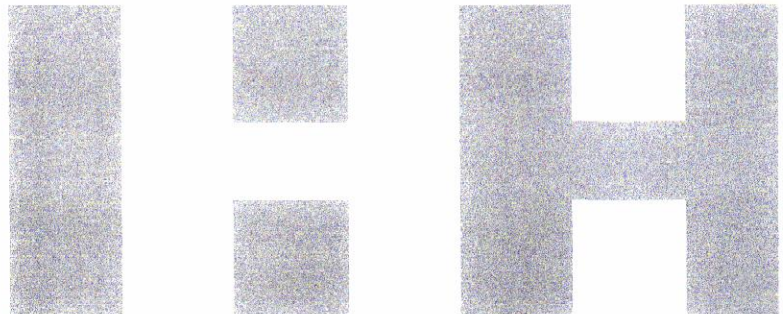


LUPUS UK

Charity No's. 1051610 & SC039682

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

HillierHopkins



**REFERENCE AND ADMINISTRATION DETAILS OF THE CHARITY, IT'S TRUSTEES
AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2017**

CHARITY REGISTRATION NUMBERS: 1051610 & SC039682

ADDRESS St James House
Eastern Road
Romford
Essex RM1 3NH

TRUSTEES: Mr K Weston (Chair)
(throughout the year) Mrs Y Norton (Vice Chair)
Mr D Hopkins (Secretary)
Mrs T Stemp (Treasurer)
Mrs J Roberts
Mrs K Newby
Mrs J McComiskey
Mrs E Holland
Dr E Mellon

CEO: Mr C J Maker

AUDITORS: Messrs Hillier Hopkins LLP
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

BANKERS: Barclays Bank plc
Romford Business Centre
Romford
Essex RM1 1RF

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

LUPUS UK

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees present the annual report and the audited accounts of the Charity for the year ended 31 December 2017. The financial statements have been prepared in accordance with the accounting policies set out on pages 15, 16 and 17 and comply with the Charity's constitution and applicable law.

THE CHARITY

LUPUS UK is the National Charity for all people affected by lupus in England, Wales, Scotland and Northern Ireland. Its objectives are to:

- educate and support patients with lupus (in all its forms), families and their carers, and to encourage those with the disease to be involved in managing their illness
- raise public awareness about lupus, particularly within the medical and health professions
- fund research into lupus, its causes, consequences and treatment
- fund specialist lupus nurses within the NHS.

The original Charity, British SLE Aid Group was founded in 1978 becoming LUPUS UK from 1996 with the new constitution approved on 14 October 1995. The constitution has been amended periodically since then.

Vision A world where people with lupus can lead full and active lives.

Mission To empower people by providing information about lupus and offering support, so their voices are heard and their condition diagnosed and managed effectively.

Trustees

The Trustees of the Charity who served during the year ended 31 December 2017 are shown on page 1. Formerly, the Trustees were elected by National Council at their March and September meetings. However, at the Annual General Meeting held 6th May 2017, motions were adopted that amended the Constitution, which changed the election dates for Trustees to the Annual General Meeting. The Trustees will continue to be elected by rotation and serve a period of three years at which point they are eligible to either stand for re-election or step down. To accommodate this change, the current period of office for Trustees will be extended from 31st December to the following AGM. Consequently, the terms of office for Yvonne Norton, Tina Stemp and Jan Roberts have been extended from 31st December 2017 to 12th May 2018. Dr Liz Mellon was co-opted to the Board of Trustees with effect 1st January 2017

All of the Trustees have been involved directly in the work of the Charity prior to their election. Opportunities for training are circulated to the Trustees and to encourage best practice the Trustees each have a copy of the NCVO publication 'The Good Trustee Guide'. New Trustees are encouraged to read the Charity Commission publication 'The Essential Trustee'.

Management The daily management of LUPUS UK is under the control of the CEO (see page 1) who is responsible for staff and the running of National Office, and reports to the Trustees.

Key Management Remuneration

Remuneration for key management personnel is benchmarked against the voluntary sector and is set by the Trustees.

OBJECTIVES, ACTIVITIES AND PERFORMANCE

Systemic Lupus Erythematosus (SLE) usually referred to as lupus, is an auto-immune condition where

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

the immune system instead of protecting the body, can attack any part of it. At present there is no known cure. The diversity and intensity of symptoms and damage to organs can make it a very difficult and potentially disabling disease to live with. Most people who have lupus require life-long medication, the side-effects of which can lead to potential problems.

As the disease is very complex, lupus will normally be diagnosed by a consultant following the criteria recommended by the American College of Rheumatologists. It can sometimes affect one system of the body more intensely than others. If the kidneys are affected it is usually referred to as lupus nephritis. If the skin and hair are the dominant parts affected it is usually referred to as discoid lupus. Other terms may be used by clinicians to define particular aspects of the disease.

