

Arthritis Ireland

(Company limited by guarantee, not having share capital)

Report of the board members and financial statements for the
year ended 31 December 2015

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ARTHRITIS IRELAND

EXECUTIVE COMMITTEE AND OTHER INFORMATION

CHAIRMAN	Mr John O'Flynn
HONORARY SECRETARY	Mr. Michael Kelly
HONORARY MEDICAL ADVISER	Prof. Gerry Wilson
CHIEF EXECUTIVE OFFICER	Mr. John Church
BOARD MEMBERS	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. Seirse Smith Mr. John Tuohy (Appointed 4 March 2014) Ms Erica Mitchell Prof. Gerry Wilson Ms. Eimear Lyons (Resigned 28 October 2015) Dr. Bryan Whelan Dr. Emma MacDermott Derek Deeley (Appointed 28 October 2015)
REGISTERED OFFICE	1 Clanwilliam Square Grand Canal Quay Dublin 2
BANKERS	Allied Irish Banks Plc 52 Upper Baggot Street Dublin 4

ARTHRITIS IRELAND

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 Nutmeg Office Park Rathfarnham Dublin 14
REGISTERED NUMBER	078931
CHARITY NUMBER	CHY 6297
AUDITORS	EY Chartered Accountants Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2

**REPORT OF THE DIRECTORS
for the year ended 31 December 2015**

The directors submit their report together with the audited financial statements for the year ended 31 December 2015.

RESULTS FOR THE YEAR

Total income for 2015 amounted to €1.46 million (2014: €1.27 million) which includes income associated with the Chairs of Rheumatology of €421,379 (2014: €72,097). As indicated in note 17 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.

Adjusting the 2015 and 2014 income for these chair-restricted funds results in income of €1.04 million compared to €1.20 million in 2014, a decrease of 13%. During the year, the directors maintained an appropriate cost management program to ensure the containment of our cost base. The deficit for 2015, (before Chair income of €421,379) inclusive of amortised grants, amounted to €766,284 compared to a deficit of €477,157 in 2014.

In light of the continuing fundraising difficulties experienced by Arthritis Ireland and in the sector, the directors are recommending a strategic review of Arthritis Ireland's cost base and potential sources of sustainable income.

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, including FRS 102 (accounting standard 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; and
- 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.

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 2015 (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.

<i>SURPLUS ON RESERVES</i>	€
Net decrease in resources for the financial year before transfers	(401,195)
Amortisation of capital grants (<i>note 16</i>)	1,693
	<hr/>
The directors recommended allocation of this amount to general funds	(399,502)
Unrestricted reserves at beginning of year	500,000
	<hr/>
	100,498
Funds reallocated from restricted to unrestricted	399,502
	<hr/>
Unrestricted reserves at end of year	<u>500,000</u>

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 2015.

**REPORT OF THE DIRECTORS
for the year ended 31 December 2015**

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 during 2015 through the setting up of walking groups and helpline volunteer recruitment.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended 31 December 2015.

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.

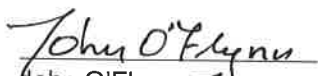
GOING CONCERN

The directors note the losses incurred this year, however these result from the commitments made to funding the research chairs in UCD and TCD and are fully funded from our restricted reserves, which is the income received from donors in previous years. The general environment for fundraising continues to present a challenge and the directors have recommended a review of Arthritis Ireland's cost base and undergone changes to overheads and personnel numbers in 2016. The organisation is continuing to explore all options in terms of sourcing unrestricted, sustainable income. Having taken appropriate measures to ensure that the company has sufficient ability to continue its present operations, the directors conclude that the use of the going concern basis of accounting is appropriate.

AUDITORS

EY, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act 2014, until the conclusion of Arthritis Ireland's AGM on October 13th 2016

On Behalf of the Board:


John O'Flynn


Michael Kelly

Date; 15 September 2016

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 2015 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 Committee of Management; 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 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 (Continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs at 31 December 2015 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 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:

11/10/16

ARTHRITIS IRELAND

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2015

	Notes	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
Incoming resources					
Sponsorship income	5	-	279,843	279,843	294,911
Chairs of Rheumatology		-	421,379	421,379	72,097
Grants received	7	-	255,431	255,431	263,203
Gifts and bequests		34,150	-	34,150	123,537
Other income	6	154,845	-	154,845	121,443
Fundraising income	6	316,027	-	316,027	398,377
Total incoming resources		505,022	956,653	1,461,675	1,273,568
Resources expended					
Direct expenditure		(121,072)	(635,628)	(756,700)	(702,834)
Management and administration	8	(333,044)	(270,189)	(603,233)	(454,960)
Fundraising expenditure	6	(452,101)	-	(452,101)	(526,287)
		(906,217)	(905,817)	(1,812,034)	(1,684,081)
		(401,195)	50,836	(350,359)	(410,513)
Amortisation of capital grants	16	1,693	3,761	5,454	5,453
		(399,502)	54,597	(344,905)	(405,060)
Fund balances brought forward at 1 January 2015		500,000	1,940,646	2,440,647	2,845,707
Funds reallocated to unrestricted from restricted		399,502	(399,502)	-	-
Fund balances carried forward at 31 December 2015		500,000	1,595,741	2,095,741	2,440,647

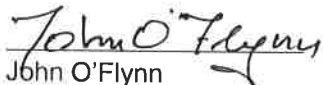
There are no recognised gains or losses in either year other than the income or expenditure taken to general reserve. The above items have arisen from continuing activities.

