

Annual Report and Accounts

2017-18



www.sruk.co.uk

Charity Registration Number: 1161828

CONTENTS

Overview

Chair's Statement 2017-18	2
Our Vision	3
The Conditions	3
Our Strategic Aims	3

Trustees' Report

What we did in 2017-18:	
• Awareness	4
• Empowerment	5
• Healthcare	6
• Research	7
What we will do in 2018-19	8
Financial review	9
Principal risks and uncertainties	11
Structure, governance and management	11
Statement of Trustees' responsibilities	12

Independent Auditor's Report 13

Financial Statements

Consolidated statement of financial activities	15
Consolidated and charity balance sheets	16
Consolidated cash flow statement	17
Notes to the consolidated financial statements	18
Legal and administrative details	33

OVERVIEW

Chair's Statement - 2017-18

2017-18 was Scleroderma & Raynaud's UK's (SRUK) second year of operation and when we began delivering on our first five-year corporate strategy, informed and shaped by the challenges and needs of our community.

We are mindful of our heritage and the great work the previous two charities, The Scleroderma Society (SSc) and The Raynaud's & Scleroderma Association (RSA), undertook and delighted that so many of the previous members have now joined SRUK. In honour of Anne Mawdsley, founder of the RSA, we held a Memorial Lecture in July hosted by Fiona Bruce MP at Portcullis House, Westminster. It was fitting that the inaugural lecture was given by our Vice President Professor Christopher Denton who shared the significant progress achieved in research over the last 30 years and how funding from the charities has contributed towards this success.

SRUK is committed to maintain and increase funding for research. In 2017-18 we awarded research grants worth £141,000 and paid over £183,000 towards on-going grants. During the year, work has taken place to track the outcomes of research grants awarded over the last 25 years. This work will be published as an impact report in 2018-19, showcasing the key achievements.

Increasing awareness of the diseases is of significant importance to people with Scleroderma and Raynaud's. The lack of understanding across healthcare professionals has led to poor support and treatment of Raynaud's and delayed diagnosis of Scleroderma.

Raynaud's is poorly understood. It is not treated seriously by many professionals and consequently we do not know exactly how many people are affected or how severely it affects people. Raynaud's is to date the only known clinical manifestation considered to be a risk factor for developing Scleroderma.

To address these low levels of awareness we ran two PR Campaigns during the year. In June we worked with Dr Francesco Del Galdo and the team from Leeds Chapel Allerton Hospital to run the first ever mobile clinic to test for Primary & Secondary Raynaud's. Positioned in a prime shopping location we tested over 600 people in 7 days. Around 90% were diagnosed with Raynaud's and of these 6-8 people each day were identified as needing more tests.

We secured a 9 min slot on BBC2's Trust Me I'm a Doctor, which reached 2.7 million people and featured Raynaud's for the first time ever on the BBC. Raynaud's was also featured on BBC's R4 Gardener's World.

We recognise that for our voice to be heard we need to work in collaboration and as part of our work with the Rare Autoimmune Rheumatic Disease Alliance (RAIRDA), of which we are a founding member, we published a State of the Nation report, highlighting the challenges patients face within the healthcare system. In 2018-19 we will be working with our partners to drive forward the recommendations in the report to improve access to more co-ordinated care.

Many people are going undiagnosed with severe Raynaud's and Scleroderma. This has serious, life threatening, consequences for people with Scleroderma. This needs to change. Our vision is of a world where no-one has their life limited by Scleroderma and Raynaud's. We will continue to drive forward change for the people we know could benefit from a cure, new treatments or better information, advice and support.

None of what we do would be possible without the amazing fundraising efforts of our community. The Board and staff are extremely grateful and would like to thank everyone who supported the charity throughout 2017-18.

Professor Jeremy Pearson, Chair



OVERVIEW

Our Vision

A world where no-one has their life limited by Scleroderma and Raynaud's.

Our Purpose

Our mission is to improve the lives of everyone affected by Scleroderma and Raynaud's. We do this by investing in research, improving awareness and understanding of the conditions and providing information and support to all those affected.

Our Values

Our values inform how we deliver our services, the choices we make and how we work with, support and develop our staff and volunteers.

Collaborative in the way we work.

Driven to see real change.

Trusted because we are open and honest about the way we work.

Compassionate because we always put the person first.

The Conditions

Scleroderma is a rare, chronic auto-immune condition affecting connective tissue and blood vessels. In the UK there are around 12,000 people diagnosed with the condition. The cause is unknown, and prognosis is poor, often leading to multi-organ dysfunction and premature death. Research is urgently needed to understand the cause of the condition and to improve treatment.

1 in 6 people are affected by Raynaud's. **Primary Raynaud's** phenomenon is common and usually symptoms are mild and manageable. Over-sensitivity of peripheral small blood vessels to temperature change leads to characteristic attacks with blood vessel constriction, loss of blood and oxygen from the exposed tissue (fingers, toes or other extremities) followed by excessive blood vessel dilation on warming. Attacks can very be painful.

Secondary Raynaud's phenomenon, which is more serious and can lead to ulceration and calcification, is associated with the presence of an auto-immune connective tissue disease and can often be the first indication of scleroderma.

Almost all patients diagnosed with Scleroderma have secondary Raynaud's phenomenon. Treatment, other than to relieve symptoms, is relatively ineffective.

Our Strategic Aims - 2017-2022

During 2016/17 we developed a new five-year strategy for 2017-2022. This was based on extensive engagement with people with Scleroderma and Raynaud's, clinicians, researchers, staff and Trustees, to gain insight into the key issues and challenges faced by the community and to understand what they wanted SRUK to achieve. These findings were used to inform the development of an organisational Theory of Change for SRUK, which identified the key outcomes of importance for people affected by Scleroderma and Raynaud's.

The outcomes fell into four key areas which helped define the following strategic aims:

Awareness

Increase awareness of Scleroderma and Raynaud's with the Public and Health Professionals.

Empowerment

Enable more people with Scleroderma and Raynaud's to manage their conditions through access to high quality information, support and guidance.

Healthcare

Ensure all people with Scleroderma and Raynaud's, across the UK have access to high quality, integrated health and social care services, which are responsive to their needs.

Research

Ensure that research funded by SRUK translates into better prevention, diagnosis and treatment outcomes.

We are campaigning to create a better world for people with Scleroderma and Raynaud's

- A world where there is much greater awareness and understanding of the two conditions.
- A world where diagnosis happens earlier.
- A world where better treatment and care is available to everyone affected.

TRUSTEES' REPORT

What we did in 2017/2018

AWARENESS

Our aim is to increase awareness of Scleroderma and Raynaud's with the Public and Health Professionals.

Even though 1 in 6 people in the UK have Raynaud's and a further 12,000 people have Scleroderma, there is a serious lack of awareness of both conditions. Despite Raynaud's being as common as hay fever and arthritis in the UK, over three quarters of people have never heard of either Raynaud's or Scleroderma and don't know anything about the symptoms.

