

Our Lady's Hospice & Care Services

Reports and Financial Statements
for the financial year ended
31 December 2017

OUR LADY'S HOSPICE & CARE SERVICES

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Sean Benton (Chairman)
Dr. Brendan Clune
Kay Connolly
Sean Dorgan
Mary Rose Gearty
Helen Nolan
Dr. Terry McWade
Brian Murray
Eugene Murray
Carole Pollard
David Strahan
Stephen Walsh

CHIEF EXECUTIVE OFFICER

Audrey Houlihan

CHARITY REGISTRATION NUMBER

20001827

CHARITY TAX NUMBER

CHY1144

COMPANY REGISTRATION NUMBER

352404

COMPANY SECRETARY

Helen Nolan

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 & CARE SERVICES

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

Our Lady's Hospice & Care Services (OLH&CS) 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 (HSE) 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 specialist Palliative Care to people with advanced life-threatening illness, end of life care and symptom management in inpatient, outpatient and community setting.

Community Reablement Unit, CRU

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

Care of Older Persons in Anna Gaynor House

Care of Older Persons and Extended Care Services are provided at Anna Gaynor House which is a purpose-built residential unit for those with supportive palliative care needs or high dependent long term care.

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. In addition, significant research activity takes place onsite.

Fundraising & Communications

The company's achievements in specialist person centred care are built upon the generous donations and fundraising of thousands of individuals, groups and companies across a number of campaigns and events every year. Thanks to their compassion, commitment and generosity, along with the funding supplements received from the HSE, the organisation is able to continue to develop the infrastructure and facilities and provide high quality care on a consistent basis. Over the last five years, over €25.5 million of publically fundraised income has been used to support the organisation at a time of funding cuts. Our Communications programme continues to raise our profile nationally, strategically supports our fundraising activities and celebrates the stories of the patients, residents and families with whom we work.

RESULTS FOR THE FINANCIAL YEAR

The directors are satisfied with the results for the financial year. Our Lady's Hospice & Care Services recorded an overall surplus of €1,216,167 in the year to 31st December 2017, compared to a deficit of €455,801 in the previous year. This surplus is largely attributable to a once-off HSE capital grant of €980,142. Fundraising income also increased year on year by €0.3m while fundraising costs reduced by €0.2m. The Statement of Financial Assets highlights the results between restricted and unrestricted activities. Restricted activities relate to all HSE funded healthcare activities along with restricted income and expenditure from the public in line with donor wishes.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

RESULTS FOR THE FINANCIAL YEAR (CONTINUED)

Fundraising activities generated income of €5.6m of which €1.9m was paid in respect of pay and non-pay expenditure for healthcare activities in order to maintain the same level of care and services to patients as previous years. The majority of the remainder of monies raised were used to fund the New Palliative Care Unit. During the year €4.3m (2016: €7.7m) was paid in relation to the construction of the New Palliative Care Unit which includes expenditure of the once-off grant of €1m that was received from the HSE towards fit-out costs. The cash inflow from operating activities for the financial year was €3.2m.

The company had €4.2m of cash on deposit at the financial year end of which €2m relates to an offset account for the bank overdraft and €26k related to investment cash. These cash balances together with the investment portfolio of €0.4m are available 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 company had an overdraft on its HSE funded healthcare activities at 31 December 2017 of €3m.

Funds held by the company at year-end are represented as follows:

	Total 2017 €
Restricted capital funds – HSE related	19,830,538
Restricted capital funds - Donor related	1,574,095
Restricted funds – HSE related	(1,632,920)
Restricted funds – Donor related	33,771
Unrestricted funds – OLH&CS	28,802,572
Total funds at end of financial year	48,608,056

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 is focused on building on our previous strategy and reputation, through strong clinical and corporate governance and working in collaboration with our partners. During 2017 the directors, management and staff continued to work towards achievement of the objectives set out in the plan. The Strategic Plan for the years 2017 to 2022 was largely developed during 2017. Workshops were attended by Senior Management and the Directors. Workshops were also held with staff groups to obtain their input and consultation with HSE and Clinical Care Programme leads occurred. Through this consultative approach an implementation plan will be developed to identify actions in order to accomplish strategic objectives and goals. The finalised plan was launched in April 2018.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

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. Arising from this review it was agreed to prioritise the development of a new Palliative Care Unit and associated outpatient and community services.

The new Palliative Care Unit comprises of 36 beds and provides single room accommodation for all patients. In November 2016, 24 rooms in the new Palliative Care Unit were completed and the first patients were transferred. During 2017, further progress was made on construction work of the new Palliative Care Unit and of the surrounding grounds and communal areas. The remaining 12 rooms were largely completed by year-end with patients transferring in February 2018.

