

## **Arthritis Ireland**

*(Company limited by guarantee, not having share capital)*

Report of the board members and financial statements for the  
year ended 31 December 2014

**REPORT OF THE BOARD MEMBERS AND FINANCIAL STATEMENTS**  
**for the year ended 31 December 2014**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
EXECUTIVE COMMITTEE AND OTHER INFORMATION	2
REPORT OF THE DIRECTORS	4
INDEPENDENT AUDITOR'S REPORT	7
STATEMENT OF FINANCIAL ACTIVITIES	9
BALANCE SHEET	10
CASH FLOW STATEMENT	11
NOTES TO THE FINANCIAL STATEMENTS	12

Mr John O'Flynn

Mr. Michael Kelly

Dr. Frances Stafford

Mr. John Church

Mr Peter Boyd  
Ms. Anne-Marie Healy  
Prof. David Kane  
Mr. John O'Flynn  
Mr. Conor Kavanagh  
Mr. Michael Kelly  
Ms. Anne Plunkett  
Mr. William Quinlan  
Mr. Seoirse Smith  
Dr. Frances Stafford (Resigned 27 November 2014)  
Mr. John Tuohy (Appointed 4 March 2014)  
Ms Erica Mitchell  
Prof. Gerry Wilson  
Ms. Eimear Lyons  
Dr. Bryan Whelan  
Dr. Emma MacDermott (Appointed 4 December 2014)

1 Clanwilliam Square,  
Grand Canal Quay,  
Dublin 2.

Allied Irish Banks Plc,  
52 Upper Baggot Street,  
Dublin 4.

Bank of Ireland,  
Ballsbridge,  
Dublin 4.

**EXECUTIVE COMMITTEE AND OTHER INFORMATION (Continued)**

BANKERS FOR THE BRANCHES	Allied Irish Banks Plc, 9 Terenure Road East, Rathgar, Dublin 6 Allied Irish Banks Plc, 11/13 Oliver Plunkett Street, Mullingar, Co. Westmeath Allied Irish Banks Plc, Main Street, Castlebar, Co. Mayo Allied Irish Banks Plc, O'Connell St., Clonmel, Co. Tipperary Allied Irish Banks Plc, Main Street, Ennistymon, Co. Clare Allied Irish Banks Plc, The Square, Gort, Co. Galway Allied Irish Banks Plc, Corbally, Limerick, Co. Limerick Allied Irish Banks Plc, Patrick Street, Cork, Co. Cork Allied Irish Banks Plc, Main Street, Tipperary, Co. Tipperary Allied Irish Banks Plc, North Main Street, Wexford, Co. Wexford Allied Irish Banks Plc, 58 Main Street, Longford, Co. Longford Allied Irish Banks Plc, Sutton, Co. Dublin Allied Irish Banks Plc, Dunlavan, Co. Wicklow Allied Irish Banks Plc, 52 Upper Baggot Street, Dublin 2
SOLICITORS	Dillon Solicitors, Unit A1, Nutgrove Office Park Rathfarnham, Dublin 14.
REGISTERED NUMBER	078931
CHARITY NUMBER	CHY 6297
AUDITORS	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2014**

The directors submit their report together with the audited financial statements for the year ended 31 December 2014.

**RESULTS FOR THE YEAR**

Total income for 2014 amounted to €1.27 million (2013: €1.45 million) which includes income associated with the Chairs of Rheumatology of €72,097 (2013: €104,904). As indicated in note 17 to the financial statements, these funds have been deemed “restricted funds” to facilitate the establishment of two academic Chairs of Rheumatology in the UCD and TCD medical schools respectively.

Adjusting the 2014 and 2013 income for these restricted funds results in income of €1.20 million compared to €1.35 million in 2013, a decrease of 12.5%. During the year, the directors maintained an appropriate cost management program to ensure the containment of our cost base. The deficit for 2014, (excluding the Chair income) inclusive of amortised grants, amounted to € 214,638 compared to a deficit of €29,205 in 2013.

