

**Registration number 78931**

**ARTHRITIS IRELAND**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**ARTHRITIS IRELAND**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**CONTENTS**

	<b>Page</b>
Executive committee and other information	<b>2 - 3</b>
Directors' report	<b>3 - 5</b>
Statement of directors' responsibilities	<b>6</b>
Independent Auditors' report	<b>7 - 8</b>
Statement of Financial Activities	<b>9</b>
Balance sheet	<b>10</b>
Cash flow statement	<b>11</b>
Notes to the financial statements including Statement of Accounting Policies	<b>12 - 26</b>

**ARTHRITIS IRELAND**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**DIRECTORS AND OTHER INFORMATION**

Chairman	Mr. John O'Flynn	
Honorary Secretary	Mr. Seoirse Smith	
Honorary Medical Adviser	Prof. Gerry Wilson	
Chief Executive Officer	Mr. John Church	
Board Members	Mr. Peter Boyd	
	Mr. Derek Deely	(Appointed 28/10/2015)
	Ms. Anne-Marie Healy	(Resigned 25/10/2016)
	Prof. David Kane	
	Mr. Conor Kavanagh	
	Mr. Michael Kelly	(Resigned 25/10/2016)
	Dr. Emma MacDermott	
	Ms. Erica Mitchell	(Resigned 25/10/2016)
	Mr. John O'Flynn	
	Ms. Anne Plunkett	(Resigned 25/10/2016)
	Ms. Gaye Stephens	(Appointed 08/01/2016)
	Mr. Seoirse Smith	
	Mr. John Tuohy	(Resigned 25/10/2016)
	Dr. Bryan Whelan	
	Prof. Gerry Wilson	
Company number	78931	
Registered office	1 Clanwilliam Square Grand Canal Quay Dublin 2.	

# ARTHRITIS IRELAND

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

### DIRECTORS AND OTHER INFORMATION

*continued.....*

Auditors	KSi Faulkner Orr Limited Registered Auditors Gateway House, 133 Capel Street, Dublin 1.
----------	---

Bankers	Allied Irish Bank 52 Upper Baggot Street Dublin 4.
---------	--

Solicitors	Dillon Solicitors Unit A1 Nutgrove Office Park Rathfarnham Dublin 14
------------	--

Charity number	CHY 6297
----------------	----------

## **ARTHRITIS IRELAND**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2016**

##### **Organisational Structure**

Arthritis Ireland is limited by guarantee and does not have a share capital. At the balance sheet date there were 15 members whose guarantee is limited to €1.27. This guarantee continues for one year after membership ceases. The company is governed by the Companies Act 2014 and produces its accounts in compliance with that Act.

##### **Principal activities**

The mission statement for 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 and supports research into arthritis in Irish research centres. The current economic climate makes it a difficult time for voluntary organisations to raise funds.

##### **Internal Control and Risk Management**

Arthritis Ireland is committed to the standards outlined in The Governance Code and every year we review our organisational practice against the recommended actions for each principle of the Governance Code. We are compliant with that Code as a type "C" organisation.

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

##### **Board Committees**

Arthritis Ireland has a Finance Committee called "Board Governance & Effectiveness" which meets quarterly prior to the full board meeting. There are three members on the sub-committee, one of whom is a Chartered Accountant.

The company also has a Medical & Scientific Committee which also meets quarterly. It has qualified medical personnel on its committee and monitors and reports on medical / scientific advancements in the field of Rheumatology.

##### **Review of Operations / Results for the Year**

Total income for the year amounted to €1.896 million (2015: €1.462 million) which includes income associated with the Chairs of Rheumatology of €808,176 (2015: €421,379). As indicated in note 20 to the financial statements, these funds have been deemed "restricted funds" to facilitate the funding of our research programme through the two academic Chairs of Rheumatology in University College, Dublin and Trinity College, Dublin medical schools respectively.