Research commissioned in 2016 by SRUK found that 67% of people believe Raynaud's affects only one person in 5,000 or even less, when the actual figure is one in six, and just 4% can confidently identify the symptoms of Raynaud's, falling to 1% for Scleroderma.

The consequence of this low awareness means many people either go undiagnosed or it takes too long and so access to treatment and care has been far too slow.

What we aim to do:

- Develop and deliver a series of public awareness campaigns.
- Develop a network of advocates and ambassadors to share information about the conditions with those affected, the healthcare community and the general public.
- Work with the media to improve coverage and reporting of Scleroderma and Raynaud's.
- Work with health professional bodies and organisations to increase awareness of these conditions.

In 2017-18 we:

1. Strengthened our relationships with local and national press in order to increase our campaign coverage, reach and understanding. This year we reached over 71 million people through print, online and radio press.
2. Our #KnowRaynaud's campaign highlighted the importance of knowing if someone was living with Raynaud's and encouraged people to take our online Raynaud's test. Since its launch over 6,000 people have taken our test with 96% receiving a Raynaud's answer screen; of this 19% were shown the secondary Raynaud's answer screen and advised to see their GP for further testing.

3. Launched a ground-breaking mobile diagnosis clinic in collaboration with Leeds University and Chapel Allerton Hospital, Leeds. This was the first time UK residents have been able to seek a Raynaud's diagnosis on the street and learn more about the condition.

During the week we tested 623 people with 556 being diagnosed with Raynaud's, furthermore 9% were showing signs of being at risk of Scleroderma and are now being closely monitored in Leeds. Everyone who received a positive Raynaud's diagnosis at the clinic was provided with further information on managing the condition, alongside a letter to take to their GP explaining their results.

The clinic formed part of our Scleroderma Awareness Month activities, due to the clinic screening all visitors for Scleroderma, and so a secondary goal was to increase awareness and understanding of the conditions.

- 250 visitors (40%) were unaware of Raynaud's when entering the clinic, demonstrating that visual initiatives like the clinic are essential in building awareness and understanding.
 - During the week we received coverage from Made in Leeds and the Yorkshire Post, engaging with over 75,000 local Leeds residents.
4. We worked with the BBC to create a segment for BBC2's Trust Me I'm a Doctor, which aired in January 2018. The segment focussed on explaining Raynaud's, the difference between Primary and Secondary, how the condition is diagnosed and the link to Scleroderma. 2.7 million people viewed the episode.
 5. As part of our work to increase awareness and understanding of the conditions with health professionals, we worked with the British Society of Rheumatology to support a new education programme - the Rare Disease Fellowship. In 2017-18 the fellowship focussed on Scleroderma and offered clinicians hands-on clinical practice from leading experts in the management of Scleroderma at three nationally-recognised specialised centres - Royal Free Hospital, London; Royal Hallamshire Hospital, Sheffield and Salford Royal Hospital, Manchester. The programme was very popular with over 40 applications for 6 places.

TRUSTEES' REPORT

EMPOWERMENT

Our aim is to enable more people with Scleroderma and Raynaud's to manage their conditions through access to high quality information, support and guidance.

Nearly 70% of people with Scleroderma and Raynaud's say that their biggest daily challenge is managing symptoms, closely followed by managing the condition as a whole.

Scleroderma and Raynaud's can affect a person's ability to be independent and to lead a full and active work and family life. Sometimes the simplest of daily activities, such as doing up buttons or opening objects, become difficult.

Scleroderma and Raynaud's affects the lives of many working people, who either retire early, give up work or reduce the number of hours they work because of their condition. This has an impact on their independence and self-esteem, and on household incomes.

What we aim to do:

- Produce a wide range of information on the conditions and what people can do to self-manage their condition.
- Share information and guidance for people with Scleroderma and Raynaud's on their rights and entitlements.
- Support and develop active social media networks for those affected by the conditions.
- Connect and support people with Scleroderma and Raynaud's through a range of appropriate mechanisms.
- Provide a helpline, manned by volunteers, providing information and advice for those affected as well as signposting them on to more specialist support where needed.
- Mobilise people with Scleroderma and Raynaud's to become agents for change.

In 2017-18 we:

1. Undertook an exercise to identify priority publications with our community and health professionals. A timeline for development has been produced, with new A5 publications starting to be developed in 2018/19.
2. Introduced nation specific welfare information to our website, ensuring our community have access to reliable information on their rights and entitlements. At SRUK we continue to be involved in discussions about Personal Independence Payments (PIP) due to the

impact this is having on our community. To support our community in preparing for PIP assessments, we've launched an interactive tool which conducts a PIP assessment online and highlights which answers would fail and why. We understand that the current PIP assessments are not designed for people living with rare long-term health conditions and so through this tool we hope fewer people affected by Raynaud's and Scleroderma will have benefits cut or completely stopped.

3. Continued to disseminate expert information and provide support through our social media channels. Our Facebook community grew by 17% to 9,487 and our Twitter community by 56% to 3,079, with our posts reaching over 2.3 million people. We also created an Instagram account, based on the recommendation of our Youth Advisory Board to engage with young people affected by the conditions, and will be growing this in 2018-19.
4. Created a Youth Advisory Board to learn from the experiences of our young people, understand the challenges they face and develop ideas for change. Our Youth Advisory Board is made up of 5 young people directly affected by Scleroderma and Raynaud's and 2 carers. We acknowledge that the information and support services available to young people need improving and by working with the Youth Advisory Board we have established 7 priority areas to focus on from 2018-19 onwards:
 - Well-being.
 - Education system.
 - Understanding a chronic condition.
 - Self management.
 - Health care.
 - Housing.
 - Employment.
5. Received over 1,000 calls through our helpline, which is run by a team of volunteers.
6. Visited 5 clinics: Manchester, London, Sheffield, Leeds and Alderhey as part of our outreach programme to promote our services to people locally.
7. Conducted a support review to establish what support means to our community and the types of support services that SRUK should be investing in. We have sought community views and opinions to shape our future services and will be working on implementing these changes in 2018-19.

TRUSTEES' REPORT

HEALTHCARE

Our aim is to ensure all people with Scleroderma and Raynaud's, across the UK have access to high quality, integrated health and social care services, which are responsive to their needs.

It is essential that people with Scleroderma and Raynaud's are diagnosed early and have timely access to treatment and care from professionals who are informed about the conditions and the options available.

Scleroderma is a complex condition, which often requires simultaneous care across several specialties. This can result in fragmented care, with poor communication and delayed decision making leading to patients feeling 'lost' in the system. There is an urgent need to improve the coordination of care.