Despite the current and prospective economic environment, the directors remain confident that Arthritis Ireland will continue to achieve its strategic objectives in 2015 and beyond.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements giving a true and fair view of the state of affairs of the company and of the profit or loss for each financial year. Under that law the directors have elected to prepare financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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 proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2014 (Continued)****REVIEW OF DEVELOPMENT OF BUSINESS ACTIVITIES**

The mission statement of Arthritis Ireland is "to help people with arthritis to achieve the best possible quality of life". Arthritis Ireland provides a comprehensive education service to people with arthritis, their families and friends on all aspects of arthritis. Arthritis Ireland provides a service which gives comfort and support to people with arthritis. Arthritis Ireland supports research into arthritis in Irish research centres. The current economic climate makes it a difficult time for voluntary organisations to raise funds.

<b>SURPLUS ON RESERVES</b>	<b>€</b>
Net decrease in resources for the financial year before transfers	(189,097)
Amortisation of capital grants ( <i>note 16</i> )	1,693
	<hr/>
The directors recommended allocation of this amount to general funds	(187,404)
Unrestricted reserves at beginning of year	500,000
	<hr/>
	312,596
Funds reallocated from restricted to unrestricted	187,404
	<hr/>
Unrestricted reserves at end of year	500,000
	<hr/>

It was agreed at board level to formally allocate the funds included in the general reserves to restricted funds in order to meet our commitments in respect of the substantial funding to be allocated to the Chair of Rheumatology programme.

**PERFORMANCE, STRATEGY AND SIGNIFICANT RISKS**

Arthritis Ireland is dependent on fundraising, grants and other income in order to fund its activities and also depends on volunteers to support its activities.

Arthritis Ireland's strategy is to develop an appropriate fund-raising programme to provide a sustainable level of income to enable it to fulfil its objectives.

**DIRECTORS AND SECRETARY**

The directors, honorary medical adviser and honorary secretary who served during the year are set out on page 2 of these financial statements.

**TRANSACTIONS INVOLVING BOARD MEMBERS**

There were no contracts or arrangements in relation to the business of the company in which the directors had any interest, as defined by the Companies Act 2014, at any time during the year ended 31 December 2014.

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2014**

*VOLUNTARY ASSISTANCE*

The directors wish to thank those people who have donated their time free of charge for the benefit of Arthritis Ireland. The number of volunteers giving of their time to Arthritis Ireland increased substantially during 2014 through setting up of walking groups and helpline volunteer recruitment.

*RELATED PARTY TRANSACTIONS*

There were no related party transactions in the year ended 31 December 2014.

*POLITICAL DONATIONS*

The company made no political donations during the year.

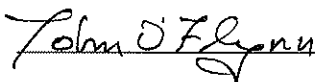
*ACCOUNTING RECORDS*

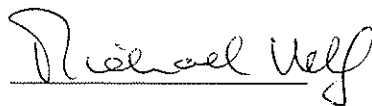
The directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014, with regards to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books and records of the organisation are maintained at 1 Clanwilliam Square, Grand Canal Quay, Dublin 2.

*AUDITORS*

Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act 2014.

On Behalf of the Board:





Date 10<sup>th</sup> September 2015 10/9/15.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHRITIS IRELAND**

To be provided by EY



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHRITIS IRELAND**

We have audited the financial statements of Arthritis Ireland for the year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 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.

### ***Respective responsibilities of directors and auditors***

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### ***Scope of the audit of the financial statements***

An audit 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 Report of the Directors 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.

*Continued /...*

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHRITIS IRELAND  
(Continued)**

***Opinion on financial statements***

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs at 31 December 2014 and of its deficit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

***Matters on which we are required to report 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.
- 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.

