



Northern Ireland Chest Heart and Stroke

(Company Limited by Guarantee)

Financial Statements

For the year ended 31 March 2013

Moore Stephens Chartered Accountants
4th Floor Donegall House
7 Donegall Square North
Belfast
BT1 5GB

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Members of the board and professional advisers

Registered charity name	Northern Ireland Chest Heart & Stroke
Charity number	XN 47338
Company registration number	NI 18889
Registered office	21 Dublin Road Belfast BT2 7HB
Directors	Professor MPS Varma PhD FRCPI FRCP (Glas) FESC FACC - Chair Mr J Collins - Vice-Chair Mr I Lindsay FCA - Hon. Treasurer Professor P Nicholls MD DSc FRCP FESC Mrs A Hayes Dr J Kidney MB BCh BAO FRCPI MD Mr A Cecil Dr E Kerr MB BCh BAO MRCP Mr M Mulholland
Secretary	Mr A P Dougal OBE FCIPR MCIPD BA DBA
Investment managers	Cunningham Coates Stockbrokers The Linenhall 32-38 Linenhall Street Belfast BT2 8BG

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Members of the board and professional advisers continued

Bankers

Bank of Ireland
Belfast City Branch
Belfast
BT1 2BA

HSBC
5 Donegall Square South
Belfast
BT1 5JP

Santander Corporate Banking
Bridle Road
Bootle
Merseyside
L30 4GB

Ulster Bank
11-16 Donegall Square East
Belfast
BT1 5UB

Solicitors

Elliott Duffy Garrett
Royston House
34 Upper Queen Street
Belfast
BT1 6FD

Auditors

Moore Stephens
Chartered Accountants
Donegall House
7 Donegall Square North
Belfast
BT1 5GB

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Directors' Annual Report

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2013.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the Board and professional advisers on page 2 - 3 of the financial statements.

The Directors

The Directors who served the charity during the period were as follows:

Professor MPS Varma PhD FRCPI FRCP (Glas) FESC FACC - Chair

Mr J Collins - Vice-Chair

Mr I Lindsay FCA - Hon. Treasurer

Dr M Power MB FRCPE FRCPI (retired 10th October 2012)

Mr A McKinley BSc (Econ) FMS (retired 10th October 2012)

Mrs J Whiteside OBE (retired 14th July 2013)

Professor P Nicholls MD DSc FRCP FESC

Mrs A Hayes

Dr J Kidney MB BCh BAO FRCPI MD

Mr Alan Cecil (elected 10th October 2012)

Dr Enda Kerr MB BCh BAO MRCP (elected 10th October 2012)

Mr Martin Mulholland (elected 10th October 2012)

Company Secretary

Mr Andrew Dougal OBE FCIPR MCIPD BA DBA

Structure, governance and management

The Charity is governed by Memorandum and Articles of Association adopted on 5th September 2012. They were revised in 2012 in order to take account of the Charities (NI) 2008 Act and the Companies Act 2006.

The Governance Board is responsible for the overall governance of the charity. Directors are either elected or co-opted and the total number of Directors may not exceed eleven or be less than seven. Elected directors may remain in office for nine years but an extension beyond this may be given if one is an office holder. Co-opted Directors are appointed by the Governance Board and shall hold office only until the next Annual General Meeting.

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Directors' Annual Report cont'd

The Board delegates the exercise of certain powers in connection with the management and administration of the charity to the Finance Committee, to the Audit & Risk Committee and the HR Committee. This is controlled by regular reporting back to the Board, so that all decisions made under delegated powers are ratified by the full Board. However, it means that the Governance Board is not compelled to analyse and discuss every decision *ab initio*.

2012-13 is the second year of the three year strategy which was devised with the participation of staff, volunteers and service users.

Chief Executive

The Chief Executive is responsible for the day to day management of the affairs of the charity and for implementing the policies and operational plans as agreed by the Board of Directors. Between meetings of the Governance Board the Chief Executive reports to the Chairman. The Office Bearers Group (Chair, Vice-chair and Hon Treasurer) meet before a Board meeting in order to prepare the agenda. The Chief Executive is assisted by a group of senior managers – the Senior Management Team.

Group Structure

The charity has two wholly owned subsidiaries:-

NI Chest Heart and Stroke Enterprises Limited

This company carried out non-charitable trading activities for the Charity and reported a loss of £40 (2012 loss of £128).

NI Chest Heart & Stroke Home Care Support Services Limited

This company was contracted to provide home care services on behalf of Sperrin & Lakeland Health & Social Care Trust and reported a loss of £113 (2012 loss of £114).

Main Committees

The main committees of NICHHS are:

Finance Committee
Audit & Risk Committee
Human Resources Committee
Scientific Research Grants Committee

The Audit & Risk Committee commissions internal audit to provide management with an independent objective opinion on risk management, control and governance.

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Directors' Annual Report cont'd

Trustee selection, appointment and competence

When a vacancy exists on the Board the office-bearers and the Chief Executive identify the skills gaps on the Board and seek to identify an individual who can meet those needs.

