

Our Lady's Hospice Limited

Reports and Financial Statements  
for the financial year ended  
31 December 2015

OUR LADY'S HOSPICE LIMITED

REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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# OUR LADY'S HOSPICE LIMITED

## DIRECTORS AND OTHER INFORMATION

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### DIRECTORS

Sean Benton (Chairman)  
Dr. Joan Cunningham (replaced Dr. Stephen Higgins in 2016)  
Dr. Brendan Clune  
Mary Rose Gearty  
Teresa Harrington  
Sr. Angela Kelly  
Michael Lyons  
Geraldine McSweeney  
Brian Murray  
David Strahan  
Stephen Walsh

### CHIEF EXECUTIVE OFFICER

Audrey Houlihan

### CHARITY REGISTRATION NUMBER

20001827

### CHARITY TAX NUMBER

CHY1144

### COMPANY REGISTRATION NUMBER

352404

### COMPANY SECRETARY

Denis Maguire

### REGISTERED OFFICE

Our Lady's Hospice  
Harold's Cross  
Dublin 6W

### AUDITORS

Deloitte  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

### BANKERS

Bank of Ireland  
1 Rathfarnham Road  
Terenure  
Dublin 6

### SOLICITORS

Woodcock Solicitors  
16 Clanwilliam Terrace  
Grand Canal Quay  
Dublin 2  
  
Beauchamps  
Riverside Two  
Sir John Rogerson's Quay  
Dublin 2

## OUR LADY'S HOSPICE LIMITED

### DIRECTORS' REPORT

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The directors present their annual report and the audited financial statements for the financial year ended 31 December 2015.

#### **PRINCIPAL ACTIVITIES**

Our Lady's Hospice & Care Services has two facilities, Harold's Cross and Blackrock Hospice, where specialist care is provided for people with a range of needs from rehabilitation to end of life care. These services are provided in co-operation with the Health Service Executive and the Department of Health. The company also fundraises to continue to develop the campus and to enhance patient services. The principal activities of the company are summarised below:

##### **Palliative Care**

Our Lady's Hospice & Care Services offers person-centred Palliative Care to people with advanced life-threatening illnesses who are approaching the end of life.

##### **Community Reablement Unit, CRU**

The Community Reablement Unit (CRU) is a unique intermediate care programme, specially designed to help those 65 years of age and over in the local community.

##### **Care of Older People in Anna Gaynor House**

Care of Older People and Extended Care Services are provided at Anna Gaynor House which is a purpose-built red brick building on the Harold's Cross campus.

##### **Rheumatic & Musculoskeletal Disease Unit, RMDU**

The Rheumatic & Musculoskeletal Disease Unit provides a unique service to people with chronic rheumatologic and musculoskeletal conditions requiring specialist medical management and rehabilitation.

##### **Education & Research**

Education, research and training form the bedrock for a quality service to patients and their families. Education courses, seminars and workshops are provided throughout the year. The state-of-the-art facilities are also available to hire.

##### **Fundraising**

The company organises a number of fundraising campaigns and events to supplement funding received from the HSE, to continue to develop the infrastructure and facilities and to maintain an appropriate level of reserves to enable the company to provide consistent high quality care on a consistent basis.

## OUR LADY'S HOSPICE LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### RESULTS FOR THE FINANCIAL YEAR

The directors are satisfied with the results for the financial year. Healthcare activities broke-even before charging depreciation and amortisation of capital grants. Development activities generated income of €4.3m in 2015 of which €2.6m was paid in respect of salaries to healthcare staff to maintain the level of services to patients at a level comparable with prior financial years. Depreciation on certain healthcare property assets is not funded by the HSE and is charged to the income and expenditure account resulting in an overall deficit in the financial year.

The cash inflow from operating activities for the financial year was €117k. During the year €1.5m was paid in relation to the construction of the New Palliative Care Unit. The Hospice had €8.6m of cash on deposit at the financial year end of which €4.4m related to investment cash. The investment cash together with the investment portfolio of €4.2m is designated by the directors for the future development of the healthcare facilities and to maintain the level of services at the current levels for the foreseeable future (at least twelve months). The Hospice had an overdraft on its healthcare activities at 31 December 2015 of €3.2m.

	Healthcare Activities 2015 €	Development Activities 2015 €	Total 2015 €
(Deficit)/Surplus for the financial year	(437,835)	252,749	(185,086)
(Deficit)/surplus brought forward at beginning of financial year	(10,770,175)	39,093,131	28,322,956
(Deficit)/surplus carried forward at end of financial year	<u>(11,208,010)</u>	<u>39,345,880</u>	<u>28,137,870</u>

#### DIVIDENDS

The Company is precluded by its Memorandum of Association from paying dividends either as part of normal operations or on a distribution of its assets in the event of a winding-up.

#### FUTURE DEVELOPMENTS

##### Strategic Plan

The strategic plan sets out the vision of the directors, management and staff for providing high quality and safe services for all of our patients, residents and clients, and developing those services in line with best national and international practice. The plan focuses on: Quality; Governance; Finances; Cultural Context; Technical Context; and, Knowledge and Skills. During 2015 the directors, management and staff continued to work towards achievement of the objectives set out in the plan.

