

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

Annual Report

Financial Year Ended 31 December 2019

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DIRECTORS AND OTHER INFORMATION

Board of directors

Mr Chris O'Connell
Dr John Murphy
Ms Niamh Callaghan
Mr Ronan Gavin
Ms Meliosa O'Caoimh
Ms Ruth Curran (Resigned 11/02/2020)
Dr Rhona Mahony (Resigned 23/09/2019)
Ms Caroline Keeling (Resigned 11/02/2020)
Mr Tom Brennan (Resigned 23/09/2019)
Prof Shane Higgins (Appointed 25/02/2019)
Mr David Manning (Appointed 26/08/2019)

Secretary and registered office

Ronan Gavin
National Maternity Hospital
Holles Street
Dublin 2

Registered number: 518984 (Incorporated on 18 October 2012)

Charity registration no.: CHY (Revenue) No 20389
Registered Charity No 20080891
S.848a Donations Relief granted 18 April 2013

Solicitors

Mason Hayes & Curran LLC
South Bank House
Barrow Street
Dublin 4

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Bankers

Bank of Ireland
2 College Green
Dublin 2

Auditors

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

DIRECTORS' REPORT

The Directors present herewith their report and the audited financial statements for the financial year ended 31 December 2019.

Objectives and activities

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

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

New initiatives scheme

New initiatives include increased community fundraising, direct debit/regular giving, public fundraising, corporate sponsorship, and increased event activity. In 2019 the Board of Directors agreed a new Strategy for the Foundation (2020 – 2024) with a view to building capacity in the Foundation to generate increased funding from Companies, Trusts and Philanthropic sources to invest in Maternal and Neonatal Research.

Legal status and governing document

The Foundation is an Irish company incorporated on 18 October 2012. It is a company limited by guarantee and does not have a share capital. The Foundation is a not-for-profit organisation with charitable status granted on 18 April 2013, with Articles of Association and a board of non-executive Directors. The Foundation's CHY (Revenue) number is CHY 20389 and its registration charity number is 20080891.

Statement of Board of Directors' responsibilities

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

Irish law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the Foundation assets, liabilities and financial position at the end of the financial year and the surplus or deficit of the Foundation for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of 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 Foundation assets, liabilities and financial position as at the end of the financial year and the surplus or deficit of the Foundation for the financial year.

In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

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

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

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

DIRECTORS' REPORT - continued

Principal activities and business review

The Foundation is responsible for raising funds for the National Maternity Hospital.

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

Financial review

The result for the year is set out on page 9.

Income generation

The Foundation's income has decreased from €485,200 in the year to 31 December 2018 to €424,128 in the year to 31 December 2019. The deficit for the year was €128,964.

Resources expended

The majority of the resources expended is split between supporting the fundraising activities of the Foundation and expenditure on charitable activities and grants to the NMH. The remainder relates to support costs which facilitate the day to day running of the Foundation.

Principal risks and uncertainties

The first case of COVID-19 was reported in Ireland on 29 February 2020. Over the course of the following weeks, actions were put in place to protect the health, safety and well-being of all citizens. The first of these measures which impacted the charity sector was on 12 March 2020, the day after the virus was declared a pandemic. The Taoiseach announced that all schools, colleges and childcare facilities were to remain closed until 29 March 2020. These measures have since been extended and further protection measures have been introduced to protect the most vulnerable in our society. The introduction of social distancing and the restrictions on social gatherings had an immediate effect on the sector and the pandemic has presented a unique challenge to the charity sector in 2020. The Directors have considered the risks that COVID-19 poses to the Foundation and are taking actions to mitigate the impact. The management and board of directors have reviewed the costs and grant commitments of the Foundation and have considered the potential impact of the COVID-19 pandemic on the Foundation's ability to raise funds from the public in the coming 12 months. Income and expenditure forecasts have been reviewed in detail, and action taken to reduce costs or delay incurring costs where possible. Following cost / benefit analysis and following public health guidelines, major public fundraising events have been cancelled and are being replaced by online fundraising activities. The revised forecasts, having considered the potential risks and likely impacts of the COVID-19 pandemic, taking account of reasonable potential changes in performance and cash flows, show that the Foundation should be able to operate within the level of its current facilities. The review of these projection has provided the basis for the Directors' going concern assessment and after making their enquiries, the Directors have a reasonable expectation that the Foundation has adequate resources to continue in operation for the foreseeable future.