ARTHRITIS IRELAND

BALANCE SHEET
at 31 December 2015

ASSETS EMPLOYED	Note	2015 €	2014 €
FIXED ASSETS			
Tangible assets	12	98,163	115,718
CURRENT ASSETS			
Sundry debtors and prepayments	13	9,284	92,638
Cash at bank and in hand		1,852,836	1,310,550
Investments	14	268,000	1,368,000
		<u>2,130,120</u>	<u>2,771,188</u>
CREDITORS (amounts falling due within one year)	15	(124,080)	(432,344)
NET CURRENT ASSETS		<u>2,006,040</u>	<u>2,338,844</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>2,104,203</u></u>	<u><u>2,454,562</u></u>
FINANCED BY			
RESERVES			
Capital grants	16	8,462	13,916
Restricted funds		1,595,741	1,940,646
General funds	18	500,000	500,000
		<u>2,104,203</u>	<u>2,454,562</u>

On behalf of the Board:


John O'Flynn


Michael Kelly

Date; 15 September 2016

ARTHRITIS IRELAND

CASH FLOW STATEMENT

Year Ended 31 December 2015

	2015 €	2014 €
Operating activities		
Net movement in funds	(344,905)	(405,060)
Depreciation for the year on tangible assets	17,556	17,948
Amortisation of capital grants	(5,454)	(5,453)
Decrease / (increase) in sundry debtors and prepayments	83,354	(63,846)
Decrease/(increase) in investments	1,100,000	-
Increase / (decrease) in creditors	(308,265)	305,171
Net cash inflow / (outflow) from operating activities	<u>542,286</u>	<u>(151,240)</u>
Investing activities		
Purchase of fixtures and equipment	-	(5,804)
Disposal of equipment	-	-
Net cash inflow / (outflow) from operating activities	<u>-</u>	<u>(5,804)</u>
Financing activities		
Capital grants received during the year	-	-
Net cash inflow from financing activities	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	<u>542,286</u>	<u>(157,044)</u>
Reconciliation to net cash		
Net cash at 1 January	1,310,550	1,467,595
Increase / (decrease) in cash	542,286	(157,044)
Net cash at 31 December	<u>1,852,836</u>	<u>1,310,551</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

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.

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.

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 2015 (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
Motor Vehicles	20%	Straight Line

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015 (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.

5. SPONSORSHIP INCOME	2015	2014
	€	€
Abbvie	74,452	79,571
MSD	16,500	13,000
Seven Seas	-	20,000
Bristol Myers Squibb	25,000	25,000
Mundipharma	10,000	20,000
Roche	30,000	30,000
Pfizer HC	-	13,000
UCB Pharma	-	15,000
RCSI	350	200
Irish Life Corporate	16,795	24,233
Other sponsorship	11,175	4,275
Deferred revenue	39,868	37,132
Janssen Cilag	15,225	-
Hidden Hearing	9,840	8,500
Pro Bono Bio	8,500	-
Swedish Orphan Bio	1,000	-
Celgene	15,000	-
A.Menarini	6,138	-
Fannin Ltd	-	5,000
	<u>279,843</u>	<u>294,911</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015 (Continued)

6.	FUNDRAISING AND OTHER INCOME	2015	2014
		€	€
	Fundraising events		
	Income	316,027	398,377
	Expenses	(452,101)	(526,287)
		<u> </u>	<u> </u>
	Net fundraising income / (expense)	(136,074)	(127,910)
		<u> </u>	<u> </u>
	<i>Other income:</i>		
	Branch income	113,871	110,316
	Interest income	40,974	11,127
		<u> </u>	<u> </u>
		154,845	121,443
		<u> </u>	<u> </u>
7.	GRANTS RECEIVED	2015	2014
		€	€
	Department of Environment, Community, and Local Government	40,914	66,850
	Health Service Executive	169,706	173,596
	JP McManus Foundation	-	5,000
	Branch grants	32,892	26,257
	Deferred revenue	-	(8,500)
	Other grants	11,919	-
		<u> </u>	<u> </u>
		255,431	263,203
		<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015 (Continued)