## ARTHRITIS IRELAND

### DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

..... continued

<b>Movement on reserves</b>	€
Net decrease in resources for the financial year before transfers	(121,563)
Amortisation of capital grants (note 19)	8,462
The directors recommend allocation of this amount to general funds	(113,101)
Unrestricted reserves at beginning of year	500,000
	386,899
Funds reallocated from restricted to unrestricted	113,101
Unrestricted reserves at end of year	500,000

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

#### Directors of the Company

The present membership of the board is listed on the 'Directors and other information' page. The directors and secretary who served during the year had no financial interests in the organisation.

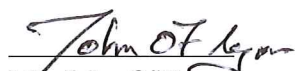
#### Accounting records

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285 of the Companies Act 2014, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the finance function. The accounting records of the company are maintained at the Registered Office at 1 Clanwilliam Square Grand Canal Quay Dublin 2.

#### Auditors

The auditors, KSi Faulkner Orr Limited, indicated their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

This report was approved by the Board on 14<sup>th</sup> September 2017 and signed on its behalf by



Mr. John O'Flynn

Director



Mr. Seoirse Smith

Director

## ARTHRITIS IRELAND

### STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE MEMBERS' FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Director's Report and financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

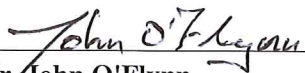
Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland including FRS 102 The Financial Reporting Standard applicable in the U.K and Ireland (Generally Accepted Accounting Practice in Ireland) as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1st January 2015. 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 as at the financial year end date and of the surplus or deficit of the company for that financial year and otherwise comply with the Companies Act 2014.


In preparing those 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 the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

On behalf of the board

  
Mr. John O'Flynn  
Director

  
Mr. Seoirse Smith  
Director

Date: 14/09/2017

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

## **ARTHRITIS IRELAND**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

We have audited the financial statements of Arthritis Ireland for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 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), including FRS 102 The Financial Reporting Standard applicable in the U.K and Republic of Ireland as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1st January 2015.

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 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 26 to the financial statements.

#### **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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

**ARTHRITIS IRELAND**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**Opinion on financial statements**

In our opinion the financial statements:

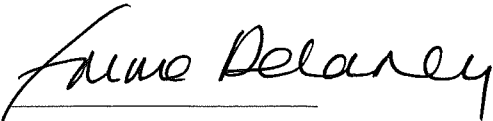
- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2016 and of its deficit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**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 audited;
- 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 the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by section 305 to 312 of the Act are not made.

  
Emma Delaney,  
for and on behalf of KSi Faulkner Orr Limited.

KS i Faulkner Orr Limited,  
Gateway House,  
133 Capel Street,  
Dublin 1.

Date: 14 September 2017

# ARTHRITIS IRELAND

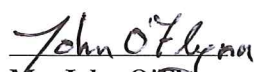
## STATEMENT OF FINANCIAL ACTIVITIES

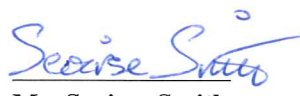
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Continuing operations			
		Unrestricted Funds	Restricted Funds	2016 Funds Total	2015 Funds Total
		€	€	€	€
<b>Income from:</b>					
Charitable activities	9	-	1,338,079	1,338,079	956,653
Donations and legacies		72,075	-	72,075	34,150
Fundraising	12	309,435	-	309,435	316,027
Other income	12	176,604	-	176,604	154,845
<b>Total Income</b>		<u>558,114</u>	<u>1,338,079</u>	<u>1,896,193</u>	<u>1,461,675</u>
<b>Expenditure from:</b>					
Charitable activities	13	(1,522,751)	(495,005)	(2,017,756)	(1,812,035)
<b>Total Expenditure</b>		<u>(1,522,751)</u>	<u>(495,005)</u>	<u>(2,017,756)</u>	<u>(1,812,035)</u>
		<u>(964,637)</u>	<u>843,074</u>	<u>(121,563)</u>	<u>(350,360)</u>
Amortisation of capital grants	19	-	8,462	8,462	5,454
<b>Net Income/(expenditure)</b>		<u>(964,637)</u>	<u>851,536</u>	<u>(113,101)</u>	<u>(344,906)</u>
Gain on disposal of tangible assets	6	2,112	-	2,112	-
Transfer between funds		962,525	(962,525)	-	-
<b>Net movement in funds</b>		<u>-</u>	<u>(110,989)</u>	<u>(110,989)</u>	<u>(344,906)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		500,000	1,595,741	2,095,741	2,440,647
<b>Total funds carried forward</b>		<u>500,000</u>	<u>1,484,752</u>	<u>1,984,752</u>	<u>2,095,741</u>

There are no recognised gains or losses other than the surplus or deficit for the above two financial years.

