

**AH Breast Cancer Ireland CLG**

**DRAFT Directors' Report and Financial Statements**

**Financial Year Ended 30 September 2017**

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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors**

Prof Arnold K Hill  
Paul Gallagher  
Fiona McMahon

**Solicitors**

Vincent & Beatty Solicitors  
67/68 Fitzwilliam Square  
Dublin 2  
Ireland

**Secretary and Registered Office**

Aisling Hurley  
123 St Stephen's Green  
Dublin 2  
Ireland

**Principal Bankers**

Allied Irish Bank (Ireland)  
KBC Bank (Ireland)

**Registered Number:** 517289

**Registered Charity Number:** CHY19926

**Auditors**

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

## DIRECTORS' REPORT

The directors present their report and the audited financial statements of AH Breast Cancer Ireland CLG ('the Organisation', 'BCI') for the year ended 30 September 2017.

### Directors' responsibilities for financial statements

The Organisation is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Acts 2014 and although not obliged to comply 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 (FRS102) (Charity SORP(FRS102)), the Organisation has implemented some, but not all, of its recommendations in these financial statements. All activities of the Organisation are charitable.

BCI is a company limited by guarantee incorporated in Ireland on 6 September 2012.

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year, that give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and of the surplus or deficit of the company for the financial year. Under that law the directors have 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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the surplus or deficit of the company for the financial year.

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;
- 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Objects and activities

BCI is a charity established to raise significant funding to support pioneering research into breast cancer, as well as provide education and awareness on the importance of breast health amongst women of all ages.

The overall mission at BCI is to seek to transform breast cancer from often being a fatal disease, to a chronic illness that can be maintained long term through treatment.

## DIRECTORS' REPORT - continued

### Objects and activities - continued

Investment in research is critical towards achieving this vision and to date funds raised have supported the following:

- Creation of the country's first National Breast Cancer Bio-Resource and Patient Profiling Centre, with collaboration amongst each of the eight designated cancer centres in Ireland.
- Recruitment and retention of leading cancer research scientists.
- Support for a new state of the art proposed clinical research and treatment facility.
- Provision of medical student research training.
- Provision of state of the art laboratory equipment and consumables.
- Development of awareness campaigns targeted at women of all ages.

Our ambition at BCI is two-fold:

- To improve patient outcomes by speeding up research discovery.
- To promote and encourage women of all ages to be more breast aware, as earlier detection leads to a more positive treatment outcome.

### Accounting records

The measures taken by the directors to secure compliance with the company'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 registered office of the company.

### Results for the year

The net incoming resources for the year and the appropriation thereof are set out in the Statement of Financial Activities on page 9. Total incoming resources for the year amount to €1.5m and net incoming resources after fundraising and charitable activities have amounted to €0.15m. The total organisation funds of €2.7m on page 10 include an amount of €2.1m which has been designated by the Directors towards the establishment of a new Centre of Excellence in Breast Cancer Research & Treatment with a commitment of a further 0.4m to be generated and included across 2017-2018.

In the current year ended 30 September 2017, Breast Cancer Ireland (BCI) has raised €1.48m (2016: €1.47m) in funds to support its ongoing research efforts and promote its education and awareness objectives nationally. Promotion of its annual activities such as its nationwide raffles, its major events: The Great Pink Run & Strictly Against Breast Cancer, not only encourage participation but also heighten awareness on the importance of breast cancer research and breast health in general.

Overall funds raised during 2017 are up on 2016 as in 2016 we benefitted from the injection of our VAT refund amounting to circa €86,000. This year's income is on par with last year as a direct result of heightened profiling across various media including social media, TV etc. that drove increased awareness of our programmes and engagement amongst community fundraisers.

Our main fundraising event The Great Pink Run took place in Dublin and extended out to Kilkenny this year and raised in excess of €0.37m as a result of the generosity of our sponsors, supporters and friends who raised funds online.