In the first instance attempts are made to identify an individual from NICHS Council, which represents all stakeholders (health professionals, representatives of fundraising support groups, clients and carers as well as business personnel). If this is not successful, a wider headhunting exercise is undertaken. Advertising of vacancies for Trustee posts (Governance Board members) has been found to be expensive and produced poor results. The name of the individual is put forward to the Board for co-option in the event of a time lag before the next AGM. The individual then must stand for election at the Annual General Meeting. Alternatively, individuals are proposed and nominated in advance of the Annual General Meeting (AGM) and elected at the AGM.

Competencies

The Directors include two cardiologists, a respiratory physician and a stroke physician. In addition members include a senior director from the private sector in an engineering environment, a chartered accountant, a former general manager of a dairy company, a lecturer in strategic management, a retired lecturer in law, with experience in consumer affairs, and a former director of a voluntary organisation with an extensive career in nursing. It is hoped that it will be possible to put forward names of women with a business background for consideration at the AGM on the 10th October 2013.

Role of the Council

The Council constitutes the members of the organization who are responsible for electing the Governance Board, for receiving the annual report and accounts of the organization from the Governance Board and for electing the auditors.

The Governance Board and Council will discuss whether or not it will be appropriate to have within Council specialist groups which look at various aspects of NICHS work e.g.:

- a. chest diseases
- b. cardiac illnesses
- c. stroke illness
- d. rehabilitation
- e. health promotion and disease prevention
- f. fundraising and general income generation

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Directors' Annual Report cont'd

External Auditors

At the Annual General Meeting on the 10th October 2012, Moore Stephens was re-elected as external auditors for the period 2012-13.

Branding

A rebranding exercise was undertaken, which included consultation with staff, Board and council members, as well as other volunteers. It was important for NICHHS to review its identity, to develop a more personable personality and to manage strategically the brand to differentiate ourselves in the sector, to stand out and to maximise opportunities. By doing so and implementing a more strategic approach to branding and having a clear corporate identity NICHHS will strengthen its market position and offer stakeholders an enhanced and more rewarding experience with NICHHS, exceeding their expectations and increasing their loyalty. There is a lot more work to be done on embedding the brand across every community in Northern Ireland in order to achieve NICHHS' objectives. It is essential this is managed and regularly evaluated.

Internal Audit

Goldblatt McGuigan were appointed in 2010 on a 3 year contract to provide an audit opinion on the effectiveness of the controls in place within NI Chest Heart & Stroke. To date they have completed their audit of risk management, fundraising, payroll, purchases/procurement operations, financial reporting/budgetary control and investment performance. These areas were found to be generally satisfactory. To further strengthen controls all recommendations for improvement were accepted by the Audit & Risk Committee and are being implemented by staff. Following the closure of their internal audit department in May 2013 Goldblatt & McGuigan resigned. We are currently in the process of selecting a replacement firm.

Security of Investments

The investment portfolio is managed by Cunningham Coates Stockbrokers who have been advised that the Charity's primary aim is to preserve the value of investments against inflation with income generation being of secondary importance.

Consequently the Trustees and the stockbrokers have agreed a low to medium risk spread of investments which is currently represented by 15% cash, 48% gilts and 37% equities. The Trustees have also instructed the stockbrokers not to invest in any company or organisation with links to the tobacco industry.

The performance of the investments is monitored regularly by the Finance Committee through comparison with a range of standard indicators.

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Directors' Annual Report cont'd

Risk Management

Risk is an everyday part of charitable activity. The Trustees have identified the major risks to which the charity is exposed and were assured that adequate systems and procedures have been put in place in order to mitigate or manage those risks.

This has been achieved by writing a Risk Policy, identifying, assessing and evaluating risks using a Risk Framework and regular monitoring and assessment of risk management by the Audit and Risk Committee.

Research

The following research grants were recommended by the Scientific Research Grants Committee SRGC and approved by the Board in the year ended 31 March 2013:

- The effect of increased fruit and veg. intake on epigenetic and transcriptomic endpoints: a pilot randomized controlled trial.
Professor Jayne Woodside
The Queen's University of Belfast (QUB), Centre for Public Health
£64,765
- The role of intermidin and related peptides as markers of stroke severity and inhibitors of reperfusion injury during stroke.
Dr Malcolm Campbell
QUB, Institute of Pathology
£26,000
- Effect of vitamin D3 supplementation on insulin resistance and cardiovascular risk factors in people at high risk of cardiovascular disease and type 2 diabetes.
Dr Michelle McKinley
QUB, Centre for Public Health
£79,811
- NI Baby Hearts Study: A case-control study of risk and protective factors for congenital heart disease.
Professor Helen Dolk
Ulster University, Faculty of Life & Health Sciences and Dr Frank Casey, Consultant Paediatrician Cardiologist at the Royal Victoria Hospital for Sick Children.
£172,130
- Lambda interferon prophylaxis or therapy against respiratory syncytial virus (RSV).
Dr Ultan Power
QUB, Centre for Infection & Immunity
£18,974

A total of £3m funding was requested in research grants, the SRGC allocated £361,680 in order to fund high quality research.

