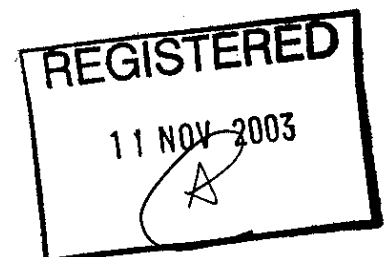


**Northern Ireland Chest Heart and
Stroke Association**

(company limited by guarantee)

Annual report

for the year ended 31 March 2003



Northern Ireland Chest Heart and Stroke Association

Annual report for the year ended 31 March 2003

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Directors, officers and advisers

Governance Board - Directors

Dr R Lowry OBE BSc (Econ) FRCP FRCPI (Chairman)
Dr G Dalzell MD FRCP (Vice Chairman)
Mr G Mullen BComm ACMA (elected 10/10/02) (Retired as Hon. Treasurer 31/03/03)
Dr K Fullerton MD FRCP (re-elected 10/10/02)
Ms A Aubrey BA Hons MSW Grad Cert Ed (resigned 10/10/02)
Dr M Power MB FRCPE FRCPI
Dr M Varma PhD FRCP FRCPI FCCP
Miss R Glen LLB LLM (resigned 10/12/02)
Dr J MacMahon MB BCh FRCP DCh (re-appointed 10/10/02)
Mrs J McCusker SRCh MBA (re-appointed 10/10/02)
Mr A McKinley BSc FCA (Econ) FMS
Mr J Caldwell FCA (appointed 10/10/02)
Mr Ian Lindsay FCA co-opted 10/12/02 (appointed as Hon Treasurer 01/04/03)

Secretary

Andrew P Dougal OBE BA DBA FIPR

Registered office

Chamber of Commerce House
22 Great Victoria Street
Belfast
BT2 7LX

Registered auditors

PricewaterhouseCoopers LLP
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Investment Custodian

Rensburg Investment Management
St George's House
99 - 101 High Street
BELFAST
BT1 2AH

Solicitors

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

Bankers

Bank of Ireland
4-8 High Street
Belfast
BT1 2BA

Report of the Directors for the year ended 31 March 2003

The directors, who are also the trustees, present their annual report and the audited financial statements for the year ended 31 March 2003.

The information with respect to the Directors, officers and advisers set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

Objects

The Association's mission is to promote the prevention of, and alleviate the suffering resulting from chest, heart and stroke illnesses in Northern Ireland.

Organisation

The Association is a company limited by guarantee and does not have a share capital. It is governed by a Memorandum and Articles of Association and the liability of each member is limited to an amount not exceeding £1.

The Association has one subsidiary, Northern Ireland Chest, Heart & Stroke Enterprises Limited.

The Governance Board meet on a quarterly basis and the day to day operation of the charity is under the responsibility of the Secretary/Chief Executive.

Review of business and future developments

The statement of financial activities for the year is set out on pages 6 and 7 of the financial statements. A summary of the financial results and the work of the charity is set out below.

General

There is greatly increased competition from the London-based medical charities expanding their operations in Northern Ireland. As such there is quite a considerable amount of confusion among the Northern Ireland public about the roles of the different charities. With this in mind the Association has taken the initiative to form a Northern Ireland Group of Medical Research Charities. This small group will seek to ensure that the public is aware of those organisations which are both managed and governed by Northern Ireland people and are engaged in medical research.

Income

The Association suffered a small deficit of £4,565 which represents 0.25% of income, before unrealised losses in investments.

Income to the Association from donations in lieu of flowers is greatly increased. We are particularly grateful to funeral directors throughout Northern Ireland who play such an important role in ensuring the conveyance of such donations for the work of the Association.

The Partners in Care Service in Omagh has been expanded to include Fermanagh. The Association has established a separate Company - The Northern Ireland Home Care Services Limited which will deliver these services in the community from 1 April 2003.

Legacy income to the Association decreased. This is not unusual as legacy income is particularly volatile.

As a result of a burglary and fire at our Dublin Road premises in Belfast on the 25th May 2003, it has been decided by the Governance Board to knock down that building and to seek to build 5 storeys on that site. Already the Association gains a substantial sum of money in revenue from the Advertising hoarding and the ATM banking machine. It is the intention of the Association to rent the ground and 1st floors of the new building and use as offices the 2nd, 3rd and 4th floors. This will mean an enhanced rental income to the Association and provide a secure basis for the future.