Being diagnosed with lupus can be a lonely experience as the newly diagnosed are unlikely to know anyone else with the condition. The main purposes of the Charity are to bring together, support and help people living with lupus, and their families, and to advance awareness and education of the public and particularly the medical and health professions in all aspects of the disease. There are a number of key ways in which the Charity does this, including its telephone help-line, Group meetings in various parts of the country and information in a number of formats. LUPUS UK provides funding for medical research into the causes and consequences of lupus and improved medication and grant-funds specialist Lupus Nurses within the NHS.

Activities

Bringing people together remains a very important area of the work of LUPUS UK and social media plays an ever increasing part in this. At the end of the year the number of followers on social media was: Facebook 26,088 (2016: 21,965), on Twitter 7,661 (2016: 6,472) and on HealthUnlocked 18,606 (2016: 13,761). There were 391,582 unique visits to the LUPUS UK website during 2017. There were also 7,924 information downloads. A Video clip was produced during the year and featured on our website for Lupus Awareness Month; released in October #THISISLUPUS has attracted 1,110 views on YouTube and 17,648 on Facebook Video.

LUPUS UK has a nationwide network of over one hundred telephone Contacts, mainly members who have lupus themselves, or others whose partner has lupus and are Carers, who offer help-line advice to enquirers. The leaflet 'Listening Ear' is available from LUPUS UK National Office and is sent to all enquirers and distributed through rheumatology and lupus clinics in order to make people aware of the service.

Lupus Information Days were held in Winchester and Nottingham during the year and both events were filmed and may be viewed via the LUPUS UK website www.lupusuk.org.uk

Lupus awareness was boosted dramatically when the actress/singer Selena Gomez announced that she had a kidney transplant, donated by her close friend, due to the effects of her lupus. She has millions of followers on her social media and following the announcement the LUPUS UK website saw a huge increase in visits and activity.

The British Society for Rheumatology announced the first UK guideline on care for adults who have systemic lupus erythematosus aimed primarily at rheumatologists. However, clinical nurse specialists, nephrologists, immunologists, dermatologists, emergency medicine practitioners, GPs and many trainees will also use the guideline.

Key Performance Indicators

In addition to social media followers, paid membership is important. It is clear that more people are happy to engage with the charity on social media and online and this drives awareness and fundraising.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

During 2017 349 members joined the charity, but year on year membership has reduced by 252. However, this continues to be a key area as there is a 'hard core' of members who have been with LUPUS UK for many years and servicing them remains is very important.

Funding

The charity receives no funding from Government or any of its departments. Our income is derived from a variety of sources and we receive tremendous support from various activities and events, which are often prompted by the personal interest of a family member or friend. During the year just over 58% of income was derived from donations, legacies, membership income and Gift Aid. Charitable Activities, as outlined below, represented nearly 39% of income, with sales of Christmas Cards and other items making up 2% and investment income 1% of overall income. The Trustees ensure that the charity is not reliant on any one source of income. LUPUS UK will not add anyone to its database unless they specifically ask to be included. The Charity does not pass on such personal information to any third party or use it for marketing purposes and does not use call centres for fundraising.

People continue to make an incredible effort in support of LUPUS UK undertaking numerous challenges such as: climbing mountains, cycling, running, swimming and parachuting out of planes. In particular, we acknowledge the efforts of our London Marathon runners who once again excelled themselves, along with participants in many other runs and events. We are very appreciative of everyone who showed commitment to the Charity by participating in these activities and many others, to raise lupus awareness and funding for the Charity's Grants programme.

Lupus Awareness Month in October focuses the attention of members and supporters in a variety of ways to publicise lupus and the work of LUPUS UK. Awareness and fundraising go hand in hand and as mentioned above the video clip #THIS IS LUPUS was released.

To raise lupus awareness within the medical profession the publication 'Lupus Diagnosis & Treatment' continues to be distributed to GPs around the country and to Medical Schools in Devon, Birmingham and Glasgow. Work has now commenced on the third edition with the launch anticipated autumn 2018.

Information

The LUPUS UK website www.lupusuk.org.uk is packed with information and advice and has a link to the Eclipse – Light Sensitivity area for those with light sensitivity issues. LUPUS UK is accredited by the Information Standard that enables the Charity to display information on NHS websites and also helps the public and patients identify reliable sources of evidenced-based information. During the year a number of publications were reviewed and updated. Each month a discussion topic is posted on the LUPUS UK website. During the year a wide range of subjects were covered offering tips gained from personal experiences from lupus patients collected from social media. Subjects included Depression & Anxiety, Diet & Healthy Eating, Managing Pain and Getting Diagnosed.