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Directors' Annual Report cont'd

Funding raised by the William Walker and the Gareth Boyle Memorial Funds has provided £30,000 as restricted funding in order to research Sudden Cardiac Death in the young. This money was awarded to Prof. Pascal McKeown, QUB and Dr Frank Casey, Consultant Paediatric Cardiologist at the Royal Belfast Hospital for Sick Children.

- INHERITED CARDIAC DISEASE AND YOUNG SUDDEN CARDIAN DEATH: DEVELOPMENT OF A COMPREHENSIVE NORTHERN IRELAND REGISTRY Prof. Pascal McKeown
Queen's University Belfast and Belfast Health & Social Care Trust
£30,000

NICHS hosted a research Strategy Workshop on the 13th March 2013, facilitated by Dr Liz Philpotts (Association of Medical research Charities, AMRC). The objective of the workshop was to review the current NICHS research programme and identify aims and objectives to formulate a new three year strategy.

Discussion at the Research Strategy Workshop focused around three main themes:

The focus of NICHS Research: what NICHS wants to achieve and what the priorities should be for the next three years;

The administration of the research application process: how we can simplify the process for both researchers and the Scientific Research Grants Committee – looking at application forms, guidance notes, and the scoring procedures for applications;

Effectively measuring the impact of NICHS funded projects: reviewing the research monitoring process and effectively communicating the benefits to the public.

NICHS would like to thank all those who attended and for their participation at the workshop. We are currently reviewing the comments and we will use these to develop our Research Strategy for 2013-16.

In order to allow NICHS to review effectively and strategically the Research Programme a research funding holiday will commence **for this year only. The next call for funding will open in June 2014.**

The Annual Scientific meeting will take place on Wednesday 6th November 2013 at 1pm. The focus of this year's conference is to:

- Showcase how NICHS investment into research over the last 10 years has contributed to the Prevention and treatment of chest, heart and stroke illnesses in Northern Ireland
- Provide an update on current funded research
- Present NICHS's new Research Strategy and future research process
- Keynote presentation on Patient and Public involvement in research
- Panel discussion and Q&A

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Directors' Annual Report cont'd

OBJECTIVES AND ACTIVITIES

The objects of the Charity are to promote the prevention of and alleviate the suffering resulting from chest, heart and stroke illnesses in Northern Ireland, and elsewhere, as appropriate, from time to time as agreed by the Governance Board, and in particular:

- (i) To work either alone or with others for the prevention of chest, heart and stroke illnesses;
- (ii) To educate the public on all matters concerning the said illnesses and to initiate and encourage programmes of prevention and health promotion;
- (iii) To carry out, promote or sponsor the carrying out of study and research into such illnesses and to publish the results of such study and research;
- (iv) To relieve distress occasioned by chest, heart and stroke illnesses.

The charity continues to fund medical research in the hospitals and universities of Northern Ireland. Expansion has been directed towards the services of NICHHS. A review of services has led to the adoption of a new strategy entitled PREP (post rehabilitation enablement programme). With the appointment of a Director of Public Health, a revised communications strategy and a research strategy being put in place. It is essential that the charity reviews operations on a regular basis.

The Chief Executive continues to be a member of the Northern Ireland Stroke Strategy Implementation Group. Other colleagues are members of similar stroke implementation groups within each of the 5 Health Trusts.

The Chief Executive is also a member of the NI Cardiovascular Health & Well-being Steering Group which examines and recommends improvements and innovations in the treatment of CVD in Northern Ireland.

Fiona Greene represents the charity in the Respiratory Services Framework.

ACHIEVEMENTS AND PERFORMANCE

• CARE SERVICES STRATEGY

During 2012/13 the Care Services team developed and delivered a Care Services Strategy for NICHHS. This detailed the rationale for providing services to people affected by chest, heart and stroke illnesses, as well as setting out proposals and plans for revising current services, increasing new services and underpinning the services already under Service Level Agreements with the Health and Social Care Trusts and the Health & Social Care Board.

The Strategy was agreed by the Governance Board in March 2013.

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Directors' Annual Report cont'd

- **RESPIRATORY SERVICES**

NICHS has a network of 23 Respiratory Support Groups, who offered support, information, advice and social inclusion opportunities to 576 people this year. The groups meet at least once a month. They are attended by people suffering from COPD (chronic obstructive pulmonary disease). The groups also offer support to carers. NICHS co-ordinators receive the majority of their referrals from Pulmonary Rehabilitation Teams.

The Care Services team is now working on plans to extend respiratory services to a greater number of people and families affected by COPD, through the implementation of the new Care Services Strategy. We are looking at the development of Family Support services for people affected by Respiratory illness.

- **CARDIAC SERVICES**

As 78,000 people are living with cardiac disease in Northern Ireland, NICHS' Care Services team is also working on a new Care Service model which will extend our services to more people affected by cardiac illness.

In 2012/13 three Cardiac Support Groups took up the offer of being an Affiliated Group with NICHS.

NICHS continued its training programme for GPs and other health professionals to improve ECG skills within primary practice; this work ended in March 2013.