Accounting records

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

Directors

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

Mr Chris O'Connell
Dr John Murphy (and Member)
Ms Niamh Callaghan (and Member)
Mr Ronan Gavin (Secretary and Member)
Ms Meliosa O'Caoimh
Dr Rhona Mahony (Chairman and Member, Resigned 23/09/2019)
Ms Ruth Curran (Resigned 11/02/2020)
Ms Caroline Keeling (Resigned 11/02/2020)



DIRECTORS' REPORT - continued

Directors - continued

Mr Tom Brennan (Resigned 23/09/2019)
Mr David Manning (Appointed 26/08/2019)
Prof Shane Higgins (and Member, Appointed 25/02/2019)

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

Events since the end of the financial year

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in 2019 in Wuhan, the capital of China's Hubei province, and has since spread globally, resulting in the ongoing 2019–20 coronavirus pandemic. The earliest known infection occurred on 17 November 2019 in Wuhan, China. The World Health Organization (WHO) declared the 2019–20 coronavirus outbreak a Public Health Emergency of International Concern (PHEIC) on 30 January 2020 and a pandemic on 11 March 2020. From an accounting perspective COVID-19 is considered to be a non-adjusting post balance sheet event.

The Directors have considered the risks that coronavirus poses to the organisation and the actions to be taken to mitigate the impact. The disclosure implications of this post balance sheet event have been addressed in the risks and uncertainties note within the Directors' Report.

There have been no other significant or material subsequent events affecting the Foundation since the year end.

Future developments

It is the intention of the Directors to continue to develop the existing activities of the Foundation. In 2019, the Directors adopted an ambitious strategy to grow the Foundation over 5 years in order to increase funding available to the NMH for Maternal and Neonatal Research. The strategy is supported by a significant grant to be paid in 2020 and by the employment of an Executive and Funding Executive to assist the Directors in the development of the Foundation. Further, the Directors are planning to adopt the Charity SORP in future periods.

Political donations

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

Research and development

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

Disclosure of information to auditors

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

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

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 Shane Higgins


Ronan Gavin



Independent auditors' report to the members of NMH Foundation

Report on the audit of the financial statements

Opinion

In our opinion, NMH Foundation's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2019 and of its deficit 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 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 31 December 2019;
 - the Statement of Financial Activities for the year then ended;
 - the Cash Flow Statement for the year then ended;
 - the Statement of Changes in Equity for the year then ended; and
 - the notes to the financial statements, which include a description of the significant accounting policies.
-

Basis for opinion

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

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.



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 31 December 2019 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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Board of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements 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

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.



Other required reporting

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.
-

Other 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.

A handwritten signature in black ink that reads 'Richard Sammon'.

Richard Sammon
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
21 October 2020

STATEMENT OF FINANCIAL ACTIVITIES
Year Ended 31 December 2019

	Notes	2019 €	2018 €
Income and expenditure			
Income from:			
Investment income	5	94,420	94,420
Donations and legacies		113,048	192,345
Charitable activities & donations		216,660	198,435
Total income	6	<u>424,128</u>	<u>485,200</u>
Expenditure on:			
Loan interest	5	94,420	94,420
Raising funds	9	137,351	113,738
Charitable activities & donations	10	321,321	209,616
Total expenditure		<u>553,092</u>	<u>417,774</u>
Net gain on investment property valuation	13	-	1,900,000
Net (deficit) / surplus		<u>(128,964)</u>	<u>1,967,426</u>
Reconciliation of funds			
Total funds brought forward		<u>6,084,167</u>	<u>4,116,741</u>
Total funds carried forward		<u>5,955,203</u>	<u>6,084,167</u>

