

**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

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# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## TRUSTEES AND OTHER INFORMATION

TRUSTEES	James C Wyse - Chairman (Appointed 13 October 2014) Michael Stephens Stephen Eustace Keith Synnott (Appointed 13 October 2014) Maureen Windle (Appointed 10 February 2015) Fred Kerr (Appointed 10 February 2015) Paul Cooke (Appointed 4 March 2015) James Keany (Appointed 10 February 2015) Kevin Shannon (Appointed 19 March 2015) Eleanor Garvey (Appointed 10 April 2015) John O'Byrne (Resigned 31 January 2014) James Carr (Resigned 29 May 2014) Peter Church (Resigned October 2014)
SECRETARY	James C Wyse - Chairman (Appointed 13 October 2014) James Carr - (Resigned 29 May 2014)
COMPANY NUMBER	136618
AUDITORS	Grant Thornton Chartered Accountants and Registered Auditors Molyneux House Bride Street Dublin 8
BUSINESS ADDRESS	Cappagh Orthopaedic Hospital Research and Development Foundation Finglas Dublin 11
BANKERS	Allied Irish Bank Bank of Ireland EBS Limited Permanent TSB
SOLICITORS	Beauchamps Solicitors Sir John Rogerson's Quay Dublin 2
REGISTERED OFFICE	Cappagh Hospital Finglas Dublin 11
CHARITY NUMBER	9282

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements for the year ended 31 December 2014.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company which operates under the name of Cappagh Hospital Foundation (formerly Cappagh Hospital Trust) was established in 1988 with the purpose of raising funds for Cappagh National Orthopaedic Hospital. The Foundation is a registered charity and received charitable status in October 1988.

Their mission is to improve lives and we dedicate ourselves to health and well-being. They do this by providing opportunities to give so that Cappagh National Orthopaedic Hospital can give more people the best possible care using first class facilities and highly innovative medical procedures.

#### Their values

Respect:

Cappagh Hospital Foundation has absolute respect for their supporters and beneficiaries. They demonstrate this by offering guidance, professional advice and support when required. Equally they learn from the experiences of others and are grateful for input on fundraising strategies from both supporters and patients. They recognise the dignity and privacy of each individual and they promote an ethos of teamwork and integrity in all that they do.

Honesty:

The Foundation acts in an open, transparent and honest manner and is truthful in all its dealings. It answers all reasonable questions about its fundraising activities and fundraising costs honestly and it does so within a reasonable timeframe.

Openness:

The Foundation makes information about its purpose and its activities freely available. It is transparent about what the Foundation stands for, the work it undertakes and how support received is applied for the benefit of the people they care for.

Thankfulness:

They recognise that they have much to be grateful for and they celebrate the commitment and efforts of their supporters. They are genuine in their thanks for the work and donations that have delivered so much for the patients of Cappagh Hospital.

#### Guiding Principles for Fundraising

Cappagh Hospital Foundation has signed-up and is committed to achieving the standards outlined in the Statement of Guiding Principles for Fundraising. This statement was developed by the ICTR (Irish Charities Tax Research Ltd) and exists to provide charities in Ireland with a Fundraising Code of Practice. The purpose of the statement is to:

1. Improve fundraising practice
2. Promote high levels of accountability Statement of Guiding Principles and transparency by organisations fundraising from the public
3. Provide clarity and assurances to donors and prospective donors about the organisations they support

The full detail of the Statement can be accessed on the ICTR website.  
Additional evidence of our commitment to fundraising principles is detailed below:

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## TRUSTEES' REPORT

### Public Compliance Statement

- Cappagh Hospital Foundation is committed to complying with the Statement for Guiding Principles for Fundraising and will formally discuss and adopted the Statement at a meeting of the Board of Directors.
- Cappagh Hospital Foundation confirms its commitment to the principles set out in the Statement of Guiding Principles for Fundraising by a statement to that effect in its annual report.
- Cappagh Hospital Foundation has a Donor Charter which is consistent with the Statement of Guiding Principles for Fundraising.
- Cappagh Hospital Foundation will regularly monitor compliance with the Statement of Guiding Principles for Fundraising and compliance reports will be received regularly by the Board of Directors.
- Cappagh Hospital Foundation considers the Statement of Guiding Principles for Fundraising when planning all fundraising activity.
- Cappagh Hospital Foundation endeavours at all times to provide honest, open and transparent disclosure when fundraising from the public.
- Cappagh Hospital Foundation has a staff complaints and feedback policy. Feedback is responded to promptly and appropriately.
- Cappagh Hospital Foundation ensures that fundraising staff are provided with information and training on the Statement of Guiding Principles for Fundraising and its implementation.
- Cappagh Hospital Foundation has appointed a senior member of staff to be responsible for compliance with the Statement of Guiding Principles for Fundraising.
- Cappagh Hospital Foundation ensures that all donations are tracked and recorded and comply with data protection requirements.
- Cappagh Hospital Foundation is accessible to the public through a number of readily available contact options.

### DONOR CHARTER

As a charity seeking donations from the public we, Cappagh Hospital Foundation, aim to comply with the ICTR's Statement of Guiding Principles for Fundraising. Our pledge is to treat all our donors with respect, honesty and openness. We commit to being accountable and transparent so that donors and prospective donors can have full confidence in Cappagh Hospital Foundation.

They commit that their donors and prospective donors will:

- Be informed of the organisation's mission, and of the way the organisation intends to use donated resources.
- Be assured your gifts will be used solely to further the mission of Cappagh Hospital Foundation.
- Be informed of the identity of those serving on the organisation's governing board, and that the Board/Trustees will exercise prudent judgement in its stewardship responsibilities.
- Have access to the organisation's most recent financial statements.
- Be assured your gifts will be used for the purposes for which they were given.
- Receive appropriate acknowledgement and recognition.
- Be assured that information about your donation is handled with respect and with confidentiality to the extent provided by law.
- Expect that all relationships with individuals representing the charity will be dealt with professionally.
- Be informed whether those seeking donations are volunteers, employees of the organisation or hired third party agents.
- Have easily available the agreed procedures for making and responding to complaints.
- Have the opportunity for any names to be deleted from mailing lists and to be informed if the organisation intends to share the mailing lists with third parties.
- Receive prompt, truthful and forthright answers to questions you might have of the organisation.

# **CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION**

## **TRUSTEES' REPORT**

Cappagh Hospital Foundation, formerly Cappagh Hospital Trust, is a company limited by guarantee and registered in Ireland (Company Number 136618). The Foundation received charitable status in October 1988 (chy9282) and is governed by a Chairman and Board of Directors all of whom act in a voluntary capacity.

The day to day running of the Foundation is undertaken by an Executive Director and a small team including an Office Manager, a Communications & Volunteer Relations Manager and a Cash Box Collector who operates on a part time basis. A Fundraising Events Manager started in January 2015 and a Corporate Relations Manager joined the Foundation in August 2015 to further strengthen the team.

### **RESULTS FOR THE YEAR**

The results for the year are set out on the Income and Expenditure Account. Surplus on ordinary activities amounted to €161,448 compared with a deficit of €24,349 in the previous year.

### **EVENTS SINCE THE YEAR END AND FUTURE DEVELOPMENTS**

The Foundation has committed €1m to the development of a 12 bed surgical recovery unit in quarter 4 of 2015 and a strong and focused fundraising drive will be in place throughout the year to ensure this funding. The Foundation team has grown in 2015 with 2 new staff members taking on responsibility for Fundraising Events and Corporate Relations and they will work closely on events and presentation to corporates to ensure support.

#### **Governance:**

The board is committed to maintaining the highest standards of corporate governance and has determined that Cappagh Hospital Foundation must comply with the basic principles outlined in the ICTR's Statement of Guiding Principles for Fundraising. One of the aims of the Audit Finance and Risk Committee is to continue the development of systems within the organization in order to achieve full compliance with this statement.

As part of this policy, an effective board and a competent executive management team head the organization. There is a clear distinction between the roles of the board and the management team to which day-to-day management is delegated. The management team prepares matters for consideration and approval by the board e.g. annual budgets, policy papers. The board then monitors their implementation. On areas such as strategic planning, there is board involvement at all stages of preparation and ultimate approval is the responsibility of the board. The board met on 3 occasions during 2014. The Board membership is set out on page 2.