During 2012/13 NICHS continued its Cardiac Rehabilitation Campaign in partnership with the British Heart Foundation. We accompanied service users to Local Commissioning Group meetings in order to highlight the importance of cardiac rehabilitation in improved recovery.

- **STROKE SERVICES**

Stroke Family Support

2 new family support services commenced in Antrim and Altnagelvin hospital areas, meaning every family affected by stroke in Northern Ireland has access to this vital emotional and practical support service.

We supported 1,461 new families in the service during the year, and made a total of 2,715 home visits.

In addition to this service, Stroke Family Support Co-ordinators delivered education programmes to carers who have been recently affected by stroke in the Southern Trust area. One Self Management programme for Carers was delivered in Belfast, and 5 Carers Support groups met on a monthly basis.

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Directors' Annual Report cont'd

Stroke Schemes

NICHS delivered a total of 23 stroke schemes and 5 Young Stroke Groups across NI

Moving On Service (in the Southern Health & Social Care Trust)

The new Moving On Service (PREP –post rehabilitation enablement programme) continued in the Southern Trust, and a Research Study commenced over the course of the year; findings will be presented at NICHS Scientific Research Conference in November 2013.

A total of 100 referrals were received for the service.

Moving On has now been included in the NICHS pathway for all service users, and during 2012/13 plans were put in place to extend the service to other Health & Social Care Trusts.

Self Management “Taking Control” Programme

The Taking Control Programme has now been included in the NICHS pathway for all service users. It is a generic programme and therefore is available to anyone living with a chest, heart or stroke illness.

During 2012/13 NICHS delivered the Stanford University Model programme to 165 people, in 13 separate programmes across Northern Ireland.

NICHS continued to work in close partnership with Arthritis Care (NI) in relation to a service level agreement with the Southern Health & Social Care Trust.

As a member of the Long Term Conditions Alliance, NICHS continued to promote the ethos of self-management and lobbying for evidenced-based self management programmes to be available to all people living with a long term conditions. One of NICHS service users and self management leaders presented at the Ministerial launch of the Long Term Conditions Strategy

Welfare Grants

During 2012/13 the Welfare Grants Panel awarded 89 grants, resulting in a total spend of £29,591 during the year. 78% of the grants were in relation to home energy costs.

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Directors' Annual Report cont'd

INCOME

It has been another challenging year for income generation in NICHS. The economic situation has continued to put pressure across most income streams, particularly legacy income. NICHS did however experience growth against several income lines in comparison to the previous year. New income generation programmes and products have been developed in order to redress the over reliance in the past on legacy income and income from donations in lieu of flowers.

Legacies

Legacy income fell by 38% from this time last year to a gross income of £692,750. Legacy income across the UK has fallen significantly, which may be a result of the downturn in property prices adversely affecting the value of residuary legacies. There also are an increasing number of charities named in wills than before, with churches being another key beneficiary in the legacy market.

As the value of legacies has fallen it is therefore imperative to increase the number of legacies bequeathed to NICHS. For this reason we are implementing a new legacy strategy. The majority of legators are unknown to NICHS however this is slowly improving. Women are more likely to leave a gift to NICHS in their will; however there has been an increase in the number of men leaving a gift. The majority of legacies received are worth between £1,000 and £24,000, with the next band of giving between £25,000 and £49,000.

Support Groups

Support Group income has shown a decrease in the accounts to £246,530, a fall of 4%. A new community fundraising strategy and structure has been undertaken to address the fall in income in this area and build strongholds of support across Northern Ireland through an improved strategic and effective approach.

Direct Marketing & Committed Giving

Committed Giving income increased slightly by 2% in the past financial year with income from Direct Marketing increased by 30% on the previous financial year. There is also a new Individual Giving programme, implemented since January 2013, with the main goal of raising significant income levels through a more strategic, integrated and effective approach to raising funds through the recruitment of individuals to give monthly and through a range of development campaigns with existing and new donors. The aim of this programme is to create sustainable and predictable income channels for NICHS which essentially help to increase confidence in planning ahead to deliver and develop the work of the organisation.

DILOF

Donations in lieu of flowers continue to be a strong income stream but experienced fall of 11% in the last financial year. Some DILOF income is slow to be returned but there is also increasing competition with other charities and churches. There is a new DILOF programme being implemented from 2013 with the development of new materials which include Gift Aid envelopes in order to maximise gift aid recovery on DILOF donations.

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Directors' Annual Report cont'd

Fundraising Events

Events income has increased by 10% in comparison to the previous financial year. New strategies are in place to maximise and build relationships with event participants, in order to build loyalty and repeat participation. A new events programme and structure is being implemented in 2013 to develop and grown income from NICHS led events and create a more compelling product portfolio to recruit new supporters.

Donations in lieu of Gifts

Donations in lieu of Gifts has increased by 35% in the last financial year, although is still a relatively small income channel. A new Giving in Celebration programme is being launched in 2013 to grow income from donations in lieu of gifts for birthday, anniversary and special occasions such as weddings.

Rental Income

The charity continues to receive valuable rental income from an advertising hoarding and ATM machine at the premises on Dublin Road, Belfast.