What we aim to do:

- Work more closely with the NHS and healthcare professionals to ensure more and better information is available at the point of diagnosis; ensuring SRUK is there from diagnosis onwards.
- Work in collaboration to ensure the voice of those with Scleroderma and Raynaud's is represented in relation to any changes or reforms across the health, social care and welfare system.
- Ensure more people living with Scleroderma and Raynaud's have access to and directly benefit from a wider range of effective self-management support services.
- Work in collaboration to develop national audits for rare auto-immune conditions to drive local service improvement through monitoring, involving people with Scleroderma and severe Raynaud's.

In 2017-18 we:

1. Worked with NHS Choices to improve their information on Raynaud's to ensure that members of the public were being correctly informed and to ensure medical professionals took the condition seriously.

NHS Choices stated that Raynaud's symptoms often resolved without seeing a GP, which we thought was misinforming people concerned about their symptoms. The new information now states: "Raynaud's phenomenon is common and doesn't usually cause any severe problems. You can often treat the symptoms yourself by keeping warm. Sometimes it can be a sign of a more serious condition."

2. Recognising that our voice will be stronger if we work collaboratively, SRUK is member of

several strategic alliances focussed on securing the best outcomes for people living with rare diseases. These include the Specialised Health Care Alliance (SHCA), Rare Disease UK, Genetic Alliance, the Prescriptions Coalition and RAIRDA. We work with our partners to ensure the views of our community are represented and included in any policy discussions and consultations.

In May 2017, SRUK was a signatory to a letter published in The Telegraph, along with 30 members of the SHCA, which urged the three Party Leaders to commit to reversing NHS measures to increase rationing of medicines. In April health officials introduced new thresholds which meant access to one in five treatments could be delayed or restricted. Under the rules, all drugs expected to cost the NHS a total of more than £20 million a year would be checked against new affordability criteria, which could affect high cost medicines used for rare diseases.

As part of the SHCA we campaigned to put rare diseases on the agenda and to secure manifesto commitments on faster access to the most effective new drugs and treatments. Our efforts were reflected in the manifesto pledges of the Conservative Party and the Labour Party.

We continued to be part of the SHCA lobby for improvements in access to treatments. In October 2017, NHS England accepted the need for greater clarity regarding its decision-making processes. NHS England confirmed that it was now of the view that a premium for rarity could be applied in its prioritisation process, but this would be largely discretionary and applied on the basis of advice from the Rare Disease Advisory Group (RDAG). Discussions are on-going.

SRUK contributed to discussions on the development of the implementation plan for the UK Strategy for Rare Diseases, which NHS England and the Department of Health and Social Care (DHSC) jointly published in February 2018.

In particular, the plan now makes specific mention that these diseases can present in childhood or adulthood and can be both genetic and non-genetic in origin.

In September 2017, as part of the Prescription Charges Coalition, we called on Government for:

- A clear commitment to review and reform the medical exemption criteria for prescription charges, which will be 50 years old in 1968, to include all those with long-term conditions.
- Information to be given routinely to people with long-term conditions about prescription charge exemptions, the prepayment certificate and the low incomes scheme.

TRUSTEES' REPORT

- In March 2018 SRUK attended a round table meeting with John Stewart, Director of Specialised Commissioning at NHS England and Professor Stephen Powis, NHS England's Medical Director, to share on-going concerns around access to new drugs and treatments.
- 3. To inform discussions around the need for service improvement requires evidence. In June 2017 as part of RAIRDA we launched a survey to capture data on the patient journey (diagnosis delay, access to treatments) to inform a "State of the Nation" report published to coincide with Rare Disease Day on February 28th 2018.

The key findings highlighted the commonality of shared unmet need across the conditions. In particular, diagnostic delay does not appear to have improved amongst those diagnosed more recently. The survey found that almost half of those people had to wait more than three years between experiencing the first symptom of their condition and being correctly diagnosed.

Two-thirds of all people reported needing to visit multiple hospitals in order to get the treatment and care they need, with the majority not convinced that their care is properly co-ordinated. The impact of these conditions can be significant – one in five people reported missing more than three months off work in the past year as a result of their condition, with a similar proportion having to give up work entirely.

The report made a series of twelve recommendations to reduce delays in diagnosis, improve the coordination of care and improve access to broader support and services. Collaboration is key to improving the current situation and RAIRDA will work with government, the NHS and other health bodies to improve care.

RESEARCH

To ensure that research funded by SRUK translates into better prevention, diagnosis and treatment outcomes.

Finding a cure remains a high priority for members, but of equal importance is access to effective, less toxic treatments. While there are more treatments available for Scleroderma and Secondary Raynaud's than there were fifteen years ago, there is still a huge unmet need for patients.

In the last few years new technologies, such as innovative diagnostics and breakthroughs in genetics, have emerged. More collaboration within and outside the research community and with patients will be vital to bring new insights to drive forward our ambition to bring new effective treatments to market.

What we aim to do

- Develop a research strategy to ensure the most effective use of the charity's limited resources.
- Measure, report and demonstrate the impact of the research we fund across the UK.
- Identify and invest in a new generation of Scleroderma and Raynaud's researchers.
- Provide specific grant funding to stimulate innovation in Scleroderma and Raynaud's science.
- Seek partnerships and collaborations to increase the amount of money made available for Scleroderma and Raynaud's research across the UK.
- Develop a team of research volunteers to ensure only the most relevant research for people with Scleroderma and Raynaud's is funded and delivered.

In 2017-18 we:

1. Secured membership of the Association of Medical Research Charities, which is the hallmark of quality research funding and provides assurance to donors that our processes are open and transparent.
2. Continued our work to track and review the outcomes of the work funded by the previous two charities with a view to publishing an Impact Report in 2018-19.
3. Held the inaugural Anne Mawdsley Memorial Lecture at the House of Commons to recognise the contribution made by the founder of the RSA. Professor Christopher Denton gave the

TRUSTEES' REPORT

lecture, a presentation called 'Making progress in a hard disease - rising to the challenge of Scleroderma, which charted the progress made over the last thirty years, citing how financial support from the RSA and SSc had played a critical role in driving this success.

4. Met with other charities, agencies and the UK Scleroderma Study Group to explore how to develop a research strategy to best deliver against patient priorities.
5. Established a Research Sub Committee whose role it is to oversee our research grant process and support the development of the SRUK Research Strategy. The members of this subcommittee are as follows:
 - Professor Richard A Watts (Chair), BM BCh DM FRCP: Honorary Professor of Rheumatology, Norwich Medical School; Visiting Professor of Rheumatology, University of Suffolk; Consultant Rheumatologist, Ipswich Hospital.
 - Dr Allan Lawrie, PhD: BHF Senior Basic Science Research Fellow and Head of the Pulmonary Vascular Research Group, Department of Infection, Immunity & Cardiovascular Disease, School of Medicine, University of Sheffield.
 - Professor Christopher Edwards, MB BS MD FRCP: Professor of Clinical Rheumatology, Associate Director of the NIHR Wellcome Trust Clinical Research Facility and Director of the Southampton Musculoskeletal Research Unit, University of Southampton; Consultant Rheumatologist, University Hospital Southampton.
 - Professor Justin Mason, MB BS PhD FRCP: Professor of Vascular Rheumatology, Imperial College London; Honorary Consultant Rheumatologist, Hammersmith Hospital.
 - Professor David Scott: Honorary Professor of Rheumatology and Honorary Fellow University of East Anglia, Honorary Consultant Rheumatologist Norfolk and Norwich University Hospital, Non Executive Director James Paget University Hospital.
6. We are supporting 14 on-going grants and we awarded 4 new grants:
 - Prof Peter Butler, Royal Free Hospital, London: Mechanistic study of autologous lipotransfer in Systemic Scleroderma.
 - Professor Chris Denton and Dr Anna Gill, Royal Free Hospital, London: Modulation of systemic sclerosis pathobiology by purified Factor XIII.