### **FUTURE DEVELOPMENTS (CONTINUED)**

#### **Master Development Plan**

Our Lady's Hospice & Care Services carried out a whole-campus review in 2012, taking into account the suitability of existing buildings and the re-design of vacated areas following the move of residents into Anna Gaynor House from the original 1879 building. From this review it was agreed to prioritise the development of a new Palliative Care Unit and associated outpatient and community services. During the year construction work commenced on the new Palliative Care Unit following completion of a Tender Process. The new facility will provide single room accommodation for all patients. This is Phase One of the Master Development Plan which is designed to maximize the use of space at the campus and enhancing the quality and efficiency of care provided to patients. Payments to date have been made from the company's reserves. Discussions continue with the HSE with a view to obtaining a capital grant towards the Project.

The company has an ambitious capital work programme for 2016. This includes the part-completion of the New Palliative Unit by July 2016 with the transfer of patients shortly thereafter and the remaining capital work completed by July 2017. Working with, and receiving the support of key funders and donors to raise sufficient funds to complete the Master Development Plan is of critical importance to the achievement of these timelines.

#### **Care Services**

The directors have committed to raising €3m annually in order to maintain service levels at our care facilities and are eternally grateful to all our supporters and donors for their on-going support. It is the directors' intention over the coming years to develop and expand our services so that we meet the needs of our changing society while never losing sight of the core values of Our Lady's Hospice and Care Services.

The directors acknowledge the ongoing support of our donors, fund-raisers, volunteers and the HSE in enabling them to continue to enhance and develop the services at Our Lady's Hospice & Care Services.

### **CORPORATE GOVERNANCE**

The directors are committed to maintaining the highest standard of Corporate Governance and they believe that this is a key element in ensuring the proper operation of the Company's activities.

The Board is responsible for providing leadership, setting strategy and ensuring control. It comprises of 11 non-executive directors. The Board's non-executive directors are drawn from diverse backgrounds and bring their expertise and decision-making skills to the Board deliberations.

To support their governance activities the Board has established a number of Committees, who report directly to the Board. The Committees of the Board are:

- The Mission Committee
- Education and Research Committee
- Audit Committee
- Governance Committee
- Fundraising & Development Committee

### **MANAGEMENT**

The senior management team is made up of our CEO - Audrey Houlihan, Finance Director - Denis Maguire and Interim Director of Nursing and Quality, Linda Kearns, Medical Director - Dr. Joan Cunningham (replaced Dr. Stephen Higgins in 2016), Interim Head of Clinical Services - Deirdre Rowe, Head of Non Clinical Services - Barbara Conalty, Director of Education & Research - Patricia Hallahan, Head of HR - Mary Kirwan and Director of Fundraising and Communications - Eleanor Flew.

The directors wish to express their gratitude to the senior management team for their commitment and dedication to the mission of the Company, the direction they provide to staff and the quality of care that they ensure for our patients.

### **STAFF AND VOLUNTEERS**

Our Lady's Hospice and Care Services could not function and provide the level of care and support to patients and relatives the help of the Staff and the Volunteers. The directors wish to express their huge gratitude to all Staff and Volunteers for the excellent care that they provide.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors are aware of the risks to which the Company is exposed. They particularly concern themselves with operational and financial risks. They are satisfied that appropriate systems are in place to mitigate against these risks, and limit exposure. Risks are identified and ranked in terms of potential impact, as well as the Company's risk control measures. Major risks are those which may have an impact on operational performance, financial sustainability, achievement of aims and objectives and meeting expectations of our patients, funders and supporters.

The principal risks and uncertainties that the company faces are:

- The company is dependent on the ongoing support of the HSE for funding to deliver care services. Ongoing funding at an appropriate level is fundamental to the company's ability to continue as a going concern.
- The company is subject to stringent regulations in areas such as staff competency, staffing levels, health & safety matters and has appropriate processes in place to monitor adherence and compliance with legislation impacting on its operations.
- The company has ambitious plans to better utilise the space available on the campus and enhance patient care. There is a risk that insufficient funding will be available to complete the construction as set out in the Master Development Plan.
- The company is dependent on the Department of Health to continue to provide the funds required to pay current pension liabilities, under the VHSS, as they arise into the future.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. These are disclosed in Note 23 to the financial statements.

### **RESEARCH AND DEVELOPMENT**

The company carries out on-going research to achieve optimum care for patients.

## OUR LADY'S HOSPICE LIMITED

### DIRECTORS' REPORT (CONTINUED)

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#### **EUROPEAN COMMUNITIES (LATE PAYMENT IN COMMERCIAL TRANSACTIONS) REGULATIONS 2012**

The directors have put procedures in place which provide reasonable assurance that the company is complying in all material respects with the Prompt Payments of Account Act, 1997 and European Communities (Late payment in Commercial Transactions) Regulations 2012, in so far as is permitted by cashflow constraints.

#### **POST BALANCE SHEET EVENTS**

There have been no significant events since the financial year end.

