

Irish Heart Foundation
Company Limited by Guarantee

Directors' report and
financial statements

Year ended 31 December 2016

Irish Heart Foundation
Company Limited by Guarantee

Directors' report and financial statements

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Irish Heart Foundation

Company Limited by Guarantee

Directors and other information

Directors

Dr K. McGarry - President
Dr A. Buckley
Ms O. Burke
Dr J. Cox
Mr N. Dineen
Mr B. Goggin
Dr A. Maree
Mr J. Massey
Mr G. McErlan
Prof S. Murphy
Mr M. Murray
Dr. P. Oslizlok
Prof D. Sugrue

Chief Executive

Mr B. Dempsey

Secretary

Mr V. McCabe

Registered office

50 Ringsend Road
Dublin 4

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Bankers

Bank of Ireland
Ballsbridge
Dublin 4

Registration number

23434

Irish Heart Foundation

Company Limited by Guarantee

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

Principal activities, business review and future outlook

The Irish Heart Foundation is Ireland's only national charity for heart health and is working to reduce premature death and disability from heart disease and stroke. Almost 10,000 people die each year in Ireland from cardiovascular disease including coronary heart disease, stroke and other diseases of the circulatory system. Cardiovascular disease accounts for 31% of all deaths in Ireland.

The Foundation raises funds to support activities and developments in the following areas:

- Heart health promotion
- Patient care and support
- Education
- Advocacy

Heart health promotion

The Foundation provides funding for the following activities:

- Action for Life is a physical activity programme for both Primary and Secondary schools.
- Our Workplace programme "Happy Heart at Work" provides heart health checks together with healthy eating and physical activity programmes to Irish companies and employees.
- Slí na Sláinte encourages people of all ages and abilities to walk through a network of marked and measured routes throughout the country. 220 such routes are in place currently.
- In June 2016 the Foundation launched its first full time Mobile Healthcheck Unit. The unit and its team provides blood pressure and heart health checks to more than 15,000 people free of charge in communities nationwide.

Patient care and support

The Foundation provides funding for the following activities:

- Co-ordination of a national emergency resuscitation (CPR) programme providing training to both healthcare professionals and the general public. Approximately 65,000 people are trained annually through this programme. The Foundation is an International Training Organisation (ITO) affiliated to the American Heart Association (AHA). There are 200 training sites throughout Ireland affiliated to the Foundation and these sites are contracted to carry out training to AHA standards.
- The Heartsafe Community Award Programme encourages and supports community initiatives, including CPR training and automated external defibrillator (AED) schemes.
- The Foundation's stroke campaign is saving lives and quality of life on a significant scale through service improvements in hospitals and the community; by raising public awareness of stroke and its warning signs; and by increasing the availability of support groups to stroke survivors.
- Our national freephone Help-line is staffed by specially trained nurses who have access to the most up to date information on heart disease.
- The Foundation funds support groups for special conditions such as Cardiomyopathy, Heart Failure, patients with implantable cardioverter defibrillators, patients with Long QT Syndrome and parents who have lost children early in life from sudden cardiac death. These groups hold information meetings throughout the year and medical experts are available to answer questions as required.
- The Foundation funds research into all aspects of heart disease in Ireland.

Irish Heart Foundation

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Directors' report *(continued)*

Principal activities, business review and future outlook *(continued)*

Professional education

- The Foundation funds the activities of eight specialist Councils on various aspects of heart disease. Some Councils hold annual conferences such as the annual Stroke conference. Other areas include CVD prevention, the management of heart failure and blood pressure and hypertension.

Public education

- The Foundation funds the activities of ASH Ireland. ASH Ireland is an organisation set up in 1992 to lobby on tobacco related issues.
- The Foundation provides a wide range of leaflets and educational material on all aspects of heart disease and stroke.