As a signatory to the ICTR Guiding Principles for Fundraising, Cappagh Hospital Foundation confirms its commitment to its code of practice for fundraising in all forms.

Cappagh Hospital Foundation is grateful for the work of many people in making the achievements of the past year possible. Our volunteers, corporate partners, donors, board of directors, ambassadors, patrons and staff have all played valuable and important roles and we are grateful to each for their support and commitment.

### **PARTNERSHIPS**

The Foundation has secured valuable 3 year financial partnerships with Barkisland Developments (Ben Dunne Gyms), Zehnacker Ireland Healthcare and Ottobock IDS and continues to actively campaign to increase financial commitment through its Corporate Giving Initiative.

### **DEVELOPMENT EDUCATION**

The Foundation has a history of providing funding for specialty Fellowships in Orthopaedics as well as funding for Orthopaedic research, a Sports Medicine Out Patients Clinic, nurses education and the development of the hospital Medical Library.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## TRUSTEES' REPORT

### **DIRECTORS**

The Directors in office at the date of this report are set out on Page 2. In early 2015 the board underwent a review process which aimed to increase the size of the board while ensuring that it continues to have the necessary competency mix to ensure appropriate oversight of a leading Irish charity. The revised board met in April 2015 and set up the following sub committees:

#### **Audit, finance and risk committee:**

The function of the Audit Finance and Risk committee is to review internal financial controls, treasury and risk management processes. The committee liaises with external auditors and reports directly to the board. It meets on a regular basis to monitor and review the financial performance of the Foundation, internal and external audit findings, management information systems and internal control systems. It provides independent oversight of the annual budgets, management and statutory accounts and makes recommendations to the board where relevant. The members of the committee are James Wyse, John Dennehy, Maureen Windle, Fred Kerr and Paul Cooke.

#### **Communications:**

The function of the Communications committee is to work with the Foundation's Communications Manager to secure PR and promotional opportunities for the hospital and the Foundation. The members of the committee are James Wyse, John Dennehy, Dana Blaga (Communications Manager CHF), Shay Keany and Paul Cooke.

#### **International NGO proposal:**

The function of the International NGO Proposal committee is to work with the Chairman and Executive Director to progress the draft proposal on International Orthopaedic Medical Assistance. The members of the committee are James Wyse, John Dennehy, Keith Synnott, Michael Stephens, Steve Eustace, Kevin Shannon & Gordon Dunne.

#### **Events liaison:**

The function of the Events Liaison Committee is to work with the Foundation's Events Manager in promoting events throughout the year, both at home and abroad. The members of the committee are Mark O'Doherty (Fundraising Events Manager CHF), James Wyse, John Dennehy & Kevin Shannon.

#### **HSE/Department of Health liaison:**

The function of the HSE/Department of Health Liaison is to work with the Chairman and Executive Director of the Foundation and the CEO of Cappagh National Orthopaedic Hospital to discuss all matters pertaining to the HSE and/or the Department of Health. The members of the committee are James Wyse, John Dennehy, Gordon Dunne & Maureen Windle.

#### **Medical/Infrastructure needs of the hospital:**

The function of the Medical/Infrastructure needs Committee is to work with the Chairman and Executive Director of the Foundation and the CEO of Cappagh National Orthopaedic Hospital on requests for funding on all medical and infrastructure needs of the hospital. The members of the committee are James Wyse, John Dennehy, Gordon Dunne, Keith Synnott and Steve Eustace.

#### **Corporate giving:**

The function of the Corporate Giving Committee is to work with the Foundation's Corporate Relations Manager (to be appointed on 12th August 2015) to secure opportunities to engage the support of companies through financial pledges. The members of the committee are James Wyse, John Dennehy, Kevin Shannon and David Jenkins (Corporate Relations Manager CHF).

#### **International Ambassador Liaison:**

The function of the International Ambassador Liaison is to work with the Chairman and Executive Director in providing support for the Foundation's overseas Ambassadors in the UK and USA. The members of the committee are James Wyse, John Dennehy and Kevin Shannon.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## TRUSTEES' REPORT

### **Management and staff:**

We appreciate and acknowledge the role played by Cappagh Hospital Foundation's staff. The ongoing growth of the Foundation's work is due to their dedication and commitment. We are committed to the development of our staff and will continue to allocate resources annually towards a comprehensive training and development programme. Cappagh Hospital Foundation is an equal opportunities employer and we recognise the need to ensure we have high calibre staff and volunteers to achieve our vision and objectives.