This is Phase One of the Master Development Plan which is designed to maximize the use of space at the campus and enhance the quality and efficiency of care provided to patients. The development and payments to date have been funded from fundraised reserves along with €1m from the HSE fit-out grant.

The company has an ambitious Master Development Plan. 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 improvement of the quality of care services provided by the company.

Care Services

The directors have committed to continue to provide funding in order to maintain service levels at our care facilities and to develop 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 on-going 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors are responsible for the management of the business of the company and for exercising their powers in pursuit of the charitable objects of the company. 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.

Our Lady's Hospice & Care Services must maintain various standards of compliance including with the HSE's Service Level Agreement, the Companies Acts, Director's Compliance Statement and the Charities Regulatory Authority. Following this, there is a significant emphasis placed on strong healthcare, corporate and financial governance, compliance, legislation, regulation, inspection, and internal and external audit functions to ensure accountability and transparency.

The Board is responsible for providing leadership, setting strategy and ensuring control. There are currently 12 non-executive directors whom are drawn from diverse backgrounds and bring their expertise and decision-making skills to the Board deliberations.

The company has a comprehensive process for reporting management information to the Board. The Board is provided with regular information for all aspects of the organisation.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

To support their governance activities the Board has established a number of Committees, who report directly to the Board. Each Committee has its own terms of reference. The Committees of the Board are the Mission Committee, the Education and Research Committee, the Audit Committee, the Clinical Governance Committee, the Fundraising and Development Committee and the Nominations Committee. The purpose of each Committee is set out below:

- The Mission Committee
 - To promote the Mission and Vision of OLH&CS to ensure it is translated into every aspect of the daily running of the organisation
 - To ensure that the core values of OLH&CS of Human Dignity; Compassion; Justice; Quality; and, Advocacy continue to shape and guide the decisions and direction of the organisation
 - To monitor and evaluate the implementation of measures to ensure Mission is understood and adapted in accordance with changing circumstances
 - To welcome, recognise, appreciate and embrace the contribution made by people of all faiths, traditions and backgrounds, as well as providing for those beliefs and traditions
- Education and Research Committee
 - To develop policy and strategy in relation to Education, Research and Training
 - To identify opportunities for accessing resources
 - To oversee the implementation of programmes
 - To develop and manage sub committees of the E&RC Committee for the purpose of approval and funding of research initiatives and/or other specific purposes
 - To report to the Board of Directors of OLH&CS
 - To maintain and review membership of the committee and propose new members to Board for approval
- Audit Committee
 - To provide independent, objective and timely advice to the Board on the financial reporting process and the judgements associated therewith to ensure the balance, transparency and integrity of the business
 - To oversee and advise on Corporate Risks across the company
- Clinical Governance Committee
 - To ensure an effective system of integrated governance, high quality improvement initiatives, and clinical risk management across all the activities that support the company's objectives
- Fundraising & Development Committee
 - To provide strategic direction and lead on the implementation of the company's ambitious plans to transform hospice palliative care for another generation of patients and deliver upon our vision
- Nominations Committee
 - Succession for both executive and non-executive directors and in particular for the key role of chief executive
 - Suitable candidates for the role of Board Sub-Committee members
 - The re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required
 - The retirement age of Directors and its application

MANAGEMENT

The senior management team is made up of our CEO - Audrey Houlihan, Interim Head of Finance - Simon Costello, Director of Nursing, Quality & Clinical Services - Mary Flanagan, Medical Director - Dr. Joan Cunningham, Interim Head of Non Clinical Services - Tommy Beatty, Director of Education & Research - Patricia Hallahan, Head of HR - Mary Kirwan and Director of Fundraising and Communications - Eleanor Flew.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

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 without 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, in conjunction with the senior management team, follow a process to manage 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:

- **Clinical risks to patients under our care, either as inpatients or in their usual home environment:** These risks are mitigated by the use of appropriately qualified and trained clinical staff, working within safe systems of care, having appropriate equipment which reduces risk, such as automated equipment to prevent human error, having appropriate policies and procedures in place and our incident reporting system which includes reporting near misses so that future incidents can be prevented. We have adequate cover in place for public and clinician liability under State Claims agency and Clinical Indemnity schemes.
- **Failure to comply with Statutory/ Regulatory Requirements:** 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 and regulations impacting on its operations.
- **Financial dependency on the HSE:** 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. It is company policy to mitigate this risk by developing ongoing relationships with the HSE and agreeing annually our Service Level Agreement.
- **Lack of funding for future development of the campus:** 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.
- **Fundraising and Reputational Risk:** The above development funding risk is linked to a general fundraising risk of potential lower donations or bequests which would impact on our ability to both carry out these developments and also to maintain the same levels of quality and service.
- **General Data Protection Regulation(GDPR):** Our Lady's Hospice & Care Services have been implementing the GDPR since 2016 and an action plan to address the gap analysis was in place on 25th May 2018. An update report will be submitted to the Board for review in due course.
- **Insufficient funds to meet pension payments:** 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. There have been no retirements to date from the Single Public Service Pension Scheme (SPSPS).

