

NMH Foundation
(A company limited by guarantee and not having a share capital)

Directors' Report and Financial Statements

Financial Year Ended 31 December 2016

CONTENTS

	Page
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 6
INDEPENDENT AUDITOR'S REPORT	7 - 8
STATEMENT OF FINANCIAL ACTIVITIES	9
BALANCE SHEET	10
STATEMENT OF CHANGES IN EQUITY	11
CASH FLOW STATEMENT	12
NOTES TO THE FINANCIAL STATEMENTS	13 - 20

DIRECTORS AND OTHER INFORMATION

Board of directors at 31 December 2016

Dr Rhona Mahony
Dr Peter Boylan
Dr John Murphy
Ms Niamh Callaghan
Mr Aidan Devlin
Mr Ronan Gavin
Ms Ruth Curran
Ms Rachel Hussey
Mr Pdraig McManus

Solicitors

Mason Hayes & Curran
6th Floor South Bank House
Barrow Street
Dublin 4

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Secretary and registered office

Ronan Gavin
National Maternity Hospital
Holles Street
Dublin 2

Bankers

Bank of Ireland
2 College Green
Dublin 2

Registered number: 518984 (Incorporated on 18 October 2012)

Charity registration no.: CHY, 20389
S.848a Donations Relief granted 18 April 2013

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

The directors present herewith their report and the audited financial statements for the financial year ended 31 December 2016.

The Directors of the NMH Foundation (The Foundation) are its trustees for the purpose of Charity Law. This report incorporates statutory requirements as outlined in the Companies Act 2014 and has been prepared in reference to the Statement of Recommended Practice for Charities in accordance with the Financial Reporting Standard applicable in the Republic of Ireland (FRS102) (effective 1 January 2015). The Charity SORP (FRS 102) is not yet mandatory in the Republic of Ireland and the Irish Charity Regulator has not yet prescribed accounting regulations for Irish Charities. In the absence of such prescriptive guidance, the Trustees have adopted the Charity SORP (FRS 102) as it is considered best practice.

Objectives and activities

The Foundation, as a voluntary charitable organisation, has as its main objective the development of a sustainable fundraising capability that will support the National Maternity Hospital in maintaining its position as a centre of excellence in the delivery of mother and baby care and research.

The main activity of the Foundation is raising funds to support the work of the National Maternity Hospital, Holles Street. The Foundation supports all areas of need within the NMH, including equipment, research and education programmes; and support services for mothers and babies. Money is raised through direct donations, events and corporate partnerships.

New initiatives scheme

New initiatives include increased community fundraising, direct debit/regular giving and increased event activity.

Legal status and governing document

The Foundation is an Irish company incorporated on 18 October 2012. It is a company limited by guarantee and does not have a share capital. The Foundation is a not-for-profit organisation with charitable status granted on 18 April 2013, with Articles of Association and a board of non-executive Directors. The Foundation's charity registration number is CHY 20389.

Statement of Board of Directors' responsibilities

The Board of Directors is responsible for preparing the Director's Report and the financial statements of the Foundation.

The Board of Directors is required to prepare financial statements, for each financial year, that give a true and fair view of the Foundation's assets, liabilities and financial position as at the end of the financial year and of the surplus or deficit of the Charity for the financial year. The Board of Directors has prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 which is the Financial Reporting Standard applicable in the UK and Republic of Ireland, as promulgated by the Institute of Chartered Accountants in Ireland) and Charities Statement of Recommended Practice (SORP) (FRS 102).

Under company law, the Board of Directors shall not approve the financial statements unless it is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Foundation, as at the end of the financial year and the profit or loss of the Foundation for the financial year, and otherwise comply with the Companies Act 2014.

DIRECTORS' REPORT (INCORPORATING THE TRUSTEES REPORT) - continued

Statement of Board of Directors' responsibilities - continued

In preparing these financial statements, the Board of Directors is 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 and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Board of Directors is responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the NMH Foundation;
- enable, at any time, the assets, liabilities, financial position and surplus or deficit of the Foundation to be determined with reasonable accuracy; and
- enable those financial statements to be audited.

The Board of Directors is also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities and business review

In April 2013, the fundraising activities of the National Maternity Hospital were taken over by NMH Foundation. The previous company responsible for these activities was Holles Street 2000 NMH Limited. As part of the changeover, the closing reserves of Holles Street 2000 NMH were transferred to NMH Foundation.

The Directors consider the level of fundraising activity and the year-end financial position to be satisfactory.

Financial review

The surplus for the year is set out on page 8.

