

**Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)**

Independent auditor's report

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

This 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 that we are required to state to them in the audit 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 or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Thomas McCloskey

For and on behalf of
McCloskey & Co
Chartered Accountants & Registered Auditor
Apex Business Centre
Blackthorn Road
Sandyford
Dublin 18

DRAFT

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Statement of financial activities
Year ended 31 December 2019

	Unrestricted funds	Restricted funds	Total	Total
Notes	2019	2019	2019	2018
	€	€	€	€
Incoming resources:				
Membership and subscriptions	29,549	0	29,549	22,100
5% Levy on the Joint Funding Scheme	62,777	0	62,777	31,840
Corporate sponsorship	0	2,500	2,500	5,000
HRB funding	75,000	0	75,000	75,000
SSNO Project - Pobal funding	0	85,154	85,154	85,108
Other income and awards	8,045	3,066	11,111	3,966
5	175,371	90,720	266,091	223,014
Resources expended:				
Programme expenses	15,704	92,557	108,261	120,673
Operational expenses	129,772	0	129,772	97,501
	145,476	92,557	238,033	218,174
Net movements in funds for the year	29,895	(1,836)	28,058	4,840
Reconciliation of funds				
Balances brought forward at 1 January 2019	143,576	0	143,576	138,736
Transfer between funds	(1,836)	1,836	0	0
Balances carried forward at 31 December 2019	171,635	(0)	171,634	143,576

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Balance sheet
As at 31 December 2019

	Note	2019 €	€	2018 €	€
Fixed assets					
Tangible assets	10	301		766	
		<u>301</u>	301	<u>766</u>	766
Current assets					
Debtors	11	3,626		8,534	
Cash at bank and in hand		201,859		155,631	
		<u>205,485</u>		<u>164,165</u>	
Creditors: amounts falling due within one year	13	<u>(34,152)</u>		<u>(21,355)</u>	
Net current assets			171,333		142,810
Total assets less current liabilities			<u>171,634</u>		<u>143,576</u>
Net assets			<u>171,634</u>		<u>143,576</u>
Capital and reserves					
Unrestricted funds	15		171,634		143,576
Members funds			<u>171,634</u>		<u>143,576</u>

These financial statements were approved by the board of directors on and signed on behalf of the board by:

Director

Director

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

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Statement of cash flows
Financial year ended 31 December 2019

	2019	2018
	€	€
Cash flows from operating activities		
Profit for the financial year	28,058	4,840
<i>Adjustments for:</i>		
Depreciation of tangible assets	465	472
Accrued expenses/(income)	4,663	(3,225)
<i>Changes in:</i>		
Trade and other debtors	(92)	(128)
Trade and other creditors	13,134	(6,465)
Cash generated from operations	<u>46,228</u>	<u>(4,506)</u>
Net cash from/(used in) operating activities	<u>46,228</u>	<u>(4,506)</u>
Net increase/(decrease) in cash and cash equivalents	46,228	(4,506)
Cash and cash equivalents at beginning of financial year	<u>155,631</u>	<u>160,137</u>
Cash and cash equivalents at end of financial year	<u>201,859</u>	<u>155,631</u>

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

1. General information

The company is a private company limited by guarantee, registered in Ireland. The address of the registered office is Digital Office Centre, 12 Camden Row, Dublin 8.

2. Statement of compliance

The financial statements have been prepared in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) as modified by the Statement of Recommended Practice “Accounting and Reporting by Charities” effective 1 January 2015.

The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland however it is considered best practice. As noted below, the directors consider the adoption of the SORP requirements as the most appropriate accounting practice and presentation to properly reflect and disclose the activities of the organisation.

The significant accounting policies adopted by the Company and applied consistently are as follows:

3. Accounting policies and measurement bases

a) Basis of preparation

The Financial Statements are prepared on the going concern basis, under the historical cost convention, and comply with the financial reporting standards of the Financial Reporting Council and promulgated by Chartered Accountants Ireland as modified by the Statement of Recommended Practice “Accounting and Reporting by Charities” effective 1 January 2015 and the Companies Act 2014.

The financial statements are prepared in Euro which is the functional currency of the company

b) Going concern

Given the level of net funds the company holds the directors consider that there are no material uncertainties about the company’s ability to continue as a going concern. The validity of this assumption is dependent on achieving sufficient operating cash flows for the future years. The company’s principal funder, Pobal has not given any indication that it will withdraw its financial support from the company in the foreseeable future. The directors are satisfied that in view of the expected continued financial support from its principal funder the company has the necessary resources to continue trading for the foreseeable future.

