Registration number 78931

ARTHRITIS IRELAND

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

ARTHRITIS IRELAND

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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ARTHRITIS IRELAND

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS AND OTHER INFORMATION

Chairman	Mr. Seoirse Smith	
Honorary Secretary	Mr. Andrew Kinsella	
Honorary Medical Adviser	Prof. Gerry Wilson	
Chief Executive Officer	Ms. Gráinne O'Leary	
Board Members	Mr. Peter Boyd	
	Mr. Derek Deely	(Resigned 3rd October 2018)
	Mr. Stephen Crowe	(Appointed 13th December 2018)
	Ms. Tilly Hyndman	
	Mr. Andrew Kinsella	
	Dr. Emma MacDermott	
	Ms. Andrea MacMahon	
	Ms. Dorcas Mafuva	(Appointed 13th December 2018)
	Mr. Keith Nix	(Appointed 26th May 2018)
	Dr. Barry O'Shea	
	Prof. Gaye Stephens	(Resigned 11th May 2018)
	Mr. Seoirse Smith	
	Dr. Bryan Whelan	
	Prof. Gerry Wilson	
Company number	78931	
Registered office	1 Clanwilliam Square Grand Canal Quay Dublin 2.	

DIRECTORS AND OTHER INFORMATION

continued.....

Auditors	KSi Faulkner Orr Limited Registered Auditors Behan House, 10 Lower Mount Street, Dublin 2.
Bankers	Allied Irish Bank 52 Upper Baggot Street Dublin 4.
Solicitors	Dillon Solicitors Unit A1 Nutgrove Office Park Rathfarnham Dublin 14
Charity number	CHY 6297
Charities Regulatory Authority Number	20011123

ARTHRITIS IRELAND

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

About Arthritis Ireland

Arthritis Ireland is the only national charity dedicated to improving the quality of life of over 1m people with arthritis of all ages, including 1,200 children through innovative and life changing support programmes, education and research. The organisation was established in 1980 and is built on the ethos of voluntary effort.

At Arthritis Ireland we are focused on building a better world for people living with arthritis today, and a world without arthritis tomorrow. We seek to ensure that every person living with arthritis in Ireland is supported to live a full and active life, having access to appropriate health services and treatments. We work to ensure an enhanced quality of life for people living with arthritis, minimising the devastating effects that arthritis can have on lives.

Organisational Structure

Arthritis Ireland is governed by a Board of Directors. The Board is elected at the AGM and consists of not more than 15 representatives as follows: not more than 4 Directors from the Societies (three from the Irish Society for Rheumatology (ISR) and one from the Irish Rheumatology Health Professionals Society (IRHPS) including the chairperson if a Societies Director), 4 Directors nominated by the Arthritis Ireland branches and elected at the AGM, and 7 ordinary Directors to be coopted by the remaining Members of the Board. The present membership of the board is listed on the 'Directors and other information' page. The directors and secretary who served during the year had no financial interests in the organisation. The Board of Arthritis Ireland meets on a bi-monthly basis.

Arthritis Ireland has a Governance and finance committee, which is chaired by a board member and is responsible for the following areas: audit and finance, Board structure, succession planning, memo and articles of association, AGM, Code of Governance implementation and review, compensation and benefits, legal awareness.

In addition, Arthritis Ireland also operates the following working groups, that are composed of Board members, staff and external representatives and have the following focus:

- Services: Oversees the development of our services to ensure we are providing the appropriate support to people living with arthritis.
- Advocacy: Advises and supports the development and implementation of the organisation's advocacy strategy.
- Research: Responsible for our work in the area of research and our search for a cure.
- Fundraising: Develops new and innovative ways to raise funds to contribute to the sustainable development of the organisation.

Arthritis Ireland 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. This guarantee continues for one year after membership ceases. The company is governed by the Companies Act 2014 and produces its accounts in compliance with that Act.

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Internal Control and Risk Management

Arthritis Ireland is fully compliant with the Governance Code for Community, Voluntary & Charitable Organisations since August 2014.We are compliant with that Code as a type "C" organisation.
Arthritis Ireland is dependent on fundraising, grant and other income in order to fund its activities and also depends on volunteers to support its activities.