Income generation

The Foundation's income increased from €380,907 in the year to 31 December 2015 to €1,277,955 in the year to 31 December 2016. The surplus for the year was €876,647.

Resources expended

The vast majority of the resources expended goes towards supporting the fundraising activities of the Foundation. The remainder relates to support costs which facilitate the day-to-day running of the Foundation.

Reserves

The Directors have reviewed the reserves on hand at the year end and analysed them as restricted and unrestricted where relevant. Performance for the year has been in line with expectations.

Principal risks and uncertainties

The Directors have ultimate responsibility for ensuring that the Foundation has an appropriate system of controls, financial and otherwise. The Directors consider the principal risks and uncertainties faced by the Foundation to be the loss of public support and donor fatigue. In addition, the systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the Directors.
- Regular consideration by the Directors of financial results and variance reports from the Finance Department in relation to individual projects and overall budget and
- Delegation of authority and segregation of duties.

DIRECTORS' REPORT (INCORPORATING THE TRUSTEES REPORT) - continued

Principal risks and uncertainties - continued

The Directors have introduced a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating these risks. This information is recorded in a risk register, which the Senior Leadership Team review quarterly and the Directors review on an annual basis.

Accounting records

The measures taken by the Directors to secure compliance with the Foundation's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at the National Maternity Hospital, Hollis Street, Dublin 2.

Directors

The names of the persons who served as Directors at any time during the year are set out below. Unless otherwise indicated they served as Directors for the entire year.

Dr Rhona Mahony	(and Member)
Dr Peter Boylan	(and Member)
Dr John Murphy	(and Member)
Ms Niamh Callaghan	(and Member)
Mr Aidan Devlin	
Mr Ronan Gavin	(Secretary and Member)
Ms Catherine Ghose	(resigned 11 April 2016)
Ms Rachel Hussey	
Mr Pdraig McManus	(Chairman and Member)
Ms Ruth Curran	

Unless otherwise indicated, all of the above served for the entire period. This is a Company limited by guarantee without a share capital. The Articles of Association provide for the rotation of directors at AGMs. A retiring Director shall be eligible for re-election.

Events since the end of the financial year

There are no significant or material subsequent events affecting the Foundation since the year end.

Future developments

It is the intention of the Directors to continue to develop the existing activities of the Foundation.

Political donations

The Foundation did not make any political donations during the financial period.

Research and development

The Foundation did not incur any research and development expenditure during the financial period.

Disclosure of information to auditors

The Directors in office at the date of this report have each confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the Foundation's statutory auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Foundation's statutory auditors are aware of that information.

NMH Foundation (limited by guarantee and not having a share capital)

DIRECTORS' REPORT (INCORPORATING THE TRUSTEES REPORT) - continued

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board



Padraig McManus



Ronan Gavin



Independent auditors' report to the members of NMH Foundation

Report on the financial statements

Our opinion

In our opinion, NMH Foundation's financial statements (the "financial statements"):

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

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 December 2016;
- the statement of financial activities for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Matter on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

~~Our responsibilities and those of the directors~~

As explained more fully in the Statement of Board of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

~~What an audit of financial statements involves~~

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



John Dunne
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
17 July 2017

STATEMENT OF FINANCIAL ACTIVITIES
Year Ended 31 December 2016

	Notes	2016 €	2015 €
Income and expenditure		Unrestricted	Unrestricted
Income from:			
Investment income	5	95,264	98,156
Donations and legacies		901,926	44,766
Charitable activities		<u>280,765</u>	<u>237,986</u>
Total income		<u>1,277,955</u>	<u>380,907</u>
Expenditure on:			
Loan interest	5	94,420	94,420
Raising funds	8	197,338	136,419
Charitable activities	9	<u>109,550</u>	<u>174,899</u>
Total expenditure		<u>401,308</u>	<u>405,738</u>
Net Income		<u>876,647</u>	<u>(24,831)</u>
Reconciliation of funds			
Total funds brought forward		<u>1,149,265</u>	<u>1,174,096</u>
Total funds carried forward		<u>2,025,913</u>	<u>1,149,265</u>

There were no recognised gains or losses other than those dealt with in the Statements of Financial Activities above.

There is no difference between the net incoming resources for the period and the net incoming resources retained for the period stated above, and their historical cost equivalents.

