

**Irish Heart Foundation**  
Company Limited by Guarantee

Directors' report and  
financial statements

**Year ended 31 December 2017**

***Registered number: 23434***

**Irish Heart Foundation**  
Company Limited by Guarantee

**Directors and other information**

**Directors**

Dr K. McGarry – President  
Ms A. Blake  
Dr A. Buckley  
Ms O. Burke  
Mr N. Dineen  
Mr B. Goggin  
Dr A. Maree  
Mr J. Massey  
Mr G. McErlean  
Prof S. Murphy  
Dr. P. Oslizlok  
Prof D. Sugrue

**Chief Executive**

Mr T. Collins

**Secretary**

Mr V. McCabe

**Registered office**

17 - 19 Rathmines Road Lower  
Dublin 6

**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 2017.

### Principal activities, business review and future outlook

#### Irish Heart Foundation Mission:

**We will lead the fight to save lives and make life better for those suffering from heart disease and stroke.**

The Irish Heart Foundation is Ireland's only national charity 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 is the leading cause of death accounting for 31% of all deaths in Ireland.

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

- Health promotion
- Information
- CPR Training
- Patient care and support
- Advocacy
- Research

#### *Health promotion*

The Foundation provides funding for a range of activities in community, school and workplace settings including:

- Mobile Health Unit: 2017 was the first full year of operation of the unit and over 11,000 health checks were carried out in locations across Ireland. An evaluation has underlined the success of the unit in identifying undiagnosed hypertension.
- Three Community Heart Projects which aim to positively influence activity and eating habits of low income communities.
- Farmers Have Hearts is focused on farmers in local Marts and provides full health checks and tailored lifestyle advice. This HSE supported project targets 1,000 farmers every year.
- Sli na Sláinte encourages people of all ages and abilities to walk through a network of marked and measured routes throughout the country. In 2017 we opened 21 new walking routes and trained over 300 Walking Leaders. This project is also HSE supported.
- Action for Life is a physical activity programme aimed at Primary Schools. In 2017 we doubled the reach of this programme to 43,000 children and trained over 300 teachers.
- Y-Path is our programme aimed at Post-Primary Schools developed with Dublin City University. It was piloted successfully in 2017.
- CPR for Schools was piloted and rolled out in 2017. It aims to train a generation of young people in life saving CPR skills.
- Our Workplace programme "Well at Work" provides heart health checks together with healthy eating and physical activity programmes to Irish companies and employees. Within this programme in 2017, our Active at Work module was taken by 41 Companies, our Healthy Eating at Work Award went to 62 Companies and almost 1,500 Workplace Health Checks were carried out. This programme is supported by the HSE who indicated in late 2017 that they wish to commence a Workplace Health Check programme for HSE workers in 2018.

# Irish Heart Foundation

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## Directors' report *(continued)*

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

#### *Information*

- The Foundation provides a wide range of leaflets and educational material on all aspects of heart disease and stroke.

#### *CPR Training*

- In addition to CPR for Schools, The Irish Heart Foundation co-ordinates a national emergency resuscitation (CPR) programme providing training to both healthcare professionals and the general public. Approximately 80,000 people were trained through this programme in 2017. The Foundation is an International Training Organisation (ITO) affiliated to the American Heart Association (AHA). There are 198 training sites throughout Ireland affiliated to the Foundation and these sites are contracted to carry out training to AHA standards.

#### *Patient support*

- Stroke Support Groups: In 2017 we opened 7 new Stroke Support Groups, bringing the number of groups to 18 across the country. These are organised and mediated by professional Stroke Group Co-ordinators and have made a significant difference to the everyday lives of stroke survivors.
- Young Stroke Survivors: In 2017 we organised a very well attended conference for working age stroke survivors and established a facebook network which has been very successful.
- The Foundation also 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.
- Our national lo-call Help-line is staffed by specially trained nurses who have access to the most up to date information on heart disease.