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

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

BALANCE SHEET
As at 31 December 2019

	Notes	2019 €	2018 €
Fixed assets			
Investment property	13	<u>10,650,000</u>	<u>10,650,000</u>
Current assets			
Stock		-	963
Debtors	14	10,165	72,053
Cash at bank		<u>186,503</u>	<u>343,491</u>
Total current assets		196,668	416,507
Current liabilities			
Creditors - amounts falling due within one year	15	<u>(170,580)</u>	<u>(261,455)</u>
Net current assets		<u>26,088</u>	<u>155,052</u>
Long-term liabilities			
Creditors - amounts falling due after more than one year	16	<u>(4,720,885)</u>	<u>(4,720,885)</u>
Net assets		<u>5,955,203</u>	<u>6,084,167</u>
Capital and reserves			
Accumulated fund		26,088	155,052
Asset revaluation reserve		<u>5,929,115</u>	<u>5,929,115</u>
Members' funds - equity interests		<u>5,955,203</u>	<u>6,084,167</u>

On behalf of the board


Prof Shane Higgins


Ronan Gavin

21 October 2020

STATEMENT OF CHANGES IN EQUITY
Financial Year Ended 31 December 2019

	Unrestricted revaluation reserve €	Unrestricted accumulated fund €	Total €
Balance at 1 January 2018	4,029,115	87,626	4,116,741
Surplus for the year	-	67,426	67,426
Revaluation increment	1,900,000	-	1,900,000
Balance at 31 December 2018	<u>5,929,115</u>	<u>155,052</u>	<u>6,084,167</u>
Balance at 1 January 2019	5,929,115	155,052	6,084,167
Deficit for the year	-	(128,964)	(128,964)
Balance at 31 December 2019	<u>5,929,115</u>	<u>26,088</u>	<u>5,955,203</u>

CASH FLOW STATEMENT
Financial Year Ended 31 December 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
Cash flows provided by operating activities	17	<u>(156,988)</u>	<u>113,025</u>
Cash flows from investing activities			
Rental Income received		<u>94,420</u>	<u>94,420</u>
Cash flows from financing activities			
Interest paid on borrowings		<u>(94,420)</u>	<u>(94,420)</u>
Change in cash and cash equivalents in the reporting period		(156,988)	113,025
Cash and cash equivalents at the beginning of the reporting period	18	<u>343,491</u>	<u>230,466</u>
Cash and cash equivalents at the end of the reporting period	18	<u>186,503</u>	<u>343,491</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the UK Financial Reporting Council 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).

2 General information

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

The Foundation is incorporated as a Company Limited by Guarantee in the Republic of Ireland under registration number 518984. The address of its registered office is The National Maternity Hospital, Holles Street, Dublin 2. The Foundation's CHY (Revenue) number is CHY 20389 and its registration charity number is 20080891.

These financial statements are the Foundation's financial statements for the financial year beginning 1 January 2019 and ending 31 December 2019.

3 Summary of significant accounting policies

The significant accounting policies adopted by the charity are as follows:

Basis of preparation

The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain assets at fair value through profit or loss, being investment properties.

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 Foundation's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

Going concern

The financial statements have been prepared on the going concern basis. The management and board of directors have reviewed the costs and grant commitments of the Foundation and have considered the potential impact of the Covid-19 pandemic on the Foundation's ability to raise funds from the public in the coming 12 months. Income and expenditure forecasts have been reviewed in detail, and action taken to reduce costs or delay incurring costs where possible. Following cost / benefit analysis and following public health guidelines, major public fundraising events have been cancelled and are being replaced by online fundraising activities. The revised forecasts, having considered the potential risks and likely impacts of the Covid-19 pandemic, have taken into account reasonable potential changes in performance and cash flows. In 2019 the Foundation secured a grant commitment from the NMH Medical Fund to invest in the furtherance of the Foundation's mission and strategy. The first tranche of this grant is due to be paid in 2020. The Foundation board continue to work closely with the NMH Medical Fund to ensure the timely inflow to the Foundation of the grant which will be fundamental to the achievement of the Foundation strategy and important in underpinning the Foundation's future.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

Income

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

Rental Income

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

Legacy income and bequests

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

Donation income

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

Funds

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

Financial instruments

The Foundation 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 debtors, cash and cash equivalents, and short-term deposits, are initially recognised at transaction price (including transaction costs).