Advocacy

- The Foundation's advocacy programme is designed to shape public policy. Major investment secured through our campaigning work has transformed acute stroke services nationally and reduced death and disability against demographic and international trends. We are also advocating strongly for the Tobacco Free Ireland policy which aims to reduce smoking rates to 5% by 2025, and a more effective State response to Ireland's obesity crisis.

Review of the results for the year

The detailed results for the year are set out on page 9. Income in 2016 was €6,801,720 (2015: €5,281,631), an increase of 29% on 2015. Voluntary income was €2,136,743 (2015: €768,811) an increase of 178% on 2015. Fundraising income was €3,492,269 (2015: €3,120,132) an increase of 12% on 2015. Income from Charitable Activities was €988,055 (2015: €1,115,991) a decrease of 12% on 2015.

Expenditure in 2016 was €6,855,581 (2015: €5,613,199) an increase of 22% over 2015. The amount spent on Health Promotion Programmes in workplaces, schools and the community amounted to €1,287,168 in 2016 (2015: €807,186), an increase of 60% over 2015. Expenditure on CPR Training in 2016 amounted to €320,982 (2015: €352,985), a decrease of 9% on 2015. Programme operating costs of €2,511,301 compared with €2,305,319 in 2015, an increase of 9%.

The gain on investments, both realised and unrealised, was €158,036 in 2016, compared with a gain of €166,116 in 2015.

Total other comprehensive income for the year was a gain of €11,139 (2015: loss of €219,568).

The principal risks and uncertainties facing the business are shared with similar sized charities in Ireland. These centre on the reliance of the Foundation on fundraising sources for a significant portion of its income. The fundraising environment in Ireland has become increasingly competitive in recent years and the Foundation relies on a number of high profile events to support its programmes. Because of the competitive nature of fundraising events, costs are increasing. Bequest income forms a significant portion of total income. The Foundation advertises extensively for bequests but it must also be considered a volatile source of funding. The Government provides co-funding for programmes delivered amounting to approximately 8% of Foundation income.

The five core action areas include advocacy, research, health promotion, information and pre-hospital coronary care. Targets are also set in related areas such as communications and fundraising.

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Directors' report *(continued)*

Principal activities, business review and future outlook *(continued)*

Review of the results for the year (continued)

In Advocacy, we conducted research proving that improved stroke services will save lives and money. This has prompted the roll out of a national network of stroke units, whilst our stroke campaign has saved more than 200 extra lives a year. These activities are contributing to significant reductions in death and disability from stroke, whilst also cutting the overall cost of services. In tobacco control, we advocated successfully for legislation for graphic warnings to be placed on cigarette packs along with laws banning smoking in cars with children, and the introduction of plain packaging. We are now advocating for a tobacco levy to be placed on tobacco industry profits. Three years of successive advocacy initiatives contributed to a legislative commitment to introduce a sugar sweetened drinks tax.

Research has been carried out annually in accordance with the recommendations of our Scientific Committee.

Targets for Health Promotion activities in workplaces and the community were achieved in 2016.

Eight thousand blood pressure checks were conducted through the Mobile Health Unit, Ploughing Championship and other community events with an average GP referral rate of 33%. 1,300 farmers received full health checks with average 70% GP referral. 2,400 full health checks and blood pressure checks took place in workplaces.

Slí na Sláinte walking routes were developed in 20 workplaces and 1 GAA Club. 2016 also saw the establishment of the first Slí@School walking routes in 2 primary schools while 309 Walking Leaders were trained in 20 locations. There are 220 Community Slí na Sláinte routes nationwide.

In terms of workplaces, 65 companies achieved the Healthy Eating Award for healthy catering practices in their staff restaurant. 27 companies reaching at least 2,482 employees took part in Walk/Step Challenge and 25 sites were certified with Active@Work award.

The annual Heart month awareness campaign targeted parents with a focus on 'Healthy Meals without the Drama'. The dedicated microsite had 29,773 views with total magazine downloads of 43,521.