However, during this period of time when it may be necessary to use reserves or even to borrow from a financial institution, it is imperative that the Association does not increase its ongoing commitments in terms of revenue costs. Advice was received from the auditors some time ago to ensure that any new projects should be on a time limited basis and that they should end as agreed after that period of time unless external funding could be found.

It is gratifying to note that the post of Cardiac Surgery Liaison Sister will now be funded as part of the Health Service. It is hoped that Royal Hospitals Trust will be able to provide a service of similar calibre to that provided by Sister Joyce Shaw during her 4½ years with the Association. The Association originally agreed to fund this post for a period of 3 years.

The health promotion services have been re-organised on a more cost-efficient basis.

During the financial year the Association suffered a £61K reduction in its assets. This was due mainly to a reduction in the value of stocks and shares of more than £56K.

The trading subsidiary continues to carry out its work and Christmas Cards will be sold from temporary premises on the 6th Floor, Chamber of Commerce House, 22 Great Victoria Street, Belfast, BT2 7LX, telephone 028 9032 0184. It is likely that we will be in these premises until January - March 2005.

The Association welcomed the additional funds voted by the Northern Ireland Assembly for cardiac surgery in July 2002. A further substantial sum has been allocated to the Royal Hospitals Trust for long term investment in cardiac surgery. It is the hope of the Association that this long-term investment will begin to pay off very shortly in terms of increased output of cardiac surgical procedures.

Investment policy

The charity has engaged Rensburg Investment Management as investment managers to pursue a policy of maximizing income whilst maintaining some capital growth.

Reserves policy

The Association's policy is to retain a level of reserves which matches the needs of the Association both at the current time and in the foreseeable future. The reserves required will be sufficient to meet the running costs for a period equivalent to approximately six months annual expenditure. The Governance board has developed a plan to establish and maintain this agreed level of reserves.

The Governance board will continue to monitor compliance with this policy on a regular basis and Council will review the appropriateness of the policy annually.

Risk management

The Directors have assessed the major risks to which the Charity is exposed, in particular those related the operations and finances of the Association. The Directors are satisfied that systems are in place to mitigate any exposure to major risks.

Members of Council

The directors of the company are listed on page 1.

Ian Lindsay was co-opted on 10 December 2002 and being eligible seeks election at the next Annual General Meeting.

The following directors retire by rotation and being eligible seek re-election at the next Annual General meeting

Dr G Dalzell
A McKinley

Dr M Power
Dr M Varma

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association and of the Group for that period. In preparing those financial statements, the directors are required to:

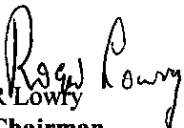
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board


R. Lowry
Chairman

16 October 2003

Independent auditors' report to the members of Northern Ireland Chest Heart and Stroke Association

We have audited the financial statements, which comprise the statement of financial activities, summary of income and expenditure, the note of historical cost profit and losses, the balance sheet, the cash flow statement, the related notes and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Northern Ireland law and United Kingdom accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 2003 and of its net outgoing resources, including its income and expenditure and cash flows for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast
16 October 2003

Statement of financial activities for the year ended 31 March 2003

	Notes	Restricted Funds £	Unrestricted Funds £	Endowment Funds £	Total 2003 £	Total 2002 £
Incoming resources						
Donations	2	-	449,665	-	449,665	286,424
Donations in lieu of flowers		-	226,005	-	226,005	189,363
Support groups		-	199,530	-	199,530	218,684
Legacies	3	-	380,632	-	380,632	505,364
Activities to further the charity's objects:						
Grants and contracts	4	35,250	167,834	-	203,084	266,094
Partners in Care		297,297	-	-	297,297	266,579
Health & fitness assessment		-	22,457	-	22,457	33,577
Risk factor assessment receipts		-	40,865	-	40,865	28,143
Investment income	5	-	12,959	906	13,865	15,910
Other incoming resources	6	-	15,912	-	15,912	42,134
Total incoming resources		332,547	1,515,859	906	1,849,312	1,852,272
Resources expended						
Costs of activities to further the charity's objects:						
Advocacy	7	-	65,922	-	65,922	58,121
Cardiac services	7	-	65,237	-	65,237	52,695
Corporate services	7	-	139,584	-	139,584	124,523
Counselling and welfare	7	-	21,721	-	21,721	25,389
Primary Care	7	-	171,107	-	171,107	185,714
Research	7	-	199,656	-	199,656	174,281
Respiratory services	7	-	12,973	-	12,973	11,267
Stroke services	7	2,971	455,423	-	458,394	511,260
Western Sperrins project	7	6,280	-	-	6,280	36,083
Befriending project	7	-	-	-	-	7,511
Combat project	7	10,019	-	-	10,019	-
Defibrillator project	7	20,250	-	-	20,250	18,000
Partners in Care	7	298,763	-	-	298,763	267,706
		338,283	1,131,623	-	1,469,906	1,472,550
Fundraising and appeals	8	-	351,554	-	351,554	346,968
Depreciation		-	32,417	-	32,417	32,719
		-	383,971	-	383,971	379,687
Total resources expended		338,283	1,515,594	-	1,853,877	1,852,237
Net (outgoing)/incoming resources before transfers carried forward		(5,736)	265	906	(4,565)	35