Funds raised continue to support the work of the BCI specialist Breast Cancer Research Nurse initiative within the designated centres of excellence nationally. Their collaborative work in collecting and collating breast cancer tissue and serum samples and building patient data, into one large centralised resource, is proving invaluable to clinicians and scientists nationally and internationally, as it is helping to speed up discovery process and ultimately affecting better treatment outcomes for patients. Significant advances are being made with survival rates increasing (83%) mortality rates reducing annually by 2% and we are seeing that 50% less patients are requiring chemotherapy as a result of improved blood testing that offers more personalized treatment plans.

BCI is now entering the 4th year of its €0.2m per annum over 5 years commitment in funding for the Breast Cancer Ireland Research Centre which focuses on investigative research conducted by a translational team of clinicians and scientists. Part of their mission is also to train the next generation of clinical researchers. Dr Damir Vareslija has many published papers on his research that focuses on the causes of resistance to therapy in breast cancer patients.

## **DIRECTORS' REPORT - continued**

### **Results for the year - continued**

During the year, research grants awarded to the Breast Cancer Ireland Research Centre amounted to €0.35m and were administered by Associate Professor Leonie Young.

### **Director**

The names of the persons who were directors at any time during the year ending 30 September 2017 are set out below.

Prof Arnold K Hill  
Paul Gallagher  
Fiona McMahon (appointed June 2015)

### **Principal risks and uncertainties**

The directors recognise that the principal risks and uncertainties faced by the charity are similar to those faced by other charities whose principal source of income is fundraising. These risks include risks to income, ability to fund research, promote awareness and risks to BCI's reputation.

### **Events since the end of the financial year**

There have been no significant events affecting the Organisation since the year end.

### **Disclosure of information to auditors**

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

- As far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

### **Statutory 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**

Prof Arnold K Hill

Paul Gallagher

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## ***Independent auditors' report to the members of AH Breast Cancer Ireland Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, AH Breast Cancer Ireland Limited's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 30 September 2017 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 (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and promulgated by the Institute of Chartered Accountants in Ireland and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Balance sheet as at 30 September 2017;
- the Statement of financial activities for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in funds for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

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We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 September 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibilities for financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditors' report.

### *Use of this report*

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.

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## **Other required reporting**

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### **Companies Act 2014 opinions on other matters**

- 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.

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### **Companies Act 2014 exception reporting**

#### *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.

Aisling Fitzgerald  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
February 2018

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Financial Year Ended 30 September 2017**

	Note	2017 €'000	2016 €'000
<b>Incoming resources</b>			
Donations and fundraising income	5	1,481	1,467
Interest income		2	12
Total incoming resources		<u>1,483</u>	<u>1,479</u>
<b>Resources expended</b>			
Charitable activities – research grants awarded	6(b)	391	394
Activities – education and awareness	6(c)	143	237
Costs of generating funds	6(d)	678	660
Governance costs	6(e)	23	25
Irrecoverable VAT		91	111
Total resources expended		<u>1,326</u>	<u>1,427</u>
<b>Net income/(expenditure)</b>		148	52
Transfers between funds		-	-
Other recognised gains and losses		-	-
<b>Net movement in funds</b>		<u>148</u>	<u>52</u>

There is no difference between the net income/(expenditure) for the year and its historical cost equivalent.

Incoming resources and net income/(expenditure) arose solely from continuing operations.

**BALANCE SHEET**  
As at 30 September 2017

	Note	2017 €'000	2016 €'000
<b>Fixed assets</b>			
Tangible assets	10	-	-
		-	-
<b>Current assets</b>			
Debtors	11	244	129
Bank and cash	12	3,267	2,694
		3,511	2,823
<b>Creditors</b> (amounts falling due within one year)	13	(830)	(288)
<b>Net assets</b>		<u>2,681</u>	<u>2,535</u>
<b>Unrestricted funds</b>			
Designated funds		2,073	2,073
General funds		608	462
<b>Total organisation funds</b>		<u>2,681</u>	<u>2,535</u>