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(i) *Financial assets - continued*

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

(ii) *Financial liabilities*

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

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

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

Investment property

Investment property is held at fair value. Gains and losses arising from the revaluation of the investment property are included in the Statement of Financial Activities. See note 13 for additional information.

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

(i) Investment properties whose fair value can be measured reliably are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

(ii) no depreciation is provided in respect of investment properties applying the fair value model.

This treatment, as regards the Foundation's investment properties, may be a departure from the requirements of the Companies Acts concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view.

All of the investment property fair values at 31 December 2019 are based on valuations provided by an external, independent valuer (Knight Frank), having an appropriate recognised professional qualification and recent experience in the location and class of property being valued

4 Judgments in applying accounting policies and key sources of estimation uncertainty

(a) **Critical judgement in applying the entity's accounting policies**

There were no judgements, apart from those involving estimates, made by the directors which had a significant effect on the amounts recognised in the entity financial statements during the financial year ended 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Judgments in applying accounting policies and key sources of estimation uncertainty - continued

(b) **Critical accounting estimates and assumptions**

The directors make estimates and assumptions concerning the future in the process of preparing the Foundation's 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.

Valuation of investment property

The directors make an assessment at the end of each financial year of whether there is objective evidence that the carrying value of each investment property is impaired. When assessing impairment, the directors consider factors including the market data, investment property performance and results of the independent valuation of the property. See note 13 for the net carrying amount of investment properties. There was no impairment loss recognised in the financial period.

5 Investment income and management costs	2019 €	2018 €
Rent received on investment property	94,420	94,420
Interest payable on loan to purchase investment property	<u>(94,420)</u>	<u>(94,420)</u>

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

6 Income from charitable activities, donations and legacies	2019 €	2018 €
Restricted income	62,225	161,846
Unrestricted income	267,483	228,934
	<u>329,708</u>	<u>390,780</u>

From the total funds raised by the Foundation during the year, a total of €62,225 (2018: €161,846) has been classified as restricted because those funds were received from donors for specific purposes and cannot be used for any other purpose. Such restrictions include the provision of support services and support for the neonatal unit.

7 Payroll costs	2019 €	2018 €
Wages & Salaries	56,017	49,923
Social insurance costs	6,078	5,417
	<u>62,095</u>	<u>55,340</u>

The average number of persons employed by the Foundation during the financial year was one. The NMH Foundation employs one full time employee.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Key management compensation	2019	2018
	€	€
Compensation paid or payable to key management personnel for employee services are shown below:		
Wages & Salaries	24,977	48,468
Social insurance cost	2,735	5,259
	<u>27,712</u>	<u>53,727</u>
There were no employees who earned over €70,000 for the financial year (2018: Nil)		
 9 Expenditure on raising funds	 2019	 2018
	€	€
Fundraising events	86,489	84,036
Support costs (note 11)	37,980	22,852
Governance costs (note 11)	12,882	6,850
	<u>137,351</u>	<u>113,738</u>
 10 Expenditure on charitable activities & donations	 2019	 2018
	€	€
Payroll costs (note 11)	40,903	24,903
Support and governance costs (note 11)	24,350	8,389
Governance costs (note 11)	13,634	8,301
Hospital equipment donated	242,434	168,023
	<u>321,321</u>	<u>209,616</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Expenditure on charitable activities & donations – continued

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

The Foundation raises funds for much needed equipment for the National Maternity Hospital. The events listed below were held in the period ended 31 December 2019 to raise such funds:

	Income	Direct expenses	Direct contribution
	2019	2019	2019
	€	€	€
Fashion Show	54,846	48,914	5,932
Blooms Day Lunch	16,001	27,236	(11,235)
Golf Classic	26,370	8,788	17,582
Mini Marathon	15,579	1,551	14,028
Fighting Blindness (Vision Ball)*	103,864	-	103,864
Total	<u>216,660</u>	<u>86,489</u>	<u>130,171</u>

* In 2018, the NMH Foundation, in association with Fighting Blindness, held a fundraising event (Vision Ball). The funds raised from this event were directly utilised to purchase equipment costing €149,814, which was then subsequently donated to the National Maternity Hospital during 2019. This cost is included in the total amount for hospital equipment donated as disclosed above.