Statement of financial activities for the year ended 31 March 2003 (continued)

	Notes	Restricted Funds £	Unrestricted Funds £	Endowment Funds £	Total 2003 £	Total 2002 £
Net (outgoing)/incoming resources before transfers brought forward		(5,736)	265	906	(4,565)	35
Transfer between funds	9	2,001	(1,095)	(906)	-	-
Net (outgoing)/incoming resources	10	(3,735)	(830)	-	(4,565)	35
(Losses)/gains in investment assets						
Unrealised	14	-	(56,245)	-	(56,245)	2,659
Realised		-	-	-	-	392
Net movement in funds		(3,735)	(57,075)	-	(60,810)	3,086
Fund balances at 31 March 2002		8,716	583,805	14,420	606,941	603,855
Fund balances at 31 March 2003		4,981	526,730	14,420	546,131	606,941

All incoming resources and resources expended are derived from continuing activities.

The charity has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

Note of historical cost profits and losses for the year ended 31 March 2003

	2003 £	2002 £
Reported net movement in funds	(60,810)	3,086
Unrealised losses/(gains) for year	56,245	(3,966)
Historical cost net movement in funds	(4,565)	(880)

Summary income and expenditure account for the year ended 31 March 2003

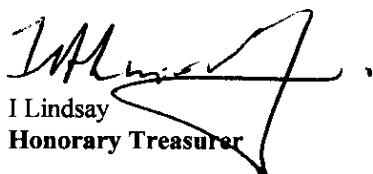
	2003 £	2002 £
Gross charitable income	1,835,447	1,836,362
Charitable expenditure	(1,853,877)	(1,852,237)
Net deficit before investments asset disposals	(18,430)	(15,875)
Gain on disposal of fixed asset investments	-	3,051
Investment income	13,865	15,910
Net (deficit)/surplus of income over expenditure for the year	(4,565)	3,086

The above reflects the Association's consolidated Income and Expenditure Account as required by the Companies (Northern Ireland) Order 1986 as opposed to that required under the Statement of Recommended Practice as detailed on pages 6 and 7.

Balance sheet at 31 March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	13	298,215	322,642
Investments	14	154,193	210,438
Investment in subsidiary	15	5,000	5,000
		457,408	538,080
Current assets			
Debtors	16	306,975	246,003
Short term investments		36,837	170,929
Cash at bank and in hand		208,872	132,877
		552,684	549,809
Creditors: amounts falling due within one year			
Creditors	17	(74,257)	(54,569)
Research grants commitment	18	(251,058)	(241,691)
		(325,315)	(296,260)
Net current assets		227,369	253,549
Total assets less current liabilities		684,777	791,629
Creditors: amounts falling due after more than one year			
Research grants commitment	18	(138,646)	(184,688)
Net assets		546,131	606,941
Income funds			
Unrestricted funds			
General		436,531	462,957
Designated	19	90,199	120,848
		526,730	583,805
Restricted funds	20	4,981	8,716
Capital funds			
Endowment fund	21	14,420	14,420
Total funds	23	546,131	606,941

The financial statements on pages 6 to 23 were approved by the board on 16 October 2003 and were signed on its behalf by:


I Lindsay
Honorary Treasurer


R Lowry
Chairman

Cash flow statement for the year ended 31 March 2003

	Notes	2003 £	2002 £
Net cash outflow from operating activities	25	(64,201)	(26,379)
Returns on investments			
Interest received		5,861	9,517
Dividends received		8,004	6,393
Total returns on investments		13,865	15,910
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(16,141)	(11,265)
Proceeds on disposal of tangible fixed assets		8,380	6,500
Purchase of quoted investments		-	(31,392)
Proceeds from sale of quoted investments		-	31,421
Total capital expenditure and financial investment		(7,761)	(4,736)
Decrease in cash in the year	26	(58,097)	(15,205)

Notes to the financial statements for the year ended 31 March 2003

1 Accounting policies

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with applicable accounting standards including the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in October 2000 and the Companies (Northern Ireland) Order 1986. The principal accounting policies are set out below.