LUPUS UK keeps in regular contact with lupus specialists and lupus nurses, who may, via the LUPUS UK website, link into the section 'information for medical professionals', which includes information and the procedure for grant applications. The Charity is grateful for the advice and help of its Scientific and Medical Advisory Peer Review Panel for assessing grant applications and additional matters along with the support of a number of other medical professionals. Recognising the importance of lupus awareness within both the medical profession and the wider public, one of the Charity's aims is to provide literature and information to all people with lupus via lupus and rheumatology clinics. To increase awareness the Charity is represented at various conferences, exhibitions and seminars countrywide by the Staff, Trustees and Group members; this gives us valuable introductions to medical and health professionals.

LUPUS UK works closely with the UK Juvenile SLE Cohort Study: a collaboration between over 20

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

paediatric hospitals around the UK, looking into the incidence, causes and treatment of lupus in children and young people of which over 600 are now enrolled on its various research projects. This will give further information about how they are affected by lupus, standards of care and best treatment.

LUPUS UK gives its Centres of Excellence award in recognition of the excellent care of lupus patients and productive research into the disease. Seven hospitals have so far received this recognition: Queen Elizabeth/City Hospitals, Birmingham, Manchester Royal Infirmary, Alder Hey Children's Hospital, Liverpool, University College London Hospital, the Louise Coote Lupus Unit, Guy's & St Thomas' Hospital, London and the Royal National Hospital for Rheumatic Diseases, Bath; recently joined by Addenbrooke's Hospital, Cambridge. To ensure that standards are maintained or improved periodic visits are made to each centre.

LUPUS UK continues to be an active member of LUPUS EUROPE. During the year LUPUS UK made a submission to the SMC (Scottish Medicines Consortium) in support of the use of Belimumab (Benlysta) and we are pleased that it has been accepted for restricted use, as an add on therapy, by NHS Scotland.

Risk management

The LUPUS UK Risk Map is reviewed each year by the Trustees to examine the major strategic, business and operational risks that the Charity faces so that any necessary steps can be taken to review and lessen these risks. During 2017 there were some minor adjustments to the Risk Map.

The Risk Map covers eight areas: Governance, Legal & Regulatory, Physical, Financial, Competitive, People/Operational, Systems & Technology and Reputation. In each area the Trustees consider the likelihood and impact of each area and consider ways to mitigate any potentially adverse effects. For example the charity ensures that it is not reliant on any one source of income and all payments over the value of £5,000 require the second signature/authorisation of the Treasurer or Chair. GDPR (General Data Protection Regulation) comes into force 25th May 2018 and the charity is working to comply with its provisions.

LUPUS UK has a robust reserves policy to ensure ongoing financial viability. Please see below.

Grant Making Policy

During 2017 the Trustees approved Grants totalling £861,919, following recommendations of the Peer Review Panel in respect of research grant applications and at the end of 2017 the Charity's commitment to fund Grants over the next five years stands at £1,741,539. However, we continue to receive more applications than we have funds available.

The Trustees are very pleased to report that from 1992 to the end of 2017 LUPUS UK and its predecessor have committed Research and Specialist Lupus Nurse funding of over £8.7 million. This is a tremendous achievement for which we are so grateful to our supporters, who have made it possible.

The Charity invites applications for the funding of research projects and specialist lupus nurses. Applications for research funding are reviewed against specific criteria and research objectives by the Peer Review Panel, who make their recommendations to the Trustees.

As LUPUS UK does not have sufficient funding available for large-scale research projects; it will continue to support applications that focus on the following:

- smaller pilot studies, which may lead to applications to major funders for large-scale research trials
- enabling grants for basic science support, which would enable larger projects by providing

LUPUS UK

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

- essential data for large grant applications
- medical meetings that would facilitate improvements to the understanding of the causes, prevention and treatment of lupus and its research.

LUPUS UK is a partner of the National Institute for Health Research (NIHR) and a patient's group partner of the Scottish Medicines Consortium.

The Charity funds specialist nurses within the NHS and seeks a commitment that these posts will become permanently funded by the particular Hospital Trusts at the end of the five year funding period. Fourteen Specialist Lupus Nurses are currently being funded or funding has been agreed. During 2017 funding was confirmed by the Trustees for three Specialist Lupus Nurse posts at Queen Elizabeth Hospital Birmingham, University Hospital, Coventry and Musgrave Park, Royal Victoria and Belfast City Hospitals, Northern Ireland.

LUPUS UK is prudently run and Research and other Grants are only approved by the Trustees if funds are already held. Once the commitment has been announced the funding is placed in special reserve. Like most other charities LUPUS UK has been affected by the current economic climate and the Trustees have taken account of this with regard to future budgets and will ensure that the Charity tailors its commitments to its resources.