#### **DIRECTORS AND SECRETARY**

The directors and secretary, who served at any time during the financial year except as noted, were as follows:

##### **Directors:**

Sean Benton (Chairman)  
Dr. Brendan Clune  
Mary Rose Gearty  
Teresa Harrington  
Dr. Stephen Higgins  
Sr. Angela Kelly  
Michael Lyons  
Geraldine McSweeney  
Brian Murray  
David Strahan  
Stephen Walsh

##### **Secretary:**

Denis Maguire

The present membership of the Board is set out on page 2.

In accordance with the Articles of Association, every year, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third shall retire from office.

#### **DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES**

The directors and secretary of the company who held office at 31 December 2015, had no interests in the shares of the company.

#### **DIRECTORS' INTERESTS IN CONTRACTS**

There were no contracts or arrangements of any significance in relation to the company's business in which the directors or Secretary of the company had any interest.

#### **POLITICAL CONTRIBUTIONS**

There were no political donations made during the financial year.



## OUR LADY'S HOSPICE LIMITED

### DIRECTORS' REPORT (CONTINUED)

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#### ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Harold's Cross, Dublin 6W.

#### DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors at the time the directors' report and financial statements are approved:

- a) So far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- b) Each Director has taken all steps that ought to have been taken by the Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### AUDITORS

The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:

Sean Benton  
Director

Teresa Harrington  
Director

23 May 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

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The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish Company Law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014).

Under Company Law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OUR LADY'S HOSPICE LIMITED

We have audited the financial statements of Our Lady's Hospice Limited for the financial year ended 31 December 2015 which comprise the Statement of Comprehensive Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 25. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the financial year ended 31 December 2015 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2015 and of the deficit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

### Matters on which we are required to report by the Companies Act 2014

- 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.
- In our opinion the information given in the directors' report is consistent with the financial statements.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
OUR LADY'S HOSPICE LIMITED**

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

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Thomas Cassin  
For and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Dublin

23 May 2016

OUR LADY'S HOSPICE LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Healthcare Activities 2015 €	Development Activities 2015 €	Total 2015 €	Healthcare Activities 2014 €	Development Activities 2014 €	Total 2014 €
	Notes						
Income	3	33,614,349	4,309,087	37,923,436	32,848,760	4,023,215	36,871,975
Other Operating Income	4	3,058,389	428,798	3,487,187	2,992,515	422,358	3,414,873
Expenditure							
- Healthcare	5	(36,725,983)	(2,649,024)	(39,375,007)	(35,837,505)	(3,317,616)	(39,155,121)
- Fundraising		-	(1,121,707)	(1,121,707)	-	(1,121,707)	(1,121,707)
Administrative expenses							
- Depreciation	11	(977,395)	(1,135,345)	(2,112,740)	(1,041,860)	(1,197,861)	(2,239,721)
Administrative expenses							
- Amortisation	18	637,523	-	637,523	741,400	-	741,400
Operating deficit		(393,117)	(168,191)	(561,308)	(296,690)	(1,191,611)	(1,488,301)
Investment Income	7	-	150,902	150,902	-	405,523	405,523
Interest payable and similar charges	8	(44,718)	(18,269)	(62,987)	(52,323)	(15,349)	(67,672)
Gain on financial assets at fair value through profit and loss	12	-	288,307	288,307	-	176,954	176,954
(Deficit)/surplus on ordinary activities before taxation	6	(437,835)	252,749	(185,086)	(349,013)	(624,483)	(973,496)
Taxation	9	-	-	-	-	-	-
(Deficit)/surplus for the year		<u>(437,835)</u>	<u>252,749</u>	<u>(185,086)</u>	<u>(349,013)</u>	<u>(624,483)</u>	<u>(973,496)</u>
Accumulated Funds at the beginning of the reporting period		<u>(10,770,175)</u>	<u>39,093,131</u>	<u>28,322,956</u>	<u>(10,421,162)</u>	<u>39,717,614</u>	<u>29,296,452</u>
Accumulated Funds at the end of the reporting period		<u>(11,208,010)</u>	<u>39,345,880</u>	<u>28,137,870</u>	<u>(10,770,175)</u>	<u>39,093,131</u>	<u>28,322,956</u>

OUR LADY'S HOSPICE LIMITED

BALANCE SHEET  
AS AT 31 DECEMBER 2015

	Notes	2015 €	2014 €
<b>FIXED ASSETS</b>			
Tangible Assets	11	75,931,668	75,646,675
Financial Assets	12	4,230,188	4,224,033
		<u>80,161,856</u>	<u>79,870,708</u>
<b>CURRENT ASSETS</b>			
Stocks	13	276,452	227,776
Debtors – due within one year	14	4,325,366	4,811,534
Investment	15	4,397,648	3,314,963
Cash at bank and in hand		4,207,079	7,082,599
		<u>13,206,545</u>	<u>15,436,872</u>
<b>CREDITORS: (Amounts falling due within one year)</b>	16	<u>(7,421,945)</u>	<u>(8,594,041)</u>
<b>NET CURRENT ASSETS</b>		<u>5,784,600</u>	<u>6,842,831</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>85,946,456</u>	<u>86,713,539</u>
<b>CREDITORS: (Amounts falling due after more than one year)</b>	17	<u>(19,169,798)</u>	<u>(19,751,795)</u>
<b>NET ASSETS</b>		<u>66,776,658</u>	<u>66,961,744</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital presented as equity	19	2	2
Share premium		38,638,786	38,638,786
Accumulated Funds – Healthcare activities		(11,208,010)	(10,770,175)
Accumulated Funds – Development activities		39,345,880	39,093,131
<b>SHAREHOLDERS' FUNDS</b>		<u>66,776,658</u>	<u>66,961,744</u>