Consolidation

The Association is entitled to the exemption available under company legislation in respect of the necessity to prepare full consolidation of the financial statements of subsidiary companies under its control and influence.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of fixed assets, except freehold land, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	%
Buildings	2.5
Fixtures and fittings	10
Motor vehicles	20
Computer equipment	25

Investments

Investments in subsidiary undertakings are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value.

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

Income from investments is included, together with the related tax credit, in the year in which it is received.

Incoming resources

Legacies

Legacies are recognised when received or when their amount is capable of measurement. Entitlements to material legacies which are not included are disclosed on the notes.

Grants

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Other income

Voluntary income, support group income, donations and other income are included in full in the Statement of Financial Activities when received.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

Fundraising and appeals

These include the salaries, direct expenditure and overhead costs of staff who promote fundraising, including events and mailings.

Research grants

Research grants approved for payment in subsequent years are charged as expenditure in the year in which the commitment is made and are carried forward as a liability until paid.

Pension costs

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

Value Added Tax

The Association is not registered for VAT purposes, therefore expenditure is either charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Fund accounting

The Association has various types of funds for which it is responsible and which require separate disclosure. A definition of the various types of funds is as follows:

Endowment funds

Funds given to the Association where the income may be used for unrestricted activities but the capital must be retained.

Unrestricted funds

Funds which are expendable at the discretion of the Association in furtherance of the purposes of the Association. In addition to expenditure on activities such funds may be held in order to finance capital investment and working capital.

Designated funds

Designated funds are amounts set aside from unrestricted funds which have been 'earmarked' for particular projects.

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of overheads and support costs.

2 Donations

	2003 £	2002 £
Give as you earn receipts	99,862	69,552
Appeals and direct marketing	59,135	62,951
Special events	100,898	14,786
Corporate and Trust Appeals	119,781	85,597
Sundry donations	43,777	32,672
Deeds of covenant and gift aid	26,212	14,561
House collections	-	6,305
	449,665	286,424

3 Legacies

	2003 £	2002 £
Received during year	297,777	405,364
Notified during year but not yet received	82,855	100,000
	380,632	505,364

4 Grants and contracts

	Restricted £	Unrestricted £	Total 2003 £	Total 2002 £
Northern Ireland Health & Social Services Trusts and others	35,250	167,834	203,084	266,094

5 Investment income

	2003 £	2002 £
Dividend income	8,004	6,393
Short term investment income	5,861	9,517
	13,865	15,910

6 Other incoming resources

	2003 £	2002 £
Holiday contributions	-	25,824
Rental income	10,531	9,625
Sundry	5,292	4,029
Sale of literature	89	129
Advertising income	-	2,527
	15,912	42,134