#### *Advocacy*

- The Foundation has been very active in the area of childhood obesity in 2017. For example, our campaign, Stop Targeting Kids, aimed at highlighting the impact of digital marketing of junk food on children, has received international attention. Our campaign to introduce a Sugar Sweetened Drink Tax in the 2017 Budget was a major success and has forced significant re-formulation of a number of popular soft drinks.
- The Foundation's stroke 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.
- The Foundation funds the activities of ASH Ireland, an organisation set up in 1992 to lobby on tobacco related issues.

#### *Professional education*

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

# Irish Heart Foundation

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## Directors' report *(continued)*

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

#### Research

The Foundation has been a supporter of research into heart disease and stroke for many years. In 2017 we continued to fund a major research programme, The Irish Stroke Clinical Trials Network.

The detailed results for the year are set out on Page 10. Income in 2017 was €11,631,293 (2016: €6,801,720) an increase of 71% on 2016. Voluntary income was €6,784,056 (2016: €2,136,743) an increase of 217% on 2016. Fundraising income was €3,724,830 (2016: €3,492,269) an increase of 7% on 2016. Income from Charitable activities was €897,657 (2016: €988,055) a decrease of 9% on 2016.

Expenditure in 2017 was €7,405,926 (2016: €6,855,581) an increase of 8% over 2016. The amount spent on Health Promotion Programmes in workplaces, schools and community amounted to €1,191,118 in 2017 (2016: €1,249,039) a decrease of 5% over 2016. Expenditure on CPR Training in 2017 amounted €537,975 (2016: €359,111) an increase of 50% on 2016. Programme operating costs of €2,675,867 compared with €2,511,301 in 2016 an increase of 7%.

The gain on investments both realised and unrealised, was €209,091 in 2017, compared with a gain of €158,036 in 2016.

Total comprehensive income was a gain of €4,225,367 (2016: gain of €11,139).

#### 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.

#### Directors and secretary

On 7 December 2017, Ms A. Blake was appointed as director. On 7 September 2017, Dr J. Cox and Mr M. Murray resigned as directors in accordance with the Memorandum and Articles 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 17 - 19 Rathmines Road Lower, Dublin 6.

**Irish Heart Foundation**  
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**Directors' report** *(continued)*

**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

28 June 2018

# Irish Heart Foundation

Company Limited by Guarantee

## 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

On behalf of the board



N. Dineen  
Director



B. Goggin  
Director

28 June 2018



**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

### 1 Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Irish Heart Foundation ('the company') for the year ended 31 December 2017 set out on pages 10 to 24, which comprise the statement of financial activities, the balance sheet, the statement of changes in equity, the cash flow statement and related notes, including the summary of significant accounting policies set out in note 1. 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*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ((ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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.

#### **We have nothing to report on going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.



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

### 1 Report on the audit of the financial statements (continued)

#### **Other information**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

#### **Opinions on other matters prescribed by the Companies Act 2014**

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.

#### **Matters on which we are required to report by exception**

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

### 2 Respective responsibilities and restrictions on use

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement 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 for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**2 Respective responsibilities and restrictions on use (continued)**

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

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

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

28 June 2018

Paul O'Brien  
for and on behalf of  
**KPMG**  
Chartered Accountants, Statutory Audit Firm  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

**Irish Heart Foundation**  
Company Limited by Guarantee

**Statement of financial activities**  
for the year ended 31 December 2017

	Note	2017 €	2016 €
<b>Income</b>			
Voluntary income		6,784,056	2,136,743
Fundraising income		3,724,830	3,492,269
Investment income		15,659	26,617
Charitable activities		897,657	988,055
Increase in value of investments		209,091	158,036
		<u>11,631,293</u>	<u>6,801,720</u>
<b>Expenditure</b>			
Health promotion		(1,191,118)	(1,249,039)
CPR training		(537,975)	(359,111)
Advocacy		(434,209)	(466,682)
Patient support		(1,046,939)	(835,229)
Research		(167,578)	(257,530)
Support services		(1,352,240)	(1,176,689)
Programme operating costs		(2,675,867)	(2,511,301)
		<u>(7,405,926)</u>	<u>(6,855,581)</u>
<b>Surplus/(deficit) for the year</b>	<b>3</b>	<b>4,225,367</b>	<b>(53,861)</b>
Actuarial gain recognised in the pension scheme	10	-	65,000
		<u>4,225,367</u>	<u>11,139</u>
<b>Total comprehensive income for the year</b>		<b>4,225,367</b>	<b>11,139</b>

