

**The Heart Research Institute (UK)**  
**Annual report and financial statements**  
**For the year ended**  
**31 December 2016**

**Company Registration Number 05935975**

**Charity Number 1116918**



# **The Heart Research Institute (UK)**

## **Financial statements**

**Year ended 31 December 2016**

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<b>Contents</b>	<b>Pages</b>
Trustees' Annual Report	2
Independent auditor's report to the trustees and members	7
Statement of financial activities (incorporating the income and expenditure account)	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12

# **The Heart Research Institute (UK)**

## **Trustees' Annual Report**

### **For the year ended 31 December 2016**

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The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2016.

#### **Reference and administrative details**

<b>Registered charity name</b>	The Heart Research Institute (UK)
<b>Charity registration number</b>	1116918
<b>Company registration number</b>	5935975
<b>Scottish charity registration number</b>	SCO42984

#### **The trustees**

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

Antony Pollitt	Matthew Dobbin
Elena Pintado	Stephen Moodey
John Batistich	Kerry Cunningham

<b>Secretary</b>	Carl Middlehurst
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<b>Registered office of Company</b>	Bankside 300 Peachman Way Broadland business Park Norwich Norfolk NR7 0LB
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<b>Auditor</b>	KPMG LLP Botanic House 100 Hills Road Cambridge CB2 1AR
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<b>Bankers</b>	Clydesdale Bank Clydesdale House Meridian Way Norwich NR1 0TA  Bank of Ireland 12 The High Street Kildare Town Co. Kildare
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# **The Heart Research Institute (UK)**

## **Trustees' Annual Report**

**For the year ended 31 December 2016**

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### **Structure, governance and management**

#### **Governing document**

The Heart Research Institute (UK) is a company limited by guarantee and is governed by its Memorandum and Articles, dated 14 September 2006. It is also registered as a charity with the Charity Commission for England and Wales (No. 1116918) and, with effect from 1 March 2012, the Scottish Charity Regulator (SC042984).

#### **Appointment of trustees**

As set out in the Articles of Association trustees are appointed by a resolution of the members for a renewable term of three years. The charity is required to have at least three trustees, of which should not be a trustee and/or employees of the parent company, The Heart Research Institute Limited.

#### **Trustee induction and training**

The charity has espoused a policy of providing new trustees with whatever information and assistance is necessary to help them fulfill their responsibilities under both the Companies Act 2006 and their roles under relevant legislation and regulations affecting the organisation as a charity. The procedures adopted include providing new trustees with a copy of The Essential Trustee: what you need to know supplied by the Charity Commission for England and Wales which describes the roles and responsibilities of trustees, as well as a copy of the company's constitution. The trustees are also encouraged to visit the website of the charity commission for regular updates or changes to legislation and guidelines. Ongoing information updates along with regular communication between The Heart Research Institute Ltd management and the trustee ensures knowledge and information currency.

#### **Organisation**

The Heart Research Institute (UK) and The Heart Research Institute Ltd have entered into a 'Services Agreement' to record the basis on which they will work together to further the charities' charitable objects and to outline the services provided by The Heart Research Institute Ltd to The Heart Research Institute (UK).

Under the Services Agreement, the day-to-day fundraising and administrative activities of the charity have been delegated to the management staff of The Heart Research Institute Ltd. These staff members report to a chief Executive Officer and Director of the Institute who in turn is subject to the Board of Governors of the Australian company. However, any arrangements and activities affecting the UK charity are also subject to the oversight and review of the board of trustees of The Heart Research Institute (UK). In particular, new fundraising programs require the specific approval of the trustees who will meet as a board to consider and vote on such proposals.

#### **Related Parties**

The charity is a wholly owned subsidiary of The Heart Research Institute Ltd, an Australian charity which runs heart research programmes and which has built up expertise in the fields of both running a charity and fundraising in this area. The objects of the charity (as outlined in the following section) are compatible with The Heart Research Institute Ltd and both are committed to the promotion and support of research and the advancement of education in this area. The Heart Research Institute Ltd assists the charity by providing it with the services and support it needs to successfully operate and raise funds in order to support heart research and educate the public.