Northern Ireland Chest Heart and Stroke Association

14

7 Costs of activities to further the charity's objects

Unrestricted funds	Advocacy £	Cardiac services £	Corporate services £	Counselling & welfare £	Primary Care £	Research £	Respiratory services £	Stroke services £	Total 2003 £	Total 2002 £
Wages and salaries (incl E'er NIC)	46,302	58,530	48,135	15,803	111,308	34,202	11,975	280,376	606,631	557,657
Research grants awarded (page 16)	-	-	-	-	-	138,646	-	-	138,646	129,688
Vehicle and patient transport costs	523	-	2,959	-	-	360	-	65,683	69,525	81,898
Patients' rehabilitation programme	-	-	-	-	-	-	-	21,078	21,078	49,793
Travelling and subsistence	3,044	1,857	2,827	296	16,535	581	-	39,121	64,261	76,137
Other stroke costs	-	280	105	-	-	-	-	10,911	11,296	15,776
Risk factor assessment materials	-	-	-	-	35,878	-	-	-	35,878	48,990
Printing, stationery and office supplies	1,915	170	12,978	-	512	1,348	-	696	17,619	17,557
Welfare Grants - including medical equipment	-	-	-	3,998	-	-	129	108	4,235	10,019
Professional fees	5,170	-	9,897	-	-	6,933	179	-	22,179	23,936
Employer's pension contributions	3,500	2,572	2,728	513	4,080	1,884	483	11,028	26,788	8,952
Rent, rates & water	184	-	6,358	-	-	183	-	-	6,725	(2,271)
Repairs, maintenance and equipment rental	63	435	13,456	202	204	-	71	100	14,531	12,132
Telephone	363	1,081	11,509	807	128	205	116	5,415	19,624	20,702
Building maintenance	-	-	810	-	-	-	-	-	810	1,700
Room hire	69	56	200	-	-	198	20	10,893	11,436	11,250
Conferences, seminars and courses	1,074	-	3,616	100	1,917	13,525	-	1,484	21,716	4,094
Miscellaneous	2,256	230	872	2	359	628	-	4,379	8,726	14,228
Promotions and advertising	155	-	-	-	118	-	-	3,353	3,626	10,788
Literature	262	19	-	-	28	-	-	231	540	4,907
Special events	470	-	-	-	-	470	-	-	940	1,442
Highway to Health	-	-	-	-	-	-	-	-	-	45
(Profit)/loss on disposal of fixed assets	-	-	(229)	-	-	-	-	-	(229)	753
Window and office cleaning	-	-	767	-	-	-	-	-	767	1,845
Balance carried forward	65,350	65,230	116,988	21,721	171,067	199,163	12,973	454,856	1,107,348	1,102,018

7 Costs of activities to further the charity's objects (continued)

Unrestricted funds (continued)	Advocacy £	Cardiac services £	Corporate services £	Counselling & welfare £	Primary Care £	Research £	Respiratory services £	Stroke services £	Total 2003 £	Total 2002 £
Balance brought forward	65,350	65,230	116,988	21,721	171,067	199,163	12,973	454,856	1,107,348	1,102,018
Insurances	560	-	13,089	-	-	493	-	-	14,142	12,033
Recruitment	-	-	-	-	-	-	-	-	-	1,405
Electricity	-	-	4,033	-	-	-	-	-	4,033	3,907
Postage	12	7	5,474	-	40	-	-	567	6,100	6,604
Total unrestricted funds expenditure	65,922	65,237	139,584	21,721	171,107	199,656	12,973	455,423	1,131,623	1,125,967

7 Costs of activities to further the charity's objects (continued)

Restricted funds	Defibrillators £	Combat Project £	Western Sperrins Project £	Young Stroke £	Partners in care £	Total 2003 £	Total 2002 £
Wages and salaries (incl E'er NIC)	-	8,849	3,967	2,971	292,931	308,718	289,285
E'er pension	-	335	-	-	1,845	2,180	-
Printing, stationery and office supplies	-	-	-	-	84	84	161
Promotions and advertising	-	-	-	-	393	393	764
Miscellaneous	-	-	2,313	-	1,246	3,559	27,953
Purchase of defibrillators	20,250	-	-	-	-	20,250	18,000
Recruitment	-	835	-	-	-	835	3,300
Professional fees	-	-	-	-	1,420	1,420	-
Telephone	-	-	-	-	379	379	1,022
Travelling & subsistence	-	-	-	-	465	465	6,099
Total restricted funds expenditure (note 20)	20,250	10,019	6,280	2,971	298,763	338,283	346,584

Research grants awarded

Applicant	2003 £	2002 £
All Ireland Social Medicine Meeting	1,000	-
Department of Physiotherapy UUJ	20,000	34,296
Rehabilitation Science School, University of Ulster	117,646	-
Institute of Clinical Science, QUB - Investigation into Atherosclerosis	-	51,482
Institute of Clinical Science, QUB - Secretion from human lung tissue	-	43,910
	138,646	129,688

8 Fundraising and appeals expenses

	2003 £	2002 £
Wages and salaries	147,422	132,963
Special events	38,270	43,006
House collections	-	22,147
Advertising and promotions	33,523	37,223
Postage, telephone, stationery and miscellaneous	20,193	12,943
Travelling, training and subsistence	19,971	13,610
Direct marketing	16,417	13,010
Legacy promotion expenses	9,231	7,567
Groups	31,169	22,375
Professional fees	5,395	6,124
Repairs	148	-
Advertising for donations in lieu of flowers	11,077	12,490
Employer's pension contributions	6,024	5,628
Courses	2,302	523
Collection boxes	-	2,863
Recruitment costs	626	112
Insurance	1,632	-
Room hire	-	52
Corporate	8,154	14,332
	351,554	346,968