**Irish Heart Foundation**  
Company Limited by Guarantee

**Balance sheet**  
as at 31 December 2017

	Note	2017 €	2016 €
<b>Fixed assets</b>			
Tangible assets	4	4,576,230	2,424,707
		<u>4,576,230</u>	<u>2,424,707</u>
<b>Current assets</b>			
Investments	5	4,165,141	5,903,894
Stocks	6	1,905	47,062
Debtors	7	335,189	306,219
Deferred expenditure	8	20,787	32,699
Cash at bank and in hand		6,313,928	1,412,433
		<u>10,836,950</u>	<u>7,702,307</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,474,512)</u>	<u>(476,713)</u>
<b>Net current assets</b>		<u>9,362,438</u>	<u>7,225,594</u>
<b>Total assets less current liabilities</b>		<u>13,938,668</u>	<u>9,650,301</u>
<b>Retirement benefit obligations</b>	10	<u>(41,000)</u>	<u>32,000</u>
<b>Net assets</b>		<u>13,897,668</u>	<u>9,682,301</u>
<b>Represented by:</b>			
Accumulated surplus		13,617,528	9,392,161
Restricted funds	11	280,140	290,140
		<u>13,897,668</u>	<u>9,682,301</u>

On behalf of the board



N. Dineen  
Director



B. Goggin  
Director

28 June 2018

**Irish Heart Foundation**  
Company Limited by Guarantee

**Statement of changes in equity**

	<b>Accumulated surplus €</b>	<b>Restricted funds €</b>	<b>Total funds €</b>
Balance at 1 January 2016	9,381,022	332,324	9,713,346
<b>Total comprehensive income for the year</b>			
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)
<b>Balance at 31 December 2016</b>	<b>9,392,161</b>	<b>290,140</b>	<b>9,682,301</b>
Balance at 1 January 2017	9,392,161	290,140	9,682,301
<b>Total comprehensive income for the year</b>			
Surplus for the year	4,225,367	-	4,225,367
Other movements directly through restricted funds	-	(10,000)	(10,000)
<b>Balance at 31 December 2017</b>	<b>13,617,528</b>	<b>280,140</b>	<b>13,897,668</b>

**Irish Heart Foundation**  
Company Limited by Guarantee

**Cash flow statement**  
*for the year ended 31 December 2017*

	Note	2017 €	2016 €
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the year		4,225,367	(53,861)
<i>Adjustments for:</i>			
Depreciation	4	24,676	21,764
Interest receivable and similar income		(290)	(5,123)
Investment income retained in investments		(15,369)	(16,494)
Investment income paid from investments		25,863	12,438
Increase in value of investments		(209,092)	(158,036)
		<u>4,051,155</u>	<u>(199,312)</u>
Increase in debtors		(29,284)	(171,187)
Decrease in stocks		45,157	76,204
Increase/(decrease) in creditors		588,894	(138,524)
Movements in retirement benefit obligations		73,000	31,000
Decrease in deferred expenditure		11,912	151,679
		<u>4,740,834</u>	<u>(250,139)</u>
<b>Net cash from operating activities</b>			
<b>Cash flows from investing activities</b>			
Interest received		604	5,270
Acquisition of tangible fixed assets		(1,767,294)	(2,412,854)
Disposal of investments		1,937,351	760
		<u>170,661</u>	<u>(2,406,824)</u>
<b>Net cash from investing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		4,911,495	(2,656,963)
Movement on restricted funds		(10,000)	(42,184)
Cash and cash equivalents at 1 January		1,412,433	4,111,580
		<u>6,313,928</u>	<u>1,412,433</u>
<b>Cash and cash equivalents at 31 December</b>			

# 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 €280,140 (2016: €290,140) included in the balance sheet, which is not available to the Foundation for its own activities.