FINANCIAL REVIEW OF ACCOUNTS

The state of the Charity's affairs at 31st December 2017, with comparative information for the previous year, is shown in the accompanying financial statements. There have been no significant events that have impacted on the charity in meeting its financial objectives.

Total funds received during the year were £1,011,130 against £1,062,479 in the previous year. Voluntary income (Donations received, Membership and Gift Aid) was down by £75,899 on the previous year, due in part to reduced legacy income. Investment income (Interest and Dividends) was down by £3,197, due to reduced interest income. Charitable Activities (Fundraising) was up by £29,045 on the previous year and income from charitable activities (Sales) was down by £1,298.

The costs of generating funds were down overall (see notes 3 and 4). The costs of generating Voluntary Income and Fundraising costs were down by £6,793 with Charitable Activities - Support and Administration costs up by £12,193 (see note 5). Grants attributable for the year were up by £405,568, to £861,919.

Overall there is a deficit of income over expenditure of £268,060 for the year before including a surplus on the investments. The value of the investments at 31st December 2017 stood at £306,645 and an increase in value of £26,841 has been accounted for (see note 8). The financial markets continue to fluctuate but we would anticipate the value to rise in the coming years as the investments are of a long term nature.

Reserves policy

The Charity's reserves at 31st December 2017 were £387,374 (2016: £628,593). LUPUS UK needs reserves to maintain its current activities and provide funding committed for longer term projects to progress them to completion, as well as enabling the Trustees to meet their day to day responsibilities and ensure that the Charity can continue to operate as a going concern. The Trustees have considered their policy in respect of the level of their reserves and aim to retain a minimum sum in the region of one year's expenditure, which will be held on deposit at the best available rate. Reserves as at 31 December 2017 meet this policy.

LUPUS UK

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

Investment management

The Investment Portfolio is controlled by Rathbones Investment Management Ltd, and quarterly valuations are forwarded together with various reports. Our investments increased in value by £26,841 (see note 9), during 2017. Dividends received for the year were £5,434 and interest for the year of £3,260 (see note 2).

PUBLIC BENEFIT

The Charity continues to work closely with the medical profession to raise awareness of the illness to all patients. Membership of the Charity is open to all who are interested in supporting its work, whether they have lupus or not. Enquiries about the condition are regularly received from the general public; the Charity makes information and advice available freely to everyone.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

In order to maximise its effectiveness, LUPUS UK is actively involved with umbrella organisations such as National Voices and the Arthritis and Musculoskeletal Alliance (ARMA).

LUPUS UK is a founder member of RAIRDA (Rare Auto-Immune Rheumatic Disease Alliance), along with Scleroderma & Raynaud's UK, Vasculitis UK and The British Society for Rheumatology. Established to improve care for people living with these conditions with the purpose of bringing together clinical and patient organisations and other key stakeholders in order to raise the profile of rare autoimmune rheumatic diseases, influence policy and guide future research.

As a member of the World Lupus Federation, LUPUS UK aims to link up with other lupus organisations around the world to raise public awareness of the disease.

RELATED PARTIES

There were no related party transactions.

FUTURE PLANS

LUPUS UK plans to continue to raise lupus awareness and to advise and inform people about lupus. The other main priority for the charity is the funding of lupus research and specialist lupus nurses. Funding for these is dictated by financial income and the charity will not commit to such expenditure unless the monies are already held. These areas are unlikely to change in the future but will be further assisted by the use of information technology and social media.

VOLUNTEER INVOLVEMENT

The National Council of LUPUS UK is made up of the Trustees, a representative from each of the Regional Groups (which are managed by a volunteer committee of individuals, who are mostly lupus patients) and Regional Co-ordinators, who are also lupus patients. In total, and in addition to the nationwide network of telephone Contacts who offer a listening ear, around 100 people with lupus and a smaller number of other supporters conduct the affairs of the Charity at local and national levels across the usual range of the Charity's educational, social and fund-raising activities.

The Trustees would like to record their thanks to those members who commit their time and energy to the

LUPUS UK

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

charity in a variety of ways, particularly those who assist in the running of its local Groups, especially the Group Chairs and Regional Co-ordinators. We welcome offers of help from those willing to work with and support the Charity in this way.

The Trustees recognise the commitment and dedication of our many volunteers and are very grateful to all who take on these various roles.

DONATIONS

The Charity greatly appreciates the many people, companies, trusts and other organisations who have made valued donations in support of people with lupus during the year.

Tina Stemp **Tina Stemp**
Honorary Treasurer and Authorised Trustee

Date 11.05.18

Kevin Weston
Chair

Kevin Weston

Date

11/05/18

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

The Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom generally accepted accounting practice).