NMH Foundation (limited by guarantee and not having a share capital)

BALANCE SHEET
As at 31 December 2016

	Notes	2016 €	2015 €
Fixed assets			
Property investment	12	<u>8,750,000</u>	<u>8,750,000</u>
Current assets			
Stock		2,140	3,864
Debtors	13	238,115	55,360
Cash at bank		163,442	1,191,993
Equipment		<u>1,772,244</u>	-
Total current assets		<u>2,175,941</u>	<u>1,251,217</u>
Current liabilities			
Creditors - amounts falling due within one year	14	<u>(150,028)</u>	<u>(101,952)</u>
Net current assets		<u>2,025,913</u>	<u>1,149,265</u>
Long-term liabilities			
Creditors - amounts falling due after more than one year	15	<u>(4,720,885)</u>	<u>(4,720,885)</u>
Net assets		<u>6,055,028</u>	<u>5,178,380</u>
Capital and reserves			
Accumulated fund		2,025,913	1,149,265
Asset revaluation reserve		<u>4,029,115</u>	<u>4,029,115</u>
Members' funds - equity interests		<u>6,055,028</u>	<u>5,178,380</u>

On behalf of the board

Padraig McManus



Ronan Gavin

NMH Foundation (limited by guarantee and not having a share capital)

STATEMENT OF CHANGES IN EQUITY
Financial Year Ended 31 December 2016

	Unrestricted revaluation reserve €	Unrestricted accumulated fund €	Total €
Balance at 1 January 2015	4,029,115	1,174,096	5,203,211
Deficit for the year	-	(24,831)	(24,831)
Revaluation increment	-	-	-
Balance at 31 December 2015	4,029,115	1,149,265	5,178,380
Balance at 1 January 2016	4,029,115	1,149,265	5,178,380
Surplus for the year	-	876,647	876,647
Revaluation increment	-	-	-
Balance at 31 December 2016	4,029,115	2,025,913	6,055,028

CASH FLOW STATEMENT

Financial Year Ended 31 December 2016

	Notes	2016 €	2015 €
Cash flows from operating activities			
Cash flows provided by operating activities	16	<u>(1,028,551)</u>	<u>31,339</u>
Cash flows from investing activities			
Rental Income received		<u>94,420</u>	<u>94,420</u>
Cash flows from financing activities			
Interest paid on borrowings		<u>(94,420)</u>	<u>(94,420)</u>
Change in cash and cash equivalents in the reporting period		(1,028,551)	31,339
Cash and cash equivalents at the beginning of the reporting period	17	<u>1,191,993</u>	<u>1,160,654</u>
Cash and cash equivalents at the end of the reporting period	17	<u>163,442</u>	<u>1,191,993</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014. The financial statements have also been prepared in accordance with the recommendations of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charity SORP (FRS 102)).

2 General information

The Foundation's principal objective is the development of a sustainable fundraising capability that will support the National Maternity Hospital in maintaining its position as a centre of excellence in the delivery of mother and baby care and research.

The Company is incorporated as a Company Limited by Guarantee in the Republic of Ireland. The address of its registered office is The National Maternity Hospital, Holles Street, Dublin 2.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the Directors to exercise their judgement in the process of applying the Foundation's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and Charities SORP (FRS 102), and the Companies Act 2014.

The NMH Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Historical cost convention

The financial statements are prepared under the historical cost convention except that investments are stated at fair value.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

Going concern

The Foundation meets its day-to-day working capital requirements through its cash balances and investments. The current economic conditions continue to create uncertainty over the ability of the Charity to maintain the level of donations received. The Foundation's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Foundation should be able to operate for the foreseeable future. After making enquiries, the Directors have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Therefore these financial statements have been prepared on a going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Rental income

Rental income arises on the leasing of 65/66 Lower Mount Street Dublin 2. The Foundation has leased the property for an initial period of seven years. Rental income arising on the rental of investment properties held by the Foundation as investment properties is recognised as the rental income falls due.

Legacy income and bequests

For legacies and bequests, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to clarify that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intentions to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donation income

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Donations or grants that are subject to terms or performance related conditions or other conditions that must be met before there is unconditional entitlement to the gifted resources, have been separately identified within the financial statements.

Subscription income

Subscription income is recognised by the Foundation when the Foundation becomes entitled to the income, there is sufficient certainty of receipt and the subscription can be reliably measured.

Funds

All transactions of the Foundation have been recorded and reported as income into or expenditure from funds which are designated as "restricted", or "unrestricted".

Income is treated as restricted where the donor has specified that it may only be used for a particular purpose or where it has been raised for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted.

The balance on each restricted fund at the end of the year represents the asset held by the organisation for particular purposes specified by the donors. The balance of the unrestricted fund at the end of the year represents the assets held by the organisation for general use in furtherance of its work. Endowment fund represents amounts held for investment purpose. Income from these principal amounts will either be (a) unrestricted and used for general purposes, or (b) restricted by the donor or by the Board.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) *Financial assets*

Basic financial assets, including trade and other debtors, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value. Fair value is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction other than in a forced or liquidation sale". Estimates are made at a specific point in time, based on market conditions and information about the financial instrument.