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

We have nothing to report in respect of sections 305 to 312 of the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Dargan FitzGerald  
for and on behalf of Ernst & Young  
Chartered Accountants and Statutory Audit Firm

Dublin

Date 24/9/15

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTHRITIS IRELAND  
(Continued)**

Dargan FitzGerald  
for and behalf of Ernst & Young

Dublin

Date:

**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31 December 2014**

	Notes	Unrestricted funds	Restricted funds	2014 Total funds	2013 Total funds
<b>Incoming resources</b>					
Sponsorship income	5	–	294,911	294,911	438,100
Chairs of Rheumatology	17	–	72,097	72,097	104,904
Grants received	7	–	263,203	263,203	412,072
Gifts and bequests		123,537	–	123,537	78,735
Other income	6	121,443	–	121,443	74,621
Fundraising income	6	398,377	–	398,377	342,488
<b>Total incoming resources</b>		<b>643,357</b>	<b>630,211</b>	<b>1,273,568</b>	<b>1,450,920</b>
<b>Resources expended</b>					
Direct expenditure		(113,726)	(589,108)	(702,834)	(875,626)
Management and administration	8	(192,441)	(262,519)	(454,960)	(149,342)
Fundraising expenditure	6	(526,287)	–	(526,287)	(355,956)
<b>Total resources expended</b>	8	<b>(832,454)</b>	<b>(851,627)</b>	<b>(1,684,081)</b>	<b>(1,380,924)</b>
<b>Net (outgoing) / incoming resources before transfers</b>	18	<b>(189,097)</b>	<b>(221,416)</b>	<b>(410,513)</b>	<b>69,996</b>
Amortisation of capital grants	16	1,693	3,760	5,453	4,513
<b>Net movement in funds</b>	18	<b>(187,404)</b>	<b>(217,656)</b>	<b>(405,060)</b>	<b>74,509</b>
<b>Fund balances brought forward at 1 January 2014</b>		<b>500,000</b>	<b>2,345,707</b>	<b>2,845,707</b>	<b>2,771,198</b>
Funds reallocated to unrestricted from restricted		187,404	(187,404)	–	–
<b>Fund balances carried forward at 31 December 2014</b>		<b>500,000</b>	<b>1,940,647</b>	<b>2,440,647</b>	<b>2,845,707</b>

There are no recognised gains or losses in either year other than the income or expenditure taken to general reserve. The above items have arisen from continuing activities.

# ARTHRITIS IRELAND

## BALANCE SHEET at 31 December 2014

		2014 €	2013 €
ASSETS EMPLOYED	Note		
FIXED ASSETS			
Tangible assets	12	115,718	127,862
CURRENT ASSETS			
Sundry debtors and prepayments	13	92,638	28,792
Cash at bank and in hand		1,310,550	1,467,595
Investments	14	1,368,000	1,368,000
		2,771,188	2,864,387
CREDITORS (amounts falling due within one year)	15	(432,344)	(127,173)
NET CURRENT ASSETS		2,338,844	2,737,214
TOTAL ASSETS LESS CURRENT LIABILITIES		2,454,562	2,865,076
FINANCED BY			
RESERVES			
Capital grants	16	13,916	19,369
Restricted funds	17	1,940,646	2,345,707
General funds	18	500,000	500,000
		2,454,562	2,865,076

On behalf of the Board:

*John F. Lyall*

*Michael Ueff*

Date 10<sup>th</sup> September 2015 10/9/15.

**CASH FLOW STATEMENT**

Year Ended 31 December 2014

	2014 €	2013 €
<b>Operating activities</b>		
Net movement in funds	(405,060)	74,509
Depreciation for the year on tangible assets	17,948	15,583
Amortisation of capital grants	(5,453)	(4,513)
Decrease / (increase) in sundry debtors and prepayments	(63,846)	22,026
Increase / (decrease) in creditors	305,171	(79,004)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(151,240)</b>	<b>28,601</b>
<b>Investing activities</b>		
Purchase of fixtures and equipment	(5,804)	(19,885)
Disposal of equipment	-	132,000
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(5,804)</b>	<b>112,105</b>
<b>Financing activities</b>		
Capital grants received during the year	-	18,800
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>18,800</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(157,044)</b>	<b>159,506</b>
<b>Reconciliation to net cash</b>		
Net cash at 1 January	1,467,595	1,308,089
Increase / (decrease) in cash	(157,044)	159,506
<b>Net cash at 31 December</b>	<b>1,310,551</b>	<b>1,467,595</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2014**

**1. ACTIVITY**

Arthritis Ireland is governed by a memorandum and articles of association and its three key objectives are:

- (i) To provide support and ancillary services to improve the quality of life of people living with arthritis;
- (ii) To support research into the prevention, causes and cure of arthritis;
- (iii) To influence the key policymakers within the Irish healthcare system to reduce the burden of disability arising from arthritis respectively.