The financial statements were approved and authorised for issue by the Board of directors on 23 May 2016 and signed on its behalf by:

Sean Benton  
Director

Teresa Harrington  
Director

OUR LADY'S HOSPICE LIMITED

STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Notes	2015 €	2014 €
Net cash outflow from operating activities	21	117,677	(117,667)
<b>Cash flows from investing activities</b>			
Interest and similar income received		165,751	187,554
Interest paid		(62,987)	(67,672)
Payments to acquire tangible fixed assets		(2,397,733)	(1,201,239)
Payments to acquire financial assets		(553,930)	(2,563,172)
Payments to acquire investment		(1,082,685)	-
Proceeds on disposal of financial assets		821,233	1,457,179
Proceeds on disposal of investments		-	1,700,004
<b>Net cash flows from investing activities</b>		<b>(3,110,351)</b>	<b>(487,346)</b>
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,992,674)</b>	<b>(605,013)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>3,997,225</b>	<b>4,602,238</b>
<b>Cash and cash equivalents at end of financial year</b>		<b>1,004,551</b>	<b>3,997,225</b>
<b>Reconciliation to cash and cash equivalents</b>			
Cash at bank and in hand		4,207,079	7,082,599
Bank overdraft		(3,202,528)	(3,085,374)
		<b>1,004,551</b>	<b>3,997,225</b>

**1. ACCOUNTING POLICIES**

The significant accounting policies adopted by the company are set out below. These policies have been consistently applied to all financial years presented unless otherwise stated. The company has adopted FRS102 for the first time in these financial statements. Details of the transition to FRS102 are disclosed at note 25.

**General information**

Our Lady's Hospice Limited is a company incorporated in Ireland under the Companies Act 2014. The company is in the process of re-registering as a designated activity company limited by shares (DAC) under Part 16 of the Companies Act 2014. The address of the registered office is Harold's Cross, Dublin 6W.

The objectives of the company are charitable in nature and it has been granted charitable tax exemption by the Revenue Commissioners (Charity number CHY1144) and is registered with the Charities Regulatory Authority (CRA number 20001827). The company's operations and its principal activities are set out in the directors' report on pages 3 to 8.

**Statement of compliance**

The financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The financial statements comply with Financial Reporting Standard 102 (FRS 102) and the Companies Act 2014.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, modified to include the measurement of certain assets and liabilities at fair value through the income statement.

The preparation of financial statements in conformity with FRS102 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 their judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed at note 2.

**Presentation**

The directors have shown Healthcare activities and Development activities separately in the statement of comprehensive income as they believe that this format presents information that is relevant to an understanding of the nature of the company's activities and results.



1. **ACCOUNTING POLICIES (CONTINUED)**

**Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report.

The financial statements have been prepared on the going concern basis. The company is dependent on the Health Service Executive (HSE) to fund its activities and the ongoing support of the HSE at an appropriate level is fundamental to the company's ability to continue as a going concern. The HSE has not given any indication that it will withdraw its financial support from the company for the foreseeable future and has continued to provide funding for 2016. The HSE has indicated that funding will be available during 2016 at a level similar to that of 2015. Cost and funding pressures remain as a result of the significant reductions in funding during the years 2008 to 2014 and the increased demand for the company's services. Management have reviewed the level of activity and costs of the company and have drawn up plans to deal with the issues associated with the ongoing cost and funding pressures. The company's current operating budget and forecast (assuming no reduction in HSE Funding) show that the company should be able to operate within its available funding for the foreseeable future (at least twelve months from the date of approval of these financial statements).

The directors have reviewed the company's capital project budget and forecast in respect of the New Palliative Care Unit and are satisfied that sufficient funding will be available to complete this development.

After making due enquiries, the directors have a reasonable expectation that the operating and capital budgets and plans will be achieved and that the company will have adequate resources and sufficient liquidity to continue to operate for the foreseeable future and with the support of the HSE and the generosity of the public to complete the redevelopment of the Palliative Care facility during 2016. On that basis the directors have continued to adopt the going concern basis of accounting in preparing these financial statements. The ongoing support of the HSE at an appropriate level and the generosity of the public are fundamental to the achievement of these plans.

**Tangible Fixed Assets and Depreciation**

Tangible fixed assets are carried at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs. Tangible fixed assets where the cost is less than €5,000 are expensed.