FINANCIAL REVIEW AND RESULTS FOR YEAR

During the year ended 31st March 2013 the charity had net outgoing resources on its financial activities of £511,840 (2012 £52,824). This deficit was reduced by an unrealised surplus arising on the uplift in market value of investments during the year of £164,680 (2012 £37,214) giving a net negative movement in funds of £347,160 (2012 £15,610) transferred from reserves. The Directors consider this to be a positive outcome given the current economic environment. They are currently considering proposals aimed at returning the organisation to at least a breakeven position within the next 3 years.

Total incoming resources fell by 16.26% to £2,350,077 (2012 £2,806,324) mainly due to a large decline in legacy income to £692,750 (2012 £1,122,652), a drop of 38% (£429,902).

Total resources expended by the charity, including care services and grants, increased slightly to £2,861,917 (2012 £2,859,148). A respiratory project originally funded by the Big Lottery is now fully funded by NICHS.

Unrestricted Reserves

The charity's reserves policy is to maintain a level of resources which matches the needs of the organisation both at the current time and in the foreseeable future. The reserves required should be sufficient to cover funds invested in land and buildings plus six months unrestricted expenditure.

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Directors' Annual Report cont'd

Investment Policy

The charity has engaged Cunningham Coates Stockbrokers to manage a discretionary portfolio.

As at 31st March 2013, the market value of investment was £2,183,969 (2012 £2,444,689). No investment is made in any company or organisation which has links to the tobacco industry or which is in conflict with the ethos of the charity.

The approximate gross annual income from the portfolio is £65,182 (2012 £64,414) which represents a yield of 2.61% (2012 2.72%). During the year it was necessary to make withdrawals totalling £430,000 to fund the organisation's deficit. After adjusting for these withdrawals the market value of the portfolio increased during the year by £164,680, a rise of 8.5%.

Pensions

The charity operates a defined contribution pension scheme for the benefit of its permanent staff wishing to participate. The assets are administered by insurance companies in personal pension plans and are held independently from those of the charity. Contributions are charged to the Statement of Financial Activities in the period to which they relate.

The Directors noted that there was a considerable under-spend in the provision for employer's pension contributions. This is due to the fact that many staff members, particularly younger members, do not participate in the pension scheme offered. Attempts have been made to persuade a greater number of staff to take part in the scheme

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Directors' Annual Report cont'd

Results

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

RESPONSIBILITIES OF THE DIRECTORS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 2006. The Directors are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or any other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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Directors' Annual Report cont'd

Auditor

A resolution to re-appoint Moore Stephens as auditor for the ensuing year will be proposed at the Annual General Meeting.

BY ORDER OF THE DIRECTORS

ANDREW P DOUGAL OBE FCIPR MCIPD BA DBA
SECRETARY

10th October 2013

Northern Ireland Chest Heart & Stroke Company Limited by Guarantee Financial statements for the year ended 31 March 2013

Report of the independent auditor to the members of Northern Ireland Chest Heart & Stroke

We have audited the financial statements of Northern Ireland Chest Heart & Stroke for the year ended 31st March 2013 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005), under the historical cost convention and the accounting policies are set out therein.

The report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for the audit report, or for the opinions we form.

Respective responsibilities of directors and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees (who are also the directors of Northern Ireland Chest Heart & Stroke Limited for the purposes of company law) 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 the financial statements in accordance with applicable 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 charitable company'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 Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view on the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005);
- have been prepared in accordance with the requirements of the Companies Act 2006.

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Report of the independent auditor to the members of
Northern Ireland Chest Heart & Stroke continued

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustee's for the financial year for which the financial statements are prepared 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 following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not yet visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

.....
R I Peters Gallagher OBE FCA (Senior statutory auditor)
For and on behalf of Moore Stephens, Statutory Auditors

Donegall House
7 Donegall Square North
Belfast BT1 5GB

Dated: 10th October 2013

Northern Ireland Chest Heart & Stroke Company Limited by Guarantee Financial statements for the year ended 31 March 2013

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

Consolidation

The charity has taken advantage of the exemption provided by Section 405(2) of the Companies Act 2006 not to prepare group accounts.

The Directors do not consider the cost of preparing consolidated accounts justifiable and note 14 provides adequate details relating to the nature of the trading subsidiaries.

Fixed assets

All fixed assets are recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Health Equipment	- 10% straight line
Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 20% straight line
Leasehold Property	- 2.5% straight line
Computer Equipment	- 25% straight line

Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Northern Ireland Chest Heart & Stroke Company Limited by Guarantee Financial statements for the year ended 31 March 2013

Accounting policies (Cont'd)

Incoming resources

Voluntary donations are accounted for on a receipts basis. Legacy income is accounted for when received or notified as receivable.

Grants received are accounted for on an accruals basis.

Resources expended

All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category.

Fundraising costs include the costs of advertising, producing publications, printing and mailing fundraising material, and staff costs in these areas,

Costs of charitable activities include direct expenditure incurred through the provision of research grants and operational activities. Research grants are recognised as expenditure at the time of approval when the recipient is notified of the grant.