Review of Operations / Results for the Year

Total income for the year amounted to €892,345 (2017: €1.156 million), included in 2017 was income associated with Chairs of Rheumatology of €128,600, no income was received in 2018 for Chairs of Rheumatology. As indicated in note 16 to the financial statements, these funds have been deemed "restricted funds" to facilitate the funding of our research programme through the two academic Chairs of Rheumatology in University College, Dublin and Trinity College, Dublin medical schools respectively.

Movement on reserves	€
Net decrease in resources for the financial year before transfers	(454,198)
The directors recommend allocation of this amount to general funds	(560,334)
Unrestricted reserves at beginning of year	500,000
	60,334
Funds reallocated from restricted to unrestricted	(560,334)
Unrestricted reserves at end of year	500,000

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

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Directors of the Company
The present membership of the board is listed on the 'Directors and other information' page. The directors and secretary who served during the year had no financial interests in the organisation.

Statement on Relevant Audit Information
There is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Accounting records
The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285 of the Companies Act 2014, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the finance function. The accounting records of the company are maintained at the Registered Office at 1 Clanwilliam Square Grand Canal Quay Dublin 2.

Auditors
The auditors, KSi Faulkner Orr Limited, indicated their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

This report was approved by the Board on 2nd May 2019 and signed on its behalf by

Mr. Seoirse Smith
Director

Mr. Andrew Kinsella
Director

ARTHRITIS IRELAND

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE MEMBERS' FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Director's Report and financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland including FRS 102 The Financial Reporting Standard applicable in the U.K and Ireland (Generally Accepted Accounting Practice in Ireland) as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1st January 2015. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for that financial year and otherwise comply with the Companies Act 2014.

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 the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and

- 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

On behalf of the board

Mr. Seoirse Smith
Director

Mr. Andrew Kinsella
Director

Date: 2nd May 2019

..... continued

Opinion

We have audited the financial statements of Arthritis Ireland for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 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), including FRS 102 The Financial Reporting Standard applicable in the U.K and Republic of Ireland as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1st January 2015.

In our opinion the financial statements:
- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Small Entities, in the circumstances set out in note 24 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

..... continued

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. 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 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited;
- The financial statements are in agreement with the accounting records;
- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- In our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 11, which is to be read as an integral part of our report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 any 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.

Emma Delaney,
for and on behalf of KSi Faulkner Orr Limited.

KSi Faulkner Orr Limited,
Behan House,
10 Lower Mount Street,
Dublin 2.

Date: 2nd May 2019

APPENDIX TO THE INDEPENDENT AUDITOR REPORT

ARTHRITIS IRELAND

FOR THE YEAR ENDED 31 DECEMBER 2018

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ARTHRITIS IRELAND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

		Continuing operations			
				2018	2017
		Unrestricted	Restricted	Funds	Funds
		Funds	Funds	Total	Total
	Notes	€	€	€	€
Income from:					
Charitable activities	**8**	-	506,136	506,136	610,707
Donations and legacies	**11**	3,603	-	3,603	137,395
Fundraising	**11**	236,663	-	236,663	270,689
Other income	**11**	124,955	-	124,955	137,357
Support in kind	**13**	-	20,988	20,988	-
Total Income		365,221	527,124	892,345	1,156,148
Expenditure from:					
Charitable activities	**12**	(925,555)	(420,988)	(1,346,543)	(1,460,380)
Total Expenditure		(925,555)	(420,988)	(1,346,543)	(1,460,380)
Net Income/(expenditure)		(560,334)	106,136	(454,198)	(304,232)
Transfer between funds		560,334	(560,334)	-	-
Net movement in funds		-	(454,198)	(454,198)	(304,232)
Reconciliation of funds					
Total funds brought forward		500,000	1,180,520	1,680,520	1,984,752
Total funds carried forward		500,000	726,322	1,226,322	1,680,520

There are no recognised gains or losses other than the net income/(expenditure) for the above two financial years.