# **The Heart Research Institute (UK)**

## **Trustees' Annual Report**

**For the year ended 31 December 2016**

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The Heart Research Institute has a presence in Scotland and has made significant findings that have changed the way we live with and treat Scotland's number one killer. Our scientists are working across a number of research areas to identify factors that contribute to an increased risk of heart disease. Understanding the underlying causes of heart disease is the key to finding a solution.

### **Risk management**

The major risks to which the charity is exposed relate in particular to the commitments made to outside parties who undertake the various fundraising campaigns for the charity. There can be considerable set-up costs involved in new fundraising campaigns, which means there is a delay before a particular campaign realises a surplus. Once the trustees have approved the new campaign, they subsequently receive regular reports of its progress and are kept apprised of any budget irregularities that the campaign may be facing. Restrictions on further commitments can be instituted quickly and, in addition, a request that the outside contractor comply with specific guidelines to keep the program contained can also be implemented efficiently. The trustees also require that safeguards be incorporated into legal agreements with the fundraising contractors to limit the risk exposure of the charity.

### **Objectives and activities**

The objects of the charity are:

- for the benefit of the public, to further knowledge in the field of medicine (and in particular human medicine) by seeking to discover the major origins of disease, especially cardiovascular disease;
- to promote medical research to improve methods of preventing, diagnosing and treating disease in human beings; and
- to advance the education of the public in the field of medicine (and in particular cardiovascular medicine), including (but not limited to) the dissemination of useful information concerning the work of the charity.

The reason the charity and its parent company are focusing mainly on cardiovascular disease is because this is the major cause of death in the world, a phenomena that is also increasing in third-world countries. However, research into the origins of such disease spans many years and requires the services of highly qualified scientists, as well as the usage of expensive technology. That is why a major activity of the charity and its parent is fundraising, because any funding obtained through competitive grants for specific research projects and infrastructure support from governments or other bodies is insufficient to cover all the costs involved. The charity and its parent have a long-term aim of contributing to a significant reduction in cardiovascular disease, but recognise that eventual success in this regard means extensive investment in research here and now.

The charity's main objectives for the year ended 31 December 2016 were to determine the best distribution of funds raised to assist with meeting its objectives and focus on further development of the lottery and monthly pledge programs. The strategy for achieving these objectives was to maintain arrangements with reputable contractors well experienced in conducting lotteries and monthly pledge programs in the UK. Significant activities that contributed to the achievement of these objectives involved the negotiation and resolution of operational procedures, and the recording and processing of resultant transactions.

The trustees have given due consideration to the Charity Commission published guidance on the operation of the public benefit requirement.

# **The Heart Research Institute (UK)**

## **Trustees' Annual Report**

### **For the year ended 31 December 2016**

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#### **Achievements and performance**

The Heart Research Institute (UK) transfers funds to support the front line researchers and purchasing equipment from the UK or Europe so that we do not incur costs due to exchange rates.

#### **Financial review**

The net incoming resources for the year ended 31 December 2016 amounted to £96,558 (2015: £749,819 outgoing). The Trustees are confident of the future success of projected activities for 2016 and beyond and that these will result in the building of accumulated surpluses. In addition, the charity enjoys the on-going financial support of its parent company and the significant experience of its management to ensure its future success.

The principal financial management policies adopted in the year include the following:

#### **Revenue recognition**

Revenue derived from fundraising efforts is recognised when probable.

#### **Reserves**

The charity's reserves, together with sufficient funds in bank accounts and on deposit, cover all current liabilities. A portion of these reserves are used to fund the HRI International Fellowship scheme and the procurement of research equipment.

#### **Provisions**

The charity recognises by way of provision any anticipated outgoings relevant to the year under review for which it may have an obligation, whether legal or constructive.

#### **Grantmaking policy**

The charity awards grants to be used in accordance with its charitable objectives.

#### **Principal funding sources**

Principal funding sources during the year were from the generation of revenue from the lottery and monthly pledge campaigns. Expenditure during the year under review has supported the key objectives of the charity by firmly establishing a viable basis for the future success of the lottery and pledge campaigns.

#### **Investment powers and policy**

Under the Memorandum and Articles of Association, to further its objects the charity has the power to invest any funds not immediately required for its objects in or upon any investments, securities or property.