- Prof Rizgar Mageed, Prof David Abraham and Dr Voon Ong, Barts and The London Hospital Trust and Queen Mary University, London: Molecular profiling of pathogenic B-lymphocytes in patients with systemic sclerosis.
- Dr Richard Stratton, Royal Free Hospital, London: Treating Scleroderma by targeting pathogenic macrophages.

What we will do in 2018-19:

For our work in Awareness, we will:

Continue to deliver a series of public awareness campaigns around our two campaign peaks, the Scleroderma Awareness Campaign in June and Raynaud's Awareness Month in February.

Develop a journalist network programme to nurture relationships, particularly with the medical and science press, to build on the work we have done to establish ourselves with the media as the organisation to come to for information and comment on matters relating to Scleroderma and Raynaud's.

Continue to work with our community to enable them to share their stories and act as ambassadors with local and regional media, helping to deepen our penetration and to share information about the conditions with those affected, the healthcare community and the public.

For our work in Empowerment, we will:

Continue to produce information on the conditions and what people can do to self-manage their condition, in line with our plan developed in 2016-17 following consultation with our community and clinicians.

Develop customer feedback mechanisms to measure the value and quality of our information.

Develop and implement a plan based on the recommendations from consultations with our community regarding their support needs. We will establish what this means in relation to a range of channels: on-line; phone; events and face to face and we will identify funding required and produce a project pipeline.

Further develop our social media networks for those affected by the conditions, based on insights into audience behaviours to identify content needed.

For our work in Healthcare we will:

Continue to work with the NHS and healthcare professionals to ensure information is available, particularly at point of diagnosis.

TRUSTEES' REPORT

Continue our programme to establish SRUK's presence in all clinics through key literature and visits.

Work with RAIRDA to drive forward the recommendations arising from the Patient Survey report, as well as working with key organisations to ensure the voice of patients with Scleroderma & Raynaud's is represented.

Work towards ensuring the best practice Scleroderma Guidelines are shared with all Rheumatologists and explore the option to produce a patient friendly version of Scleroderma Guidelines.

For our work in Research we will:

Develop an Expert Patient Programme to support involvement in research and the development of the research strategy.

Hold a one-day event bringing together key opinion leaders from across the sector such as UK Research & Innovation, academics, patients, biotechnology and pharmaceutical companies to create a vision for the Scleroderma research landscape and patient healthcare experience in 2040.

Hold an industry workshop with SRUK to explore potential partnerships and collaborations. The workshop will bring together various biotechnology companies which focus on areas such as diagnostic tools, biomarker manufacturing and novel therapies.

Publish a full research strategy to ensure we make the most effective use of the charity's limited resources. The strategy will include a roadmap outlining the ideal landscape for research and patient care, the research challenges in reaching this goal and how SRUK will meet these challenges in five- year blocks.

FINANCIAL REVIEW

This review covers the period from 1 April 2017 to 31 March 2018.

Overview

2017-18 was the second full year of operation for SRUK, as the newly merged charity. A major focus for the new charity SRUK is to improve impact and extend reach for people affected by Scleroderma and Raynaud's. To achieve growth, we must increase and diversify our fundraising and have a step change in our impact, effectiveness and efficiency. Making headway with this work has required us to take a longer-term approach in our financial planning with continuing investment in a number of key areas. The charity's expenditure in 2017-18 is reflective of this ambition.

Income for the year has seen a significant increase due to a large one-off legacy of just over one million pounds, which has been designated and is detailed in the reserves section.

How we raised our money

In 2017-18 the group income for the charity was over £1,643,000. The key income streams for the charity comprise: Membership; Donations, Legacies, Trading and Fundraising Activities.

We received close to £1,561,000 in donations and legacies in the year showing an increase against the previous year. Legacy income for the year is significantly higher than 2016-17 mainly due to the single legacy of over 1 million pounds. However, as legacy income is unpredictable and subject to variation, the charity intends to focus on diversifying and increasing its other income streams.

The trading subsidiary of the charity brought in revenues of over £57,000. This represents a small increase in income from 2016-17.

SRUK is registered with the Fundraising Regulator and is a member of the Institute of Fundraising. Our fundraising is carried out by a team of professional fundraisers based in our London office, together with volunteers in their local communities. The team's activities are supervised by the Senior Management Team and follow recommended fundraising codes of practice. We did not receive any complaints about our fundraising activities in 2017-18.

TRUSTEES' REPORT

How we spent our money

During 2017-18 our total expenditure came to just over £671,000, which included £141,000 awarded on new Research grants. We also invested in the development of a range of services:

- Provision of information and support across all channels – print, online, phone and events. This included the development of the website and online platforms.
- Raising awareness of Scleroderma and Raynaud's with health care professionals and public.
- Establishing our campaigning & advocacy work through partnerships & alliances.
- Developing our infrastructure to ensure our organisation is efficient, effective and complies with all legal and regulatory requirements.

Balance Sheet

As at 31 March 2018, net assets stand at over £2,055,000.

Reserve Policy

The Board has approved a reserves policy, which ensures that the charity has sufficient funds to meet the cost of its day to day activities and is able to cope with the financial impact of unforeseen events. In addition, where possible funds should be set aside to meet future planned expenditure. These reserves will be known as the operating reserve.

Operating reserve

The charity should hold sufficient financial reserves to ensure it can continue to operate in the event of unforeseen and potentially financially damaging circumstances arising.

The Board agreed that this amount should be equivalent to a minimum of six months' operating expenditure, which would amount to operating reserves of close to £336,000 in the current year as against the current free reserves of the Group at £605,000 and Charity at £610,000.

Designation of Funds

In 2017-18 the board agreed the creation of a number of designated funds. These designated funds recognise our commitment to funding areas of development from SRUK's unrestricted reserves.

As a consequence of the very generous legacy in 2017-18 the Board agreed to commit £1.2m as a designated fund for research over the next 5 years, and to reserve a further £250k as a designated fund to pump prime projects over the next 3 years to raise even more funds for our work and for development of the strategic themes of awareness, empowerment and healthcare described above. The remaining operating reserve will therefore be maintained at a level in agreement with our policy.