### **Risk management and internal controls:**

The directors have responsibility for, and are aware of the risks associated with the operating activities of Cappagh Hospital Foundation. They are confident that adequate systems of internal controls are in place and that these controls provide reasonable assurance against such risks. Management is preparing a risk register which will be updated regularly and will be subject to detailed half-yearly reviews by the board. The directors regularly review and adopt policies and procedures that are consistent with best practice and monitor the implementation of these policies through the Audit, Finance and Risk Committee.

The internal control systems aim to ensure compliance with laws and policies, ensure efficient and effective use of the Foundation's resources, safeguard the Foundation's assets and maintain the integrity of financial information produced. Financial information is subject to detailed review at director level allowing for continuous monitoring of the Foundation's operations and financial status. The Foundation is subject to the preparation of quarterly management accounts by an independent external accountancy firm and to an annual audit by independent external auditors.

### **Environment:**

The Foundation has a proactive approach to conducting its business in a manner that protects the environment.

### **Health and safety:**

Cappagh Hospital Foundation is committed to managing and conducting its work activities in such a way as to ensure - so far as it reasonably practicable - the safety, health and welfare at work of its employees and volunteers. The Safety Statement, in accordance with Section 20 of the Safety, Health and Welfare at Work Act 2005, outlines the policy of Cappagh Hospital Foundation in relation to the management of health, safety and welfare. Cappagh Hospital Foundation management continuously monitors compliance in line with legislative requirements.

## **ACCOUNTING RECORDS**

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Cappagh Hospital, Finglas.

## **TRUSTEES' RESPONSIBILITIES STATEMENT**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the trustees to prepare financial statements for each period. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice ("Irish GAAP"). 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 period end date and of the profit or loss of the company for the financial period and otherwise comply with the Companies Act 2014.

# **CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION**

## **TRUSTEES' REPORT**

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting 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 trustees 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 profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Acts 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.

### **STATEMENT OF RELEVANT AUDIT INFORMATION**

In accordance with Section 330 of the Companies Act 2014, so far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquires of fellow trustees, each trustee has taken all the steps they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

### **AUDITORS**

The auditors, RSM Farrell Grant Sparks, Chartered Accountants, Statutory Audit Firm, have resigned as auditors following a merger with Grant Thornton. Subsequently Grant Thornton has been appointed auditors to the company and have indicated their willingness to continue in office in accordance with Section 383 (2) of the Companies Act, 2014.

### **ON BEHALF OF THE BOARD**

**MICHAEL STEPHENS - TRUSTEE**

**JAMES C WYSE - TRUSTEE**

**DATED: 7 OCTOBER 2015**

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

### **CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION**

We have audited the financial statements of Cappagh Hospital Research and Development Foundation for the year ended 31 December 2014 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. 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 foundation'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 foundation'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 foundation and the foundation's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees Report, the trustees 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 foundation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' 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.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities, and financial position of the foundation as at 31 December 2014 and of the surplus for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland and in particular 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 that 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION**

- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the trustees' 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 trustees' remuneration and transactions specified by law are not made.

**DAVID MCGARRY  
FOR AND ON BEHALF OF  
GRANT THORNTON  
CHARTERED ACCOUNTANTS  
STATUTORY AUDIT FIRM  
MOLYNEUX HOUSE  
BRIDE STREET  
DUBLIN 8**

**DATED: 20 OCTOBER 2015**

**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>NOTES</b>	<b>2014</b> €	2013 €
<b>INCOME</b>		<b>633,168</b>	627,203
Foundation disbursements	<b>2</b>	<b>(120,000)</b>	(183,629)
Foundation expenses		<b>(351,720)</b>	(467,923)
<b>OPERATING SURPLUS/ (DEFICIT)</b>		<b>161,448</b>	(24,349)
Taxation	<b>6</b>	-	-
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	<b>3</b>	<b>161,448</b>	(24,349)

Income and operating surplus\ (deficit) are derived solely from continuing activities in the Republic of Ireland.