	Income	Direct expenses	Direct contribution
	2018	2018	2018
	€	€	€
Fashion Show	100,800	47,334	53,466
Fighting Blindness (Vision Ball)	45,950	21,496	24,454
Golf Classic	35,190	10,059	25,131
Mini Marathon	16,495	5,148	11,347
Total	<u>198,435</u>	<u>84,037</u>	<u>114,398</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Analysis of governance and support costs

2019

	Charitable activities		Raising funds		Basis of apportionment
	General support	Governance functions	General support	Governance functions	
Payroll costs	40,903	13,634	36,358	-	Pro-rata based on time incurred
Subscriptions/memberships	-	-	1,622	-	Based on specific expenditure plus pro-rata of costs
Bank and credit card charges	1,407	-	-	-	Based on specific expenditure plus pro-rata of costs
Printing and stationery	2,904	-	-	-	Based on specific expenditure plus pro-rata of costs
Advertising and marketing	6,033	-	-	-	Based on specific expenditure plus pro-rata of costs
Professional fees	-	-	-	12,882	Based on specific expenditure plus pro-rata of costs
Staff travel and conferences	9,496	-	-	-	Based on specific expenditure plus pro-rata of costs
Office equipment	3,965	-	-	-	Based on specific expenditure plus pro-rata of costs
Telephone	545	-	-	-	Based on specific expenditure plus pro-rata of costs
	<u>65,253</u>	<u>13,634</u>	<u>37,980</u>	<u>12,882</u>	

2018

	Charitable activities		Raising funds		Basis of apportionment
	General Support	Governance functions	General support	Governance functions	
Payroll costs	24,903	8,301	22,136	-	Pro-rata based on time incurred
Subscriptions/memberships	-	-	716	-	Based on specific expenditure plus pro-rata of costs
Bank and credit card charges	2,454	-	-	-	Based on specific expenditure plus pro-rata of costs
Printing and stationery	1,706	-	-	-	Based on specific expenditure plus pro-rata of costs
Advertising and marketing	1,140	-	-	-	Based on specific expenditure plus pro-rata of costs
Professional fees	-	-	-	6,850	Based on specific expenditure plus pro-rata of costs
Staff travel and conferences	1,209	-	-	-	Based on specific expenditure plus pro-rata of costs
Office equipment	1,658	-	-	-	Based on specific expenditure plus pro-rata of costs
Telephone	222	-	-	-	Based on specific expenditure plus pro-rata of costs
	<u>33,292</u>	<u>8,301</u>	<u>22,852</u>	<u>6,850</u>	

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Statutory and other information	2019 €	2018 €
The (deficit) / surplus for the year has been arrived at after charging:		
Directors' remuneration	-	-
Auditors' remuneration	<u>6,396</u>	<u>6,850</u>

13 Investment property	2019 €	2018 €
Investment property at beginning	10,650,000	8,750,000
Valuation increase	-	1,900,000
Investment property at end	<u>10,650,000</u>	<u>10,650,000</u>

The value of the investment property was based on a valuation provided by a qualified third-party valuer (Knight Frank). The valuation is based on the market value as defined within the RICS valuation – Global Standards 2017, using the investment method, which took into account the comparable market yields. Attention is drawn to the judgements and risks associated with the valuation of investment properties, particularly where there is market uncertainty. The outcome of this uncertainty may result in a material change to the market value of the properties but cannot presently be determined.