Such financial assets subsequently measured at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

Realised gains and losses on disposal of investments are the difference between sales proceeds receivable and carrying value. Unrealised gains and losses are the difference between market value at year end and carrying value.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Basic financial liabilities, including trade and other creditors, loans from third parties, are initially recognised at settlement price.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

Financial instruments - continued

(ii) Financial liabilities - continued

Variable rate loans were recognised initially at an amount equal to the principal payable at maturity, and therefore re-estimating the future interest payments has no significant effect on the carrying amount of the loans, which have not been discounted.

Investment property

Investment property is held at fair value. Gains and losses arising from the revaluation of the investment property are included in the Statement of Financial Activities. See note 12 for additional information.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the charity entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board of Directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(i) Valuation of Non-exchange transactions

The financial statements include non-exchange transactions where the Foundation has benefited from the donation of time and other goods and services from various donors. The Foundation did not have any non-exchange transactions in 2016 (2015: nil).

5 Investment income and management costs	2016 €	2015 €
Interest received on deposit account	844	3,786
Rent received on investment property	94,420	94,420
	<u>95,264</u>	<u>98,206</u>
Interest payable on loan to purchase investment property	<u>(94,420)</u>	<u>(94,420)</u>

Interest payable is accrued at a rate of 2% per annum.

6 Payroll costs	2016 €	2015 €
Basic pay	95,000	89,339
Employers PRSI	10,213	9,606
	<u>105,216</u>	<u>98,945</u>

The average number of persons employed by the Foundation during the financial year was two. The NMH Foundation employ one full time employee and one part-time employee.

No salaries or fees are payables to the Directors of the Foundation.

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Key management compensation	2016	2015
	€	€

Compensation paid or payable to key management personnel for employee services are shown below:

Basic pay	75,000	75,000
Employee PRSI	3,000	3,000
	<u>78,000</u>	<u>78,000</u>

8 Expenditure on raising funds - unrestricted	2016	2015
	€	€

Fundraising events	139,318	80,774
Support and governance costs (note 10)	47,215	40,438
Governance costs (note 10)	10,805	15,207
	<u>197,338</u>	<u>136,419</u>

9 Expenditure on charitable activities - unrestricted	2016	2015
	€	€

Payroll costs	63,130	59,367
Support and governance costs (note 10)	30,660	22,924
Hospital equipment	15,759	92,608
	<u>109,549</u>	<u>174,899</u>

Incoming resources and resources expended in the generation of funds for charitable activities

The Foundation raises funds for much needed equipment for the National Maternity Hospital. The events listed below were held in the period ended 31 December 2016 to raise such funds:

	Income	Direct expenses	Direct contribution
	2016	2016	2016
	€	€	€
Fashion Show	73,990	38,459	35,531
Bloomsday Ball	54,500	23,827	30,673
Lisbon Run	94,287	59,914	34,373
Golf Classic	35,150	11,522	23,628
Race Events	5,750	5,114	636
Dads and Daughters	4,493	-	4,493
Mini Marathon	12,595	482	12,113
Total	<u>280,765</u>	<u>139,318</u>	<u>141,447</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Analysis of governance and support costs

2016	Charitable activities		Raising funds		Basis of apportionment
	General support	Governance functions	General support	Governance functions	
Payroll costs	47,348	15,782	42,088	-	Pro-rata based on time incurred
Subscriptions/memberships	-	-	5,129	-	Based on specific expenditure plus pro-rata of costs
Bank and credit card charges	1,940	-	-	-	Based on specific expenditure plus pro-rata of costs
Printing and stationery	8,540	-	-	-	Based on specific expenditure plus pro-rata of costs
Advertising and marketing	7,048	-	-	-	Based on specific expenditure plus pro-rata of costs
Professional fees	-	-	-	10,805	Based on specific expenditure plus pro-rata of costs
Staff travel and conferences	3,407	-	-	-	Based on specific expenditure plus pro-rata of costs
Office equipment	9,615	-	-	-	Based on specific expenditure plus pro-rata of costs
Telephone	110	-	-	-	Based on specific expenditure plus pro-rata of costs
	<u>78,008</u>	<u>15,782</u>	<u>47,215</u>	<u>10,805</u>	
2015	Charitable activities		Raising funds		Basis of apportionment
	General support	Governance functions	General support	Governance functions	
Payroll costs	44,525	14,842	39,578	-	Pro-rata based on time incurred
Subscriptions/memberships	-	-	860	-	Based on specific expenditure plus pro-rata of costs
Bank and credit card charges	1,362	-	-	-	Based on specific expenditure plus pro-rata of costs
Printing and stationery	5,405	-	-	-	Based on specific expenditure plus pro-rata of costs
Advertising and marketing	9,248	-	-	-	Based on specific expenditure plus pro-rata of costs
Professional fees	-	-	-	15,207	Based on specific expenditure plus pro-rata of costs
Staff travel and conferences	705	-	-	-	Based on specific expenditure plus pro-rata of costs
Office equipment	5,495	-	-	-	Based on specific expenditure plus pro-rata of costs
Telephone	709	-	-	-	Based on specific expenditure plus pro-rata of costs
	<u>67,449</u>	<u>14,842</u>	<u>40,438</u>	<u>15,207</u>	