Law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the trustees are required to:

select suitable accounting policies and then apply them consistently;

observe methods and principles in the Charities SORP;

make judgements and estimates that are reasonable and prudent;

state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepared the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Tina Stemp **Tina Stemp** Treasurer

Date 11.05.18

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LUPUS UK FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Lupus UK (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activity, Balance Sheet, Cash Flow 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).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

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 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 report of the trustees, 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LUPUS UK FOR THE YEAR ENDED 31 DECEMBER 2017

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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of financial statements which 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 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

Hillier Hopkins LLP

Hillier Hopkins LLP
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 18/6/18

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017**

	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	TOTAL FUNDS £	2016 £
Income and endowments from:				
Donations and legacies	589,389	-	589,389	665,288
Charitable activities	392,575	-	392,575	363,530
Investments 2	8,694	-	8,694	11,891
Other trading activities	20,472	-	20,472	21,770
Total	1,011,130	-	1,011,130	1,062,479
Expenditure on:				
Cost of raising funds				
Costs of raising voluntary income 3	31,637	-	31,637	40,928
Fundraising costs. 4	127,441	-	127,441	124,943
Charitable activities 5	1,120,112	-	1,120,112	702,351
Total	1,279,190	-	1,279,190	868,222
Net income/(expenditure)	(268,060)	-	(268,060)	194,257
Other recognised gains/(losses):				
Gains/(losses) on investment assets 9	26,841	-	26,841	35,151
Net movement in funds				
Fund balances January 2017	(241,219)	-	(241,219)	229,408
	576,746	51,847	628,593	399,185
Fund balances December 2017 15	335,527	51,847	387,374	628,593

BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	TOTAL FUNDS £	2016 £
FIXED ASSETS	7	-	-	-	445
INVESTMENTS	9	306,645	-	306,645	279,804
		306,645		306,645	280,249
CURRENT ASSETS					
Stock	10	17,894	-	17,894	18,861
Debtors	11	34,767	-	34,767	117,370
Cash at bank and in hand		1,746,778	51,847	1,798,625	1,636,264
Cash at bank and in hand held by Regional Groups		30,821		30,821	40,014
		1,830,260	51,847	1,882,107	1,812,509
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	782,182	-	782,182	(685,312)
NET CURRENT ASSETS		1,048,078	51,847	1,099,925	1,127,197
NET ASSETS		1,354,723	51,847	1,406,570	1,407,446
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(1,019,196)	-	(1,019,196)	(778,853)
		335,527	51,847	387,374	628,593
REPRESENTED BY:					
FUND BALANCES	15	335,527	51,847	387,374	628,593

The notes on pages 14 to 22 form part of these financial statements.

These financial statements were approved by the Trustees on: 11.10.2018

Tina Stemp
Authorised Trustee **Tina Stemp**

STATEMENT OF CASHFLOWS

YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Cash flow from operating activities	144,474	114,238
Interest paid	-	-
Net cash flow from operating activities	<u>144,474</u>	<u>114,238</u>
 Cash flow from investing activities		
Interest received	3,260	6,559
Dividends received	5,434	5,332
Net cash flow from investing activities	<u>8,694</u>	<u>11,891</u>
 Cash flow from financing activities		
	0	0
Net increase/ -decrease in cash and cash equivalents	153,168	126,129
Cash and cash equivalents at start date 01/01/2017	1,676,278	1,550,149
Cash and cash equivalents at start date 31/12/2017	<u>1,829,446</u>	<u>1,676,278</u>
 Cash and cash equivalents consists of:		
Cash at bank and in hand	1,829,446	1,676,278
Short term deposits		
Cash and cash equivalents at end date 31/12/2017	<u>1,829,446</u>	<u>1,676,278</u>

NOTES TO THE FINANCIAL STATEMENTS 31ST DECEMBER, 2017

1 ACCOUNTING POLICIES

1.01 Basis of preparation of the financial statements

The financial statements are prepared on the accruals basis and under the historical cost convention with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting Standards and Reporting by Charities SORP (FRS102) effective 1 January 2015, and applicable accounting standards and the Charities Act 2011.

LUPUS UK is a charity registered in England and Scotland. The address of the charity is detailed on page one of the accounts. The nature of the charity's operations is to help relieve persons who have lupus and to advance the education of the public and the medical profession in all aspects of the disease

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.02 Incoming Resources

Donations & Legacies, Charitable Activities, Investments and Other Trading Activities are included in incoming resources when they are receivable, except when the donors specify that they must be used in future accounting periods or donors conditions have not been fulfilled, then the income is deferred. The income and fundraising ventures are shown gross, with the associated costs included in fundraising costs. Grants are treated as income irrespective of the source of the grant.