Arthritis Ireland has throughout the year been fundraising and spending its funds in support of its objectives. As explained fully in note 17, it is funding research and academic teaching through the establishment of chairs of rheumatology in University College Dublin and Trinity College Dublin respectively.

**2. STATUS OF COMPANY**

Arthritis Ireland is a charitable company limited by guarantee which was set up on 13 October 1980. This means that gifts of money to the company will qualify for tax relief in Ireland, provided the conditions set out in the legislation are met.

**3. BASIS OF PREPARATION**

The company is substantially dependent on fundraising and donations received to cover its operating expenses. The board of directors believe that the level of income will remain adequate for the foreseeable future so that the company can continue its present operations. In these circumstances, the accounts are prepared on a going concern basis.

Due to its charitable status, the company is exempt from the reporting and disclosure requirements of the Companies Act 2014, under Section 352 of that act.

The company has complied with the provisions of the "Statement of Recommended Practice (SORP) Accounting and Reporting by Charities", February 2005, in preparing the financial statements, and with the relevant provisions of the Charities Act, 2009.

The financial statements include the activities of and the funds held by the company's voluntary branches.

**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2014 (Continued)**

**4. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these financial statements.

*(a) Historical cost convention*

The financial statements are prepared under the historical cost convention. The company has consistently applied all relevant accounting standards.

*(b) Income recognition*

Part of the company's income is derived from charitable donations. The company operates internal control procedures on this income once this money has been received by the company.

*(c) Government grants*

**Capital**

Grants relating to expenditure on fixed assets are treated as a deferred credit and are credited to revenue on the same basis as the related fixed assets are depreciated.

**Revenue**

Revenue grants and donated funds are credited to the statement of financial activities in the year that the related expenditure is incurred. Grants and funds received but not yet utilised are shown in creditors. Grants relating to the educational programmes are credited to the statement of financial activities when received.

*(d) Cost of generating funds*

Fundraising costs include the cost of advertising, producing publications, printing and mailing fundraising material and staff costs in these areas. All costs of generating funds are recognised on an accruals basis.

*(e) Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Buildings	2%	Straight Line
Fixtures and equipment	10%	Straight Line
Computer equipment	33%	Straight Line



NOTES TO THE FINANCIAL STATEMENTS

31 December 2014 (Continued)

4. ACCOUNTING POLICIES (continued)

(f) *Investments*

Debt securities and other fixed income securities are classified as held to maturity (HTM) and valued at amortised cost. The Company has the ability and the intent to hold to maturity. The capital amount of the investments is guaranteed subject to their retention to maturity and therefore the cost is not written down.

(g) *Stocks*

Stocks of information leaflets are not included in the assets of the company.

5. SPONSORSHIP INCOME	2014 €	2013 €
Abbvie	79,571	80,400
MSD	13,000	11,400
Seven Seas	20,000	20,000
Bristol Myers Squibb	25,000	15,000
Mundipharma	20,000	10,000
Roche	30,000	25,000
Pfizer HC	13,000	173,550
UCB Pharma	15,000	12,500
RCSI	200	200
Astra Zeneca	–	4,000
Irish Life Corporate	24,233	25,000
Other sponsorship	4,275	–
Deferred revenue	37,132	48,900
Jansen Cilag	–	7,500
Hidden Hearing	8,500	4,650
Fannin Ltd	5,000	–
	<u>294,911</u>	<u>438,100</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2014 (Continued)**

6.	FUNDRAISING AND OTHER INCOME	2014	2013
		€	€
	Fundraising events		
	Income	398,377	342,488
	Expenses	(526,287)	(355,956)
		<u>          </u>	<u>          </u>
	Net fundraising income	(127,910)	(13,468)
		<u>          </u>	<u>          </u>
	<i>Other income:</i>		
	Branch income	110,316	69,734
	Interest income	11,127	4,887
		<u>          </u>	<u>          </u>
		121,443	74,621
		<u>          </u>	<u>          </u>
7.	GRANTS RECEIVED	2014	2013
		€	€
	Department of Environment, Community, and Local Government	66,850	61,230
	Health Service Executive	173,596	167,044
	The Atlantic Philanthropies	–	147,166
	Branch grants	26,257	13,632
	Deferred revenue	(8,500)	23,000
		<u>          </u>	<u>          </u>
		258,203	412,072
		<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2014 (Continued)**