Land and buildings include freehold properties. Land and buildings are carried at cost. Fixtures and fittings and motor vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent additions are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the economic benefits associated with the asset will flow to the company and the cost can be reliably measured. Assets in the course of construction are carried at cost. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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1. ACCOUNTING POLICIES (CONTINUED)

**Tangible Fixed Assets and Depreciation (Continued)**

Land is not depreciated. Depreciation on other tangible assets is provided at rates calculated to write off the cost of the assets over their estimated useful lives. The rates and methods of depreciation are as follows:

Building	2%	straight line
Fixtures and equipment	15%	straight line
Motor Vehicles	20%	straight line

Assets under construction are not depreciated until they are available for use.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Repairs and maintenance costs are expensed as incurred.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is determined by reference to invoice price including charges such as freight and duty as appropriate. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

**Foreign Currencies**

The functional and presentational currency of the company is considered to be Euro because that is the currency of the primary economic environment in which the company operates.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the balance sheet rate and the exchange differences are dealt with in the Statement of Comprehensive Income.

**Impairment of Assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

*Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced to below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1. **ACCOUNTING POLICIES (CONTINUED)**

**Income – Grants from Health Authorities and Other Sources**

Income is the amount derived from the provision of services. Turnover comprises income from patients (directly and from Private Health Insurers), income from fundraising activities and events, income from the hire of facilities and other income. All income is accounted for when the company has entitlement, there is certainty of receipt and the amount is measureable.

Revenue grants are received from the Health Service Executive (HSE), towards the annual running costs of the company. These grants may be less than the net annual running costs. The grants are accounted for on an accruals basis to the extent that they have been confirmed by the Health Service Executive in respect of the costs of the relevant financial year. Otherwise they are accounted for as received.

Capital grants received are treated as deferred credits and are amortised to the Statement of Comprehensive Income over the period that the related assets are depreciated.

**Patient Income**

Patient income comprises income from patients directly and from Private Health Insurers (PHIs) and is recognised on a receivable basis.

**Development Activities**

Development activities include voluntary donations and similar income arising from fundraising activities and events. This income is accounted for when received.

Legacy/bequest income is recognised in the period that it is received or where the company is reasonably certain that the income will be received and the value of the legacy/bequest can be measured with reasonable accuracy.

**Pensions**

Eligible employees are entitled to join the Voluntary Hospitals Superannuation Scheme (VHSS) operated by the Health Service Executive (HSE). The VHSS is an unfunded pay as you go scheme underwritten by the Minister for Health.

Pensions paid to former employees are charged to the Income and Expenditure account when paid. Pension contributions from current employees who are members of the VHSS are credited to the Statement of Comprehensive Income when received.

No provision has been made in respect of the accrued benefits payable to current or former employees (See note 24).

With effect from 31 December 2012 the VHSS was closed to new members. With effect from 1 January 2013 the Single Public Service Pension Scheme (SPSPS) commenced. Most new employees will be members of the SPSPS which will provide Consumer Price Index linked pensions based on career average pay. Pension contributions under this scheme are remitted to the Department of Public Expenditure and Reform.

Certain company employees are members of a defined contribution pension scheme and the assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Comprehensive Income.

1. **ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

*(i) Financial assets and liabilities*

Basic financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. These financial assets are subsequently measured at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are only offset in the balance sheet when and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Balances are classified as payable or receivable within one year if payment or receipt is due within one year or less. If not, they are presented as falling due after more than one year. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

**Taxation**

The company has been granted Charitable tax exempt status by the Revenue Commissioners under CHY number 1144 and therefore no provision for Corporation tax is required.

**Comparative figures**

Comparative figures for capital grants and investment have been reclassified on the same basis as current year.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and the notes to the financial statements.

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

The following judgement, apart from those involving estimates, made by the directors has had significant effect on the amounts recognized in the company's financial statements:

**(i) Pensions**

Certain employees participate in the VHSS operated by the HSE. The VHSS is an unfunded 'pay as you go' scheme underwritten by the Minister for Health and Children. In the judgement of the directors the funds required to pay current pension liabilities, under the VHSS, as they arise will continue to be provided by the Department of Health and Children. Therefore, they believe that it is not necessary for the financial statements to make provision for the net assets/liabilities at the balance sheet date in respect of pension entitlements accrued to that date by the employees of the company, nor the disclosure requirements of FRS102. See note 24 for further details.

The VHSS closed to new members with effect from 31 December 2012. With effect from 1 January 2013 a new scheme – the Single Public Service Pension Scheme (SPSPS) commenced. Pension contributions under this scheme are remitted to the Department of Public Expenditure and Reform. The scheme has been accounted for as a defined contribution scheme. Contributions remitted in 2015 in respect of the SPSPS amounted to €102,300.

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

The directors make estimates and assumptions concerning the future in the process of preparing the company'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 amount of assets and liabilities within the next financial year are addressed below.

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

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on economic utilisation, technological advancements and the physical condition of the assets. The amortization rate for capital grants is also reviewed in conjunction with the asset lives review and these are adjusted if appropriate.