Governance costs represent the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Reserves policy

Unrestricted funds are needed to provide funds which can be applied to specific projects to enable these projects to be undertaken at short notice and to cover the running costs of the Charity for a limited period, should there be a significant shortfall in projected income.

The Directors consider it prudent that unrestricted reserves should be sufficient to avoid the necessity of realising fixed assets held for the Charity's use and to cover six months unrestricted expenditure. The level of unrestricted funds needed for these purposes are shown as designated funds.

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Statement of financial activities (incorporating the income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2013	Total Funds 2012
		£	£	£	£	£
Incoming resources						
Incoming resources from generating funds						
Voluntary Income	1	1,808,666	-	-	1,808,666	2,199,178
Investment Income	2	65,182	-	-	65,182	64,414
Incoming resources from Charitable activities	3	<u>476,229</u>	<u>-</u>	<u>-</u>	<u>476,229</u>	<u>542,732</u>
Total incoming resources		<u>2,350,077</u>	<u>-</u>	<u>-</u>	<u>2,350,077</u>	<u>2,806,324</u>
Resources expended						
Costs of generating funds:						
Fundraising Trading:						
Cost of goods sold and other costs	4	(621,562)	-	-	(621,562)	(540,717)
Charitable activities	5/6	(2,231,288)	-	-	(2,231,288)	(2,310,230)
Governance costs	7	(8,639)	-	-	(8,639)	(7,570)
Other resources expended	8	<u>(428)</u>	<u>-</u>	<u>-</u>	<u>(428)</u>	<u>(631)</u>
Total resources expended		<u>(2,861,917)</u>	<u>-</u>	<u>-</u>	<u>(2,861,917)</u>	<u>(2,859,148)</u>
Net (outgoing)/incoming resources before transfers	9	(511,840)	-	-	(511,840)	(52,824)
Transfer between funds		-	-	-	-	-
Net (outgoing)/incoming resources for the year		(511,840)	-	-	(511,840)	(52,824)
Unrealised gains/(losses) on investments		<u>164,680</u>	<u>-</u>	<u>-</u>	<u>164,680</u>	<u>37,214</u>
Net movement in funds/ net (expenditure)/income for the year		<u>(347,160)</u>	<u>-</u>	<u>-</u>	<u>(347,160)</u>	<u>(15,610)</u>
Total funds brought forward		3,260,926	-	13,428	3,274,354	3,289,964
Total funds carried forward		<u>2,913,766</u>	<u>-</u>	<u>13,428</u>	<u>2,927,194</u>	<u>3,274,354</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a Statement of total recognized gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The accompanying accounting policies and notes form part of these financial statements.

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Balance sheet

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	12	1,225,286	1,248,070
Investments	13	2,183,969	2,444,689
		<u>3,409,255</u>	<u>3,692,759</u>
Current assets			
Debtors	15	93,967	111,454
Cash at bank and in hand		316,574	528,269
		<u>410,541</u>	<u>639,723</u>
Creditors: amounts falling due within one year	16	(762,621)	(1,032,316)
Net current (liabilities)/assets		<u>(352,080)</u>	<u>(392,593)</u>
Total assets less current liabilities		<u>3,057,175</u>	<u>3,300,166</u>
Creditors: amounts falling due after more than one year	17	(129,981)	(25,812)
Net assets		<u>2,927,194</u>	<u>3,274,354</u>
Funds			
Endowment funds	18	13,428	13,428
Unrestricted income funds	19	2,913,766	3,260,926
Total funds		<u>2,927,194</u>	<u>3,274,354</u>

These financial statements were approved by the directors on 10th October 2013 and are signed on their behalf by:

Ian Lindsay (Treasurer)

James Collins (Vice-Chair)

Company Registration Number: NI018889

The accompanying accounting policies and notes form part of these financial statements.

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Cash flow statement

	Note	2013 £	2012 £
Reconciliation of net incoming/(Outgoing) resources before Transfers to net cash inflow/(Outflow) from operating Activities			
Net incoming/(outgoing) resources before transfer		(511,840)	(52,824)
Income from investments	2	(65,182)	(64,414)
(Gains)/Losses on investments		(164,680)	(37,214)
Depreciation	12	90,107	83,390
(Increase)/Decrease in debtors		17,488	77,444
(Decrease)/Increase in creditors		(165,527)	(133,932)
Net cash inflow/(outflow) from operating activities		<u>(799,636)</u>	<u>(127,550)</u>
Returns on investments and servicing of finance			
Income from UK Listed Investments	2	60,872	58,052
Income from other fixed asset investments	2	4,310	6,362
Net cash inflow from returns on investments and servicing of finance		<u>65,182</u>	<u>64,414</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	12	(67,322)	(119,711)
Acquisition of other investments		(202,520)	(2,082,983)
Receipt from disposal of investments		627,921	2,084,251
Gains/(Losses) on investments		164,680	37,214
Net cash inflow/(outflow) from capital expenditure		<u>522,759</u>	<u>(81,229)</u>
Increase/(Decrease) in Cash		<u><u>(211,695)</u></u>	<u><u>(144,365)</u></u>

The accompanying accounting policies and notes form part of these financial statements.