1.03 Resources Expended

Resources expended: Cost of generating voluntary income, Fundraising costs and Charitable activities are included in the Statement of Financial Activities on an accruals basis, inclusive of the disallowable portion of VAT.

Expenditure which is directly attributable to specific activities, has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

Grants payable are charged in the year when the conditions attaching to the grant is fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

NOTES TO THE FINANCIAL STATEMENTS 31ST DECEMBER 2017

(Continued)

- 1.04 Stock
- Stock is valued at the lower of cost and net realisable value.
- 1.05 Debtors
- Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- 1.06 Creditors
- Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- 1.07 Tangible Fixed Assets
- Depreciation is provided on all tangible fixed assets at rates calculated to write off each asset over its expected useful economic life as follows:
- Furniture, fittings & equipment 33.3% straight line basis.
- 1.08 Investments
- Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.
- 1.09 Fund accounting
- Generally funds are unrestricted 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 comprise restricted funds that have been set aside by the Trustees for a particular purpose.
- Restricted funds are those which are only to be used for specific purposes as laid down by the donor. Expenditure which meets the criteria is charged to the fund, together with an equitable allocation of management and support costs.
- 1.10 Taxation
- The charity's surpluses are derived from, and are applied towards, the maintenance of charitable activities and as such are not subject to taxation.
- 1.11 Operating Leases
- Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.
- 1.12 Judgements & Estimates Note
- 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.

1.13 Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS 31ST DECEMBER 2017
(Continued)

18

	2017	2016
	£	£
2 VOLUNTARY INCOME		
Donations	228,575	252,286
Legacies	262,494	313,838
Membership Income	54,842	54,823
Gift Aid Income	43,278	44,341
	<u>589,189</u>	<u>665,288</u>
INVESTMENT INCOME		
Listed investment income	£ 5,434	£ 5,332
Bank interest	3,260	6,559
	<u>8,694</u>	<u>11,891</u>

INCOME FROM CHARITABLE ACTIVITIES

	2017	2016
	£	£
3 COST OF VOLUNTARY INCOME		
	<u>31,637</u>	<u>40,928</u>

	2017	2016
	£	£
4 FUNDRAISING COSTS		
Cost of goods sold	14,286	19,713
Fundraising costs:		
Staff salaries and national insurance (note 6)(30%)	52,900	50,025
Fundraising and publicity costs	51,451	44,705
Printing, stationery and postage (30%)	8,804	10,500
	<u>127,441</u>	<u>124,943</u>

5 CHARITABLE ACTIVITIES

Support Costs

	2017	2016
	£	£
Rent, rates, service charge and insurance	45,319	45,550
Staff salaries and national insurance (note 6) (70%)	123,432	116,727
Printing, stationery and postage (70%)	20,543	24,500
Telephone	1,355	1,180
Electricity (Light & Heat)	1,416	1,442
National Office Overheads	11,524	11,009
Depreciation	445	1,070
Professional fees	2,883	802
"News & Views" magazine	44,096	40,493
Survey Costs	972	-
Audit Fee	6,208	3,228
	<u>258,193</u>	<u>246,000</u>
Research and Welfare Grants (Details below)	861,919	456,351
	<u>1,120,112</u>	<u>702,351</u>