# Irish Heart Foundation

Company Limited by Guarantee

## 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.

# Irish Heart Foundation

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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 2017, there were twelve directors whose guarantee is limited to €1.27 each. This guarantee continues for one financial year after directorship ceases.

3 Deficit for the year	2017 €	2016 €
Surplus/(deficit) for the year	<b>4,225,367</b>	(53,861)
<i>Stated after charging:</i>		
Directors' remuneration	-	-
Auditors' remuneration – fees (excluding VAT)	<b>18,500</b>	18,500
Auditors' remuneration – expenses	-	-
Depreciation of tangible fixed assets	<b>24,676</b>	21,764
Operating lease charges	<b>165,419</b>	240,847
<i>Stated after crediting:</i>		
Investment income	<b>15,369</b>	16,494
Interest income	<b>290</b>	10,123

### Staff numbers and costs

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

	2017	2016
Fundraising	<b>15</b>	15
Programmes and support	<b>43</b>	38
	<b>58</b>	53

The aggregate payroll costs of these employees were as follows:

	2017 €	2016 €
Wages and salaries	<b>2,673,170</b>	2,430,160
Social insurance costs	<b>277,935</b>	256,175
Retirement benefit costs	<b>200,852</b>	142,580
Other compensation costs	-	-
	<b>3,151,957</b>	2,828,915

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

**Irish Heart Foundation**  
Company Limited by Guarantee

Notes (continued)

4 Tangible fixed assets	Buildings €	Office furniture €	Equipment €	Computer equipment €	Motor vehicles €	Total €
At beginning of year	2,332,988	7,438	29,140	19,741	79,865	2,469,172
Additions in year	1,980,681	180,804	14,714	-	-	2,176,199
<b>At end of year</b>	<b>4,313,669</b>	<b>188,242</b>	<b>43,854</b>	<b>19,741</b>	<b>79,865</b>	<b>4,645,371</b>
<b>Depreciation</b>						
At beginning of year	-	3,016	17,995	14,136	9,318	44,465
Charge for year	-	744	4,887	3,072	15,973	24,676
<b>At end of year</b>	<b>-</b>	<b>3,760</b>	<b>22,882</b>	<b>17,208</b>	<b>25,291</b>	<b>69,141</b>
<b>Net book value</b>						
<b>At 31 December 2017</b>	<b>4,313,669</b>	<b>184,482</b>	<b>20,972</b>	<b>2,533</b>	<b>54,574</b>	<b>4,576,230</b>
At 31 December 2016	2,332,988	4,422	11,145	5,605	70,547	2,424,707

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.

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Company Limited by Guarantee

Notes (continued)

<b>5 Investments</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Quoted investments at market value	4,039,315	5,694,232
Cash pending investment	125,826	209,662
	<u>4,165,141</u>	<u>5,903,894</u>
<b>6 Stocks</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Stationery stocks	1,905	1,905
Other promotional items	-	45,157
	<u>1,905</u>	<u>47,062</u>
<b>7 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
General debtors	211,725	210,518
Deposit interest	-	314
Prepayments	-	25,584
Other debtors	123,464	69,803
	<u>335,189</u>	<u>306,219</u>
All debtors fall due within one year.		
<b>8 Deferred expenditure</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Fundraising expenditure deferred	20,787	32,699
	<u>20,787</u>	<u>32,699</u>
<b>9 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Creditors	763,776	171,105
Accruals	408,905	110,383
Capital accruals	64,287	0
PAYE/PRSI	73,044	81,620
Deferred income	164,500	113,605
	<u>1,474,512</u>	<u>476,713</u>

**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 2017 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**

	2017 €'000	2016 €'000
Present value of wholly funded obligations	(360)	(627)
Fair value of scheme assets	319	659
	<hr/>	<hr/>
<b>Net pension (liability)/asset</b>	<b>(41)</b>	<b>32</b>
	<hr/> <hr/>	<hr/> <hr/>