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Cash flow statement (Cont'd)

Reconciliation of net cash flow movement to movement in net funds

	2013	2012
	£	£
Change in Net Funds	(211,695)	(144,365)
Net Funds at 1 st April 2012	528,269	672,634
Net Funds at 31 st March 2013	<u>316,574</u>	<u>528,269</u>

Analysis of changes in net funds

	1 Apr 12	Cash Flows	31 Mar 13
	£	£	£
Cash in hand and at bank	<u>528,269</u>	<u>(211,695)</u>	<u>316,574</u>

The accompanying accounting policies and notes form part of these financial statements.

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Notes to the financial statements

1. Voluntary income

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Donations			
Voluntary Donations	1,115,916	1,115,916	1,076,526
Legacies			
Legacies - unrestricted	692,750	692,750	1,122,652
	<u>1,808,666</u>	<u>1,808,666</u>	<u>2,199,178</u>

2. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Income from UK listed investments	60,872	-	60,872	58,052
Income from cash	4,310	-	4,310	6,362
	<u>65,182</u>	<u>-</u>	<u>65,182</u>	<u>64,414</u>

3. Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Other income from provision of Health services	56,427	-	56,427	90,676
Other charitable income	23,000	-	23,000	33,562
Grants from health boards	396,802	-	396,802	418,494
	<u>476,229</u>	<u>-</u>	<u>476,229</u>	<u>542,732</u>

4. Fundraising trading: Cost of goods sold and other costs

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Appeal costs	434,422	434,422	377,506
Support costs	187,140	187,140	163,211
	<u>621,562</u>	<u>621,562</u>	<u>540,717</u>

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Notes to the financial statements (Cont'd)

5. Costs of charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Stroke services	1,097,136	-	1,097,136	1,104,504
Research	249,846	-	249,846	318,913
Primary Prevention	339,360	-	339,360	286,614
Advocacy	234,613	-	234,613	260,968
Cardiac services	54,879	-	54,879	38,096
Counselling & welfare	72,514	-	72,514	56,507
Respiratory services	182,940	-	182,940	187,659
Other projects with restricted funding	-	-	-	56,969
	<u>2,231,288</u>	<u>-</u>	<u>2,231,288</u>	<u>2,310,230</u>

6. Costs of charitable activities by activity type

	Activities Undertaken Directly £	Total Funds 2013 £	Total Funds 2012 £
Stroke services	1,097,136	1,097,136	1,104,504
Research	249,846	249,846	318,913
Primary Prevention	339,360	339,360	286,614
Advocacy	234,613	234,613	260,968
Cardiac services	54,879	54,879	38,096
Counselling & welfare	72,514	72,514	56,507
Respiratory services	182,940	182,940	187,659
Other projects with restricted funding	-	-	56,969
	<u>2,231,288</u>	<u>2,231,288</u>	<u>2,310,230</u>

7. Governance costs

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Governance costs	8,639	8,639	7,570
	<u>8,639</u>	<u>8,639</u>	<u>7,570</u>

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Notes to the financial statements (Cont'd)

8. Other resources expended

	Unrestricted Funds	Total Funds 2013	Total Funds 2012
	£	£	£
Foreign Currency Losses/(Gains)	428	428	631
	<u>428</u>	<u>428</u>	<u>631</u>

**9. Net (outgoing)/incoming resources for the year
This is stated after charging/(crediting)**

	2013	2012
	£	£
Staff pension contributions	26,019	23,800
Depreciation	90,107	83,390
Auditors' remuneration		
Audit services	9,965	6,926
Non-audit services	(1,000)	1,500
Foreign Exchange Losses/(Gains)	428	631
	<u> </u>	<u> </u>

10. Fund transfers

Income and the loss on disposal from listed investments, which are held as endowments, have been transferred to unrestricted funds.

11. Staff costs and emoluments

Total staff costs were as follows:

	2013	2012
	£	£
Wages and salaries	1,370,899	1,270,454
Social security costs	119,483	111,097
Other pension costs	26,019	23,800
	<u>1,516,401</u>	<u>1,405,351</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2013	2012
	£	£
Number of staff	56	56
	<u> </u>	<u> </u>

The number of employees whose remuneration for the year fell within the following bands were:

£60,000 to £69,999	1	1
	<u> </u>	<u> </u>

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Notes to the financial statements (Cont'd)