Investment Policy

Rathbones Investment Management Limited became SRUK's investment managers in November 2016 following a transfer of the charity's investments from M&G Investments. SRUK placed a portion of its assets (£500,000) into the account to best maximise its financial return. The current value of these investments stand at £512,000.

As per SRUK's investment policy an investment manager at Rathbones is assigned to manage the investments of the charity. The investment manager reports on a quarterly basis on the performance of the investments under management. These reports are incorporated into the quarterly management accounts and the year-end accounts of the charity and reviewed by the Trustees at the quarterly board meetings.

The Board of Trustees carries out an annual review, with a representative from Rathbones, of the investment principles under which the managers operate.

Grants Policy

SRUK has adopted a grants policy in which grants are accounted for fully in the year they are awarded in accordance with SORP 2015 requirements. They are therefore treated as liabilities in the accounts in the year they are awarded.

Trading Subsidiary

In 2017-18 SRUK's trading subsidiary (RSA Trading) brought in over £57,000 of income and had expenditure of close to £56,000 (including over £8,500 of staff costs that were reimbursed back to charity for the running of the shop). This leaves RSA Trading with a profit of over £1,500 for the year. Over the last year we have worked to increase the shop's efficiency. Over 2018-19 development work will focus on refining our product range and adding additional channels of sale to increase the company's revenue and profitability.

TRUSTEES' REPORT

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Principal Risks and Uncertainties:

SRUK is committed to effective risk management as an integral part of ensuring good corporate governance. Informed risk-taking helps to improve performance, manage our threats and opportunities and to create an environment of 'no surprises'. This will enable us to get the right balance between innovation and change.

During the year a risk register was developed to identify and mitigate key strategic and organisational risks to the charity. This register is reviewed and updated on a regular basis and senior management report on key risk areas quarterly to the Board.

The three principle risks identified were:

- Reputational damage to the charity: This could result in financial losses to the charity. We have worked to mitigate this risk through a social media and PR crisis plan and additional staff training on how to deal with this risk in line with our procedures.
- Loss of key organisational data: This could result in the organisation's operations and financial management being severely compromised, and if supporter information is lost then this could also impact revenue generation. We have mitigated this risk through the use of cloud based, file management software for all organisational data. This backs up all data allowing files to be restored from the cloud in case of hardware failures or accidental data loss.
- Failure to adhere to the new GDPR data protection laws: This could result in financial loss through fines and reputational damage amongst supporters. We have mitigated against this risk by developing a clear, GDPR compliant data protection policy and associated procedures, along with annual staff training on data protection. These new policies were reviewed through pro bono legal support to ensure they complied with GDPR requirements and best practice.

Key risks raised in 2016-17 around ensuring clear strategic direction and maintaining sufficient financial resources continue to be mitigated against

through strong organisational planning which includes: the SRUK 5 year strategy, fundraising strategy, annual planning and budgeting process.

Over the year SRUK also received pro bono legal support from Clyde & Co in the areas of Property and Data Protection. We would like to thank them for this specialised legal support which was sought to mitigate risks in these complex areas.

Structure, governance and management

Scleroderma & Raynaud's UK is a Charitable Incorporated Organisation, registered charity number: 1161828

SRUK is governed by its Constitution.

The principal objects of the charity and the group are:

- (i) to relieve persons suffering from Raynaud's and Scleroderma (systemic sclerosis), including the provision of financial support for such persons and their families in need;
- (ii) to advance the education and awareness of the public and health professionals in all aspects of Raynaud's and Scleroderma, including the provision and production of educational literature on these disorders; and
- (iii) to provide financial support for research into the cause, treatment, care and prevention of both Raynaud's and Scleroderma and the dissemination of the results of such research for the public benefit.

Method of appointment or election of Trustees

The management of the charity and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Constitution, registered with the Charity Commission on 26 May 2015.

Organisational structure and decision making

The trustees who served during the year are set out on page 34. The trustees have been selected for their expertise and professional skills. They meet at least quarterly with the Chief Executive.

Peer reviewers are invited to assist with the review of grant applications made to SRUK and their recommendations are reported back to the trustees who then approve or reject grant applications on merit or on the funding available. A Research Sub-Committee brings further rigour to the process.

TRUSTEES' REPORT

Key Management Remuneration

SRUK is committed to a policy of equal pay and aims to ensure that salaries reflect the knowledge, skills, behaviours and capabilities required for satisfactory performance in each role whilst also demonstrating appropriate use of charitable donations. Salaries are benchmarked against the voluntary sector and where appropriate other relevant job markets. Remuneration for key management personnel is handled in the same way as for all other staff.

Public Benefit

We have considered the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning future activities. The Trustees always ensure that the activities undertaken are in line with the charitable objectives and aims of SRUK.

As highlighted in this report, some of our research grants are specifically targeted at trying to determine the cause of Scleroderma and Raynaud's, thereby helping the general population in finding better treatments in the future.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the

financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditor are unaware
- the Trustees have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved on the 14th January 2019 by the Board of Trustees,



..... Chris Coombe, Treasurer

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SRUK

Opinion

We have audited the financial statements of Scleroderma & Raynaud's UK for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 March 2018 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

haysmacintyre

Statutory Auditor,
10 Queen Street Place,
London EC4R 1AG

haysmacintyre is eligible
to act as an auditor in
terms of section 1212 of
the Companies Act 2006.

haysmacintyre
30 January 2019

SCLERODERMA & RAYNAUD'S UK
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	General Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	General Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
INCOME FROM:							
Donations and legacies	5	1,501,449	59,461	1,560,910	523,746	-	523,746
Investments	7	11,295	-	11,295	6,103	-	6,103
Membership and conferences	6	13,780	-	13,780	13,211	-	13,211
Total fundraising income		1,526,524	59,461	1,585,985	543,060	-	543,060
EXPENDITURE ON:							
Raising funds: donations and legacies	9	(115,400)	-	(115,400)	(109,270)	-	(109,270)
Total fundraising expenditure		(115,400)	-	(115,400)	(109,270)	-	(109,270)
Fundraising Contribution		1,411,124	59,461	1,470,585		-	433,790
Trading income	8	57,351	-	57,351	56,225	-	56,225
Trading expenditure	8	(55,818)	-	(55,818)	(57,618)	-	(57,618)
Contribution from trading activities		1,533	-	1,533	(1,393)	-	(1,393)
Net income available for charitable purposes		1,412,657	59,461	1,472,118	432,397	-	432,397
Charitable expenditure							
Research	9	(126,228)	(48,985)	(175,213)	(225,797)	-	(225,797)
Services to members	9	(314,137)	(10,476)	(324,613)	(347,299)	(18,046)	(365,345)
Total charitable expenditure		(440,365)	(59,461)	(499,826)	(573,096)	(18,046)	(591,142)
Net income/ (expenditure) available for charitable purposes		972,292	-	972,292	(140,699)	(18,046)	(158,745)
Represented by							
Total income		1,583,875	59,461	1,643,336	599,285	-	599,285
Total expenditure		(611,583)	(59,461)	(671,044)	(739,984)	(18,046)	(758,030)
Net income/ (expenditure) before gain/(loss) on investments		972,292	-	972,292	(140,699)	(18,046)	(158,745)
Net (loss)/gain on investments	14	(7,505)	-	(7,505)	10,471	-	10,471
Net income/ (expenditure)		964,787	-	964,787	(130,228)	(18,046)	(148,274)
Other recognized (losses)/gains							
Net (loss) on property revaluation	13	(50,000)	-	(50,000)	-	-	-
Net movement in funds		914,787	-	914,787	(130,228)	(18,046)	(148,274)
Reconciliation of funds							
Fund balances brought forward		1,140,260	-	1,140,260	1,270,488	18,046	1,288,534
Total funds carried forward	20	2,055,047	-	2,055,047	1,140,260	-	1,140,260