The Directors assess annually whether there is a material change in fair value by reference to the external indices and market factors to determine if a full valuation is required from a third-party valuer each year.

14 Debtors	2019 €	2018 €
Debtors	<u>10,165</u>	<u>72,053</u>

15 Creditors - amounts falling due within one year	2019 €	2018 €
Creditors	23,946	89,741
Accruals	<u>146,634</u>	<u>171,714</u>
	<u>170,580</u>	<u>261,455</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.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Creditors - amounts falling due within greater than one year	2019 €	2018 €
Loan from The Medical Fund	4,100,000	4,100,000
Loan from The Scientific Research College	620,885	620,885
	<u>4,720,885</u>	<u>4,720,885</u>

These loans were used to purchase the building at 65/66 Lower Mount St, Dublin 2. The Foundation's total loans at 31 December 2019 were €4,720,885 (2018: €4,720,885), representing inter entity loans, repayable upon sale of the property. The loans are subject to interest at a rate of 2% (2018: 2%).

The NMH Foundation has given a guarantee in relation to the loans from the Medical Fund and the Scientific Research College which is secured by a charge on the NMH Foundation's investment property.

17 Reconciliation of net incoming resources to net cash inflow from charitable activities	2019 €	2018 €
Net (expenditure)/income for the reporting period	(128,964)	1,967,426
Decrease in stocks	963	517
Decrease in debtors	61,888	30,016
Fair value gain on investment property	-	(1,900,000)
(Decrease)/increase in creditors	(90,875)	15,066
Net cash (outflow)/inflow from activities	<u>(156,988)</u>	<u>113,025</u>

18 Analysis of changes in net cash	2018 €	Cash flow €	2019 €
Cash at bank	<u>343,491</u>	<u>(156,988)</u>	<u>186,503</u>

19 Financial instruments	2019 €	2018 €
Financial assets that are debt instruments measured at amortised cost:		
- Trade debtors	<u>10,165</u>	<u>72,053</u>
Cash at bank and in hand	<u>186,503</u>	<u>343,491</u>
Financial liabilities measured at amortised cost:		
- Trade creditors	23,946	89,741
- Borrowings from The Medical Fund	4,100,000	4,100,000
- Borrowings from The Scientific Research College	620,885	620,885
	<u>4,744,831</u>	<u>4,810,626</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Lease commitments receivable	2019	2018
	€	€
The future minimum lease payments receivable under non-cancellable operating lease at the end of the financial year were:		
Payments due		
Not later than one year	94,420	94,420
Later than one year but not later than five years	-	94,420
	94,420	188,840

21 Related party transactions

The Directors have considered the requirements of Section 33 of FRS 102 'related party disclosures' whereby related Parties can be defined as entities under common control with common Directors who can also exercise significant influence or control. From an NMH Foundation perspective, while not related parties under the generally applied definitions, the Foundation did engage in the following transactions with entities who are themselves related entities;

1. Loans, as set out in Note 16, are from NMH Medical Fund and NMH Scientific & Research College.
2. Lease of Property at 65/66 Lower Mount Street to the National Maternity Hospital at an annual rent of €94,420. Rent review due in 2020.
3. In 2019, equipment totalling €242,434 has been donated to the National Maternity Hospital.

22 Events after the end of the reporting period

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in 2019 in Wuhan, the capital of China's Hubei province, and has since spread globally, resulting in the ongoing 2019–20 coronavirus pandemic. The earliest known infection occurred on 17 November 2019 in Wuhan, China. The World Health Organization (WHO) declared the 2019–20 coronavirus outbreak a Public Health Emergency of International Concern (PHEIC) on 30 January 2020 and a pandemic on 11 March 2020. From an accounting perspective COVID-19 is considered to be a non-adjusting post balance sheet event.

The Directors have considered the risks that coronavirus poses to the organisation and the actions to be taken to mitigate the impact. The disclosure implications of this post balance sheet event have been addressed in the risks and uncertainties note within the Directors' Report.

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

23 Approval of the financial statements

The named representatives approved the financial statements on behalf of the Board of Directors on 21st October 2020.