On behalf of the board

Mr. Seoirse Smith
Director

Mr. Andrew Kinsella
Director

Date: 2nd May 2019

ARTHRITIS IRELAND

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 €	2018 €	2017 €	2017 €
Fixed assets					
Tangible assets	**14**		68,158		96,580
Current assets					
Debtors	**15**	28,836		2,449	
Cash at bank and in hand		1,233,843		1,627,787	
		1,262,679		1,630,236	
Creditors: amounts falling due within one year	**16**	(104,515)		(46,296)	
Net current assets			1,158,164		1,583,940
Total assets less current liabilities			1,226,322		1,680,520
Net assets			1,226,322		1,680,520
The funds of the charity					
Restricted reserves	**17**		726,322		1,180,520
Unrestricted funds	**18**		500,000		500,000
Total charity funds			1,226,322		1,680,520

The financial statements were approved by the board on 2nd May 2019 and signed on its behalf by

Mr. Seoirse Smith
Director

Mr. Andrew Kinsella
Director

The notes on pages 15 to 27 form an integral part of these financial statements.

ARTHRITIS IRELAND

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €	2017 €
Reconciliation of operating net income/(expenditure) to net cash outflow from operating activities			
Operating net income/(expenditure)		(454,198)	(304,232)
Depreciation		29,787	29,505
Decrease/(Increase) in debtors		(26,384)	113,307
Increase /(Decrease) in creditors		58,219	(86,103)
Net cash outflow from operating activities		(392,576)	(247,523)
Cash flow statement			
Net cash outflow from operating activities		(392,576)	(247,523)
Capital expenditure	**22**	(1,365)	-
		(393,944)	(247,523)
Decrease in cash in the year		(393,944)	(247,523)
Reconciliation of net cash flow to movement in net funds (Note 23)			
Decrease in funds in the year		(393,944)	(247,523)
Net funds at 1 January 2018		1,627,787	1,875,310
Net funds at 31 December 2018		1,233,843	1,627,787

1. Activity

Arthritis Ireland is governed by a Memorandum and Articles of Association and it's three key objectives are:

- To provide support and ancillary services to improve the quality of life of people living with arthritis;
- To support research into the prevention, causes and cure of arthritis;
- 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 Organisation

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.

3.1. Statement of accounting policies

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

3.2. Basis of preparation

The financial statements of the company for the year ended 31 December 2018 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

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

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3.3. Income policy

Income from Charitable Activities

Income from Charitable Activities includes grant income from the Health Service Executive and Department of Rural and Community Development, corporate sponsorship and income for Chairs of Rheumatology. This income is reflected in the Statement of Financial Activities in the period in which the related expenditure is incurred. This income is always restricted.

Income from Donations and legacies

Income from donations and legacies includes donations from individuals and corporate bodies. This income is recognised on a receipts basis. This income is unrestricted.

Income from Fundraising

Fundraising income is derived from activities and events held by the organisation and the general public. This income is recognised when it is received and is classified as unrestricted.

Other income

Other income is derived from branch income and bank interest. Branch income derives from activities and fundraising held by the branches throughout Ireland. This income is recognised in the Statement of Financial Activities when received. Branch and bank interest income is unrestricted.

3.4. Expenditure policy

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

3.5. Reserves policy

Charity funds are managed between restricted and unrestricted reserves. Restricted reserves relates to income where the donor specifies how the funds should be spent. Unrestricted reserves relates to income donated to the company without any stipulation by the donor as to how the funds should be spent.

3.6. Tangible assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use.

Depreciation

Depreciation is provided on all tangible assets, at rates calculated to write off the cost less estimated residual value, of each asset systematically 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

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3.7. Trade and Other Debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

3.8. Trade and Other Creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

3.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Statement of Financial Activities.

3.10. Taxation

Arthritis Ireland is registered as a charitable organisation (CHY 6297) with the Revenue Commissioners, therefore no provision has been made for corporation tax.