Research and Welfare Grants

	Paid 2017	1 Year	Future Commitments
	£	£	£
Dr Y Ioannou UCLH Transition Coordinator	12,636	12,763	25,909
Prof C Gordon Birmingham SLICC Research Nurse	21,717	21,717	10,858
West Scotland Lupus Nurse	24,071	25,366	26,856
Dr R Al-Jayyousi Specialist Lupus Nurse Leicester	25,173	38,618	82,077
Dr Y Ahmad, Spec Lupus Nurse, North Wales	35,676	45,957	152,894
Dr H Harris S&E Scotland Spec Lupus Nurse		49,284	201,803
Dr B Rhodes Spec Nurse QE Birmingham	11,619	46,826	188,307
Prof M Beresford 0.6wte Clinical Psychologist		32,508	
Dr S Dubey 0.5 Lupus Nurse Coventry		26,730	106,920
Dr E Bell & Dr C Riddell Musgrave Park Belfast		52,412	198,299
Prof D Isenberg UCL-SLICC	5,000	10,000	
Dr's Walker & Price Hull Uni Transitions to Illness		1,093	
Prof C Gordon Birmingham Metabolomics sle study	17,980		
Dr E Jury UCL immunopathogenesis jsle target lipids	10,641		
Prof A Rahman UCL CVR in patients with sle		13,171	
Dr N Basu, Uni Aberdeen Unravelling sle fatigue	11,684		
Dr H Cohen UCLH C resistance in APL	40,361		
Prof I Bruce Uni Manchester/MRI SLE/BILAG	42,507	21,472	
Dr A Zayat, Uni Leeds/NIHR USEFUL/ultrasound	14,458	7,229	
Prof A Rahman UCL Monocytes & Cardio Disease	34,184		
Prof M Beresford Uni Liverpool LUK & BPSU Study	20,577	46,667	17,652
Drs Cohen & Efthymiou UCLH & UCL IgM/APL	21,491	42,982	
Prof K Payne et al Man Uni stratified medicine/lupus	30,482	30,482	7,621
Dr M Wittman et al Uni Leeds cutaneous lupus	8,503	8,503	
A Rahman UCL fatigue & psychological health	44,161		
Dr E Ntatsaki & Prof A Salama Royal Free nephritis	6,220		
Drs C Ciurtin & E Jury UCL serological phenotypes	8,367		
Dr M Gray & J Simpson Uni Edinburgh lymphocytes	21,852		
Betolaccini & Smith Prothrombin, KCL	32,635		
Cambridge & Co Serological measure b cell function		32,635	
Scotta & Co novel cell therapy T cells		23,520	
Wilson & Lightstone molecular profiling kidney biopsy		24,497	
Mauri & Menon Type-I interferon predictive marker	11,482	11,482	
e jury immune cell function in SLE		23,204	
Dr E Vital & Oths Interferons Dissection		16,247	
Dr C Wincup & Prof A Rahman Fatigue		25,000	
Prof A Rahman & Oths Autophagy		7,008	
J Mynett Keele		24,970	
Uni Edinburgh Dr M Gray refund	1,930		
Peer Review Panel Expenses	- 231		
Lupus Nurse Network Group	125		
Welfare Grants	1,194		
	2,330		
	518,825	722,343	1,019,196
Opening commitments at 1 January 2017	- 1,398,445		
Commitment at 31 December 2017	1,741,539		
Total Charge for 2017	861,919		

6 EMPLOYEES

Staff Costs:

Wages and salaries

Social security costs

2017

£

2016

£

165,032

156,164

11,300

10,589

176,332166,753

The average number of employees,
by function, was:

Fundraising

Support

No.

2.5

No.

2.5

4.5

4.5

77

The Charity considers its key management personnel comprise the trustees and Chief Executive Officer. The total employment benefits including employer pension contributions of key management personnel were £58,000 (2016: £56,497)

No employee earned over £60,000 in either year.

None of the Trustees received any remuneration for their services.

Expenses incurred by the Trustees for travel, accommodation and subsistence totalled £12,216 (2016: £16,444) were reimbursed by the charity.

7 FIXED ASSETS**Office Furniture
and Equipment**

£

Cost

01-Jan-17

43,302

Disposals

-

Additions

-

31-Dec-17

43,302

Depreciation

01-Jan-17

42,857

Disposals

-

Charge for the year

445

31-Dec-17

43,302

Net Book Amount

31-Dec-17

-

31-Dec-16

445**8 FINANCIAL INSTRUMENTS**

2017

£

2016

£

Financial instruments measured at amortised cost

1,840,2131,757,648

Financial liabilities measured at amortised cost

1,801,3781,464,165

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.

	2017 £	21 2016 £
9 INVESTMENTS		
Carried forward from previous year	279,804	244,653
Add: Additions at cost	9,042	29,140
Less: Disposals at carrying value	- 30,193	- 44,637
Add/deduct net gain/(loss) on revaluation	47,992	50,648
	<u>306,645</u>	<u>279,804</u>

Disposals during year	Units	price as at 31-Dec-16	Total value 31-Dec-16
Unilever PLC	240	32.925	7,902
CrodaInternational PLC	190	31.960	6,072
RPC Group PLC	870	10.650	9,266
Centrica PLC	2970	2.341	6,953
			<u>30,193</u>

	2017 £	2016 £
Investments held as follows:		
Securities listed on UK Stock Exchange		
Cash	111,687	116,454
UK Fixed interest	40,419	21,912
Overseas Equities	33,280	32,216
Alternatives	94,719	82,925
	<u>26,540</u>	<u>26,297</u>
	<u>306,645</u>	<u>279,804</u>

MATERIAL INVESTMENTS	2017 £	2016 £
Findlay Park	25,007	22,371
Ishares PLC	19,856	18,220
Edinburgh Dragon Trust PLC	16,898	13,590

Investments are held in a managed fund administered by Rathbone Investment Management Limited.

			22
		2017	2016
		£	£
10	STOCKS		
	Goods for resale	17,894	18,861
		<hr/>	<hr/>
		2017	2016
		£	£
11	DEBTORS DUE WITHIN ONE YEAR		
	Debtors	2,346	1,933
	Prepayments and accrued income	32,421	115,437
		<hr/>	<hr/>
		34,767	117,370

Accrued income relates to legacies in 2016. Also see note 19.