#### **Plans for future periods**

The charity will continue to support Post Doctorate Fellowships for young and emerging UK researchers and collaborate with The Heart Research Institute Australia in funding specialist equipment and research so we can understand more about, and to find a cure for cardiovascular diseases, which are the number one killer of people worldwide.

# The Heart Research Institute (UK)

## Trustees' Annual Report (*continued*)

For the year ended 31 December 2016

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### Trustees' responsibilities statement

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

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditor

KPMG LLP have been appointed under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 487(1) of the Companies Act 2006.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information; and
- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware;

### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the trustees

**Antony Pollitt**  
Director/Trustee

*Antony Pollitt*

**Matthew Dobbin**  
Director/Trustee

*Matthew Dobbin*



## **Independent auditor's report to the trustees and members of The Heart Research Institute Limited**

We have audited the financial statements of the Heart Research Institute Limited for the year ended 31<sup>st</sup> December 2016 set out on pages 9 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its trustees as a body, for our audit work, for this report or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report, which constitutes the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.





**Matters on which we are required to report by exception**

- We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if in our opinion: the charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

A handwritten signature in black ink, appearing to read 'Richard Bartlett-Rawlings', written over a horizontal line.

**Richard Bartlett-Rawlings (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

*KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

Botanic House

100 Hills Road

Cambridge CB2 1AR

26 April 2017

# The Heart Research Institute (UK)

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

For the year ended 31 December 2016

	<b>Note</b>	<b>Total Funds 2016 £</b>	<b>Total Funds 2015 £</b>
<b>Incoming Resources</b>			
Incoming resources from generating funds:			
Voluntary income	<b>3</b>	888,729	627,968
Activities for generating funds	<b>4</b>	762,040	1,072,087
<b>Total incoming resources</b>		1,650,768	1,700,055
<b>Resources expended</b>			
Costs of generating funds:			
Costs of generating voluntary income	<b>5</b>	(864,558)	(704,722)
Fundraising expenditure	<b>6</b>	(641,048)	(1,253,525)
Charitable activities	<b>7</b>	(97,982)	(245,725)
Governance costs	<b>8</b>	(28,783)	(14,477)
Bad debt expense	<b>9</b>	91,035	(186,646)
Foreign exchange loss		(326)	(38,779)
Salaries and wages	<b>11</b>	(12,550)	(6,000)
<b>Total resources expended</b>		(1,554,211)	(2,449,874)
<b>Net incoming resources for the year</b>	<b>10</b>	96,558	(749,819)
<b>Reconciliation of funds</b>			
Total funds brought forward		18,871	768,690
<b>Total funds carried forward</b>		115,429	18,871

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

All of the above balances relate to continuing activities.

**The notes on pages 12 are an integral part of these financial statements.**

# The Heart Research Institute (UK)

## Balance sheet

As at 31 December 2016

	<i>Note</i>	<b>2016</b> £	<b>2015</b> £
<b>Current assets</b>			
Debtors	<b>13</b>	180,485	127,613
Cash at bank		<u>246,147</u>	<u>288,866</u>
		426,633	416,479
<b>Creditors: Amounts falling due within one year</b>	<b>14</b>	(311,204)	(397,608)
<b>Net current assets</b>		<u>115,429</u>	<u>18,871</u>
<b>Total assets less current liabilities</b>		<u>115,429</u>	<u>18,871</u>
<b>Net assets</b>		<u>115,429</u>	<u>18,871</u>
<b>Funds</b>			
Unrestricted income funds	<b>15</b>	<u>115,429</u>	<u>18,871</u>
<b>Total funds</b>		<u>115,429</u>	<u>18,871</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the trustees and authorised for issue on the 21 April 2017, and are signed on their behalf by:

**Antony Pollitt**  
**Director/Trustee**

*Antony Pollitt* \_\_\_\_\_

**Matthew Dobbin**

*Matthew Dobbin*

Company Registration Number: 05935975

**The notes on pages 12 are an integral part of these financial statements.**

# The Heart Research Institute (UK)

## Statement of cash flows

For Year ended 31 December 2016

	<i>Note</i>	<b>2016</b> £	<b>2015</b> £
<b>Cash flows from operating activities</b>			
Cash receipts from customers	<b>17</b>	1,688,931	1,721,643
Cash paid to suppliers and employees		(1,731,651)	(2,085,363)
Cash generated from operations		(42,720)	(363,720)
<b>Net cash from operating activities</b>		(42,720)	(363,720)
<b>Cash flows from investing activities</b>			
<b>Net cash used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
<b>Net cash used in financing activities</b>		-	-
Net decrease in cash and cash equivalents		(42,720)	(363,720)
Cash and cash equivalents at beginning of year		288,866	652,586
<b>Cash and cash equivalents at end of year</b>		<b>246,147</b>	<b>288,866</b>

The notes on pages 11 to 15 are an integral part of these financial statements.

# **The Heart Research Institute (UK)**

## **Notes to the financial statements**

**For the year ended 31 December 2016**

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### **1 Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

#### **Economic dependence**

The charity is dependent upon the continued financial support of the parent company The Heart Research Institute Ltd which has agreed to support the financial obligations of the company for a period of at least 12 months from the date of this report. As a result of this undertaking, the directors believe the company will be able to continue as a going concern and pay its debts as and when they fall due.

#### **Funds structure**

Funds held by the charity are unrestricted, these are funds which are available for use at the discretion of the trustees in accordance with the charitable objects.

#### **Incoming resources**

All incoming resources are included in the statement of financial activities when it is probable that the charity will become entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

#### **Voluntary income**

Donations generated through the pledge program activity are included within incoming resources when probable.

#### **Activities for generating funds**

Income from the lottery activities is included within incoming resources when probable.

#### **Interest receivable**

Interest is included in the statement of financial activities when probable by the charity.

#### **Resources expended**

Resources expended are recognised in the statement of financial activities when a liability is incurred. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the activity.

Costs of generating voluntary income include the expenditure associated with the activities undertaken by the charity to generate such income, such as the pledge programme.

Fundraising expenditure includes expenditure associated with the setting up and running the lottery activities undertaken by the charity and consists of the direct costs relating to these activities.

# **The Heart Research Institute (UK)**

## **Notes to the financial statements**

**For the year ended 31 December 2016**

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Charitable activities comprise expenditure incurred in working towards the objectives of the charity. An allocation of 20% of both the pledge program recruitment costs and the calling costs of the lottery activity are considered by the charity to be an appropriate percentage which represent increasing the awareness of the charity and its activities.

Grants payable are included the statement of financial activities when approved by the trustees.

Governance costs include expenditure incurred in the governance of the charity and its assets. These are primarily associated with constitutional and statutory requirements.

### **Taxation**

The company is a charity within the meaning of the taxes acts and it is therefore eligible to claim certain exemptions to corporation tax and capital gains tax. As a consequence no taxation arises for the year.

**The Heart Research Institute (UK)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**2 Incoming resources**

Incoming resources, derived from the activities of the charitable company, attributable to geographical areas outside of the United Kingdom amounted to 1% (2015: 1%) for the year.

**3 Voluntary income**

	<b>Unrestricted Funds</b>	<b>Total Funds 2016</b>	<b>Total Funds 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
General donations	54,206	54,206	48
Grants received	-	-	191
Pledge program donations	770,318	770,318	549,697
Everyday Hero	416	416	751
Telemarketing donations	63,789	63,789	77,281
	<u>888,729</u>	<u>888,729</u>	<u>627,968</u>

**4 Activities for generating funds**

	<b>Unrestricted Funds</b>	<b>Total Funds 2016</b>	<b>Total Funds 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Lottery activities	<u>762,040</u>	<u>762,040</u>	<u>1,072,087</u>

**5 Costs of generating voluntary income**

	<b>Unrestricted Funds</b>	<b>Total Funds 2016</b>	<b>Total Funds 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Pledge program	862,452	862,452	681,829
General donations	2,106	2,106	22,893
	<u>864,558</u>	<u>864,558</u>	<u>704,722</u>

Included within pledge program costs is an amount of £808,017 (2015 - £541,895) in relation to donor recruitment costs. In accordance with the stated accounting policy 20% of these costs are allocated to awareness costs, this amounts to £161,603 (2015 - £108,379).