8.	RESOURCES EXPENDED	Note	2014 €	2013 €
	Professional membership		2,132	2,589
	Administrative costs		192,441	148,151
	Maintenance and insurance		16,381	17,187
	Depreciation	12	17,948	15,583
	Education		384,854	535,184
	Community		243,015	273,204
	Accountancy fees		24,397	20,331
	Auditor's fees	9	–	–
	Board meeting, election costs and audit committee		7,385	2,381
	Bank charges		3,967	2,634
	Miscellaneous charges		–	4,035
	Fundraising expenditure (including branch expenses)		526,287	355,956
	Organisational development		2,755	2,498
	Chair expenses		262,519	1,191
			<u>1,684,081</u>	<u>1,380,924</u>

9.	NET INCOMING RESOURCES FOR FINANCIAL YEAR BEFORE TRANSFERS	2014 €	2013 €
----	---	-----------	-----------

The net incoming resources have been arrived at  
after charging/(crediting):

Depreciation of tangible assets ( <i>note 12</i> )	17,948	15,583
Auditor's remuneration*	–	–
Interest income (Bank and Chair)	<u>(6,847)</u>	<u>(109,791)</u>

\*Ernst & Young have carried out the audit on a pro bono basis for 2014 and 2013.

None of the directors receives remuneration for his or her services.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2014 (Continued)**

**10. EMPLOYEES AND REMUNERATION**

The average number of persons employed by the company during the year was as follows:

	<i>2014</i> <i>Number</i>	<i>2013</i> <i>Number</i>
Office and administration	<u>11</u>	<u>10</u>
	<i>2014</i> €	<i>2013</i> €
Wages and salaries	531,969	493,283
Social welfare costs	56,721	52,738
Pension contributions*	22,803	10,642
Other payroll costs	10,362	5,492
	<u>621,855</u>	<u>562,155</u>

Staff are also employed on a temporary basis and their remuneration is included above. They are engaged in leading education projects and specific fundraising events.

\* Amounts referred to above as "pension contributions" relate to amounts paid into personal retirement savings accounts (PRSA) by the company.

**11. TAXATION**

The foundation is a charity and is not liable to income tax or corporation tax.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2014 (Continued)**

12. TANGIBLE ASSETS

	Freehold building €	Fixtures & equipment €	Motor vehicles €	Total €
Cost				
At 31 December 2013	144,687	242,978	18,800	406,465
Additions	–	5,804	–	5,804
At 31 December 2014	144,687	248,782	18,800	412,269
Depreciation				
At 31 December 2013	74,305	201,478	2,820	278,603
Charge for the year	2,894	11,294	3,760	17,948
At 31 December 2014	77,199	212,772	6,580	296,551
Net book values				
At 31 December 2014	<b>67,488</b>	<b>36,010</b>	<b>12,220</b>	<b>115,718</b>
At 31 December 2013	<b>70,382</b>	<b>41,500</b>	<b>15,980</b>	<b>127,862</b>

13. DEBTORS	2014 €	2013 €
Prepayments and other debtors	92,638	28,792

14. INVESTMENTS

Held to maturity investments	2014 €	2013 €
At amortised cost		
Debt securities*	1,368,000	1,368,000
At purchased price		
Debt securities*	1,368,000	1,368,000
At fair value		
Debt securities	1,412,494	1,450,101

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2014 (Continued)**

14. INVESTMENTS (Continued)

Held to maturity investments comprise of €550,000 invested in an Irish Life Clear Tracker 9 Bond and €818,000 invested in a BCP 50/50 Split Deposit Bond. The Company has the ability and the intent to hold investments to maturity. The capital amount of the investments is guaranteed subject to their retention to maturity and therefore the need to write down the amortised cost does not arise.