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 26 to the financial statements.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

RESEARCH AND DEVELOPMENT

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

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 cash flow constraints.

POST BALANCE SHEET EVENTS

In March 2018 a Memorandum of Understanding (MOU) was signed between Our Lady's Hospice & Care Services and Wicklow Hospice Foundation. A new 15 bed hospice is due to be built in Co. Wicklow with an opening date of late 2019. The MOU details the future involvement of Our Lady's Hospice & Care Services in this new hospice, most notably around the operation of it once it is up and running. Once the new hospice is built by the Wicklow Hospice Foundation, revenue funding will be provided by the HSE, similar to its funding of Our Lady's Hospice & Care Services.

There have been no other 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
Kay Connolly (appointed on 30/06/2017)
Dr. Joan Cunningham (resigned on 25/09/2017)
Sean Dorgan (appointed on 16/06/2017)
Mary Rose Gearty
Teresa Harrington (resigned on 19/06/2017)
Sr. Angela Kelly (resigned on 26/03/2018)
Michael Lyons (resigned on 19/06/2017)
Geraldine McSweeney (resigned on 19/06/2017)
Dr. Terry McWade (appointed on 24/07/2017)
Brian Murray
Eugene Murray (appointed on 26/10/2017)
Helen Nolan (appointed on 20/06/2017)
Carole Pollard (appointed on 01/01/2018)
David Strahan
Stephen Walsh

Secretary:

Teresa Harrington (resigned on 19/06/2017)
Helen Nolan (appointed on 19/06/2017)

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.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND SECRETARY (CONTINUED)

In 2013, an amendment was made to the Memorandum and Articles of Association, which stipulates a term of six years for board members, unless they are requested to serve an additional term. Each director's term of office was deemed to commence from 2013 in order to have an ordered change in directors over a period of time so as not to lose continuity and expertise. Since that time, the composition of the board has continued to be refreshed and renewed.

It has been agreed that on appointment, Directors will receive briefing and comprehensive documents designed to familiarise them with the Company's operations, management and governance.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The directors and secretary of the company who held office at 31 December 2017, 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 (2016: €Nil).

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.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' COMPLIANCE POLICY STATEMENT

The directors acknowledge that they are responsible for securing compliance by the company with its relevant obligations as outlined in the Companies Act 2014 (the 2014 Act).

The directors confirm:

(a) that a compliance policy statement, setting out the company's policies that, in the directors' opinion, are appropriate to the company regarding compliance by the company with its relevant obligations (within the meaning of the 2014 Act) has been drawn up;

(b) appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the company's relevant obligations have been put in place; and

(c) a review of those arrangements and structures has been conducted during the financial year.

The arrangements and structures include reliance on the assistance and advice of persons employed by the company and by external legal, compliance and tax advisors that the directors consider to have the requisite knowledge and experience to advise on the company's compliance with its relevant obligations.

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

Helen Nolan
Director

28 May 2018

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' RESPONSIBILITIES STATEMENT

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 auditor's report to the members of Our Lady's Hospice & Care Services

Report on the audit of the financial statements

Opinion on the financial statements of Our Lady's Hospice & Care Services (the 'company')

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 2017 and of the net income 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.

The financial statements we have audited comprise:

- the Statement of Financial Activities;
- the Balance Sheet;
- the Statement of Cash Flows; and
- the related notes 1 to 30, including a summary of significant accounting policies as set out in note 1.

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" ("the relevant financial reporting framework"). The relevant financial reporting framework that has been applied in the preparation of the parent company financial statements is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements for the financial year ended 31 December 2017, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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Independent auditor's report to the members of Our Lady's Hospice & Care Services

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.

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Independent auditor's report to the members of Our Lady's Hospice & Care Services

Auditor's responsibilities for the audit of the financial statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- 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 and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.