**On behalf of the board**

Prof Arnold K Hill

Paul Gallagher

**STATEMENT OF CHANGES IN FUNDS**  
**Financial Year Ended 30 September 2017**

	Designated funds €'000	General funds €'000	Total €'000
<b>Unrestricted funds</b>			
<b>Total funds at 30 September 2015</b>	2,073	410	2,483
Net income/(expenditure) for the year	-	52	52
<b>Total funds at 30 September 2016</b>	<u>2,073</u>	<u>462</u>	<u>2,535</u>
<b>Total funds at 30 September 2016</b>	2,073	462	2,535
Net income/(expenditure) for the year	-	148	148
<b>Total funds at 30 September 2017</b>	<u>2,073</u>	<u>610</u>	<u>2,683</u>

The directors have designated €2.1m of funds raised by BCI towards the establishment of a new centre of excellence in breast cancer research and treatment. The Directors also intend to designate a further €0.4m of funds raised over the course of the next two years (2017-2018) for this purpose.

**STATEMENT OF CASH FLOWS**  
**Financial Year Ended 30 September 2017**

	Note	2017 €'000	2016 €'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	16	573	46
Cash flows from investing activities		-	-
Change in cash and cash equivalents in the year		573	46
Cash and cash equivalents at the beginning of the year		2,694	2,648
Cash and cash equivalents at the end of the year		<u>3,267</u>	<u>2,694</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information

AH Breast Cancer Ireland CLG is a company limited by guarantee (registered number 517289) and is a registered charity (charity number CHY19926). The address of its registered office is 123 St. Stephen's Green, Dublin 2.

### 2 Statement of compliance

The entity 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.

### 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.

#### (a) Basis of preparation

The entity financial statements have been prepared under the historical cost convention. The currency used in these financial statements is the Euro, denoted by the symbol €.

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 end of the financial year. It also requires the directors to exercise its judgement in the process of applying the company'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.

#### (b) Going concern

The company meets its day-to-day working capital requirements through its fundraising activities and cash balances. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore these entity financial statements have been prepared on a going concern basis.

#### (c) Foreign currency

##### (i) Functional and presentation currency

The company's functional and presentation currency is the euro, denominated by the symbol "€" and unless otherwise stated, the financial statements have been presented in thousands ('000).

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

**(d) Incoming resources**

Incoming resources are recognised by inclusion in the Statement of Financial Activities only when the Organisation is legally entitled to the income, virtually certain of receipt and the amounts involved can be measured with sufficient reliability.

Donations and fundraising income which consist of monetary donations from the public and from corporates, is recognised in the year in which the Organisation is entitled to the resource, when receipt is virtually certain, and when the amount can be measured with sufficient reliability. In the case of monetary donations from the public this income is generally recognised when the donations are received, with legacies it is when confirmation of unconditional entitlement to the bequest is received, whereas with tax refunds it is when all legislative requirements have been met and the amounts can be measured with reasonable certainty.

Grants and charitable donations are recognised in the financial statements when the related commitment to the third party is made. A commitment arises when the Organisation is under a legal or constructive obligation to make a transfer of value to a third party. Grants and donations are charged in the year in which the commitment is made.

**(e) Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the organisation has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the organisation of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the organisation which is the amount the organisation would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in the expenditure in the period of receipt.

**(f) Employee benefits**

The company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements.

*Short term employee benefits*

Short term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

**(g) Resources expended**

Resources expended are analysed between charitable activities (research grants allocated), education and awareness costs, costs of generating funds and governance costs. The costs of each activity are separately accumulated and disclosed, and analysed according to their major components. Support costs, which cannot be attributed directly to one activity, are allocated to activities on the basis of time incurred as set out in note 6 of the financial statements.

**(h) Taxation**

No charge to current or deferred corporation taxation arises as the Organisation has been granted charitable tax exemption by the Revenue authorities in Ireland. Irrecoverable value added tax arising (VAT) in Ireland is expensed as incurred. BCI can recover VAT on certain medical research equipment purchased subject to meeting certain conditions (see note 6(b)). As of 2018-19 BCI will endeavor to reclaim VAT on items as per the new regulations agreed with government and the charity regulator.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(i) **Tangible fixed assets**

Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is calculated in order to write off fixed assets over the periods of their estimated useful lives, on a straight line basis at 20%.