9 Transfer between funds

	Restricted Funds £	Unrestricted Funds £	Endowment Funds £
Transfer from endowment fund to unrestricted funds	-	906	(906)
Transfer from unrestricted fund to restricted funds	2,001	(2,001)	-
	2,001	(1,095)	(906)

10 Net outgoing resources

	2003 £	2002 £
Net outgoing resources is stated after charging		
Auditors' remuneration for:		
Audit services	4,400	4,263
Depreciation on owned assets	32,417	32,719
(Profit)/loss on disposal of fixed assets	(229)	753

The charity has indemnity insurance for its directors at an annual cost of £1,124 (2002: £1,124)

11 Employee information

	2003 £	2002 £
Staff costs		
Wages and salaries	994,753	923,357
Social security costs	68,018	57,548
Employers' pension contributions	34,988	14,580
Net staff costs	1,097,759	995,485
	Number	Number
The average monthly number of persons employed by the association (excluding directors) during the year by activity:		
Permanent staff	53	51
Partners in Care (scheme commenced January 2001)	55	47
	108	98

Employees falling in emoluments band over £50,000 is nil (2002: Nil).

Directors' emoluments

No directors received any remuneration or reimbursement of expenses during the year.

12 Taxation

The company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The charity is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

13 Fixed assets

	Freehold land & buildings £	Health education equipment £	Computer equipment, fixtures & fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2002	364,560	9,123	133,438	32,848	539,969
Additions	-	-	7,141	9,000	16,141
Disposals	-	-	-	(10,867)	(10,867)
At 31 March 2003	364,560	9,123	140,579	30,981	545,243
Depreciation					
At 1 April 2002	106,769	2,823	95,453	12,282	217,327
Charge for year	8,114	912	17,221	6,170	32,417
Disposals	-	-	-	(2,716)	(2,716)
At 31 March 2003	114,883	3,735	112,674	15,736	247,028
Net book value					
At 31 March 2003	249,677	5,388	27,905	15,245	298,215
At 31 March 2002	257,791	6,300	37,985	20,566	322,642

14 Fixed asset investments

	2003 £	2002 £
Quoted investments on the UK stock exchange		
Market value at 1 April 2002	210,438	207,416
Additions at cost	-	31,392
Disposals at market value	-	(31,029)
Net (loss)/gain on revaluation	(56,245)	2,659
Market value at 31 March 2003	154,193	210,438
Historical cost at 31 March 2003	152,907	152,907

15 Investment in subsidiary

The Association owns 100% of the issued share capital of Northern Ireland Chest Heart and Stroke Enterprises Limited, a company registered in Northern Ireland. Its principal business activity is the retail sale of cards and gifts. Its principal place of business is the same as the parent undertaking.

15 Investment in Subsidiary (continued)

The company has a wholly owned trading subsidiary which is incorporated in Northern Ireland. Northern Ireland Chest Heart and Stroke Enterprises Ltd sells greetings cards and receives rental income. The subsidiary's trading account, which is not consolidated with the Association accounts is detailed below:

	2003 £	2002 £
Turnover	32,041	43,458
Cost of sales	(23,272)	(26,240)
Gross profit on trading	8,769	17,218
Rental income	27,227	11,014
	35,996	28,232
Expenses		
Salaries and employer's National Insurance	17,488	14,291
Promotions, advertising and brochure expenses	2,860	3,942
Office equipment, stationery and telephone	3,369	3,205
Rent	1,006	3,000
Electricity	1,200	1,000
Audit and accountancy	1,170	987
Depreciation	1,199	1,182
Training, travel and subsistence	11	-
General expenses	733	301
Total expenses	29,036	27,908
Net profit for year before tax	6,960	324
Tax on profit	-	(79)
Profit for the financial year	6,960	245

The above result includes rent payable to the Association of £1,006 (2002: £3,000).

The reserves and net assets of the above subsidiary total £7,442 and £12,442 respectively.