		2017	2016
		£	£
12	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Trade Creditors	8,010	11,052
	Other creditors and accruals	51,829	54,668
	Research Grants (Note 5)	722,343	619,592
		<hr/>	<hr/>
		782,182	685,312

13	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	Research Grants (Note 5)	1,019,196	778,853

		2017	2016
		£	£
14	The auditors remuneration amounts to an audit fee of:	6,208	3,228

15 MOVEMENT IN FUNDS

	At 01/01/2017	Incoming Resources	Outgoing Resources	Gains and Losses	At 31/12/2017
	£	£	£	£	£
Restricted Funds:					
Helen Rayner	10,470				10,470
Naomi Tate Memorial Fund (LUK)	41,377				41,377
Total restricted funds	<hr/>	-	-		<hr/>
	51,847				51,847
Unrestricted Funds:					
General Funds	576,746	1,011,130	- 1,279,190	26,841	335,527
Total Funds	<hr/>	1,011,130	- 1,279,190	26,841	<hr/>
	628,593				387,374

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Purposes of restricted funds:

The Helen Rayner Memorial Fund is to be used to support training days for GPs.

The Naomi Tate Memorial Fund (LUPUS UK) is to be used for research relating to and information/publications in respect of lupus and pregnancy.

16 ANALYSIS OF NET ASSETS BY FUND AT 31 DECEMBER 2017

	Unrestricted Funds	Restricted Funds	Total Funds
Tangible fixed assets			
Investments	-		-
Stock	306,645		306,645
Debtors and prepayments	17,894		17,894
Cash at bank and in hand	34,767		34,767
Creditors due within one year	1,777,599	51,847	1,829,446
Creditors due after one year	- 782,182	-	782,182
NET ASSETS	- 1,019,196	-	1,019,196
	<u>335,527</u>	<u>51,847</u>	<u>387,374</u>

17 Reconciliation of net income/-expenditure to net cash flow from operating activities

	2017 £	2016 £
Net income/-expenditure for year	- 241,219	229,408
Dividends received	-	-
Interest receivable	5,434	5,332
Depreciation and impairment of tangible fixed assets	3,260	6,559
(Gains)/losses on investments	445	1,070
(Increase)/decrease in stock	- 26,841	35,151
(Increase)/decrease in debtors	967	5,511
Increase/(decrease) in creditors	82,603	33,687
	337,213	41,022
Net cash flow from operating activities	<u>144,474</u>	<u>114,238</u>

18 OPERATING LEASE COMMITMENTS

At 31 December 2017 the charity had annual commitments under non-cancellable operating leases as follows:

	2017 Land and Buildings £	2016 Land and Buildings £
Expiry Date:		
Within 1 year		
Due 2 - 5 years	25,850	25,850
Due in more than 5 years	100,975	103,400
	-	15,079

19 First Time Adoption of SORP (FRS102)

The charity adopted the SORP (FRS102) for the first time on 1 January 2016.

The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

a) Consequential changes in accounting policies resulting from adoption of SORP (FRS 102) were as follows:

- (i) Under the new SORP there has been a change of income recognition criteria. In 2015 LUPUS UK entered into an arrangement, where they received a total sum of Sixty Thousand Pounds over the term of 5 years (ending 2020). As this income is probable, under the new SORP, this income has been recognised as accrued income, and released into the SOFA at £12,000 per annum.

b) Reconciliation of total charity funds.

Adjustments to previously reported total charity funds at the date of transition to SORP (FRS 102) were as follows:

Total Funds at 1 January 2016 under SORP (2005)	£ 351,185
Consequential change (i)	48,000
Total chaity funds at 1 January 2016 under SORP (FRS 102)	<u>399,185</u>

Adjustments to previously reported total charity funds/deficit at the end of the comparative period were as follows:

Total charity funds at 31 December 2016 under SORP (2005)	£ 592,593
Consequential change (i)	36,000
Total charity funds at 31 December 2016 under SORP (FRS 102)	<u>628,593</u>

c) Reconciliation of comparative period net income

Adjustments to previously reported net income in the comparative period were as follows:

Net movement in funds for the period ended 31 December 2016 under SORP (2005)	£ 241,408
Consequential change (i)	- 12,000
Net income for the period ended 31 December 2016 under SORP SORP (FRS 102)	<u>229,408</u>

20 Pension Contributions

The charity operates defined contributions pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds and amounted to £4,474 (2016 - £2,254). At the balance sheet date, £nil (2016 - £nil) is outstanding.

21 Related Parties

Other than the expenses paid to the trustees, there were no other related party transactions during the year (2016 - £nil).