Margarita Martin
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

30 May 2018

OUR LADY'S HOSPICE & CARE SERVICES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted € 2017	Restricted € 2017	Total € 2017	Unrestricted € 2016	Restricted € 2016	Total € 2016
<u>INCOME FROM</u>							
Donations and legacies	3	4,455,214	1,057,645	5,512,859	4,886,621	335,474	5,222,095
Charitable activities	4	430,323	38,367,837	38,798,160	433,456	36,780,827	37,214,283
Investment income	5	84,688	-	84,688	531,920	-	531,920
Other trading activities	6	580,531	-	580,531	603,841	-	603,841
TOTAL INCOME		5,550,756	39,425,482	44,976,238	6,455,838	37,116,301	43,572,139
<u>EXPENDITURE ON</u>							
Raising funds	7	(1,953,241)	(283,582)	(2,236,823)	(1,909,469)	(538,795)	(2,448,264)
Charitable activities	8	(4,151,074)	(37,349,333)	(41,500,407)	(4,264,103)	(36,926,827)	(41,190,930)
TOTAL EXPENDITURE		(6,104,315)	(37,632,915)	(43,737,230)	(6,173,572)	(37,465,622)	(43,639,194)
Net income/ (expenditure) before other recognised loss		(553,559)	1,792,567	1,239,008	282,266	(349,321)	(67,055)
Loss on financial assets at fair value	10	(22,842)	-	(22,842)	(388,746)	-	(388,746)
Net Income/(Expenditure) before taxation	10	(576,401)	1,792,567	1,216,166	(106,480)	(349,321)	(455,801)
Taxation	12	-	-	-	-	-	-
Net Income/(Expenditure)		(576,401)	1,792,567	1,216,166	(106,480)	(349,321)	(455,801)
Transfer between funds	13	(498,903)	498,903	-	-	-	-
Total funds at beginning of financial year		29,877,876	17,514,014	47,391,890	29,984,356	17,863,335	47,847,691
Total funds at end of financial year		28,802,572	19,805,484	48,608,056	29,877,876	17,514,014	47,391,890

There were no recognised gains or losses other than those listed above and the net movement in funds for the financial year. All income and expenditure derives from continuing activities.

OUR LADY'S HOSPICE & CARE SERVICES

BALANCE SHEET AS AT 31 DECEMBER 2017

	<i>Notes</i>	2017 €	2016 €
Fixed Assets			
Tangible Assets	15	83,942,899	81,629,543
Financial Assets	16	368,710	729,479
		84,311,609	82,359,022
Current Assets			
Stocks	17	356,030	346,822
Debtors: Amounts falling due within one year	18	5,939,303	6,027,671
Investment	19	26,188	1,113,356
Cash at bank and on hand	20	4,194,137	3,804,041
		10,515,658	11,291,890
Creditors: Amounts falling due within one year	21	(7,580,423)	(7,620,234)
Net Current Assets		2,935,235	3,671,656
NET ASSETS		87,246,844	86,030,678
Capital and Charity Funds			
Called up share capital	22	2	2
Share premium	22	38,638,786	38,638,786
Restricted capital funds	29	21,404,633	19,175,817
Restricted funds	29	(1,599,149)	(1,661,803)
Unrestricted funds	29	28,802,572	29,877,876
CHARITY FUNDS		87,246,844	86,030,678

The financial statements were approved and authorised for issue by the Board of directors on 28 May 2018 and signed on its behalf by:

Sean Benton
Director

Helen Nolan
Director

OUR LADY'S HOSPICE & CARE SERVICES

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	<i>Notes</i>	2017 €	2016 €
Net cash flows from operating activities	24	3,221,371	300,891
Cash flows from investing activities		<u> </u>	<u> </u>
Interest and similar income received		1,329	37,128
Interest paid		(85,076)	(36,894)
Payments to acquire tangible fixed assets		(4,523,305)	(8,073,948)
Payments to acquire financial assets		(13,982)	(584,255)
Capital grants received		980,142	-
Proceeds on disposal of financial assets		435,268	4,191,010
Receipts from investment		1,087,168	3,284,292
Net cash outflows from investing activities		(2,118,456)	(1,182,667)
Net increase/(decrease) in cash and cash equivalents		1,102,915	(881,776)
Cash and cash equivalents at beginning of financial year		122,775	1,004,551
Cash and cash equivalents at end of financial year		1,225,690	122,775
Reconciliation to cash and cash equivalents			
Cash at bank and in hand		4,194,137	3,804,041
Bank overdraft		(2,968,447)	(3,681,266)
		1,225,690	122,775

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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.

General Information and Basis of Financial Statements Presentation

Our Lady's Hospice & Care Services is a company incorporated in Ireland under the Companies Act 2014. The company number is 352404 and 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 10.

In accordance with Section 1180(8) of the Companies Act, 2014, the company is exempt from including the word "Limited" in its name. The company is a designated activity company limited by shares (DAC) under Part 16 of the Companies Act 2014.