**SCLERODERMA & RAYNAUD'S UK
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities				
Net income/(expenditure) for the year (as per the statement of financial activities)	914,787		(148,274)	
Adjustments for:				
Depreciation charges	337		337	
Dividends, interest and rents from investments	(11,295)		(6,103)	
Loss on the revaluation of fixed assets	50,000		-	
(Increase) in stocks	(2,465)		(1,706)	
(Increase) in debtors	(1,031,518)		(136,852)	
(Decrease)/increase in creditors	(100,199)		25,034	
Net cash provided by (used in) operating activities		(180,352)		(267,564)
Cash flows from investing activities				
Dividends, interest and rents from investments	11,295		(6,103)	
Purchase of investments	(107,298)		(445,722)	
Sale of investments	100,713		-	
Sale of current asset investments	-		1,399,369	
Gains/(losses) on investments	7,505		(10,471)	
Net cash provided by (used in) investing activities		12,215		937,073
Change in cash and cash equivalents in the year		(168,137)		669,509
Cash and cash equivalents at the beginning of the year		1,049,996		380,487
Cash and cash equivalents at the end of the year		881,859		1,049,996

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. GENERAL INFORMATION

Scleroderma & Raynaud's UK ('the Charity' or 'SRUK') and its subsidiary (together "the Group") support the research of Raynaud's and Scleroderma diseases and offer advice and support to individuals suffering from the conditions throughout the UK.

Scleroderma & Raynaud's UK is a public benefit entity having registered charity number 1161828 and was incorporated in England. The address of its registered office is Bride House, 18-20 Bride Lane, London, EC4Y 8EE.

2. ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The SRUK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking being RSA Trading Company Limited. The results of the subsidiary are consolidated on a line by line basis after the elimination of intra-group transactions. Control has been obtained by the ownership of shares.

A separate statement of financial activities for the charity itself is not present because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006

Merger Accounting

SRUK was created to enable the merger of Raynaud's & Scleroderma Association Trust (RSA) and the Scleroderma Society ('SSc'). Deeds were entered into by both RSA and SSc that transferred their assets and undertaking to SRUK with effect from 1 November 2015. The agreements were made on the basis of the two equals coming together to serve common beneficiaries and the trustees consider that the arrangement qualifies as a merger and merger accounting has been adapted in the production of the consolidated and charity financial statements.

The charity accounts represent RSA and SSc as the new merged entity SRUK. The consolidated accounts additionally include RSA Trading Company Limited, a trading subsidiary of SRUK.

b) Going concern

The trustees continue to monitor the performance of the charity against budgets and forecasts for the foreseeable future in the difficult economic climate. Given the net current asset position at the year-end, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

c) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

d) Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably, in accordance with the Charities SORP (FRS 102). Refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

e) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the accounts.

Cost of raising funds are those incurred in seeking voluntary contributions, and those incurred in trading activities that raise funds but do not include the costs of disseminating information in support of the charitable activities.

Charitable activities comprise direct expenditure including direct staff costs attributable to the activity.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs are those incurred in connection with the management of SRUK's assets, organisational administration and compliance with constitutional and statutory requirements.

Support and Governance costs are allocated on the basis of time spent on each activity.

Grants are accounted for fully in the year they are awarded in accordance with Charities SORP (FRS 102) requirements. They are therefore treated as liabilities in the accounts in the year they are awarded, where they have not been paid at the year end.

2. ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment 20% straight line

g) Revaluation of tangible fixed assets

The charity has adopted the cost model whereby items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

h) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Subsidiary undertakings:

Investments in subsidiaries are valued at cost less provision for impairment.

i) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

j) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

k) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. ACCOUNTING POLICIES (CONTINUED)

n) Financial Instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

o) Taxation

The charity is exempt from tax on its charitable activities.

p) Termination benefits

Settlement agreements are recognised in the period they are incurred.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the tangible fixed assets and note 2(f) for the useful economic lives for each class of assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(ii) Impairment of fixed assets

At regular intervals, and at least annually, management review the carrying value of tangible fixed assets to determine whether this fairly represents the recoverable amount from their use. The carrying value is compared to the recoverable amount, defined as the higher of:

- Value in use is calculated from expected earnings streams or savings from continued employment of the asset.
- Realisable value on a disposal.

(iii) Accrued grants payable

Using the accruals basis of accounting, grants payable are matched to the period or are reported when the expense occurs, not when the cash is paid.

4. NET INCOME/(EXPENDITURE) FOR THE YEAR

Net expenditure for the year is stated after charging:

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Depreciation on owned assets	337	337	232	232
Auditor's remuneration	8,100	8,100	8,100	8,100

5. DONATIONS AND LEGACIES

	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
Group & Charity				
Donations	224,297	59,461	283,758	245,952
Legacies	1,277,152	-	1,277,152	277,794
	1,501,449	59,461	1,560,910	523,746

All donations and legacies received in 2017/18 were unrestricted.

6. MEMBERSHIP AND CONFERENCE INCOME

	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
Group & Charity				
Membership income	12,230	-	12,230	11,111
Conference income	1,550	-	1,550	2,100
	13,780	-	13,780	13,211

All membership and conference income received in 2017 were unrestricted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. INVESTMENT INCOME

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Group & Charity				
Dividend income	6,807	-	6,807	2,238
Interest income	4,488	-	4,488	3,865
	11,295	-	11,295	6,103

All investment income received in 2017 was unrestricted.

8. TRADING ACTIVITIES

	Income/Direct Costs 2018 £	Support Cost Allocation 2018 £	Total 2018 £	Total 2017 £
Group				
Trading income	57,351	-	57,351	56,225
Trading costs	(55,818)	-	(55,818)	(57,618)
Trading net profit/(loss)	1,533	-	1,533	(1,393)
Contribution from trading activities	1,533	-	1,533	(1,393)

All trading activities income received in 2017 and 2018 was unrestricted.

