251</u>
	At end of year	<u><u>733,103</u></u>	<u><u>650,251</u></u>

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. The current plan is to have the Chairs of Rheumatology operational in 2012.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2010 (Continued)

17. RECONCILIATION OF MOVEMENTS ON GENERAL FUNDS	2010 €	2009 €
Net incoming resources for the year	98,346	677,589
Transferred to Restricted funds (<i>note 16</i>)	(82,852)	(650,251)
Amortisation of capital grants (<i>note 15</i>)	1,693	1,693
	<hr/>	<hr/>
Net movement in General Funds	17,187	29,031
Opening General Funds	1,407,245	1,378,214
	<hr/>	<hr/>
Closing General Funds	<u>1,424,432</u>	<u>1,407,245</u>

18. SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. At the balance sheet date, there were 15 members whose guarantee is limited to €1.27 each. This guarantee continues for one year after membership ceases.

19. COMMITMENTS

The company has no unprovided commitments at 31 December 2010.

20. COMPARATIVE AMOUNTS

Certain prior year amounts have been reclassified in order to accord with the current year's presentation.

21. POST BALANCE SHEET EVENTS

No significant events have taken place since the year end that would result in adjustment to the 2010 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 on 1 September 2011.