3.11. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

4. Income

The total income of the company for the year has been derived from its principal activity wholly undertaken in Ireland.

5. Net Income/ (Expenditure)

	2018 €	2017 €
Net income/(expenditure) is stated after charging:		
Depreciation and other amounts written off tangible assets	(29,787)	(29,505)

..... continued

6. Employees note

Number of employees

The average numbers of employees during the year were:	2018 Number	2017 Number
Office and administration	6	6
	6	6

Employment costs	2018 €	2017 €
Wages and salaries	293,659	278,934
Employers' PRSI	22,177	31,036
Other pension costs	7,418	16,474
Other payroll costs	32,689	31,470
	355,943	357,914

The number of higher paid employees was:	2018 Number	2017 Number
€60,000 - €70,000	1	1
€70,000 - €80,000	1	-
€80,000 - €90,000	-	-
€90,000 - €100,000	-	-
€120,000 - €130,000	-	-
	2	1

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.

Pension contributions relate to amounts paid into a defined contribution scheme by the company.

7. Transactions with directors

There were no transactions with directors during the year.

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8. Income from Charitable Activities

	Unrestricted 2018 €	Restricted 2018 €	Total 2018 €	Total 2017 €
Sponsorship income (Note 9)	-	231,967	231,967	200,792
Chairs of Rheumatology	-	48	48	128,600
Grants (Note 10)	-	274,121	274,121	281,315
Total Other Sources	-	506,136	506,136	610,707

9. Sponsorship Income

	Total 2018 €	Total 2017 €
Abbvie	51,900	45,866
MSD	30,500	47,000
Bristol Myers	-	15,000
Mundipharma	8,000	15,000
Roche	15,000	15,000
Pfizer HC	17,400	15,000
UCB Pharma	42,000	-
RCSI	200	400
Janssen Cilag	8,000	-
Irish Life Corporate	-	10,000
Novartis	28,500	5,700
Deferred revenue	-	4,000
Other (non-industry partners)	167	-
Celgene	15,000	-
A. Menarini	30,500	27,826
Deferred income- Online Education and Campaigns	(15,200)	-
Total Sponsorship Income	231,967	200,792

..... continued

10. Grants received

	Total 2018 €	Total 2017 €
Dept. of Rural and Community Development	61,500	61,500
Health Service Executive	164,192	165,696
Branch grants	48,429	54,119
Total	274,121	281,315

11. Fundraising and other income

	Total 2018 €	Total 2017 €
Legacies	3,603	137,395
Fundraising income	236,663	270,689
Other income		
Branch income	124,894	137,298
Interest income	61	59
	124,955	137,357

..... continued

12. Expenditure on Charitable Activities

	Administration	Community Support Service	Education & Information Programmes	Awareness & Advocacy	Governance	Research	Fundraising	Total 2018	To 20
Staff costs	32,943	48,164	71,513	87,121	13,547	19,912	82,743	355,943	357,9
Professional membership	-	-	-	-	1,473	-	-	1,473	2,3
Administration	20,607	-	-	-	11,386	-	-	31,993	43,7
Maintenance and insurance	25,514	-	-	-	10,122	-	-	35,636	34,7
Depreciation	-	-	-	-	29,787	-	-	29,787	29,
Programme Costs	-	168,014	12,548	19,720	-	394,066	91,928	686,276	790,3
Accountancy fees	-	-	-	-	27,712	-	-	27,712	28,3
Auditor fees	-	-	-	-	6,150	-	-	6,150	6,
Meetings	-	-	-	-	3,584	-	-	3,584	4,3
Bank charges	-	-	-	-	2,923	-	-	2,923	3,3
Branch expenditure	-	143,127	-	-	-	-	-	143,127	157,5
Organisational development	-	-	-	-	951	-	-	951	2,0
Support in kind	20,988	-	-	-	-	-	-	20,988	
	100,052	359,305	84,061	106,841	107,635	413,978	174,671	1,346,543	1,460,3

..... continued

13. Support in kind

Support in kind, comprises of donated services from Google for advertising, this is included in income at a value which is an estimate of the financial benefit to the organisation. The cost of this support is included in expenditure at a value which is an estimate of the financial cost to the organisation.