(j) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

(k) **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 and short-term deposits, 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.

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.

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*

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (l) Reserves policy

The board of directors has examined the Organisation's requirement for reserves to deliver the aims and objectives of its strategic plan. The directors have designated an amount of €2.1m towards the establishment of a new Centre of Excellence in Breast Cancer Research and Treatment. The Directors also intend to designate a further €0.4m of funds raised over the course of 2017-2018 for this purpose.

The reserve funds held are expendable at the discretion of the board of directors in furtherance of the charity's objectives. On an annual basis the board of directors will review the level of reserves held, assess the current funds held and may designate some for other specific future expenditure within its strategic plan.

#### (m) Ownership and operations

BCI is a company limited by guarantee and does not have a share capital.

The Organisation is precluded by its Memorandum of Association from paying a dividend either as part of normal operations or on distribution of the Organisation's assets in the event of it being wound up. All income must be applied solely towards the promotion of the research and education and awareness objectives of the Organisation.

### 4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the 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 directors consider there are no critical judgements made which have had a significant effect on the amounts recognised in the entity financial statements;

#### Critical accounting estimates and assumptions

The 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (i) Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for details of tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS - continued

**5 Incoming resources**

Donations and fundraising income of €1.48m (2016: €1.47m), which consists of monetary donations from the public and from corporates, has been recognised in the current year based on the recognition criteria set out in the incoming resources accounting policy detailed in note 3 of the financial statements.

The main categories of donations received were as follows:

	€'000
Raffle	484
Great Pink Run	240
Donations	215
My Charity.ie	193
General Events	174
Strictly Against Breast Cancer	72
Donations in Kind	56
Mini Marathon	49
<b>Total</b>	<u>1,483</u>

**6 Resources expended**

The resources expended on charitable activities include the direct costs of the charitable activities together with those support costs incurred that enable these activities and initiatives to be undertaken.

BCI cannot reclaim VAT on its input costs and as a result, irrecoverable VAT is shown separately in the Statement of Financial Activities. BCI, as an exception, is able to reclaim VAT only in the case of research or medical equipment acquisition, in accordance with VAT legislation and its Memorandum and Articles of Association.

	Note	2017 €'000	2016 €'000
Charitable activities – research grants awarded	6(b)	391	394
Activities – education and awareness	6(c)	143	237
Costs of generating funds	6(d)	678	660
Governance costs	6(e)	32	25
Irrecoverable VAT		91	111
Cost of raising funds		<u>1,335</u>	<u>1,427</u>

**(a) Support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Total support costs for the year amounted to €0.2m (2016: €0.2m) excluding irrecoverable VAT. Support costs include occupancy, finance, fundraising and administration costs and have been allocated to the relevant direct cost category they support on the basis of % time incurred. Fundraising costs include a portion of staff costs which are allocated 55:45 between costs of generating funds and support costs respectively (see note 8).

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Resources expended – continued

	Resources expended		Support costs	Total costs
	Total excl. VAT 2017 €'000	% of total time incurred 2017 €'000	Allocation excl. VAT 2017 €'000	2017 €'000
<b>2017</b>				
<b>Cost category</b>				
Charitable activities – research grants awarded	338	30%	53	391
Activities – education and awareness	117	15%	26	143
Costs of generating funds	599	45%	79	678
Governance costs	15	10%	17	32
Total resources expended excluding VAT	<u>1,060</u>	<u>100%</u>	<u>175</u>	<u>1,244</u>
Irrecoverable VAT				91
Total resources expended				<u>1,335</u>