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

c) Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, the amount can be quantified with reasonable accuracy and it is probable the income will be received. The following specific policies are applied to particular categories of income:

- Income from government and other grants, whether 'capital' or 'revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably.
- Investment income is included when receivable.

d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

e) Taxation

No charge to current or deferred taxation arises as the charity has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity no. CHY 15386.

f) Tangible fixed assets

Tangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated depreciation and impairment losses.

g) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures fittings and equipment - 33% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

h) Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

i) Fund accounting

The following funds are operated by the Charity

Restricted Funds

Restricted Funds represent grants, donations and sponsorships received which can only be used for particular purposes specified by the donors or sponsorship programmes binding on the directors/trustees. Such purposes are within the overall aims of the charity.

Unrestricted Funds

Unrestricted Funds includes general funds and designated funds and it represent amounts which are expendable at the discretion of the Directors/Trustees in furtherance of the objectives of the charity and which have not been designated for other purposes. Such funds may be held in order to finance working capital or capital expenditure.

Designated Funds

Designated funds are unrestricted funds earmarked by the Directors/Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. The designations have an administrative purpose only and do not legally restrict the Board's discretion in applying the funds.

j) Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

k) Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

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

- (a) Establishing useful economic lives for depreciation purposes of property, plant and equipment

The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

5. INCOME

The whole of the turnover is attributable to the principal activity of the company which is wholly undertaken in Ireland.

Turnover arises from:

	2019	2018
	€	€
Corporate Support	2,500	5,000
SSNO Project funded by Pobal	85,154	85,108
HRB funding	75,000	75,000
Membership and subscriptions	29,549	22,100
5% Levy on the Joint Funding Scheme	62,777	31,840
Other income and awards	<u>11,111</u>	<u>3,966</u>
	<u>266,091</u>	<u>223,014</u>

In 2019 €90,720, (2018 €90,108) of incoming resources from charitable activities were restricted.

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2019	2018
	€	€
Depreciation of tangible assets	465	472
Auditors remuneration	<u>3,690</u>	<u>3,690</u>

7. STAFF COSTS

The average number of persons employed (full time equivalents) by the company during the financial year was as follows:

	2019	2018
	€	€
Operations	2.1	2.1
Research	<u>0.5</u>	<u>0.5</u>
	<u>2.6</u>	<u>2.6</u>

	2019	2018
	€	€
Wages and salaries	145,262	136,357
Social insurance costs	15,193	10,473
Other retirement benefit costs	<u>6,981</u>	<u>4,359</u>
	<u>167,436</u>	<u>155,987</u>

The number of employees whose emoluments for the year fall within the following bands are as follows:

	2019	2018
	€	€
€60,000 - €70,000	-	-
€70,000 - €80,000	-	-
€80,000 - €90,000	-	-
€90,000 - €100,000	-	-
€100,000 - €110,000	=	=

8. EMPLOYEE BENEFITS

The amount recognised in profit or loss in relation to defined contribution pension plans was €6,981 (2018: €5,304).

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

9. DIRECTORS EMOLUMENTS

None of the directors received remuneration or benefits for their services during 2019 or 2018.

10. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment €	Total €
Cost		
At 1 January 2019	6,671	6,671
At 31 December 2019	<u>6,671</u>	<u>6,671</u>
Depreciation		
At 1 January 2019	5,905	5,905
Charge for the financial charge	465	465
At 31 December 2019	<u>6,378</u>	<u>6,378</u>
Carrying amount		
At 31 December 2019	<u>301</u>	<u>301</u>
At 31 December 2018	<u>766</u>	<u>766</u>

11. DEBTORS

	2019 €	2018 €
Prepayments	3,626	3,534
Accrued income	0	5,000
	<u>3,626</u>	<u>3,287</u>

12. CASH AND CASH EQUIVALENTS

	2019 €	2018 €
Cash at bank	<u>201,859</u>	<u>155,631</u>
Unrestricted income	201,859	155,631
Designated income	0	0
Restricted income	0	0
	<u>201,859</u>	<u>155,631</u>

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	€	€
Trade creditors	13,866	3,809
Tax and social insurance: PAYE and social welfare	12,386	10,499
Accruals	6,710	7,047
Deferred income	<u>1,190</u>	<u>0</u>
	<u>34,152</u>	<u>21,355</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds	Restricted Funds	Total Funds
	€	€	€	€
Tangible assets	301	-	-	301
Current assets	205,485	-	-	205,485
Current liabilities	<u>(34,152)</u>	-	-	<u>(34,152)</u>
Net assets at 31 December 2019	<u>171,634</u>	-	-	<u>171,634</u>

15. MOVEMENTS IN FUNDS

	At 1 January 2019	Income	Expenditure	Transfers	Gain and Losses	At 31 December 2019
	€	€	€	€	€	€
Restricted Funds:						
Pobal grant	0	85,154	(86,991)	1,836	0	0
Corporate funding	0	2,500	(2,500)	0	0	0
PPI Ignite	<u>0</u>	<u>3,066</u>	<u>(3,066)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total restricted funds	0	90,720	(92,557)	1,836	0	0
Unrestricted funds						
Designated funds	0	0	0	0	0	0
General Funds	<u>143,576</u>	<u>175,371</u>	<u>(145,476)</u>	<u>(1,836)</u>	<u>0</u>	<u>171,634</u>
Total unrestricted funds	143,576	175,371	(145,476)	(1,836)	0	171,634
TOTAL FUNDS	<u>143,576</u>	<u>266,091</u>	<u>(238,033)</u>	<u>0</u>	<u>0</u>	<u>171,634</u>

Purposes of Restricted Funds

Pobal grant: This purpose of this grant is to fund 2 staff positions as part of the Scheme to Support National Organisations (SSNO).