All of the above action areas are contributing towards the Foundation's strategic objectives: becoming an effective advocate on heart health; ensuring heart health is high on government's priority list at all times; ensuring optimum care is available to patients with heart disease; to be a leading source of information on all aspects of heart health and to create a more heart healthy general environment. All of the above we believe will help the Foundation achieve its mission, which is to lead in improving the cardiovascular health of people living in Ireland so they do not experience disability or die from preventable heart, stroke and other blood vessel diseases.

Reserves policy

The policy of the Foundation is to maintain liquid resources to facilitate the funding of the Foundation's work in improving the cardiovascular health of people living in Ireland, on whose behalf the funds are held. This policy is driven by the need to provide for future expenditure on a planned basis, to ensure protection from fluctuations in income, to be in a position to undertake urgent campaigns at short notice, and to meet obligations under restricted funds. Taking into account normal income streams, current liabilities, and planned levels of expenditure, the directors are satisfied that the level of reserves is sufficient to ensure continuity of mission and provision of services to the public.

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Directors' report *(continued)*

Directors and secretary

On 8 September 2016, Mr. J. O'Neill resigned as a director in accordance with the Memorandum and Article of Association. All other directors listed on page 1 served as directors for the entire year.

Post balance sheet events

There were no material post balance sheet events which require adjustment to or disclosure in the financial statements.

Adequate accounting records

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014, with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at 50 Ringsend Road, Dublin 4.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Foundations' statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Foundation's statutory auditors are unaware.

Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board


N. Dineen
Director


B. Goggin
Director

1 June 2017

Irish Heart Foundation

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Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

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

On behalf of the board



N. Dineen
Director



B. Goggin
Director

1 June 2017



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of the Irish Heart Foundation

We have audited the financial statements ("financial statements") of the Irish Heart Foundation for the year ended 31 December 2016 which comprise the statement of financial activities, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Our audit was conducted in accordance with International Standards on Auditing (ISA's) (UK & Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion the information given in the directors' report is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading. In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.



Independent auditor's report to the members of the Irish Heart Foundation (continued)

Basis of our report, responsibilities and restrictions on use

As explained more fully in the statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and ISAs (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul O'Brien

Paul O'Brien
for and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

1 June 2017

Irish Heart Foundation
Company Limited by Guarantee

Statement of financial activities
for the year ended 31 December 2016

	<i>Note</i>	2016 €	2015 €
Income			
Voluntary income		2,136,743	768,811
Fundraising income		3,492,269	3,120,132
Investment income		26,617	110,581
Charitable activities		988,055	1,115,991
Increase in value of investments	5	158,036	166,116
		<hr/> 6,801,720 <hr/>	<hr/> 5,281,631 <hr/>
Expenditure			
Health promotion		(1,287,168)	(807,186)
CPR training		(320,982)	(352,985)
Advocacy		(466,682)	(513,048)
Patient support		(835,229)	(624,890)
Research		(257,530)	(128,311)
Support services		(1,176,689)	(881,460)
Programme operating costs		(2,511,301)	(2,305,319)
		<hr/> (6,855,581) <hr/>	<hr/> (5,613,199) <hr/>
Deficit for the year	3	(53,861)	(331,568)
Actuarial gain recognised in the pension scheme	10	65,000	112,000
		<hr/> 11,139 <hr/>	<hr/> (219,568) <hr/>
Total comprehensive income for the year	11	11,139	(219,568)

Irish Heart Foundation
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Balance sheet
as at 31 December 2016