14. Tangible assets

	Land and buildings freehold €	Fixtures and equipment €	Motor vehicles €	Total €
Cost				
At 1 January 2018	144,688	299,133	28,287	472,108
Additions	-	1,365	-	1,365
Disposals	-	(147,941)	-	(147,941)
At 31 December 2018	144,688	152,557	28,287	325,532
Depreciation				
At 1 January 2018	85,882	270,542	19,104	375,528
On disposals	-	(147,941)	-	(147,941)
Charge for the year	2,894	23,993	2,900	29,787
At 31 December 2018	88,776	146,594	22,004	257,374
Net book values				
At 31 December 2018	55,912	5,963	6,283	68,158
At 31 December 2017	58,806	28,591	9,183	96,580

15. Debtors

	2018 €	2017 €
Prepayments and accrued income	28,833	2,449

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16. Creditors: amounts falling due within one year

	2018	2017
	€	€
Other creditors		
Trade creditors	25,163	19,837
Other creditors	(2,614)	478
Accruals	18,317	24,279
Deferred income	52,020	-
Taxation creditors		
PAYE/PRSI	11,629	1,702
	104,515	46,296

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17. Restricted funds - Chairs of Rheumatology

	2018	2017
	€	€
At 1 January 2018	1,180,520	1,484,752
Transferred (to)/ from General Funds (note 18)	(560,334)	(393,152)
Net income/(expenditure) on restricted funds during the year	106,136	88,920
At 31 December 2018	726,322	1,180,520

In 2015 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 €560,334 (2017: €393,152) was transferred from restricted, giving a total restricted funds at 31 December 2018 of €726,322 (2017: €1,180,520).

These funds have been restricted to establish two academic Chairs of Rheumatology in the UCD and TCD medical schools respectively. 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 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 in July 2013 and the second chair at TCD appointed in December 2015.

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 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. These funds cannot be used for any other purpose.

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18. Reconciliation of movements in general funds

	2018	2017
	€	€
Net income/(expenditure) resources for the year	(560,334)	(393,152)
Opening general funds	500,000	500,000
	(60,334)	106,848
Funds reallocated to unrestricted from restricted	560,334	393,152
Closing general funds	500,000	500,000

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 2015. However, the company was successful in retaining the latter grant during 2016, whilst the full grant value lost from The Atlantic Philanthropies has not yet been fully replaced due to the difficult fundraising landscape.

19. Other Statutory Sources of Funding

Grant	
Agency	Pobal
Sponsoring Government Department	Department of Rural and Community Development
Grant Programme	Scheme to support National Organisations in the Community and Voluntary Sector
Total Grant	€61,500
Term	Expires 30th June 2019
Expenditure	€61,500
Received Year End	31 December 2018
Capital Grant	Nil
Restriction on Use	Support for staff wages

The Agency is compliant with relevant circulars, including Circular 44/2006. "Tax Clearance Procedures Grants, Subsidies and Similar Type Payments"

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20. Related party transactions

Key management includes the Chief Executive Officer (CEO). The amount paid or payable to key management for employee services of the CEO is shown below:

Key management compensation	2018 € Total	2017 € Total
Salaries and other short-term employee benefits	79,965	92,143

21. Commitments

The company has no unprovided for commitments as at the 31 December 2018.

22. Gross cash flows

	2018 €	2017 €
Capital expenditure		
Payments to acquire tangible assets	(1,365)	-

23. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	1,627,787	(393,944)	1,233,843
Net funds	1,627,787	(393,944)	1,233,843

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24. Company limited by guarantee

The company is limited by guarantee not having a share capital. At the balance sheet date, there were 12 members whose guarantee is limited to €1.27 each. This guarantee continues for one year after membership ceases.

25. APB Ethical Standard - Provisions Available for Small Entities

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

26. Approval of financial statements

The board of directors approved these financial statements and authorised them for issue on 2nd May 2019.