**9. EXPENDITURE
2018**

	Grants £ (note 10)	Staff Costs £	Other Direct Costs £	Support Cost Allocations £ (note 11)	Total 2018 £
Group					
Expenditure on Raising Funds					
Cost of Raising Funds	-	54,884	37,573	22,943	115,400
Expenditure on Trading Activities					
Retail (100% trading sub)	-	8,526	47,292	-	55,818
Expenditure on Charitable Activities					
Research	113,466	43,531	-	18,216	175,213
Services to Members	-	150,850	110,635	63,128	324,613
Support Costs Allocated	-	20,319	83,968	(104,287)	-
Total Expenditure	113,466	278,110	279,468	-	671,044

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

9. EXPENDITURE (CONTINUED)

PRIOR YEAR

Group	Grants £ (note 10)	Staff Costs £	Other Direct Costs £	Support Cost Allocations £ (note 11)	Total 2017 £
Expenditure on Raising Funds					
Cost of Raising Funds	-	49,290	16,279	43,701	109,270
Expenditure on Trading Activities					
Retail (100% trading sub)	-	10,904	46,714	-	57,618
Expenditure on Charitable Activities					
Research	145,240	42,689	-	37,868	225,797
Services to Members	-	142,635	96,180	126,530	365,345
Support Costs Allocated	-	38,473	169,626	(208,099)	-
Total Expenditure	145,240	283,991	328,799	-	758,030

10. GRANTS

Analysis of grant expenditure

	2018 £	2017 £
Group & Charity		
University College London	79,000	80,000
Royal National Hospital for Rheumatic Diseases	-	45,000
Alder Hay	-	20,000
Queen Mary	62,000	-
Grants to Individuals	-	240
Write backs	(27,534)	-
	113,466	145,240

Of the total grants payable £141,000 relates to grants payable to institutions (2017: £145,000).

Grant commitments are as follows:

	2018 £	2017 £
Group & Charity		
Grant commitments at 1 April	689,750	660,335
Awards made during year	141,000	145,240
Payments made during the year	(183,071)	(115,825)
Grants retracted	(27,534)	-
Grant commitments at 31 March	620,145	689,750

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. GOVERNANCE AND SUPPORT COSTS

	Total 2018	Total 2017
	£	£
Group & Charity		
Support & Governance:	14,831	32,250
Support staff costs	6,955	12,910
Human resources	19,395	17,600
Facilities	20,483	33,344
Finance & legal	17,455	26,444
Office costs	-	57,032
Merger	5,488	6,223
Governance staff costs	19,680	22,296
Total support and governance costs	104,287	208,099

12. STAFF COSTS

	Group		Charity	
Staff costs were as follows:	2018	2017	2018	2017
	£	£	£	£
Wages and salaries	230,450	260,691	221,924	249,787
Social security costs	20,273	23,300	20,273	23,300
Pension	975	-	975	-
Temporary staff	26,412	-	26,412	-
	278,110	283,991	269,584	273,087

The average number of employees during the year was as follows:

	2018	2017
	No.	No.
Staff	9	11

Employees receiving remuneration amounting to more than £60,000 were as follows:

	2018	2017
	No.	No.
Remuneration		
£70,000 - £79,999	1	1

During the year no redundancy was paid (2017: £18,363).

The key management personnel of the charity comprise the trustees, the chief executive officer and the senior management team as listed on page 34. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to SRUK was £159,632 (2017: £149,296).

None of the trustees (or any person connected with them) received any remuneration during the year, and total expenses reimbursed to trustees was £985 relating to four trustees for traveling and other expenses (2017 - £1,997 for 4 trustees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. FIXED ASSETS

Group	Freehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2017	200,000	1,684	201,684
Impairment	(50,000)	-	(50,000)
At 31 March 2018	150,000	1,684	151,684
Depreciation			
At 1 April 2017	-	884	884
Depreciation charge	-	337	337
At 31 March 2018	-	1,221	1,221
Net Book Value			
At 31 March 2017	200,000	800	200,800
At 31 March 2018	150,000	463	150,463
Charity			
Cost			
At 1 April 2017	200,000	1,159	201,159
Impairment	(50,000)	-	(50,000)
At 31 March 2018	150,000	1,159	151,159
Depreciation			
At 1 April 2017	-	464	464
Depreciation charge	-	232	232
At 31 March 2018	-	696	696
Net Book Value			
At 31 March 2017	200,000	695	200,695
At 31 March 2018	150,000	463	150,463

Advice was taken from local estate agents as to the appropriate values for marketing the freehold land and buildings.

The impairment was determined using the most recent valuation of the freehold land and buildings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

14. FIXED ASSET INVESTMENTS

	2018 Total £	2017 Total £
Group & Charity Investments		
Market value of quoted investments at 1 April	456,821	628
Additions	107,298	445,722
Disposal proceeds	(68,801)	-
Net investment gain / (loss)	(7,505)	10,471
Market value of quoted investments at 31 March	487,813	456,821
Cash on deposit	23,977	55,889
Market value at 31 March	511,790	512,710
Historic cost at 31 March	510,992	502,239
Accumulated unrealised gain / (loss)	798	10,471
Historic Cost Gains		
Net investment gain / (loss)	(7,505)	10,471
Movement on unrealised gain / (loss)	9,673	(10,471)
Realised gains / (losses) based on historic cost	2,168	-

All the fixed asset investments are held in the UK.

Investments have been valued at market value at the balance sheet date.

	2018 £	2017 £
Investments are represented by:		
Cash	23,977	55,889
Equity	136,702	136,702
Fixed interest	121,064	121,064
Alternatives	68,839	68,839
Overseas	161,208	130,216
Total	511,790	512,710

15. STOCK

	Group		Charity	
Stock	2018 £	2017 £	2018 £	2017 £
Stock	9,703	7,238	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

16. FINANCIAL INSTRUMENTS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Financial instruments measured at amortised cost	983,555	1,183,446	943,804	1,129,414
Financial liabilities measured at amortised cost	666,474	762,108	655,321	757,163

Financial assets measured at amortised cost comprise bank and cash, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and grant commitments.

17. DEBTORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Due within one year				
Trade debtors	6,685	2,592	885	117
Amounts owed by group entities	-	-	45,626	63,621
Accrued income	1,151,565	127,587	1,151,565	127,587
Other debtors	5,654	3,271	5,654	3,271
Prepayments	11,843	10,780	10,104	10,771
	1,175,747	144,230	1,213,834	205,367

18. CREDITORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Due within one year				
Trade creditors	21,149	47,721	15,238	46,551
Deferred income	1,897	3,791	1,897	3,791
Other creditors	-	179	-	179
Taxes and social security	6,144	8,815	6,382	9,114
Accruals	25,180	24,458	19,937	20,683
Grant commitments	620,145	689,750	620,145	689,750
	674,515	774,714	663,599	770,068

DEFERRED INCOME:

Group and Charity	2018 £	2017 £
Opening balance	3,791	7,782
Income released in the year	(3,791)	(7,782)
Income deferred in the year	1,897	3,791
Closing balance	1,897	3,791

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. RESTRICTED FUNDS

2018

Group & Charity	Funds brought forward £	Income £	Expenditure including gains and losses £	Funds carried forward £
Brian Norris appeal	-	54,461	(54,461)	-
Actelion	-	5,000	(5,000)	-
	-	59,461	(59,461)	-

Part of Actelion's grant of £5,000 was used to hold a memorial lecture for Anne Mawdsley in the House of Commons (£3,000) and the remaining £2,000 was used to support the Annual Conference.