16 Debtors

	2003 £	2002 £
Amounts owed by group undertaking	43,220	44,000
Amounts receivable from legacies	127,855	100,000
Prepayments and accrued income	135,900	102,003
	306,975	246,003

17 Creditors: amounts falling due within one year

	2003 £	2002 £
Other tax and social security	25,276	-
Accruals and deferred income	48,981	54,569
	74,257	54,569

18 Research grants commitment

	2003 £	2002 £
At 1 April 2002	426,379	378,235
Paid during the year	(175,321)	(81,544)
Grants awarded during the year (note 7)	138,646	129,688
At 31 March 2003	389,704	426,379

The above grants are payable as follows:

	2003 £	2002 £
Within one year	251,058	241,691
After one year	138,646	184,688
	389,704	426,379

19 Designated funds

	Balance 31 March 2002 £	Movement in Funds		Balance 31 March 2003 £
		Transfers £	Utilised £	
Stroke Services	120,848	-	(30,649)	90,199

This fund has been designated to cover expenditure to be incurred in support of the strategic objectives in Stroke Services.

20 Restricted Funds

	Balance 31 March 2002 £	Incoming resources £	Utilised £	Transfer £	Balance 31 March 2003 £
Young Stroke (Belfast) Scheme	8,716	-	(2,971)	(5,745)	-
Combat project	-	15,000	(10,019)	-	4,981
Western Sperrins Project	-	-	(6,280)	6,280	-
Partners in Care	-	297,297	(298,763)	1,466	-
Defibrillator project	-	20,250	(20,250)	-	-
	8,716	332,547	(338,283)	2,001	4,981

Young Stroke (Belfast) Scheme aims to address the physical, emotional and social needs of younger stroke victims.

The Combat project relates to the establishment of a community based asthma/respiratory awareness programme in consultation with local health professionals and community groups.

The Western Sperrins project has been completed. The evaluation is being carried out with the final report expected before the end of the next financial year.

Partners in Care refers to money received from the Sperrin Lakeland Health and Social Care Trust to facilitate the provision of Home Care Services in the Omagh area.

The defibrillator project is a partnership between local communities and the Association for the purchase of defibrillators for use in the community.

21 Endowments

	Movement in Funds		
	Balance	Incoming	Balance
	31 March 2002 £	resources £	31 March 2003 £
The M Blakely Fund	14,420	906	(906) 14,420

The M Blakely permanent endowment Fund was set up in year ended March 1997 to provide income for the unrestricted use of the Association.

22 Analysis of net assets between funds

Balances at 31 March 2003 are funded by:

	Restricted funds £	Unrestricted funds £	Endowment funds £	Designated funds £	Total funds £
Tangible assets	-	298,215	-	-	298,215
Investments	-	144,773	14,420	-	159,193
Net current assets	4,981	132,189	-	90,199	227,369
Other liabilities	-	(138,646)	-	-	(138,646)
	4,981	436,531	14,420	90,199	546,131

23 Reconciliation of movement in accumulated funds

	Endowment fund £	Restricted funds £	Unrestricted		Total £
			General fund £	Designated funds £	
At 1 April 2002	14,420	8,716	462,957	120,848	606,941
Net incoming resources for the year	906	(5,736)	265	-	(4,565)
Unrealised loss	-	-	(56,245)	-	(56,245)
Transfers during the year	(906)	2,001	29,554	(30,649)	-
At 31 March 2003	14,420	4,981	436,531	90,199	546,131

24 Pension costs

The pension costs charged in the Statement of Financial Activities represent the amount of the contributions payable to a defined contribution pension scheme in respect of the accounting period, and amounted to £34,988 (2002 - £14,580).

25 Net cash outflow from operating activities

	2003 £	2002 £
Net (outgoing)/incoming resources from operating activities	(4,565)	35
Interest receivable	(5,861)	(9,517)
Investment income	(8,004)	(6,393)
Depreciation	32,417	32,719
(Profit)/loss on disposal of tangible fixed assets	(229)	753
Increase in debtors	(60,972)	(76,154)
Increase/(decrease) in creditors	19,688	(15,966)
(Decrease)/increase in research grants commitment	(36,675)	48,144
Net cash outflow from operating activities	(64,201)	(26,379)

26 Analysis of net funds

	1 April 2002 £	Cash flows £	Non-cash changes £	31 March 2003 £
Cash at bank and in hand	132,877	75,995	-	208,872
Short term investments	170,929	(134,092)	-	36,837
Net funds	303,806	(58,097)	-	245,709

27 Ultimate controlling party

There is no ultimate controlling party.