On behalf of the board

  
Mr. John O'Flynn  
Director

  
Mr. Seoirse Smith  
Director

Date: 14/09/2017

The notes on pages 12 to 26 form an integral part of these financial statements.

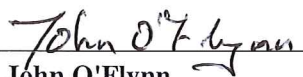
# ARTHRITIS IRELAND


## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		€	€	€	€
<b>Fixed assets</b>					
Tangible assets	14		126,085		98,163
<b>Current assets</b>					
Investments	16	-		268,000	
Debtors	17	115,756		9,284	
Cash at bank and in hand		1,875,310		1,852,836	
		<u>1,991,066</u>		<u>2,130,120</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(132,399)</u>		<u>(124,080)</u>	
<b>Net current assets</b>			<u>1,858,667</u>		<u>2,006,040</u>
<b>Total assets less current liabilities</b>			<u>1,984,752</u>		<u>2,104,203</u>
Capital Grants	19		-		8,462
<b>Net assets</b>			<u><u>1,984,752</u></u>		<u><u>2,095,741</u></u>
<b>The funds of the charity</b>					
Restricted reserves	20		1,484,752		1,595,741
Unrestricted funds	21		<u>500,000</u>		<u>500,000</u>
<b>Total charity funds</b>	21		<u><u>1,984,752</u></u>		<u><u>2,095,741</u></u>

The financial statements were approved by the board on 14/09/2017 and signed on its behalf by

  
 Mr. John O'Flynn  
 Director

  
 Mr. Seoirse Smith  
 Director

The notes on pages 12 to 26 form an integral part of these financial statements.

**ARTHRITIS IRELAND**  
**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 €	2015 €
<b>Reconciliation of operating deficit to net cash outflow from operating activities</b>			
Operating deficit		(110,989)	(344,905)
Depreciation		31,916	17,556
(Profit) on disposal of fixed assets		(2,112)	-
(Increase) in debtors		(106,472)	83,354
Increase /(decrease) in creditors		8,319	(308,265)
Decrease/(increase) in investments		268,000	1,100,000
Amortisation of capital grant		(8,462)	(5,454)
<b>Net cash outflow from operating activities</b>		<u>80,200</u>	<u>542,286</u>
<b>Cash flow statement</b>			
Net cash outflow from operating activities		80,200	542,286
Capital expenditure	23	(57,726)	-
		<u>22,474</u>	<u>542,286</u>
<b>Increase in cash in the year</b>		<u>22,474</u>	<u>542,286</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 24)</b>			
<b>Increase in cash in the year</b>		22,474	542,286
<b>Net cash at 1 January 2016</b>		1,852,836	1,310,550
<b>Net cash at 31 December 2016</b>		<u>1,875,310</u>	<u>1,852,836</u>

## **ARTHRITIS IRELAND**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2016**

##### **1. Activity**

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

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

Arthritis Ireland has throughout the year been fundraising and spending its funds in support of its objectives. As explained fully in note 20, it is funding research and academic teaching through the establishment of chairs of rheumatology in University College Dublin and Trinity College Dublin.

##### **2. Status of Organisation**

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.

##### **3.1. Statement of accounting policies**

This is the first set of financial statements 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"). The company transitioned from previously extant Irish and UK GAAP to FRS 102 as at 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 4.

##### **3.2. Basis of preparation**

The audited financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014 and FRS 102. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council. The financial statements have been prepared under the historical cost convention. The company has also implemented many of the recommendations of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

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

## ARTHRITIS IRELAND

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2016

..... continued

#### 3.3. Income policy

##### *Income from Charitable Activities*

Income from Charitable Activities includes grant income from the Health Service Executive and Department of Environment, Community and Local Government, corporate sponsorship and income for Chairs of Rheumatology. This income is reflected in the Statement of Financial Activities in the period in which the related expenditure is incurred. This income is always restricted.