The company has adopted and reported its performance in accordance with the format provided for in the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" as published by the Charity Commission for England and Wales.

The Charity Commission for England and Wales, is recognised by the UK accounting Standards Board (ASB) as the appropriate body to issue SORP's for the charity sector in the UK, and the SORP has heretofore been recognised as best practice for financial reporting by Charities in Ireland.

The financial statements have been prepared in accordance with the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Statement of Recommended Practice (SORP 2015) "Accounting and Reporting by Charities" in accordance with the Financial Reporting Standard applicable in the UK (which has been recognised as best practice for financial reporting by charities in Ireland) and Republic of Ireland (FRS 102) issued by the Financial Reporting Council and the Companies Act 2014.

The financial statements are presented in euro.

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 2018. The HSE has indicated that funding will be available during 2018 at a level similar to that of 2017.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (CONTINUED)

Going Concern (Continued)

Cost and funding pressures remain as a result of the significant and continuing reductions in HSE baseline funding during the years 2008 to 2015 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 2018. 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 €7,000 are expensed, and less than €2,000 for computer equipment.

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.

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
Computer equipment	33%	straight line

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

1. ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets and Depreciation (continued)

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 Financial Activities.

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 Financial Activities 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.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (CONTINUED)

Income – Donations and legacies, charitable activities (HSE and other grants), investment and other trading activities

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.

- (i) Income from voluntary donations is recognised when received. As with many similar charitable organisations, independent groups from time to time organise fundraising activities and may operate bank accounts in the name of Our Lady's Hospice & Care Services. However, as amounts collected in this way are outside the control of the company, they are not included in the financial statements until received by Our Lady's Hospice & Care Services.
- (ii) Proceeds from the sale of donated goods are recognised in the financial statements in the period in which they are realised. Volunteer time is not included in the financial statements.
- (iii) Grants from the HSE, government and other agencies have been included as income from activities in furtherance of the charity's objects and accounted for on a receivable basis. Revenue grants received and receivable from the HSE are accounted for on the basis of the allocated amount notified by the HSE for that financial year. Capital grants received are recognised as income in the financial year and the depreciation on the related capital asset is charged against the restricted capital fund.
- (iv) Legacies are included when the amount to be received is probable and can be measured with certainty.
- (v) Investment income is recognised on a receivable basis.
- (vi) Patient income comprises income from patients directly and from Private Health Insurers (PHIs) and is recognised on a receivable basis.
- (vii) Other trading activities income comprises income from canteen, shop, coffee shop, rental and educational income is recognised on a receivable basis.

Pensions

Eligible employees were entitled to join the Voluntary Hospitals Superannuation Scheme (VHSS) operated by the HSE up to 31 December 2012 with some exceptions. 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 Statement of Financial Activities when paid. Pension contributions from current employees who are members of the VHSS are credited to the Statement of Financial Activities when receivable.

No provision has been made in respect of the accrued benefits payable to current or former employees (See note 27).

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. SPSPS applies to all employees who are joining the public sector as new entrants after January 2013. In line with the guidance of this scheme, all employee contributions are paid over to the state pension account and not included in the Statement of Financial Activities. The Department of Public Expenditure and Reform ('DPER') is responsible for the SPSPS and under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 44(1) (b), payments arising under this Single Scheme to retiring employees shall be paid from funds provided by the Oireachtas for that purpose.

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 Financial Activities.

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure

Charitable activities comprise expenditure incurred by the activities in the Harold's Cross and Blackrock Hospices as well as support costs incurred at headquarters that are directly related to the implementation of charities activities. Expenditure is recognised in the period to which it relates. Expenditure incurred but unpaid at the balance sheet date is included in accruals and other creditors. Expenditure on raising funds comprise all expenditure incurred by Our Lady's Hospice & Care Services on raising funds for the company's charitable activities.

Support costs are those functions that assist the work of the company but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the company's healthcare activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

Funds Accounting

Funds held by the charity are classified as unrestricted and restricted. Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the Directors. Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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.

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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 have been reclassified on the same basis as the current financial 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 the Charities SORP (FRS102). See note 27 for further details.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the 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 and residual value

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 amortisation rate for capital grants is also reviewed in conjunction with the asset lives review and these are adjusted if appropriate.