**Movement in the present value of defined benefit obligations**

	2017 €'000	2016 €'000
At beginning of the year	627	905
Current service cost	16	14
Interest cost	-	10
Member contributions	-	-
Actuarial gains	9	(23)
Benefits paid from scheme	-	(95)
Effect of settlements	(292)	(184)
	<hr/>	<hr/>
<b>At end of year</b>	<b>360</b>	<b>627</b>
	<hr/> <hr/>	<hr/> <hr/>

# Irish Heart Foundation

Company Limited by Guarantee

## Notes (continued)

### 10 Retirement benefit obligations (continued)

#### *Movement in the fair value of scheme assets*

	2017 €'000	2016 €'000
At beginning of year	659	903
Interest income	-	15
Return on plan assets less interest income	9	42
Employer contributions	-	-
Member contributions	-	-
Benefits paid from scheme	-	(95)
Effect of settlements	(349)	(206)
	<hr/>	<hr/>
<b>At end of year</b>	<b>319</b>	<b>659</b>
	<hr/>	<hr/>

#### *Amounts recognised in the statement of financial activities*

	2017 €'000	2016 €'000
Current service cost	(16)	(14)
Interest income/(expense)	-	5
Effect of settlements	(57)	(22)
	<hr/>	<hr/>
<b>Total pension cost recognised in the statement of financial activities in respect of the defined benefit scheme</b>	<b>(73)</b>	<b>(31)</b>
	<hr/>	<hr/>

#### *Analysis of amounts recognised in other comprehensive income*

	2017 €'000	2016 €'000
Actual return less expected return on pension scheme assets	9	42
Effect of changes in actuarial assumptions	(9)	23
	<hr/>	<hr/>
<b>Total included in other comprehensive income</b>	<b>-</b>	<b>65</b>
	<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 2017, 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:

	<b>2017</b>	2016
	<b>Projected unit</b>	Projected unit
<b>Valuation method</b>		
Discount rate	<b>1.70%</b>	1.70%
Inflation rate	<b>1.50%</b>	1.50%
Rate of increase in pension payment	<b>0.00%</b>	0.00%
Rate of increase of deferred pensions	<b>1.50%</b>	1.50%
Rate of salary increases	<b>0.00%</b>	1.75%
<b>Life expectancy</b>		
	<b>Years</b>	Years
Female member age 63 (current life expectancy)	<b>27.9</b>	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:

	<b>2017</b>	2016
	<b>€'000</b>	€'000
Unitised funds	<b>319</b>	659
Total market value of pension scheme assets	<b>319</b>	659
Present value of pension scheme liabilities	<b>(360)</b>	(627)
<b>Net pension (liability)/asset</b>	<b>(41)</b>	32

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**Notes (continued)**

**11 Restricted funds**

	Research Bursaries €	HSE Obesity Project €	Travelling Fellowship €	Sudden Cardiac Death Task Force Report €	Total 2017 €	Total 2016 €
At beginning of year	13,218	33,505	40,000	203,417	290,140	332,324
Grants received	-	-	35,000	-	35,000	73,621
	13,218	33,505	75,000	203,417	325,140	405,945
Expenditure on specified projects	-	-	(45,000)	-	(45,000)	(115,805)
<b>At end of year</b>	<b>13,218</b>	<b>33,505</b>	<b>30,000</b>	<b>203,417</b>	<b>280,140</b>	<b>290,140</b>
<b>Represented by</b>						
Funds on deposit	13,218	33,505	30,000	203,417	280,140	290,140

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 2017, to allocating €158,621 (2016: €158,621) to various research projects during the coming year.

**Operating lease commitments**

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

	2017 €	2016 €
Expiring:		
- within one year	-	-
- between two and five years	-	90,713
- after five years	-	-
	<hr/>	<hr/>
	-	90,713
	<hr/>	<hr/>

**13 Related party transactions**

There were no related party transactions during 2017.

**14 Key management personnel**

Total compensation for key management personnel in the year amounted to €314,743 (2016: €304,393).

**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 28 June 2018.