**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY****(a) Critical accounting estimates and assumptions (Continued)****(ii) *Impairment of debtors***

The directors make an assessment at the end of each financial year of whether there is objective evidence that a debtor is impaired. When assessing impairment of debtors and other amounts receivable, the directors consider factors including the age profile of outstanding amounts receivable, recent correspondence and historical experience in cash collectors from debtors.

**3. INCOME**

Income is primarily derived from its principal activity undertaken in Ireland.

	2015 €	2014 €
Patient income	6,687,878	5,720,945
HSE grants	23,853,640	23,952,782
HSE fair deal income	3,072,832	3,175,032
Fundraising income and donations	3,186,660	2,843,412
Legacy/bequests income	1,122,426	1,179,804
	<u>37,923,436</u>	<u>36,871,975</u>

**4. OTHER OPERATING INCOME**

	2015 €	2014 €
Superannuation	1,074,840	1,081,574
Pension levy	1,398,168	1,276,434
Other receipts	1,014,179	1,056,865
	<u>3,487,187</u>	<u>3,414,873</u>

**5. EXPENDITURE**

During the financial year healthcare salaries of €2,624,303 (2014: €2,981,406) were paid from fundraising activities in order to maintain the same level of care as previous financial years to our patients at Our Lady's Hospice and Care Services.

OUR LADY'S HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6. <u>DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	2015 €	2014 €
Deficit on ordinary activities before taxation has been arrived at after charging/(crediting):		
Depreciation	2,112,740	2,239,721
Amortisation	(637,523)	(741,400)
Cost of stock recognised as an expense	668,247	571,358
Directors' remuneration	-	-
Auditors' remuneration	13,500	13,500
Loss/(profit) on sale of investments	14,849	(217,969)
Gain on fair value movement of financial assets	(288,307)	(176,954)

(a) Auditors' remuneration disclosures (net of VAT and outlays):

Audit	13,500	13,500
Tax advisory	-	-
Other assurance	-	-
Other non-audit	5,000	-

(b) Medical worker directors

No salaries or fees are payable to the directors of the company for their services as directors. The company has operated a policy of allowing medical staff to elect a worker director to the board on a 3 year term. No allowance, increased salary or other remuneration is payable to the staff member holding this position. This person is paid a salary for their normal work within the company.

7. <u>INVESTMENT INCOME</u>	2015 €	2014 €
Income from financial assets	112,793	83,749
Interest received	52,958	103,805
	165,751	187,554
(Loss)/profit on sale of investments	(14,849)	217,969
Total investment income	150,902	405,523

8. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	2015 €	2014 €
On bank loans, overdrafts and other loans wholly repayable within five years	62,987	67,672

OUR LADY'S HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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9. TAXATION

As a result of the company's charitable status, no charge to corporation tax arises.

10. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the financial year was as follows:

	2015 No.	2014 No.
Management and staff (whole time equivalents)	528	524

The aggregate payroll costs of these persons were as follows:

	2015 €	2014 €
Wages and salaries	27,595,166	27,965,087
Social welfare costs	2,502,182	2,489,308
Superannuation	1,920,202	1,533,437
Pension costs	32,635	25,010
	<u>32,050,185</u>	<u>32,012,842</u>

Key management compensation

The total remuneration for key management personnel for the financial year amounted to €483,324 (2014: €493,963).



OUR LADY'S HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11. TANGIBLE FIXED ASSETS

	Land €	Buildings €	Assets under Construction €	Fixtures & Equipment €	Motor Vehicles €	Total €
<b>Cost or Valuation:</b>						
At 1 January 2015	10,786,500	79,354,822	-	9,208,834	87,200	99,437,356
Additions	-	-	1,550,606	847,127	-	2,397,733
<b>At 31 December 2015</b>	<b>10,786,500</b>	<b>79,354,822</b>	<b>1,550,606</b>	<b>10,055,961</b>	<b>87,200</b>	<b>101,835,089</b>
<b>Depreciation:</b>						
At 1 January 2015	-	16,556,157	-	7,178,010	56,514	23,790,681
Charge for financial year	-	1,539,150	-	556,150	17,440	2,112,740
<b>At 31 December 2015</b>	<b>-</b>	<b>18,095,307</b>	<b>-</b>	<b>7,734,160</b>	<b>73,954</b>	<b>25,903,421</b>
<b>Net Book Value:</b>						
<b>At 31 December 2015</b>	<b>10,786,500</b>	<b>61,259,515</b>	<b>1,550,606</b>	<b>2,321,801</b>	<b>13,246</b>	<b>75,931,668</b>
At 31 December 2014	10,786,500	62,798,665	-	2,030,824	30,686	75,646,675