	Note	2016 €	2015 €
Fixed assets			
Tangible assets	4	2,424,707	33,617
		<hr/>	<hr/>
		2,424,707	33,617
		<hr/>	<hr/>
Current assets			
Investments	5	5,903,894	5,742,563
Stocks	6	47,062	123,266
Debtors	7	306,219	135,179
Deferred expenditure	8	32,699	184,378
Cash at bank and in hand		1,412,433	4,111,580
		<hr/>	<hr/>
		7,702,307	10,296,966
Creditors: amounts falling due within one year	9	(476,713)	(615,237)
		<hr/>	<hr/>
Net current assets		7,225,594	9,681,729
		<hr/>	<hr/>
Total assets less current liabilities		9,650,301	9,715,346
Retirement benefit obligations	10	32,000	(2,000)
		<hr/>	<hr/>
Net assets		9,682,301	9,713,346
		<hr/>	<hr/>
Represented by:			
Accumulated surplus		9,392,161	9,381,022
Restricted funds	11	290,140	332,324
		<hr/>	<hr/>
		9,682,301	9,713,346
		<hr/>	<hr/>

On behalf of the board


N. Dineen
Director


B. Goggin
Director

1 June 2017

Irish Heart Foundation
Company Limited by Guarantee

Statement of changes in equity

	Accumulated surplus €	Restricted funds €	Total funds €
Balance at 1 January 2015	9,600,590	363,849	9,964,439
Total comprehensive income for the year			
Deficit for the year	(331,568)	-	(331,568)
Actuarial gain recognised in pension scheme	112,000	-	112,000
Other movements directly through restricted funds	-	(31,525)	(31,525)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	9,381,022	332,324	9,713,346
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Accumulated surplus €	Restricted funds €	Total funds €
Balance at 1 January 2016	9,381,022	332,324	9,713,346
Total comprehensive income for the year			
Deficit for the year	(53,861)	-	(53,861)
Actuarial gain recognised in pension scheme	65,000	-	65,000
Other movements directly through restricted funds	-	(42,184)	(42,184)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	9,392,161	290,140	9,682,301
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Irish Heart Foundation
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Cash flow statement
for the year ended 31 December 2016

	Note	2016 €	2015 €
Cash flows from operating activities			
Deficit for the year		(53,861)	(331,568)
<i>Adjustments for:</i>			
Depreciation	9	21,764	32,463
Interest receivable and similar income		(5,123)	(24,784)
Loss on sale of tangible fixed assets		-	3,444
Investment income retained in investments		(16,494)	(88,897)
Investment income paid from investments		12,438	25,920
Increase in value of investments		(158,036)	(166,116)
		<hr/>	<hr/>
		(199,312)	(549,538)
(Increase)/decrease in debtors		(171,187)	189,072
Decrease in stocks		76,204	62,277
Decrease in creditors		(138,524)	(276,530)
Movements in retirement benefit obligations		31,000	(16,000)
(Increase)/decrease in deferred expenditure		151,679	(52,065)
		<hr/>	<hr/>
Net cash from operating activities		(250,139)	(642,784)
Cash flows from investing activities			
Interest received		5,270	52,395
Acquisition of tangible fixed assets		(2,412,854)	(9,906)
Acquisition of investments		760	(600,000)
		<hr/>	<hr/>
Net cash used in investing activities		(2,406,824)	(557,511)
Net decrease in cash and cash equivalents		(2,656,963)	(1,200,295)
Movement on restricted funds		(42,184)	(31,525)
Cash and cash equivalents at 1 January		4,111,580	5,343,400
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		1,412,433	4,111,580
		<hr/>	<hr/>

Irish Heart Foundation

Company Limited by Guarantee

Notes

forming part of the financial statements

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is euro.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statement are discussed in note 15.

1.2 Income

Income is accounted for on an accruals basis.

1.3 Deferred income

Income received for a number of approved projects is carried forward and included as deferred income within creditors when it can be foreseen with reasonable assurance that expenditure on specific projects will not take place due to timing and/or other operational considerations in the year in which the income is received. The Foundation considers that this treatment results in proper matching of costs and revenue.

1.4 Restricted funds

Amounts received from the Health Service Executive and/or Department of Health and Children and others, in support of the Travelling Fellowship, the National Cardiovascular Information System ("NCIS"), Sudden Cardiac Death Task Force Report ("SCDTFR"), HSE Obesity Project and Noel Hickey Bursary and related expenditure on these projects are shown as movements in restricted funds. The restricted funds are operated independently from the Foundation and the Foundation's role is to receive and disburse funds on their behalf.