	Resources expended		Support costs	Total costs
	Total excl. VAT 2016 €'000	% of total time incurred 2016 €'000	Allocation excl. VAT 2016 €'000	2016 €'000
<b>2016</b>				
<b>Cost category</b>				
Charitable activities – research grants awarded	349	30%	46	394
Activities – education and awareness	214	15%	23	237
Costs of generating funds	592	45%	68	660
Governance costs	9	10%	15	25
Total resources expended excluding VAT	<u>1,164</u>	<u>100%</u>	<u>152</u>	<u>1,316</u>
Irrecoverable VAT				111
Total resources expended				<u>1,427</u>

(a) Charitable activities – research grants awarded

	2017 €'000	2016 €'000
Donations to fund breast cancer research	338	348
Subtotal	<u>338</u>	<u>349</u>
Allocation of support costs (see note 6(a))	53	46
Total	<u>391</u>	<u>394</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Resources expended – continued

	2017 €'000	2016 €'000
<b>(b) Activities – education and awareness</b>		
Costs to fund education and awareness	117	214
Subtotal	<u>117</u>	<u>214</u>
Allocation of support costs (see note 6(a))	26	23
Total	<u>143</u>	<u>237</u>
	2017 €'000	2016 €'000
<b>(c) Costs of generating funds</b>		
Raffle costs	304	340
Event management costs	135	124
Staff costs*	106	102
PR and postage costs	27	7
Prize costs	18	16
IT and website costs	9	3
Subtotal	<u>599</u>	<u>592</u>
Allocation of support costs (see note 6(a))	79	68
Total	<u>678</u>	<u>660</u>
	2017 €'000	2016 €'000
<b>(d) Governance costs</b>		
Legal costs	-	2
Insurance	1	1
Audit fees	15	6
Strategic advice	-	-
Subtotal	<u>6</u>	<u>9</u>
Allocation of support costs (see note 6(a))	17	16
Total	<u>23</u>	<u>25</u>

\* Note – Actual audit fee charged was €5,500, with the balance of €9,000 being recognised as a donation in kind.

	2017 €'000	2016 €'000
<b>(e) Net incoming resources</b>		
The net incoming resources for the year is stated after charging:		
Directors remuneration	<u>-</u>	<u>-</u>

The directors of BCI received no remuneration for their services as directors or in any other capacity. No director or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Research grant making policy

BCI funds breast cancer related research programmes nationally. Grants are considered under the following headings:

- Recruitment of relevant research personnel at Fellowship, PhD and specialist level
- Support of relevant breast cancer research projects with the BCI funded research centre
- Support of relevant publications
- Support of relevant collaborative arrangements amongst the eight designated cancer centres and groups nationally
- Support for relevant capital development, laboratory equipment and consumables

Grants will be awarded annually in January and June. All recipients will be required to acknowledge Breast Cancer Ireland in any publications/literature and provide an end of project/annual report to the board of BCI, summarising the award designation, how funds were used and the benefit accruing.

8 Employment costs

	2017 €'000	2016 €'000
Staff costs for persons employed amounted to:		
Wages and salaries*	173	167
Social insurance costs*	19	18
	<u>192</u>	<u>185</u>
The average number of persons employed by the company during the year was:	<u>4</u>	<u>3.5</u>

\*Staff costs are allocated 55:45 between costs of generating funds and support costs respectively.

**Key management compensation**

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2017 €'000	2016 €'000
Salaries and other short term benefits	<u>100</u>	<u>100</u>

One employee received a salary including employee benefits in excess of €70,000, totaling €99,999 (2016: €99,999, one employee).

	2017 €	2016 €
The number of higher paid employees was as follows:		
€70,000 - €79,000	-	-
€80,000 - €89,999	-	-
€90,000 - €99,999	1	1
€100,000 - €109,999	-	-
Total	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Taxation

The Organisation has been granted charitable tax exemption by the Revenue Commissioners. Irrecoverable value added tax arising (VAT) in Ireland is expensed as incurred however BCI can recover VAT on certain medical research equipment purchased subject to meeting certain conditions (see note 13). As of 2018-19 BCI will endeavor to reclaim VAT on items as per the new regulations agreed with government and the charity regulator.