**6 Fundraising expenditure**

	<b>Unrestricted Funds</b>	<b>Total Funds 2016</b>	<b>Total Funds 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Lottery activities	<u>641,048</u>	<u>641,048</u>	<u>1,259,525</u>

Included within lottery activity costs is an amount of £312,997 (2015 - £686,730) in relation to lottery calling costs. In accordance with the stated accounting policy 20% of these costs are allocated to awareness costs, this amounts to £62,599 (2015 - £137,346).

**The Heart Research Institute (UK)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**7 Costs of charitable activities by activity type**

	Activities undertaken directly	Total Funds 2016	Total Funds 2015
	£	£	£
Awareness costs	97,982	97,982	245,725
	<u>97,982</u>	<u>97,982</u>	<u>245,725</u>

**8 Governance costs**

	Unrestricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£
Accountancy and Audit Fees	17,654	17,654	14,014
Legal fees	11,129	11,129	463
	<u>28,783</u>	<u>28,783</u>	<u>14,477</u>

**9 Provision for bad debt**

	Unrestricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£
Provision for bad debt for loan to HRI Netherlands	95,611	95,611	186,646
	<u>95,611</u>	<u>95,611</u>	<u>186,646</u>

During the year an amount of £91,035 was paid back to the charity in respect of the loan to HRI Netherlands.

**10 Net (outgoing)/incoming resources for the year**

This is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration		
-audit of the financial statements	10,300	10,000
-non-audit services	-	-
	<u>10,300</u>	<u>10,000</u>

**11 Staff costs and emoluments**

**Total staff costs were as follows:**

	2016 £	2015 £
Wages and salaries	12,550	6,000
Social security costs	-	-
	<u>12,550</u>	<u>6,000</u>

**Particulars of employees**

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

2016 No	2015 No
<u>1</u>	<u>1</u>

No employee received remuneration of more than £60,000, during the year (2015: £60,000)



**The Heart Research Institute (UK)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**12 Directors remuneration and re-imbursed expenditure**

There were no services provided by the directors to the company. As a result, there have been no emoluments paid to the directors (2015: nil)

**13 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	180,485	127,613
	<u>180,485</u>	<u>127,613</u>

**14 Creditors: Amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	108,795	204,502
Other creditors	192,108	183,106
Accruals	10,300	10,000
	<u>311,204</u>	<u>397,608</u>

**15 Unrestricted income funds**

	<b>Balance at 1 January 2016</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Balance at 31 December 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General funds	18,871	1,650,768	(1,554,211)	115,429

**16 Related party transactions**

The Heart Research Institute Ltd, the ultimate parent company, paid the following transactions on behalf of the charity during the year.

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Pledge Program	12,038	2,896
Lottery activity	-	-
Governance	17,706	2,863
General donations	558	1,385
	<u>30,302</u>	<u>7,144</u>

Balance due to The Heart Research Institute at year end	<u>192,108</u>	<u>183,106</u>
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During the year the charity paid grants of £Nil (2015: £Nil) to the parent company.

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

**The Heart Research Institute (UK)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**17 Reconciliation of cash flows from operating activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Cash flow from operating activities</b>		
Net surplus	96,558	(749,819)
(Increase)/decrease in receivables	(52,874)	208,234
Increase/(decrease) in payables	(86,404)	177,865
<b>Net cash from operating activities</b>	<u>(42,720)</u>	<u>(363,720)</u>

**18 Company limited by guarantee**

The Heart Research Institute (UK) is a registered charity and company limited by guarantee with no share capital. There is one member of the charitable company at the year end with the liability of the member in the event of a winding up being limited to £1.

**19 Ultimate parent company**

The company's ultimate parent company, both this year and the previous year, was The Heart Research Institute Ltd, a company incorporated in Australia. As such, these financial statements will be consolidated within this entity. The Heart Research Institute Ltd is located at the following address:

7 Eliza Street  
Newtown  
NSW 2042  
Australia

**20 Controlling interest**

The company is ultimately controlled by The Heart Research Institute Ltd both this year and last year.