General funds

The general reserve represents the funds of the charity which are not designated for particular purposes.

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

16. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instruments is as follows:

	2019	2018
	€	€
Financial assets that are debt instruments measured at amortised cost		
Trade and other debtors	3,626	3,534
Cash and short-term deposits	<u>201,859</u>	<u>155,631</u>
	<u>205,485</u>	<u>159,165</u>
Financial liabilities measured at amortised cost		
Trade creditors	13,866	3,809
Other creditors	<u>19,096</u>	<u>17,546</u>
	<u>32,962</u>	<u>21,355</u>

17. LIMITED BY GUARENTEE

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding €1.27.

18. CAPITAL AND OTHER COMMITMENTS

There were no capital commitments at the year ended 31 December 2019 (2018: €-).

19. POST BALANCE SHEET EVENTS

There have been no significant events affecting the charity since the year-end.

20. RELATED PARTY TRANSACTIONS

Key management personnel

Total remuneration including employer's social insurance in respect of senior employees who have authority and responsibility, directing and controlling the activities of the charity amounted to €138,401 (2018: €135,838).

None of the directors received remuneration or benefits for their services during 2019 or 2018.

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

Notes to the financial statements
Financial year ended 31 December 2019

21. GRANTS RECEIVED

Grant 1

Agency	Pobal
Sponsoring Government Department	Department of the Environment, Community and Local Government
Grant Programme	Support for National Organisations
Total Grant	€85,154
Grant taken to income in the period	€85,154
Cash received in the period	€85,154
Amounts deferred or due at the period end at the period end	€0
Term	1 July 2019 to 30 June 2022
Received year end	31 December 2019
Capital grant	Nil
Restriction on use	Pay and general administration

Grant 2

Agency	Health Research Board
Total Grant	€262,500
Grant taken to income in the period	€75,000
Cash received in the period	€75,000
Amounts deferred or due at the period end at the period end	€0
Term	March 2017 to January 2020
Received year end	31 December 2019
Capital grant	Nil
Restriction on use	Salary related costs and running costs

22. TAX CLEARANCE

The company comply with relevant Circulars, including Circular 44/2006 "Tax Clearance Procedures Grants, Subsidies and Similar Type Payments.

23. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on

Health Research Charities Ireland CLG
(A Company Limited by Guarantee and not having Share Capital)

The following pages do not form part of the statutory accounts.

Health Research Charities Ireland CLG
[Company Limited by Guarantee and not having a Share Capital]
Appendix 1: Operating Statement
Year ended 31 December 2019

	2019	2018
	€	€
Income		
Membership and subscriptions	29,549	22,100
5% Levy	62,777	31,840
Corporate Support	2,500	5,000
HRB funding	75,000	75,000
SSNO Project - Pobal funding	85,154	85,108
Other income	11,111	3,966
	<u>266,091</u>	<u>223,014</u>
Direct Expenses		
SSNO costs	88,561	99,849
Irish Health Research Forum	6,055	13,362
Rare Disease Taskforce	2,361	2,605
Other direct expenses	11,283	4,857
	<u>108,261</u>	<u>120,673</u>
Surplus before overheads	157,830	102,341
Overhead Expenses		
Allocation of indirect costs to SSNO	(12,542)	(12,968)
Salaries and social welfare costs	89,704	67,077
Staff pension	3,779	1,604
Rent & rates	22,329	21,492
Insurance	1,400	1,275
Post, printing and stationery	1,686	2,928
Telephone and fax	622	717
Computer/website costs	7,706	3,410
Professional fees	6,150	0
Travel/subsistence	257	1,386
Board expenses	337	346
Accountancy	836	2,014
Audit	3,690	3,690
Bank charges	540	667
Company secretariat	20	20
Sundry expenses	2,073	2,881
Subscriptions	719	490
Depreciation	465	472
	<u>129,772</u>	<u>97,501</u>
Total expenses	<u>238,032</u>	<u>218,174</u>
Operating surplus	<u>28,058</u>	<u>4,840</u>

Health Research Charities Ireland CLG
[Company Limited by Guarantee and not having a Share Capital]
Appendix 2: Pobal Operating Statement
Year ended 31 December 2019

	2019	2018
	€	€
Income		
Pobal funding	85,154	85,108
Direct Expenses		
SSNO costs	<u>86,991</u>	<u>99,849</u>
Operating deficit	<u>(1,838)</u>	<u>(14,741)</u>