12. Tangible fixed assets

	Computer Equipment	Health Equipment	Fixtures & Fittings	Motor Vehicles	Leasehold Property	Total
Cost	£	£	£	£	£	£
At 1 Apr 2012	180,384	19,715	115,379	25,822	1,274,731	1,616,031
Additions	20,816	-	17,922	-	28,584	67,322
Disposals	-	-	-	-	-	-
At 31 Mar 2013	<u>201,200</u>	<u>19,715</u>	<u>133,301</u>	<u>25,822</u>	<u>1,303,361</u>	<u>1,683,354</u>
Depreciation						
At 1 Apr 2012	97,308	17,072	55,597	19,908	178,076	367,961
Charge for the year	41,273	1,052	13,334	2,365	32,083	90,107
On disposals	-	-	-	-	-	-
At 31 Mar 2013	<u>138,581</u>	<u>18,124</u>	<u>68,931</u>	<u>22,273</u>	<u>210,159</u>	<u>458,068</u>
Net book value						
At 31 Mar 2013	<u>62,619</u>	<u>1,591</u>	<u>64,370</u>	<u>3,549</u>	<u>1,093,157</u>	<u>1,225,286</u>
At 31 Mar 2012	<u>83,076</u>	<u>2,643</u>	<u>59,782</u>	<u>5,914</u>	<u>1,096,656</u>	<u>1,248,070</u>

13. Investments

Movement in market value

	2013	2012
	£	£
Market value at 1 Apr 2012	2,444,689	2,408,743
Acquisitions at cost	202,520	2,082,983
Disposals at opening book value	(632,552)	(2,088,810)
Net profit/(loss) on revaluation for the year ended 31 March 2013	169,312	41,773
Market value at 31 Mar 2013	<u>2,183,969</u>	<u>2,444,689</u>
Historical cost at 31 Mar 2013	<u>2,387,084</u>	<u>2,392,184</u>

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Notes to the financial statements (Cont'd)

14. Investments (continued)

Analysis of investments at 31 Mar 2013 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2013 £	Total Funds 2012 £
Listed investments					
Government Securities					
And Corporate Bonds	1,053,279	-	-	1,053,277	1,421,997
Equities	1,112,164	-	13,428	1,125,592	1,017,592
Other investments					
UK group undertakings	5,100	-	-	5,100	5,100
	<u>2,170,543</u>	<u>-</u>	<u>13,428</u>	<u>2,183,969</u>	<u>2,444,689</u>

Listed investments are stated at market value

Subsidiary undertakings

Northern Ireland Chest Heart and Stroke Enterprises Limited carried on trading activities, including the sale of the Association Christmas cards. This company ceased trading on 31st March 2008. Cost of investment - £5,000.

NICHS Home Care Support Services Limited provided home care services under contract to Sperrin & Lakeland Trust. This contract ended on 30th April 2008 and the company ceased trading at this date. Cost of investment - £100.

The only transactions relating to the above subsidiaries relate to professional fees.

The results for the year and net assets of the subsidiary undertakings are as follows:-

	Profit/(Loss) £	Net Assets £
Northern Ireland Chest Heart and Stroke Enterprises Limited	(40)	15,076
NICHS Home Care Support Services Limited	(113)	2,664

15. Debtors

	2013 £	2012 £
Trade debtors	37,315	47,101
Other debtors	37,028	31,659
Prepayments	19,624	32,693
	<u>93,967</u>	<u>111,453</u>

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Notes to the financial statements (Cont'd)

16. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	164,249	119,275
Amounts owed to group undertakings	14,574	14,574
Taxation and social security	36,856	31,851
Research grant commitment	483,156	754,786
Other creditors	4,208	-
Accruals	59,578	111,830
	<u>762,621</u>	<u>1,032,316</u>

17. Creditors: Amounts falling due after more than one year

	2013	2012
	£	£
Research grant commitment	129,981	25,812
	<u>129,981</u>	<u>25,812</u>

18. Endowment funds

	Balance at 1 Apr 2012
	And at 31 Mar 2013
	£
Permanent endowments	
Endowment Fund	13,428
	<u>13,428</u>

There have been no movements on endowment funds for the year ended 31 March 2013.

**Northern Ireland Chest Heart & Stroke
Company Limited by Guarantee
Financial statements for the year ended 31 March 2013**

Notes to the financial statements (Cont'd)

19. Unrestricted income funds

	Balance at 1 Apr 2012	Incoming Resources	Outgoing Resources	Balance at 31st Mar 2013
	£	£	£	£
Designated Fund - Fixed Assets	1,248,070	-	(22,784)	1,225,286
Designated Fund - Six months unrestricted expenditure	1,401,089	29,870	-	1,430,959
General Funds	611,767	2,484,887	(2,839,133)	257,521
	<u>3,260,926</u>	<u>2,514,757</u>	<u>(2,861,917)</u>	<u>2,913,766</u>

20. Analysis of net assets between funds

	Tangible Fixed Assets	Investments	Net assets/ (liabilities)	Total
	£	£	£	£
Endowment Funds:				
Endowment Fund	-	13,428	-	13,428
Unrestricted Income Funds	1,225,286	2,170,541	(482,061)	2,913,766
Total Funds	<u>1,225,286</u>	<u>2,183,969</u>	<u>(482,061)</u>	<u>2,927,194</u>

21. Company limited by guarantee

The liability of each member is limited to one pound each. There were 45 members at 31 March 2013.

22. Capital commitments

At the year end there were no capital commitments (2012 £nil).

23. Trustees remuneration & Related Party Transactions

No trustees received any remuneration during the year (2012 £nil).

No trustee or other person related to the charity and had any personal interest in any contract or transaction entered into by the charity during the year (2012 £nil).