15. CREDITORS (amounts falling due within one year)	2014 €	2013 €
Creditors	105,014	29,669
Deferred income	48,368	77,000
Accrued expenses	255,500	976
PAYE and PRSI	23,462	19,528
	<u>432,344</u>	<u>127,173</u>

16. CAPITAL GRANTS	2014 €	2013 €
At beginning of year	19,369	5,082
Capital grants received	–	18,800
Amortised in the year	(5,453)	(4,513)
	<u>13,916</u>	<u>19,369</u>

All grants are in respect of fixtures and equipment and motor vehicles and the grant income is deferred in order to match the depreciation charge on the related assets.

17. RESTRICTED FUNDS – CHAIRS OF RHEUMATOLOGY	2014 €	2013 €
At beginning of year	2,345,707	2,271,198
Transferred (to)/from General Funds ( <i>note 18</i> )	(187,404)	(94,934)
Funds reallocated from unrestricted to restricted	–	–
(Deficit) / surplus on restricted funds during the year	(217,656)	169,443
	<u>(405,060)</u>	<u>74,509</u>
At end of year	<u>1,940,647</u>	<u>2,345,707</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2014 (Continued)**

**18. RECONCILIATION OF MOVEMENTS IN  
GENERAL FUNDS (Continued)**

It was agreed by the Board of Directors in January 2010 that a €500,000 general reserve would be maintained for the purpose of continuing operations in anticipation of a difficult fundraising environment and the discontinuation of the Atlantic Philanthropies and Department of Environment, Community and Local Government grants in 2014. However, the company was successful in retaining the latter grant, whilst the full grant value lost from The Atlantic Philanthropies has not yet been fully replaced due to the difficult fundraising landscape in 2014. The board is satisfied, however, that the plans in 2015 and 2016 are strong enough to realise sustainable unrestricted income to support our future growth plans.

**19. SHARE CAPITAL**

The company is limited by guarantee and does not have a share capital. At the balance sheet date, there were 14 members whose guarantee is limited to €1.27 each. This guarantee continues for one year after membership ceases.

**20. COMMITMENTS**

The company has no unprovided commitments at 31 December 2014.

**21. POST BALANCE SHEET EVENTS**

No significant events have taken place since the year end that would result in adjustment to the 2014 financial information or inclusion of a note thereto.

**22. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of Directors on

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2014 (Continued)**

17. RESTRICTED FUNDS – CHAIRS OF RHEUMATOLOGY (Continued)

In 2014 the general reserves were reviewed and, in line with Arthritis Ireland's obligation to meet the matched funding criteria of The Atlantic Philanthropies grant, the above sum of €187,404 was transferred from restricted (2013: €94,934 was transferred to restricted), giving a total restricted funds at 31 December 2014 of €1,949,778 (2013: €2,345,707).

These funds have been restricted to establish two academic Chairs of Rheumatology in the UCD and TCD medical schools respectively. This programme aims to address the significant gap in research and teaching time in Ireland and also aims to improve the understanding of arthritis amongst medical students. The overall objective is to improve the lives of people living with arthritis through better service provision. Arthritis Ireland has raised funds through its own activities and through the support of The Atlantic Philanthropies, the HSE, industry partners, individual donors and its voluntary branch network. This programme has now come to fruition with the appointment of the first chair in rheumatology at UCD on 1 July 2013 and the second chair at TCD appointed and due to take up post in 2015.

Arthritis Ireland's commitment to this programme is to fund the academic and research sessions of the Chairs of Rheumatology posts for a period of five years, after which the universities will assume the cost. This commitment amounts to approximately €2.5m in total over five years and all funds categorised as restricted above are ring-fenced and set aside to fund this activity.

18. RECONCILIATION OF MOVEMENTS IN GENERAL FUNDS	2014 €	2013 €
Net incoming resources for the year	(189,097)	(96,627)
Amortisation of capital grants ( <i>note 16</i> )	1,693	1,693
Net movement in general funds	(187,404)	(94,934)
Opening general funds	500,000	500,000
Funds reallocated to/(from) unrestricted (to)/from restricted	312,596 187,404	405,066 94,934
Closing general funds	500,000	500,000