**In respect of prior financial year:**

	Land €	Buildings €	Fixtures & Equipment €	Motor Vehicles €	Total €
<b>Cost or Valuation:</b>					
At 1 January 2014	10,786,500	79,354,822	8,007,595	87,200	98,236,117
Additions	-	-	1,201,239	-	1,201,239
<b>At 31 December 2014</b>	<b>10,786,500</b>	<b>79,354,822</b>	<b>9,208,834</b>	<b>87,200</b>	<b>99,437,356</b>
<b>Depreciation:</b>					
At 1 January 2014	-	14,953,078	6,558,808	39,074	21,550,960
Charge for financial year	-	1,603,079	619,202	17,440	2,239,721
<b>At 31 December 2014</b>	<b>-</b>	<b>16,556,157</b>	<b>7,178,010</b>	<b>56,514</b>	<b>23,790,681</b>
<b>Net Book Value:</b>					
<b>At 31 December 2014</b>	<b>10,786,500</b>	<b>62,798,665</b>	<b>2,030,824</b>	<b>30,686</b>	<b>75,646,675</b>
At 31 December 2013	10,786,500	64,401,744	1,448,787	48,126	76,685,157

OUR LADY'S HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

<b>12. FINANCIAL ASSETS</b>	<b>2015</b>	<b>2014</b>
	€	€
Listed investments:		
Carrying amount		
At 1 January	4,224,033	2,723,117
Additions	553,930	2,563,172
Disposals	(836,082)	(1,239,210)
At 31 December	3,941,881	4,047,079
Movement in the fair value of listed investments	288,307	176,954
	4,230,188	4,224,033

The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the investments on acquisition was €3,700,903 (2014: €4,093,882).

<b>13. STOCKS</b>	<b>2015</b>	<b>2014</b>
	€	€
Pharmacy	172,777	98,307
Stores	103,675	129,469
	276,452	227,776

There are no material differences between the replacement cost of stock and the balance sheet amounts.

<b>14. DEBTORS: Amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	€	€
HSE	2,576,294	2,602,386
Patient income	1,293,190	1,738,043
Other debtors	409,807	447,532
Prepayments	46,075	23,573
	4,325,366	4,811,534

<b>15. INVESTMENT</b>	<b>2015</b>	<b>2014</b>
	€	€
Short-term deposits held as part of trading portfolio	4,397,648	3,314,963

OUR LADY'S HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

<b>16.</b>	<b><u>CREDITORS: Amounts falling due within one year</u></b>	<b>2015</b>	<b>2014</b>
		€	€
	Bank overdraft	3,202,528	3,085,379
	Trade creditors	756,375	712,232
	Accruals and other creditors	1,958,528	2,802,643
	PAYE/PRSI	964,491	1,398,243
	Capital grants (Note 18)	540,023	595,549
		<u>7,421,945</u>	<u>8,594,041</u>
<b>17.</b>	<b><u>CREDITORS: Amounts falling due after more than one year</u></b>	<b>2015</b>	<b>2014</b>
		€	€
	Capital grants (Note 18)	<u>19,169,798</u>	<u>19,751,795</u>
<b>18.</b>	<b><u>CAPITAL GRANTS</u></b>	<b>2015</b>	<b>2014</b>
		€	€
	<b><u>Health board grants deferred:</u></b>		
	At beginning of financial year	10,449,007	10,929,924
	Amortised in financial year	(377,026)	(480,917)
		<u>10,071,981</u>	<u>10,449,007</u>
	<b><u>Blackrock Hospice grant deferred:</u></b>		
	At beginning of financial year	9,898,337	10,158,820
	Amortised in financial year	(260,497)	(260,483)
		<u>9,637,840</u>	<u>9,898,337</u>
	<b>Analysis</b>		
	Creditors: Amounts falling due within one year	540,023	595,549
	Creditors: Amounts falling due after more than one year	19,169,798	19,751,795
		<u>19,709,821</u>	<u>20,347,344</u>

The Blackrock Hospice grant relates to The Venerable Louis and Zelig Hospice and was granted for the purpose of a Hospice, a centre of palliative care or like facilities and for no other purpose save with the Grantor's written consent.

OUR LADY'S HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

<b>19. CALLED-UP SHARE CAPITAL PRESENTED AS EQUITY</b>	<b>2015</b>	<b>2014</b>
	€	€
<b>Authorised:</b>		
100,000 Ordinary shares of €1 each	100,000	100,000
<b>Allotted, called-up and fully paid equity shares:</b>		
2 Ordinary shares of €1 each	2	2
<b>Presented as follows:</b>		
Called up share capital presented as equity	2	2

The company has one class of ordinary shares which carry no right to fixed income.

The company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares.

Accumulated Funds represents cumulative profits or losses on Healthcare and Development Activities.