All recognised gains and deficits have been included in the income and expenditure account.

The notes on pages 14 to 21 form an integral part of these financial statements.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## BALANCE SHEET AT 31 DECEMBER 2014

	NOTES	2014 €	2013 €
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>15,794</u>	<u>28,430</u>
<b>CURRENT ASSETS</b>			
Debtors	8	197,895	142,888
Cash at bank and in hand		<u>2,163,009</u>	<u>2,077,379</u>
		<b>2,360,904</b>	<b>2,220,267</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(24,763)</u>	<u>(58,210)</u>
<b>NET CURRENT ASSETS</b>		<u>2,336,141</u>	<u>2,162,057</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>2,351,935</b></u>	<u><b>2,190,487</b></u>
<b>FINANCED BY</b>			
Accumulated surplus	13	<u>2,351,935</u>	<u>2,190,487</u>
<b>FOUNDATION'S FUNDS</b>	13	<u><b>2,351,935</b></u>	<u><b>2,190,487</b></u>

**ON BEHALF OF THE BOARD**

**MICHAEL STEPHENS - TRUSTEE**

**JAMES C WYSE - TRUSTEE**

**DATED: 7 OCTOBER 2015**

The notes on pages 14 to 21 form an integral part of these financial statements.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	€	2014 €	€	2013 €
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>14</b>		<b>81,230</b>		<b>(56,905)</b>
<b>CAPITAL EXPENDITURE</b>					
Payments to acquire tangible assets		-		(1,454)	
Receipts from sales of tangible assets		<u>4,400</u>		<u>15,750</u>	
			<b>4,400</b>		<b>14,296</b>
<b>NET CASH INFLOW/(OUTFLOW)</b>	<b>15</b>		<b>85,630</b>		<b>(42,609)</b>

The notes on pages 14 to 21 form an integral part of these financial statements.

# **CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

### **1. ACCOUNTING POLICIES**

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

#### **1.1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014. 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.

#### **1.2. INCOME**

Voluntary donations, subscriptions and similar income arising from fundraising events are accounted for when received. As with many similar charitable organisations, independent groups from time to time organise fundraising activities. The amounts collected in this way are outside the control of the Foundation and are not included in the accounts until received by the Foundation.

Legacy income is recognised in the period that it is received or where the Foundation is reasonably certain that the legacy income will be received and the value of the legacy can be measured with sufficient accuracy.

Other income is recognised in the period that it is earned or received.

Interest income is recognised in the period in which it is earned and is received gross.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1.3. TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at historical costs less accumulated depreciation and provisions for impairment.

The cost of an asset is made up of the purchase price of the asset plus any costs directly attributable to bringing the asset into working condition for its intended use.

#### Depreciation

Depreciation is calculated to write off the original cost of the asset or the revalued amount less the estimated residual value over its estimated useful economic life as follows:

Office equipment	-	5 years
Fixtures and fittings	-	5 years
Motor vehicles	-	5 years
Computer equipment	-	5 years

The carrying value of tangible fixed assets is reviewed for impairment if events or changes in circumstances indicate that the carrying amount value may not be recoverable. Under Irish GAAP impairment is assessed by comparing the carrying value of the asset with its recoverable amount (the higher of net realisable value and value in use). Net realisable value is defined as the amount at which an asset could be disposed of net of any direct selling costs. Value in use is defined as the present value of the future cash flows obtainable through the continued use of an asset including those expected to be realised on its eventual disposal.

### 1.4. LEASED ASSETS

Assets held under leasing arrangements (finance leases) that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account as incurred so as to produce a constant rate of charge based on the capital element outstanding.

Rentals in respect of operating leases are charged to the profit and loss account as incurred.

### 1.5. PENSIONS

Pension benefits for employees are met by payments to a defined contribution pension fund. Contributions are charged to the profit and loss account in the year in which they fall due.

Differences between the amounts charged in the profit and loss account and payment made to pension funds are treated as assets or liabilities.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1.6. PROVISION FOR LIABILITIES

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless the probability of their occurrence is remote.