##### *Income from Donations and legacies*

Income from donations and legacies includes donations from individuals and corporate bodies. This income is recognised on a receipts basis. This income is unrestricted.

##### *Income from Fundraising*

Fundraising income is derived from activities and events held by the organisation and the general public. This income is recognised when it is received and is classified as unrestricted.

##### *Other income*

Other income is derived from branch income and bank interest. Branch income derives from activities and fundraising held by the branches over Ireland. This income is recognised in the Statement of Financial Activities when received. Branch and bank interest income is unrestricted.

#### 3.4. Expenditure policy

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### 3.5. Reserves policy

Charity funds are managed between restricted and unrestricted reserves. Restricted reserves relates to income where the donor specifies how the funds should be spent. Unrestricted reserves relates to income donated to the company without any stipulation by the donor as to how the funds should be spent.

#### 3.6. Tangible assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use.

##### **Depreciation**

Depreciation is provided on all tangible assets, at rates calculated to write off the cost less estimated residual value, of each asset systematically over its expected useful life, as follows:

Buildings	- 2% Straight line
Fixtures and equipment	- 10% Straight line
Computer equipment	- 33% Straight line
Motor Vehicles	- 20% Straight line

**ARTHRITIS IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**3.7. Trade and Other Debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

**3.8. Trade and Other Creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

**3.9. Investments**

Debt securities and other fixed income securities are classified as held to maturity (HTM) and valued at amortised cost. The organisation has the ability and the intent to hold to maturity. The capital amount of the investment is guaranteed subject to their retention to maturity and therefore the cost is written down.

**3.10. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Statement of Financial Activities.

**3.11. Taxation**

Arthritis Ireland is registered as a charitable organisation (CHY 6297) with the Revenue Commissioners, therefore no provision has been made for corporation tax.

**3.12. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

**4. Transition to FRS 102**

Prior to 1 January 2014 the company prepared its financial statements under previously extant Irish GAAP. From 1 January 2015, the company has elected to present its annual financial statements in accordance with FRS 102 and the Companies Act 2014.

The comparative figures were not required to be restated to reflect the company's adoption of FRS 102 from the date of transition at 1 January 2015.

No changes in accounting policies were required to reflect the transition from Irish GAAP as previously reported and FRS 102.

**ARTHRITIS IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**5. Income**

The total income of the company for the year has been derived from its principal activity wholly undertaken in Ireland.

**6. Net (Income)/Expenditure**

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Net (income)/expenditure is stated after charging:		
Depreciation and other amounts written off tangible assets	31,916	17,556
	<u>          </u>	<u>          </u>
and after crediting:		
Gain on disposal of tangible assets	(2,112)	-
Amortisation of capital grants	(8,462)	(5,454)
	<u>          </u>	<u>          </u>



**ARTHRITIS IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**7. Employees note**

**Number of employees**

The average numbers of employees during the year were:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Office and administration	11	11
	<u>11</u>	<u>11</u>

**Employment costs**

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Wages and salaries	537,179	586,441
ER PRSI	55,642	61,482
Other pension costs	31,457	28,820
Other payroll costs	16,114	21,057
	<u>640,392</u>	<u>697,800</u>

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
<b>The number of higher paid employees was:</b>		
€130,000 - €140,000	1	1
	<u>1</u>	<u>1</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.

Pension contributions relate to amounts paid into a defined contribution scheme by the company.

**8. Transactions with directors**

There were no transactions with directors during the year.