The balance on restricted funds, representing the amounts received but not yet expended, is represented by cash of €290,140 (2015: €332,324) included in the balance sheet, which is not available to the Foundation for its own activities.

Irish Heart Foundation

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Notes (continued)

1 Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, or valuation, less accumulated depreciation. Depreciation is calculated, by reference to original cost or valuation, to write off the assets to their residual value over their estimated useful lives on a straight line basis at the following annual rates:

Buildings	2%
Office furniture	10%
Equipment	20%
Computer equipment	20%
Motor vehicles	20%

1.6 Donated assets

Assets received as donations are capitalised at their estimated value to the Foundation and credited to income, and any further income arising on those assets is credited to the statement of financial activities in the period in which the income is received.

1.7 Investments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in ordinary shares

Investments in ordinary shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call short-term deposits.

The Foundation does not have any financial instruments that are not considered to be basic financial instruments under FRS 102.

1.8 Deferred expenditure

Development expenditure incurred on specific projects is carried forward when its recoverability can be foreseen with reasonable assurance and is amortised in relation to the income from such projects. The Foundation considers that this treatment results in proper matching of costs and revenue. All other expenditure is written off as incurred.

Irish Heart Foundation

Company Limited by Guarantee

Notes (continued)

1 Accounting policies (continued)

1.9 Classification of expenditure

Expenditure has been analysed or apportioned between the different activities on an equitable basis.

1.10 Taxation

The Foundation is a charity and is not liable to taxation.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Promotional items which are to be used for fund raising have been valued at cost.

1.12 Employee benefits

The Foundation provides pensions to its employees under a defined contribution scheme and a defined benefit scheme. With effect from 1 January 2000 the defined benefit pension scheme was closed to new employees. All new eligible employees with effect from 1 January 2000 are included in the defined contribution scheme.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Foundation's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA Euro credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the statement of financial activities.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income in the period in which it occurs.

In relation to the defined contribution pension scheme, contributions are accrued and recognised as expenditure in the statement of financial activities in the period in which they are earned by the relevant employees.

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Notes (continued)

2 Legal status of the Foundation

Irish Heart Foundation is a company limited by guarantee and does not have share capital. At 31 December 2016, there were thirteen directors whose guarantee is limited to €1.27 each. This guarantee continues for one financial year after directorship ceases.

3 Deficit for the year	2016	2015
	€	€
Deficit for the year	(53,861)	(331,568)
<i>Stated after charging:</i>		
Directors' remuneration	-	-
Auditors' remuneration – fees (excluding VAT)	18,500	18,500
Auditors' remuneration – expenses	-	-
Depreciation of tangible fixed assets	21,764	32,463
Operating lease charges	240,847	164,690
<i>Stated after crediting:</i>		
Investment income	16,494	88,897
Interest income	10,123	21,684

Staff numbers and costs

The average number of employees during the year, analysed by category, was as follows:

	2016	2015
Fundraising	15	14
Programmes and support	38	34
	53	48

The aggregate payroll costs of these employees were as follows:

	2016	2015
	€	€
Wages and salaries	2,430,160	2,168,385
Social insurance costs	256,175	233,882
Retirement benefit costs	142,580	123,727
Other compensation costs	-	-
	2,828,915	2,525,994

The directors do not receive any remuneration for services provided to the company.