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Statutory and other information	2016 €	2015 €
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The surplus/(deficit) for the year has been arrived at after charging/(crediting):

Directors' remuneration	-	-
Auditors' remuneration	6,415	6,415

12 Investment assets	2016 €	2015 €
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Investment property at fair value	8,750,000	8,750,000
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In April 2013 the Board passed a resolution to purchase the building on 65/66 Lower Mount Street, Dublin 2. This is an investment property. The Company has leased the property to the National Maternity Hospital for an initial period of seven years. The property was revalued in the prior financial year by independent professional property agent. The relevant amount is based on the market value of the property as at 31 December 2014 as determined by the Board in conjunction with Knight Frank.

13 Debtors	2016 €	2015 €
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Debtors	238,115	55,360
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14 Creditors - amounts falling due within one year	2016 €	2015 €
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Creditors	22,398	32,373
Accruals	127,630	69,579
	150,028	101,952

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

15 Creditors - amounts falling after more than one year	2016 €	2015 €
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Loan from The Medical Fund	4,100,000	4,100,000
Loan from The Scientific Research College	620,885	620,885
	4,720,885	4,720,885

These loans were used to purchase the building at 65/66 Lower Mount St, Dublin 2. The Foundation's total loans at 31 December 2016 were €4,720,885 (2015: €4,720,885), representing inter entity loans, repayable upon sale of the property. The loans are subject to interest at a rate of 2% (2015: 2%).

NOTES TO THE FINANCIAL STATEMENTS - continued

16. Reconciliation of net incoming resources to net cash inflow from charitable activities	2016 €	2015 €
Net income/(deficit) for the reporting period	895,596	(24,831)
(Increase)/decrease in Equipment	(1,772,244)	-
Decrease in stocks	1,724	(1,154)
(Increase)/decrease in debtors	(182,755)	(25,829)
Increase/(decrease) in creditors	48,076	83,152
Net cash inflow from activities	<u>(1,028,551)</u>	<u>31,339</u>

17 Analysis of changes in net cash	2015 €	Cash flow €	2016 €
Cash at bank	<u>1,191,993</u>	<u>(1,028,551)</u>	<u>163,442</u>

18 Financial instruments	2016 €	2015 €
Financial assets at fair value through profit or loss		
Financial assets that are debt instruments measured at amortised cost:		
- Trade debtors	<u>238,115</u>	<u>19,790</u>
Cash at bank and in hand	<u>163,442</u>	<u>1,191,993</u>
Financial liabilities measured at amortised cost:		
- Trade creditors	22,398	32,373
- Borrowings from The Medical Fund	4,100,000	4,100,000
- Borrowings from The Scientific Research College	<u>620,885</u>	<u>620,885</u>
	<u>4,743,283</u>	<u>4,753,258</u>

19 Related party transactions

During the year the NMH Foundation did not have any related party transactions in accordance with Charities SORP (FRS 102).

However, while not related parties under the generally applied definitions, the Foundation did engage in the following transactions with the following entities;

1. Loans, as set out in Note 15, are from NMH Medical Fund and NMH Scientific & Research College.
2. Lease of Property at 65/66 Lower Mount Street to the National Maternity Hospital at an annual rent of €98k.
3. Hospital Equipment specifically the MRI purchased, installed and commissioned during 2016, from donations received between 2014 and 2016, and which will be donated to the National Maternity Hospital in 2017.

NOTES TO THE FINANCIAL STATEMENTS - continued

20: Events after the end of the reporting period

There were no events after the end of the reporting period which require disclosure in the financial statements.

21 Approval of the financial statements

The named representatives approved the financial statements on behalf of the Board of Directors on 17th July 2017.