**ARTHRITIS IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**9. Income from Charitable Activities**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Sponsorship income (Note 10)	-	242,469	242,469	279,843
Chairs of Rheumatology	-	808,176	808,176	421,379
Grants (Note 11)	-	287,434	287,434	255,431
<b>Total Other Sources</b>	-	<b>1,338,079</b>	<b>1,338,079</b>	<b>956,653</b>

**10. Sponsorship Income**

	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Abbvie	75,000	74,452
MSD	15,000	16,500
Bristol Myers	10,000	25,000
Mundipharma	10,000	10,000
Roche	8,000	30,000
Pfizer HC	8,000	-
UCB Pharma	300	-
RCSI	200	350
Sona	10,000	-
Irish Life Corporate	15,000	16,795
Biogen	7,440	-
Other Sponsorship	-	11,175
Nordic Pharma	8,316	-
Deferred revenue	12,030	39,868
Janssen Cilag	5,000	15,225
Hidden Hearing	-	9,840
Pro Bono Bio	-	8,500
Swedish Orphan Bio	-	1,000
Celgene	9,000	15,000
A. Menarini	49,183	6,138
<b>Total Sponsorship Income</b>	<b>242,469</b>	<b>279,843</b>

**ARTHRITIS IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**11. Grants received**

	<b>Total 2016</b>	<b>Total 2015</b>
	€	€
Dept. of Environment, Community and Local Government	57,692	40,914
Health Service Executive	166,496	169,706
Branch grants	51,696	32,892
Other grants	11,550	11,919
<b>Total</b>	<u><u>287,434</u></u>	<u><u>255,431</u></u>

**12. Fundraising and other income**

	<b>Total 2016</b>	<b>Total 2015</b>
	€	€
Fundraising income	<u><u>309,435</u></u>	<u><u>316,027</u></u>
<i>Other income</i>		
Branch income	176,543	113,871
Interest income	61	40,974
	<u><u>176,604</u></u>	<u><u>154,845</u></u>

# ARTHRITIS IRELAND

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

..... continued

### 13. Expenditure on Charitable Activities

	Administration	Community Support Service	Education & Information Programmes	Awareness & Advocacy	Governance	Research	Fundraising	Total 2016	Total 2015
Staff costs	48,620	110,818	124,763	116,423	14,241	97,072	128,457	640,394	703,654
Professional membership	-	-	-	-	1,719	-	-	1,719	1,402
Administration	59,865	-	-	-	4,245	-	-	64,110	143,321
Maintenance and insurance	70,956	-	-	-	10,158	-	-	81,114	17,783
Depreciation	-	-	-	-	31,915	-	-	31,915	17,556
Programme Costs	-	141,707	60,068	26,599	-	495,005	253,219	976,598	774,998
Accountancy fees	-	-	-	-	24,944	-	-	24,944	24,853
Auditor fees	5,000	-	-	-	-	-	-	5,000	-
Meetings	-	-	-	-	2,808	105	-	2,913	3,506
Bank charges	-	-	-	-	7,614	-	-	7,614	4,716
Branch expenditure	-	-	-	-	-	-	181,020	181,020	119,577
Organisational development	-	-	-	-	415	-	-	415	669
	<u>184,441</u>	<u>252,525</u>	<u>184,831</u>	<u>143,022</u>	<u>98,059</u>	<u>592,182</u>	<u>562,696</u>	<u>2,017,756</u>	<u>1,812,035</u>

**ARTHRITIS IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**14. Tangible assets**

	<b>Land and buildings freehold €</b>	<b>Fixtures and equipment €</b>	<b>Motor vehicles €</b>	<b>Total €</b>
<b>Cost</b>				
At 1 January 2016	144,688	248,782	18,800	412,270
Additions	-	50,351	14,500	64,851
Disposals	-	-	(5,013)	(5,013)
At 31 December 2016	<u>144,688</u>	<u>299,133</u>	<u>28,287</u>	<u>472,108</u>
<b>Depreciation</b>				
At 1 January 2016	80,093	223,674	10,340	314,107
Charge for the year	2,895	23,157	5,864	31,916
At 31 December 2016	<u>82,988</u>	<u>246,831</u>	<u>16,204</u>	<u>346,023</u>
<b>Net book values</b>				
At 31 December 2016	<u>61,700</u>	<u>52,302</u>	<u>12,083</u>	<u>126,085</u>
At 31 December 2015	<u>64,595</u>	<u>25,108</u>	<u>8,460</u>	<u>98,163</u>