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Notes (continued)

4 Tangible fixed assets	Buildings €	Office furniture €	Equipment €	Computer equipment €	Motor vehicles €	Total €
At beginning of year	-	7,740	61,860	272,949	-	342,549
Additions in year	2,332,988	-	-	-	79,865	2,412,853
Disposals in year	-	(302)	(32,720)	(253,208)	-	(286,230)
At end of year	2,332,988	7,438	29,140	19,741	79,865	2,469,172
Depreciation						
At beginning of year	-	2,575	44,809	261,548	-	308,932
Charge for year	-	744	5,906	5,796	9,318	21,764
Eliminated on disposals	-	(303)	(32,720)	(253,208)	-	(286,231)
At end of year	-	3,016	17,995	14,136	9,318	44,465
Net book value						
At 31 December 2016	2,332,988	4,422	11,145	5,605	70,547	2,424,707
At 31 December 2015	-	5,165	17,051	11,401	-	33,617

On 9 December 2016 the Foundation purchased a new premises for €2,332,988 inclusive of capitalised acquisition costs.

Motor vehicles owned by the Company are a Mobile Health Check unit.

Irish Heart Foundation
Company Limited by Guarantee

Notes (continued)

5 Investments	2016 €	2015 €
Quoted investments at market value	5,694,232	4,488,737
Cash pending investment	209,662	1,253,826
	<hr/> 5,903,894 <hr/>	<hr/> 5,742,563 <hr/>
6 Stocks	2016 €	2015 €
Stationery stocks	1,905	1,905
Emblems	-	26,646
Other promotional items	45,157	94,715
	<hr/> 47,062 <hr/>	<hr/> 123,266 <hr/>
7 Debtors	2016 €	2015 €
General debtors	210,518	92,046
Deposit interest	314	461
Prepayments	25,584	11,456
Other debtors	69,803	31,216
	<hr/> 306,219 <hr/>	<hr/> 135,179 <hr/>
All debtors fall due within one year.		
8 Deferred expenditure	2016 €	2015 €
Fundraising expenditure deferred	32,699	184,378
	<hr/> 32,699 <hr/>	<hr/> 184,378 <hr/>
9 Creditors: amounts falling due within one year	2016 €	2015 €
Creditors	171,105	251,699
Accruals	110,383	217,696
PAYE/PRSI	81,620	73,102
Deferred income	113,605	72,740
	<hr/> 476,713 <hr/>	<hr/> 615,237 <hr/>

Irish Heart Foundation
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Notes *(continued)*

10 Retirement benefit obligations

The Foundation operates a defined contribution pension scheme and a defined benefit scheme. The assets of both schemes are vested in independent trustees for the benefit of employees and their dependants. With effect from 1 January 2000 the defined benefit pension scheme was closed to new employees. All new eligible employees with effect from 1 January 2000 are included in the defined contribution scheme.

Defined benefit scheme

The Foundation undertakes actuarial valuations of the scheme at least every three years. These are conducted by qualified, independent actuaries. The effective date of the last actuarial valuation was 1 January 2015.

The valuations employed for FRS 102 purposes have been based on the most recent funding valuation for the scheme adjusted by the independent actuary to allow for the accrual of liabilities up to 31 December 2016 and to take account of financial conditions at that date. The valuations used for FRS 102 purposes have been completed using the projected unit method and assets for this purpose have been valued at market value.

Amounts recognised in the balance sheet

	2016	2015
	€'000	€'000
Present value of wholly funded obligations	(627)	(905)
Fair value of scheme assets	659	903
	<hr/>	<hr/>
Net pension asset/(liability)	32	(2)
	<hr/> <hr/>	<hr/> <hr/>

Movement in the present value of defined benefit obligations

	2016	2015
	€'000	€'000
At beginning of the year	905	949
Current service cost	14	27
Interest cost	10	13
Member contributions	-	4
Actuarial gains	(23)	(88)
Benefits paid from scheme	(95)	-
Effect of settlements	(184)	-
	<hr/>	<hr/>
At end of year	627	905
	<hr/> <hr/>	<hr/> <hr/>

Irish Heart Foundation
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Notes *(continued)*