(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. DONATIONS AND LEGACIES

	Unrestricted €	Restricted €	2017 Total €	2016 Total €
Legacy and bequest income	1,487,838	389,534	1,877,372	2,165,236
Donations	2,967,376	668,111	3,635,487	3,056,859
	<u>4,455,214</u>	<u>1,057,645</u>	<u>5,512,859</u>	<u>5,222,095</u>

4. CHARITABLE ACTIVITIES

	Unrestricted €	Restricted €	2017 Total €	2016 Total €
HSE respite bed income	-	76,500	76,500	-
HSE capital grant	-	980,142	980,142	-
HSE grants for patient care	-	26,265,006	26,265,006	25,265,346
HSE Fair Deal income	-	3,388,511	3,388,511	3,156,777
Patient income	-	5,855,615	5,855,615	6,397,072
Conferences, seminars, research income	430,323	-	430,323	450,456
Superannuation income	-	868,557	868,557	932,309
Pension levy income	-	933,506	933,506	1,012,323
	<u>430,323</u>	<u>38,367,837</u>	<u>38,798,160</u>	<u>37,214,283</u>

OUR LADY'S HOSPICE & CARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

5. INVESTMENT INCOME – UNRESTRICTED	2017	2016
	€	€
Income from financial assets	687	28,597
Interest received	642	8,531
	1,329	37,128
Profit on sale of investments	83,359	494,792
Total investment income	84,688	531,920

6. OTHER TRADING ACTIVITIES	Unrestricted	Restricted	2017	2016
	€	€	Total	Total
			€	€
Other trading income	580,531	-	580,531	603,841
	580,531	-	580,531	603,841

7. EXPENDITURE ON RAISING FUNDS	Direct	Support	2017	2016
	Costs	Costs	Total	Total
	€	€	€	€
Salaries and other fundraising costs	1,343,311	1,106	1,344,417	1,579,195
Bank interest and charges	42,349	-	42,349	19,688
Fundraising costs	1,385,660	1,106	1,386,766	1,598,883
Expenses from other trading activities	840,541	-	840,541	821,908
Investment management fees	9,516	-	9,516	27,473
	2,235,717	1,106	2,236,823	2,448,264
	Unrestricted	Restricted	2017	2016
	Costs	Costs	Total	Total
	€	€	€	€
Fundraising costs	1,363,194	23,572	1,386,766	1,598,883
Expenses from other trading activities	580,531	260,010	840,541	821,908
Investment management fees	9,516	-	9,516	27,473
	1,953,241	283,582	2,236,823	2,448,264

OUR LADY'S HOSPICE & CARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs €	Support Costs €	2017 Total €	2016 Total €
Palliative care	15,342,133	753,287	16,095,420	15,404,151
Community reablement unit	2,091,920	103,221	2,195,141	2,530,091
Care of older people in Anna Gaynor House	16,179,536	757,255	16,936,791	16,588,111
Rheumatic & Musculoskeletal disease unit	5,190,112	236,595	5,426,707	5,834,340
	38,803,701	1,850,358	40,654,059	40,356,693
Bank interest and charges	42,728	-	42,728	17,207
Patient care and services	38,846,429	1,850,358	40,696,787	40,373,900
Education and training	803,620	-	803,620	817,030
	39,650,049	1,850,358	41,500,407	41,190,930
	Unrestricted Costs €	Restricted Costs €	2017 Total €	2016 Total €
Patient care and services	3,347,454	37,349,333	40,696,787	40,373,900
Education and training	803,620	-	803,620	817,030
	4,151,074	37,349,333	41,500,407	41,190,930

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

2017	Charitable Activities		Charitable Raising Funds		Basis of Apportionment
	General Support	Governance Function	Activities Total	Governance Function	
	€	€	€	€	
Payroll costs	1,493,513	-	1,493,513	-	Direct labour costs
General support costs	249,755	-	249,755	-	Direct labour costs & beds
Audit, legal compliance and regulatory costs	-	107,090	107,090	1,106	Beds
	<u>1,743,268</u>	<u>107,090</u>	<u>1,850,358</u>	<u>1,106</u>	
2016					
Payroll costs	1,586,384	-	1,586,384	-	Direct labour costs
General support costs	156,946	-	156,946	-	Direct labour costs & beds
Audit, legal compliance and regulatory costs	-	210,013	210,013	18,696	Beds
	<u>1,743,330</u>	<u>210,013</u>	<u>1,953,343</u>	<u>18,696</u>	

10. NET INCOME/(EXPENDITURE) BEFORE TAXATION

	2017 €	2016 €
The net income/(expenditure) before taxation for the financial year has been arrived at after charging/(crediting):		
Depreciation	2,209,949	2,376,073
Directors' remuneration	-	-
Auditors' remuneration	14,500	19,500
Cost of stock recognised as expense	619,051	671,264
Gain on sale of investments	(83,359)	(494,792)
Loss on fair value movement of financial assets (Note 16)	22,842	388,746
(a) Auditors' remuneration disclosures (net of VAT and outlays):		
Audit	14,535	14,000
Other non-audit	-	5,500

(b) Medical worker directors

No salaries or fees are payable to the directors of the company for their services as directors.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11. INTEREST PAYABLE AND SIMILAR CHARGES	2017	2016
	€	€
On bank overdrafts	85,076	36,894

12. TAXATION

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

13. TRANSFER BETWEEN FUNDS

€398,832 of funds were transferred from unrestricted funds to restricted capital funds in 2017 in order to replenish the restricted capital funds for expenditure previously charged to the restricted capital fund.