The Brian Norris donation of £54,461 was used to fund a number of key projects:

- £14,985 funded two midline machines at PITU in the Royal Free Hospital, London giving patients choice as to how they receive vital Iloprost infusions.
- £19,000 was used to fund the a key research project led by Professor Chris Denton at the Royal Free Hospital looking into the Modulation of systemic sclerosis pathobiology by purified Factor XIII.
- £15,000 funded an important research project led by Professor Peter Butler, Royal Free, London on the mechanistic study of autologous lipotransfer in Systemic Sclerosis.
- £5,476 funded a publication on Scleroderma to be made available in clinics across the UK, supported by a series of 4 videos with Professor Denton to be shown on the website and YouTube.

PRIOR YEAR

	Funds brought forward £	Income £	Expenditure including gains and losses £	Funds carried forward £
Brian Norris appeal	10,546	-	(10,546)	-
Actelion	7,500	-	(7,500)	-
	18,046	-	(18,046)	-

Actelion's grant of £7,500 was used to produce a Digital Ulcer publication educating patients on the signs and symptoms, causes and treatment pathway, whilst empowering them to care for digital ulcers at home through expert self-management information.

The Brian Norris donation of £10,546 was used to create patient education videos. These videos were produced in partnership with specialists from across the UK providing accessible expert information on Scleroderma and Raynaud's.

20. UNRESTRICTED FUNDS

2018

	Funds brought forward	Income	Expenditure including gains and losses	Transfer	Funds carried forward
GROUP	£	£	£	£	£
Designated	-	-	-	1,450,000	1,450,000
General	981,894	1,643,336	(678,549)	(1,450,000)	496,681
Revaluation	158,366	-	(50,000)	-	108,366
	1,140,260	1,643,336	(728,549)	-	2,055,047

	Funds brought forward	Income	Expenditure including gains and losses	Transfer	Funds carried forward
CHARITY	£	£	£	£	£
Designated	-	-	-	1,450,000	1,450,000
General	988,776	1,594,511	(631,256)	(1,450,000)	502,031
Revaluation	158,366	-	(50,000)	-	108,366
	1,147,142	1,594,511	(681,256)	-	2,060,397

PRIOR YEAR

	Funds brought forward	Income	Expenditure including gains and losses	Transfer	Funds carried forward
GROUP	£	£	£	£	£
Designated	-	-	-	-	-
General	1,112,122	599,284	(729,512)	-	981,894
Revaluation	158,366	-	-	-	158,366
	1,270,488	599,284	(729,512)	-	1,140,260

	Funds brought forward	Income	Expenditure including gains and losses	Transfer	Funds carried forward
CHARITY	£	£	£	£	£
Designated	-	-	-	-	-
General	1,134,913	553,963	(700,100)	-	988,776
Revaluation	158,366	-	-	-	158,366
	1,293,279	553,963	(700,100)	-	1,147,142

Funds designated in the current year:

- Designated fund of £1,200,000 into research over 5 years.
- Designated fund of £250,000 to pump prime projects over the next 3 years to raise even more funds for our work and for development of the strategic themes of awareness, empowerment and healthcare.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

21. ANALYSIS OF NET ASSETS

2018

GROUP	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	150,463	-	-	150,463
Investments	511,790	-	-	511,790
Current assets	617,309	1,450,000	-	2,067,309
Current liabilities	(674,515)	-	-	(674,515)
	605,047	1,450,000	-	2,055,047

CHARITY	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	150,463	-	-	150,463
Investments	511,790	-	-	511,790
Current assets	611,743	1,450,000	-	2,061,743
Current liabilities	(663,599)	-	-	(663,599)
	610,397	1,450,000	-	2,060,397

PRIOR YEAR

GROUP	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	200,800	-	-	200,800
Investments	512,710	-	-	512,710
Current assets	1,201,464	-	-	1,201,464
Current liabilities	(774,714)	-	-	(774,714)
	1,140,260	-	-	1,140,260

CHARITY	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	200,695	-	-	200,695
Investments	512,710	-	-	512,710
Current assets	1,203,805	-	-	1,203,805
Current liabilities	(770,068)	-	-	(770,068)
	1,147,142	-	-	1,147,142

22. GOING CONCERN

Financial statements have been prepared on the going concern basis, no material uncertainties exist over the going concern assumption.

23. RELATED PARTIES

During the year staff recharges of £8,526 (2017 - £10,903) were made to RSA Trading Company Limited, as at 31 March 2018 SRUK are due £37,100 (2017 - £63,621) from RSA Trading Company Limited

All transactions were carried out at arm's length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

24. PRINCIPAL SUBSIDIARIES

Company Name	Country	Percentage	Description
RSA Trading Company Limited	United Kingdom	100%	Sale of products to help with the medical conditions of Raynaud's and Scleroderma

The subsidiary was registered in England and Wales with registered number 07869668.

Financial review:	2018 £	2017 £
Net assets	(5,345)	(6,877)
Income	57,351	56,225
Expenditure	(55,818)	(57,618)
Profit / (Loss)	1,533	(1,393)

25. OPERATING LEASES

Group and Charity Operating Leases - Buildings	2018 £	2017 £
Amounts due:		
< 1 year	8,064	8,064
2-5 years	22,176	30,240
>5 years	-	-
Total	30,240	38,304

LEGAL AND ADMINISTRATIVE DETAILS

Trustees:

Christopher Coombe
Kenneth Hicks
Susan Hoare
Prof. Jeremy Pearson
Helena Rozga
Prof. David G.I. Scott

President:

Professor Dame Carol Black

Vice Presidents:

Professor Christopher Denton
Professor Ariane Herrick

Chief Executive Officer:

Sue Farrington

Senior Management Team:

Fatima Sulaiman, David Kesel,

Principal Bankers:

NatWest Bank,
1 Upper Market Square, Hanley
Stoke on Trent,
ST11NS

CAF Bank Limited,
25 Kings Hill Avenue, Kings Hill
West Malling Kent,
ME19 4JQ

Solicitors:

DLA Piper,
3 Noble Street,
London,
EC2V 7EE

Clyde & Co
The St Botolph Building,
138 Houndsditch,
London,
EC3A 7AR

Auditors:

haysmacintyre
10 Queen Street Place,
London,
EC4R 1AG