### 2. FOUNDATION DISBURSEMENTS

The trustees paid disbursements during the year to the total value of €120,000 (2013: €183,629). Where the foundation disburses funds for capital purchases, the trustees, may in some cases, reserve the right of ownership over the assets acquired. In such cases, the value of such assets are not shown in the balance sheet.

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Foundation to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to scholars in the furtherance of the charitable activities of the Foundation.

<b>3. SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	<b>2014</b>	<b>2013</b>
	<b>€</b>	<b>€</b>
<b>Surplus/(deficit) for the financial year is stated after charging:</b>		
Depreciation	<b>8,386</b>	14,498
<b>and after crediting:</b>		
Profit on disposal of tangible fixed assets	<b>(150)</b>	(1,400)

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 4. EMPLOYEES

#### Number of employees

The average monthly number of employees during the year was:

	2014	2013
Administration	<u>4</u>	<u>5</u>

No employee of the Foundation acts as a Trustee of the Foundation.

The employment costs were:-

	2014	2013
	€	€
Wages and salaries	<b>173,459</b>	221,793
Social welfare costs	<b>19,463</b>	24,930
Pension costs	<b>6,420</b>	6,000
Total staff costs	<b><u>199,342</u></b>	<u>252,723</u>

The total remuneration package of the Executive Director comprised salary of €70,000 (2013: €70,000) plus 8% employer pension contributions and a company car. He also received a performance bonus of €5,000 (2013: €5,000)

Trustees do not receive remuneration for their services to the foundation.

### 5. PENSION COSTS

The charity operates a defined contribution schemes for employees. The assets of the scheme are held and managed separately from those of the charity by independently administered funds. The annual contributions are charged to Income and Expenditure account.

### 6. TAXATION

No charge to tax arises due to the exempt status of the Company. Irrecoverable value added tax is expensed as incurred in these companies.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. FIXED ASSETS	Office equipment €	Fixtures and fittings €	Motor vehicles €	Computer equipment €	Total €
<b>Cost</b>					
At beginning of year	23,963	54,210	47,500	41,860	167,533
Disposals	-	-	(16,000)	(500)	(16,500)
At 31 December 2014	23,963	54,210	31,500	41,360	151,033
<b>Depreciation</b>					
At beginning of year	22,537	53,827	24,600	38,139	139,103
On disposals	-	-	(12,000)	(250)	(12,250)
Charge for the year	876	128	6,300	1,082	8,386
At 31 December 2014	23,413	53,955	18,900	38,971	135,239
<b>Net book values</b>					
At 31 December 2014	550	255	12,600	2,389	15,794
At 31 December 2013	1,426	383	22,900	3,721	28,430

### In respect of prior year:

	Office equipment €	Fixtures and fittings €	Motor vehicles €	Computer equipment €	Total €
<b>Cost</b>					
<b>Cost or valuation</b>					
At beginning of year	23,963	54,210	68,500	40,406	187,079
Additions	-	-	-	1,454	1,454
Disposals	-	-	(21,000)	-	(21,000)
At 31 December 2013	23,963	54,210	47,500	41,860	167,533
<b>Depreciation</b>					
At beginning of year	21,533	53,466	19,300	36,956	131,255
On disposals	-	-	(6,650)	-	(6,650)
Charge for the year	1,004	361	11,950	1,183	14,498
At 31 December 2013	22,537	53,827	24,600	38,139	139,103
<b>Net book values</b>					
At 31 December 2013	1,426	383	22,900	3,721	28,430
At 31 December 2012	2,430	744	49,200	3,450	55,824

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

<b>8. DEBTORS</b>	<b>2014</b>	2013
	€	€
<b>Amounts falling due within one year:-</b>		
Trade debtors and prepayments	<b>197,895</b>	142,888
	<u>          </u>	<u>          </u>
<b>9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2014</b>	2013
	€	€
Accruals	<b>20,577</b>	30,726
Other creditors	-	1,065
Provision for disbursements	-	20,000
PAYE	<b>2,367</b>	3,801
PRSI	<b>1,819</b>	2,618
	<u>          </u>	<u>          </u>
	<b>24,763</b>	58,210
	<u>          </u>	<u>          </u>

### 10. FINANCIAL COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>2014</b>	2013
	€	€
<b>Expiry date:</b>		
Between 2 - 5 years	<b>5,797</b>	5,732
	<u>          </u>	<u>          </u>

### 11. FOUNDATION STRUCTURE

The foundation is limited by guarantee of the members. Every member of the foundation undertakes to contribute to the assets of the foundation, in the event of the same being wound up while he/she is a member, or within one year after he/she ceases to be a member, and of the costs, charges, and expenses of winding up, and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding One Euro (€1.00).