# ARTHRITIS IRELAND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

..... continued

<b>15. Tangible assets</b>	<b>Land and buildings freehold</b>	<b>Fixtures and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
<b>In respect of prior year</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Cost</b>				
At 1 January 2015	144,688	248,782	18,800	412,270
At 31 December 2015	144,688	248,782	18,800	412,270
<b>Depreciation</b>				
At 1 January 2015	77,199	212,772	6,580	296,551
Charge for the year	2,894	10,902	3,760	17,556
At 31 December 2015	80,093	223,674	10,340	314,107
<b>Net book values</b>				
At 31 December 2015	64,595	25,108	8,460	98,163
At 31 December 2014	67,489	36,010	12,220	115,719

<b>16. Investment</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Other unlisted investments	-	268,000

Held to maturity investments comprised of €268,000 invested in a BCP 50/50 Split Deposit Bond. The capital amount of the investments was guaranteed subject to their retention to maturity and therefore the need to write down the amortised cost does not arise. The held to maturity investments have fully matured at the 31 December 2016.

<b>17. Debtors</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Other debtors	115,756	9,284

**ARTHRITIS IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**18. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
<i>Other creditors</i>		
Trade creditors	17,523	61,702
Other creditors	3,859	-
Accruals	13,550	30,100
Deferred income	86,000	12,030
<i>Taxation creditors</i>		
PAYE/PRSI	11,467	20,248
	<u>132,399</u>	<u>124,080</u>

**19. Capital grants**

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
<b>Capital grants</b>		
At 1 January 2016	8,462	13,916
Released in year	(8,462)	(5,454)
At 31 December 2016	<u>-</u>	<u>8,462</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.

**ARTHRITIS IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**20. Restricted funds - Chairs of Rheumatology**

	2016	2015
	€	€
<b>At 1 January 2016</b>	1,595,741	1,940,646
Transferred (to)/ from General Funds (note 21)	(962,525)	(399,502)
(Deficit)/ surplus on restricted funds during the year	851,536	54,597
<b>At the year end 2016</b>	<u>1,484,752</u>	<u>1,595,741</u>

In 2015 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 €962,525 (2015: €399,502) was transferred from restricted, giving a total restricted funds at 31 December 2016 of €1,484,753 (2015: €1,595,741).

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 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 in July 2013 and the second chair at TCD appointed in December 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 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. These funds cannot be used for any other purpose.



**ARTHRITIS IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

<b>21. Reconciliation of movements in general funds</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Net incoming resources for the year	(964,637)	(326,625)
Amortisation of capital grants	-	1,693
Gain on disposal of tangible assets	2,112	
	<u>(962,525)</u>	<u>(324,932)</u>
Opening general funds	500,000	500,000
	<u>(462,525)</u>	<u>175,068</u>
Funds reallocated to unrestricted from restricted	962,525	324,932
Closing general funds	<u>500,000</u>	<u>500,000</u>

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 2015. However, the company was successful in retaining the latter grant during 2016, whilst the full grant value lost from The Atlantic Philanthropies has not yet been fully replaced due to the difficult fundraising landscape in 2016.

**22. Commitments**

The company has no unprovided for commitments as at the 31 December 2016.

**ARTHRITIS IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**23. Gross cash flows**

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(64,851)	-
Receipts from sales of tangible assets	7,125	-
	<u>(57,726)</u>	<u>-</u>
<b>Investment</b>		
Receipts from sales of investments	<u>268,000</u>	<u>-</u>

**24. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Cash at bank and in hand	<u>1,852,836</u>	<u>22,474</u>	<u>1,875,310</u>
<b>Net funds</b>	<u>1,852,836</u>	<u>22,474</u>	<u>1,875,310</u>

**25. Company limited by guarantee**

The company is limited by guarantee not having a share capital. At the balance sheet date, there were 15 members whose guarantee is limited to €1.27 each. This guarantee continues for one year after membership ceases.

**26. APB Ethical Standard - Provisions Available for Small Entities**

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

**ARTHRITIS IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

..... continued

**27. Approval of financial statements**

The board of directors approved these financial statements and authorised them for issue on

14/9/2017