€100,071 of funds were transferred from unrestricted funds to restricted funds in 2017 in order to replenish the restricted funds for expenditure yet to be charged to the restricted fund.

€127,522 of funds were transferred from 2016 restricted fund balances to restricted capital funds in 2017.

14. STAFF NUMBERS AND COSTS

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

	2017	2016
	No.	No.
Management and staff (whole time equivalents)	536	533

The aggregate payroll costs of these persons were as follows:

	2017	2016
	€	€
Wages and salaries	28,226,291	27,791,662
Social welfare costs	2,716,958	2,618,297
Superannuation	2,407,847	2,135,586
Pension costs	39,982	43,142
	33,391,078	32,588,687

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

14. STAFF NUMBERS AND COSTS (CONTINUED)

Key management compensation

The total remuneration for key management personnel for the financial year amounted to €830,670 (2016: €831,536), and this includes gross salary, ER PRSI and pension contribution. This reflects both healthcare and fundraising activities. It differs from the 2016 financial statements with the inclusion of the Medical Director and the Director of Fundraising and Communications. The gross pay of the CEO for the year was €112,929.

Total salary and wages

The number of employees, including medical staff, whose emoluments, excluding pension contributions, were in excess of €60,000:

	2017	2016 No.
€60,000 - €69,999	51	44
€70,000 - €79,999	10	8
€80,000 - €89,999	5	3
€90,000 - €99,999	-	-
€100,000 - €109,999	-	-
€110,000 - €119,999	1	2
€120,000 - €129,999	1	-
€130,000 - €139,999	1	1
€140,000 - €149,999	-	-
€150,000 - €159,999	-	-
€160,000 - €169,999	1	1
€170,000 - €179,999	-	1
€180,000 - €189,999	1	2
€190,000 - €199,999	1	-
€200,000 - €209,999	1	-

All pay is aligned with the Department of Health Consolidated Pay Scales. During 2017 there were further pay increases in line with national pay agreements as reflected in the salary and wages bands above.

15. TANGIBLE FIXED ASSETS

	Land	Buildings	Fixtures & Assets under Construction	Motor Equipment & Computer Equipment	Vehicles	Total
	€	€	€	€	€	€
Cost or Valuation:						
At 1 January 2017	10,786,500	79,354,822	9,278,850	10,364,387	124,478	109,909,037
Additions	-	-	4,301,989	205,615	15,701	4,523,305
At 31 December 2017	10,786,500	79,354,822	13,580,839	10,570,002	140,179	114,432,342
Depreciation:						
At 1 January 2017	-	19,682,404	-	8,509,057	88,033	28,279,494
Charge for financial year	-	1,587,095	-	605,634	17,220	2,209,949
At 31 December 2017	-	21,269,499	-	9,114,691	105,253	30,489,443
Net Book Value:						
At 31 December 2017	10,786,500	58,085,323	13,580,839	1,455,311	34,926	83,942,899
At 31 December 2016	10,786,500	59,672,418	9,278,850	1,855,330	36,445	81,629,543

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. FINANCIAL ASSETS	2017	2016
	€	€
Listed investments:		
Carrying amount		
At 1 January	729,479	4,230,188
Additions	13,982	584,255
Disposals	(351,909)	(3,696,218)
At 31 December	391,552	1,118,225
Movement in the fair value of listed investments	(22,842)	(388,746)
	368,710	729,479

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 €257,602 (2016: €595,396).

17. STOCKS	2017	2016
	€	€
Pharmacy	98,322	79,219
Stores	257,708	267,603
	356,030	346,822

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

18. DEBTORS: Amounts falling due within one year	2017	2016
	€	€
HSE	3,272,786	2,768,090
Patient income	1,954,718	1,825,055
Other debtors and prepayments	711,799	1,434,526
	5,939,303	6,027,671

Included in Other debtors is a balance of €309,713 (2016: €988,691) relating to legacy income due.