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 12. PROVISIONS FOR DISBURSEMENTS

	2014 €	2013 €
Charge for the year	-	<u>20,000</u>

The Foundation did not approve any applications for foundation disbursements in the year ended 31 December 2014 (2013 : €20,000).

### 13. RECONCILIATION OF MOVEMENTS IN FOUNDATION'S FUNDS

	2014 €	2013 €
Surplus/(Deficit) for the year	161,448	(24,349)
Opening members' funds	<u>2,190,487</u>	<u>2,214,836</u>
Closing members' funds	<u>2,351,935</u>	<u>2,190,487</u>

### 14. RECONCILIATION OF OPERATING SURPLUS /(DEFICIT) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2014 €	2013 €
Operating surplus/(deficit)	161,448	(24,349)
Depreciation	8,386	14,498
Profit on disposal of tangible assets	(150)	(1,400)
(Increase) / decrease in debtors	(55,007)	3,113
Decrease in creditors	<u>(33,447)</u>	<u>(48,767)</u>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u>81,230</u>	<u>(56,905)</u>

### 15. ANALYSIS OF CHANGES IN NET FUNDS DURING THE YEAR

	Opening balance €	Cash inflows €	Closing balance €
Cash at bank and in hand	<u>2,077,379</u>	<u>85,630</u>	<u>2,163,009</u>
<b>Net funds</b>	<u>2,077,379</u>	<u>85,630</u>	<u>2,163,009</u>

**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

**16. APPROVAL OF FINANCIAL STATEMENTS**

The trustees approved and authorised the financial statements for issue on 7 October 2015.

**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION  
OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014		2013	
	€	€	€	€
<b>INCOME</b>				
Fund raising events		102,292		150,413
Wage deduction scheme		128,570		143,813
Donations		107,683		111,218
Covenants		7,364		10,666
Interest received		40,795		46,829
Car Park Income		76,894		96,426
MRI Account Fund		169,570		67,838
		<u>633,168</u>		<u>627,203</u>
<b>FOUNDATION DISBURSMENTS</b>				
Cappagh library grant	10,000		10,000	
Convent grant	70,000		140,000	
Training grant	10,000		10,000	
Dr Pat O'Neill	30,000		-	
Michael Dodd	-		20,000	
Reck motomed for active rehabilitation centre	-		3,629	
		<u>(120,000)</u>		<u>(183,629)</u>
<b>FOUNDATION EXPENSES</b>				
Salaries and commission	173,459		221,793	
Social welfare costs	19,463		24,930	
Staff pension	6,420		6,000	
Event management	12,636		-	
Fund raising expenses	48,898		68,566	
Staff Training	125		50	
Office expenses	2,418		4,307	
Insurance	887		2,260	
Maintenance	1,855		4,834	
Service contracts	2,878		3,007	
Foundation insurance	3,846		4,610	
Telephone and postage	6,136		8,618	
Computer costs	3,749		9,780	
Motor expenses	10,751		11,841	
Travel expenses	6,656		5,667	
Legal and professional fees	624		1,817	
Advertising	14,627		47,186	
HR consultancy	10,143		430	
Accountants fees	6,148		9,349	
Company Secretarial Expenses	500		500	
Audit	6,771		8,731	
Bank charges	2,603		2,618	
Profit on disposal of fixed asset	(150)		(1,400)	
Sundry expenses	1,891		7,931	
Depreciation	8,386		14,498	

**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH AND DEVELOPMENT FOUNDATION  
OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014		2013	
	€	€	€	€
		<u>(351,720)</u>		<u>(467,923)</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<u><b>161,448</b></u>		<u><b>(24,349)</b></u>