10 Tangible fixed assets

	Computer equipment €'000	Total €'000
<b>Cost</b>		
At 30 September 2015		
Additions	2	2
	-	-
At 30 September 2016	<u>2</u>	<u>2</u>
At 30 September 2016		
Additions	2	2
	-	-
At 30 September 2017	<u>2</u>	<u>2</u>
<b>Accumulated depreciation</b>		
At 30 September 2015		
Charge for the year	1	1
	1	1
At 30 September 2016	<u>2</u>	<u>2</u>
At 30 September 2016		
Charge for the year	2	2
	-	-
At 30 September 2017	<u>2</u>	<u>2</u>
<b>Net book amount</b>		
At 30 September 2017	-	-
At 30 September 2016	<u>-</u>	<u>-</u>
At 30 September 2015	<u>1</u>	<u>1</u>

11 Debtors

	2017 €	2016 €
Accrued income	<u>244</u>	<u>129</u>

\* Accrued income includes interest and fundraising income earned but not received until after the financial year ended 30 September 2016.

NOTES TO THE FINANCIAL STATEMENTS - continued

**12 Bank and cash**

As explained in the Directors' Report, BCI plans to invest a significant amount of funds raised in order to provide a better clinical research infrastructure for breast cancer clinical trials, and as a result maintains a significant reserve on deposit.

In order to maximise return on cash holdings, BCI operate a policy of maintaining an optimal mix of cash on interest bearing deposit accounts.

**13 Creditors - amounts falling due within one year**

	2017 €'000	2016 €'000
Trade creditors	541	171
Other creditors including tax and social insurance	5	26
Accruals	284	91
	<u>830</u>	<u>288</u>

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

	2017 €'000	2016 €'000
Other creditors including tax and social insurance comprise:		
VAT	5	11
PAYE	-	15
	<u>5</u>	<u>26</u>

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

**14 Financial instruments**

The company has the following financial instruments:

	2017 €'000	2016 €'000
Cash at bank and in hand	12	3,267
Financial liabilities measured at amortised cost		
- Trade creditors	13	541
		<u>171</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**15 Unrestricted funds**

The directors have designated €2.1m of funds raised by BCI towards the establishment of a new centre of excellence in breast cancer research and treatment. The Directors also intend to designate a further €0.4m of funds raised over the course of the next two years for this purpose.

Designated funds agreed in advance of a transfer date will adopt the following criteria:

- Letter of approval from BCI to make a specific agreed grant amount to the organisation, on a particular date, subject to a completed satisfactory Risk Analysis,
- Signed letter of agreement from grant recipient that the funds agreed will be used solely for the purpose for which they are donated and that any cost differential experienced will be the responsibility of the grantee not the grantor and that adequate provisions are put in place.
- Agreement in writing that a representative from the grantee organisation will take responsibility for the affective distribution of funds with full transparency and reporting.

**16 Note to the statements of cash flows**

	2017	2016
	€'000	€'000
Net income/(expenditure)	148	52
(Increase) in debtors	(116)	(29)
Increase in creditors	541	23
Net cash inflow from charitable activities	<u>573</u>	<u>46</u>

**17 Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the organisation has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the organisation of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the organisation which is the amount the organisation would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in the expenditure in the period of receipt.

In the year 2016-17 Breast Cancer Ireland received donated services and products either free of charge or at considerably discounted prices – allowing a valuable saving of €55,850. Special recognition should be given to Print Fusion, Today FM, PwC, Dunnes Stores Group, Zeba Hair Salon; Make Up Forever and others whose continued support helps enormously.

**17 Related party transactions**

There were no related party transactions in the year, requiring disclosure in accordance with FRS 102.

**18 Controlling party**

The Organisation is controlled by the members of the company.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**19 Events since the end of the financial year**

Certain comparative amounts have been amended for comparability with current year disclosures in order to provide a more accurate representation of the financial statements.

**20 Approval of financial statements**

The financial statements were approved on \_\_\_\_\_.