**20. CAPITAL COMMITMENTS**

At the balance sheet date the company had capital expenditure amounting to:

	<b>2015</b>	<b>2014</b>
	€	€
Committed not contracted	-	14,000,000
Contracted	12,858,349	363,200
	<b>12,858,349</b>	<b>14,363,200</b>

**21. RECONCILIATION OF OPERATING DEFICIT BEFORE TAXATION TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>2015</b>	<b>2014</b>
	€	€
Operating deficit before taxation	(185,086)	(973,496)
Investment income	(150,902)	(405,523)
Interest payable and similar charges	62,987	67,672
Gain on financial assets at fair value through profit and loss	(288,307)	(176,954)
Depreciation	2,112,740	2,239,721
Amortisation	(637,523)	(741,400)
(Increase)/decrease in stock	(48,676)	16,805
Decrease/(increase) in debtors	486,168	(825,084)
(Decrease)/increase in creditors	(1,233,724)	680,592
<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>117,677</b>	<b>(117,667)</b>

**22. FINANCIAL INSTRUMENTS**

The carrying values of the company's financial assets and liabilities are summarised by category below:

	2015 €	2014 €
<b><u>Financial assets</u></b>		
Measured at fair value through profit or loss		
• Financial asset listed investments (Note 12)	4,230,188	4,224,033
Measured at undiscounted amount receivable		
• Trade and other debtors (Note 14)	4,279,291	4,787,961
• Investment (Note 15)	4,397,648	3,314,963
	<u>12,907,127</u>	<u>12,326,957</u>
<b><u>Financial liabilities</u></b>		
Measured at undiscounted amount payable		
• Bank overdraft (Note 16)	3,202,528	3,085,374
• Trade and other creditors (Note 16)	2,714,903	3,514,875
	<u>5,917,431</u>	<u>6,600,249</u>

The company's income, gains and losses in respect of financial instruments are summarised as follows:

	2015 €	2014 €
<b><u>Fair value gains and losses</u></b>		
On financial assets (including listed investments) measured as fair value through Statement of Comprehensive Income	288,307	176,954

There were no derivative financial instruments outstanding at 31 December 2015 or 31 December 2014.

23. **CREDIT, MARKET AND LIQUIDITY RISKS**

**Credit risk**

The company manages its financial assets and liabilities to ensure it will continue as a going concern. The principal financial assets of the company are bank and cash balances, investments, and trade and other receivables, which represent the maximum exposure to credit risk in relation to financial assets. The principal financial liabilities of the company are bank overdraft and trade and other payables.

The credit risk within the company is primarily attributable to its trade receivables, cash at bank and investments. The amounts presented in the statement of financial position are net of provisions for impaired receivables, estimated by management, based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is mitigated by the spreading of deposits over a number of financial institutions.

The credit risk on investments arising is managed by a reputable external investment manager whose investment policy is to invest over a broad range of equity securities of high quality. The risk is monitored by regular reporting by the investment manager to the company.

The exposure from trade and other receivables arises primarily from amounts due from health insurance companies.

**Market risk**

**(i) Interest rate risk**

The company uses the bank overdraft for short-term borrowings.

As part of its risk management process, the company identified the risk of exposure on the bank overdraft to interest becoming unaffordable due to rate increases during the term of the bank overdraft facility.

**(ii) Foreign currency exchange rate risk**

Some portion of the company's investments is denominated in pounds sterling or US dollars. The company's functional currency is euro. The company has no material exposure to foreign currencies. The policy is to maintain no significant foreign currency exposure by the investment manager.

**(iii) Price risk**

The company is exposed to equity securities price risk. To manage its price risk arising from investments in equity securities, the company diversifies its portfolio.

23. CREDIT, MARKET AND LIQUIDITY RISKS (CONTINUED)

Market risk (Continued)

(iv) Cash flow and Liquidity risk

The bank overdraft liquidity risk is managed by regular reviews of cash flow forecasts and regular monitoring of cash balances and short-term liquidity trends.

24. PENSION COMMITMENTS

The financial statements do not include pension liabilities and assets of those staff who are members of the Voluntary Hospitals Superannuation Scheme (VHSS), as required by Financial Reporting Standard 102 "Employee Benefits" (FRS102). The majority of staff are members of the VHSS, which the directors believe is a scheme underwritten by the Minister for Health.

The directors of the company believe that the funds required to pay current pension liabilities, under the VHSS, as they arise into the future, will be provided by the Department of Health. The directors have arrived at this opinion having taken account of precedent set on the closure of certain other Healthcare facilities in recent years where pension payments (including retirement lump sum payments) have been honoured by the Department of Health. Therefore, they believe that it is not necessary for the financial statements of the company to make provision against the net assets at the balance sheet date in respect of pension entitlements accrued to that date by employees of the company, nor the other disclosure requirements of FRS 102.

The above issue is similar to that applying in the majority of other publicly funded Healthcare facilities. Confirmation that the liability is underwritten by the Minister for Health has been sought and is awaited from the Minister.

The VHSS closed to new members with effect from 31 December 2012. With effect from 1 January 2013 a new scheme – the Single Public Service Pension Scheme (SPSPS) commenced. Pension contributions under this scheme are remitted to the Department of Public Expenditure and Reform. The scheme has been accounted for as a defined contribution scheme. Contributions remitted in 2015 in respect of the SPSPS amounted to €102,300.

25. TRANSITION TO FRS 102

This is the first year the company has presented its financial statements under Financial Reporting Standards 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous Irish GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have been changed to comply with that standard. None of these changes have resulted in an adjustment to equity reported under previous Irish GAAP at 31 December 2014 or 1 January 2014 and there was no effect on deficits previously reported for the year ended 31 December 2014.