8.	RESOURCES EXPENDED	<i>Note</i>	2015 €	2014 €
	Professional membership		1,402	2,132
	Administrative costs*		333,044	192,441
	Maintenance and insurance		17,783	16,381
	Depreciation	12	17,556	17,948
	Education		354,504	384,854
	Community		331,711	243,015
	Accountancy fees		24,853	24,397
	Auditor's fees	9	-	-
	Board meeting, election costs and audit committee		3,506	7,385
	Bank charges		4,716	3,967
	Fundraising expenditure (including branch expenses)		452,101	526,287
	Organisational development		669	2,755
	Research programme		270,189	262,519
			<u>1,812,034</u>	<u>1,684,081</u>
			<u>1,812,034</u>	<u>1,684,081</u>
9.	NET INCOMING RESOURCES FOR FINANCIAL YEAR BEFORE TRANSFERS		2015 €	2014 €
	The net incoming resources have been arrived at after charging/(crediting):			
	Depreciation of tangible assets (<i>note 12</i>)		17,556	17,948
	Auditor's remuneration**		-	-
	Interest income (Bank and Chair)		(59,789)	(6,847)
			<u>(59,789)</u>	<u>(6,847)</u>

* Administrative costs include an amount of €74,570 which represents a write down of investments relating to a prior period.

**EY has carried out the audit on a pro bono basis for 2015 and 2014.

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015 (Continued)

10. EMPLOYEES AND REMUNERATION

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

	<i>2015</i> <i>Number</i>	<i>2014</i> <i>Number</i>
Office and administration	<u>11</u>	<u>11</u>
	<i>2015</i> €	<i>2014</i> €
Wages and salaries	586,441	531,969
Social welfare costs	61,482	56,721
Pension contributions*	28,820	22,803
Other payroll costs	21,057	10,362
	<u>697,800</u>	<u>621,855</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 a defined contribution scheme 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 2015 (Continued)

12. TANGIBLE ASSETS

	Freehold building €	Fixtures & equipment €	Motor vehicles €	Total €
Cost				
At 31 December 2014	144,688	248,782	18,800	412,270
Additions	-	-	-	-
At 31 December 2015	144,688	248,782	18,800	412,270
Depreciation				
At 31 December 2014	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
Net book values				
At 31 December 2015	64,595	25,108	8,460	98,163
At 31 December 2014	67,488	36,010	12,220	115,718

13. DEBTORS	2015 €	2014 €
Prepayments and other debtors	9,284	92,638

14. INVESTMENTS

Held to maturity investments

	2015 €	2014 €
At amortised cost		
Debt securities*	268,000	1,368,000
At purchase price		
Debt securities*	268,000	1,368,000
At fair value		
Debt securities	286,760	1,412,494

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015 (Continued)

14. INVESTMENTS (Continued)

Held to maturity investments comprise of €268,000 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)	2015 €	2014 €
Creditors	61,702	105,014
Deferred income	12,030	48,368
Accrued expenses	30,100	255,500
PAYE and PRSI	20,248	23,462
	<u>124,080</u>	<u>432,344</u>

16. CAPITAL GRANTS	2015 €	2014 €
At beginning of year	13,916	19,369
Capital grants received	-	-
Amortised in the year	(5,454)	(5,453)
	<u>8,462</u>	<u>13,916</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	2015 €	2014 €
At beginning of year	1,940,646	2,345,707
Transferred (to)/from General Funds (<i>note 18</i>)	(399,502)	(187,404)
Funds reallocated from unrestricted to restricted	-	-
(Deficit) / surplus on restricted funds during the year	54,597	(217,656)
	<u>(344,905)</u>	<u>(405,060)</u>
At end of year for 2015	<u>1,595,741</u>	<u>1,940,646</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015 (Continued)

17. RESTRICTED FUNDS – CHAIRS OF RHEUMATOLOGY (Continued)

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 €399,502 was transferred from restricted (2014: €187,404), giving a total restricted funds at 31 December 2015 of €1,595,741 (2014: €1,940,646).

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 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 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	2015 €	2014 €
Net incoming resources for the year	(326,625)	(189,097)
Amortisation of capital grants (<i>note 16</i>)	1,693	1,693
Net movement in general funds	<u>(324,932)</u>	<u>(187,404)</u>
Opening general funds	500,000	500,000
Funds reallocated to unrestricted from restricted	175,068 324,932	312,596 187,404
Closing general funds	<u><u>500,000</u></u>	<u><u>500,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015 (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 during 2015, whilst the full grant value lost from The Atlantic Philanthropies has not yet been fully replaced due to the difficult fundraising landscape in 2015.

19. SHARE CAPITAL

The company 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 each. This guarantee continues for one year after membership ceases.

20. COMMITMENTS

The company has no unprovided for commitments as at 31 December 2015.

21. POST BALANCE SHEET EVENTS

No significant events have taken place since the year end that would result in adjustment to the 2015 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 15 September 2016.