10 Retirement benefit obligations *(continued)*

Movement in the fair value of scheme assets

	2016	2015
	€'000	€'000
At beginning of year	903	819
Interest income	15	10
Return on plan assets less interest income	42	24
Employer contributions	-	46
Member contributions	-	4
Benefits paid from scheme	(95)	-
Effect of settlements	(206)	-
	<hr/>	<hr/>
At end of year	659	903
	<hr/>	<hr/>

Amounts recognised in the statement of financial activities

	2016	2015
	€'000	€'000
Current service cost	(14)	(27)
Interest income/(expense)	5	(3)
Effect of settlements	(22)	-
	<hr/>	<hr/>
Total pension cost recognised in the statement of financial activities in respect of the defined benefit scheme	(31)	(30)
	<hr/>	<hr/>

Analysis of amounts recognised in other comprehensive income

	2016	2015
	€'000	€'000
Actual return less expected return on pension scheme assets	42	24
Effect of changes in actuarial assumptions	23	88
	<hr/>	<hr/>
Total included in other comprehensive income	65	112
	<hr/>	<hr/>

Irish Heart Foundation
Company Limited by Guarantee

Notes *(continued)*

10 Retirement benefit obligations *(continued)*

FRS 102 information in respect of the scheme, as at 31 December 2016, with prior year comparatives as required under FRS 102 are set out below.

The financial assumptions used to calculate the retirement benefit liabilities under FRS 102 were as follows:

	2016	2015
	Projected unit	Projected unit
Valuation method		
Discount rate	1.70%	2.30%
Inflation rate	1.50%	1.75%
Rate of increase in pension payment	0.00%	0.00%
Rate of increase of deferred pensions	1.50%	1.75%
Rate of salary increases	1.75%	2.0%
Life expectancy	Years	Years
Female member age 65 (current life expectancy)	27.9	27.9

The discount rate of 1.70% is based on AA Corporate Rated Bonds which are appropriate for the duration of the liabilities of the scheme.

Pension scheme assets and liabilities

The market value of the assets in the scheme and the value of accrued liabilities were as follows:

	2016	2015
	€'000	€'000
Unitised funds	659	903
Total market value of pension scheme assets	659	903
Present value of pension scheme liabilities	(627)	(905)
Net pension asset/(liability)	32	(2)

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Notes (continued)

11 Restricted funds

	Research Bursaries €	HSE Obesity Project €	Travelling Fellowship €	National Cardiovascular Information System €	Sudden Cardiac Death Task Force Report €	Total 2016 €	Total 2015 €
At beginning of year	13,218	33,505	50,000	18,563	217,038	332,324	363,849
Grants received	-	-	60,000	13,621	-	73,621	81,000
	13,218	33,505	110,000	32,184	217,038	405,945	444,849
Expenditure on specified projects	-	-	(70,000)	(32,184)	(13,621)	(115,805)	(112,525)
At end of year	13,218	33,505	40,000	-	203,417	290,140	332,324
Represented by							
Funds on deposit	13,218	33,505	40,000	-	203,417	290,140	332,324

Restricted funds are included within cash at bank and in hand. The funds can only be drawn down and utilised for the specific purposes for which they were received.

Irish Heart Foundation

Company Limited by Guarantee

Notes (continued)

12 Commitments

Research

The Foundation is committed, at 31 December 2016, to allocating €158,621 (2015: €237,932) to various research projects during the coming year.

Operating lease commitments

Annual commitments exist under non-cancellable operating leases as follows:

	2016 €	2015 €
Expiring:		
- within one year	-	-
- between two and five years	90,713	181,425
- after five years	-	-
	<hr/>	<hr/>
	90,713	181,425
	<hr/> <hr/>	<hr/> <hr/>

13 Related party transactions

There were no related party transactions during 2016.

14 Key management personnel

Total compensation for key management personnel in the year amounted to €304,393 (2015: €319,133)

15 Accounting estimates and judgements

The financial assumptions used to estimate retirement benefit obligations under FRS 102 are based on market yields and expectations.

16 Approval of financial statements

These financial statements were approved by the board of directors on 1 June 2017.