19. INVESTMENT	2017	2016
	€	€
Short-term deposits held as part of trading portfolio	26,188	1,113,356

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

20. CASH AT BANK AND ON HAND	2017 €	2016 €
Funds held on behalf of patients (patient private property account) (Note 21)	131,954	117,854
Funds held on behalf of Support your local hospice (Note 21)	17,120	-
Deposit overdraft offset in favour of Bank of Ireland	2,000,000	2,000,000
Company funds	2,045,063	1,686,187
Total	<u>4,194,137</u>	<u>3,804,041</u>

21. CREDITORS: Amounts falling due within one year	2017 €	2016 €
Bank overdraft	2,968,447	3,681,266
Trade creditors	986,179	684,334
Accruals and other creditors	2,798,576	2,211,541
PAYE/PRSI	678,147	925,239
Funds held on behalf of third parties (Note 20)	149,074	117,854
	<u>7,580,423</u>	<u>7,620,234</u>

Bank security

There is a lien in favour of Bank of Ireland on the overdraft to the value of €2m.

22. CALLED-UP SHARE CAPITAL PRESENTED AS EQUITY	2017 €	2016 €
Authorised:		
100,000 Ordinary shares of €1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called-up and fully paid equity shares:		
2 Ordinary shares of €1 each	<u>2</u>	<u>2</u>
Presented as follows:		
Called up share capital presented as equity	<u>2</u>	<u>2</u>

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

The share premium reserve of €38,638,786 contains the premium arising on issue of equity shares on incorporation.

23. CAPITAL COMMITMENTS

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

	2017 €	2016 €
Committed not contracted	187,730	1,300,530
Contracted	479,705	4,080,025
	<u>667,435</u>	<u>5,380,555</u>

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH GENERATED BY OPERATIONS

	2017 €	2016 €
Net income/(expenditure) before taxation	1,216,166	(455,801)
Adjustment for:		
Investment income	(84,688)	(531,920)
Interest payable and similar charges	85,076	36,894
Loss on financial assets at fair value	22,842	388,746
Depreciation	2,209,949	2,376,073
Capital grants recognised in the Statement of Financial Activities	(980,142)	-
Operating cash flow before movement in working capital	<u>2,469,203</u>	<u>1,813,992</u>
Increase in stock	(9,208)	(70,370)
Decrease/(increase) in debtors	88,368	(1,702,305)
Increase in creditors	673,008	259,574
CASH GENERATED BY OPERATING ACTIVITIES	<u><u>3,221,371</u></u>	<u><u>300,891</u></u>

25. FINANCIAL INSTRUMENTS

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

	2017 €	2016 €
Financial assets		
Measured at fair value through profit or loss		
• Financial asset listed investments (Note 16)	368,710	729,479
Measured at undiscounted amount receivable		
• Trade and other debtors (Note 18)	5,790,107	5,873,025
• Investment (Note 19)	26,188	1,113,356
	<u><u>6,184,905</u></u>	<u><u>7,715,860</u></u>
Financial liabilities		
Measured at undiscounted amount payable		
• Bank overdraft (Note 21)	2,968,447	3,681,266
• Trade and other creditors (Note 21)	3,784,755	2,895,875
• Funds held on behalf of third parties (Note 21)	149,074	117,854
	<u><u>6,902,276</u></u>	<u><u>6,695,000</u></u>

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

	2017 €	2016 €
Fair value gains and losses		
Loss on financial assets (including listed investments) measured as fair value through Statement of Financial Activities	(22,842)	(388,746)
	<u><u>(22,842)</u></u>	<u><u>(388,746)</u></u>

There were no derivative financial instruments outstanding at 31 December 2017 or 31 December 2016.

26. 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.

(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.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. 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. The Single Public Service Pension Scheme (SPSPS) applies to all employees who are joining the public sector as new entrants after 1 January 2013. In line with the guidance of this scheme, all employee contributions are paid over to the state pension account and not included in the statement of financial activities. The Department of Public Expenditure and Reform ('DPER') is responsible for the SPSPS and under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 44(1) (b), payments arising under this Single Scheme to retiring employees shall be paid from funds provided by the Oireachtas for that purpose.

Contributions remitted in 2017 in respect of the SPSPS amounted to €266,893 (2016: €184,444).

28. RELATED PARTY TRANSACTIONS

There have been no related party transactions in the reporting financial year that require disclosure.

29. FUNDS

	Unrestricted Funds €	Restricted Funds €	Restricted Capital Funds €	Total Funds €
(a) Reconciliation of funds:				
Fund balances at 1 January 2017	29,877,876	(1,661,803)	19,175,817	47,391,890
Net (expenditure)/income	(576,401)	90,105	1,702,462	1,216,166
Transfer of funds	(498,903)	(27,451)	526,354	-
Fund balances at 31 December 2017	28,802,572	(1,599,149)	21,404,633	48,608,056

OUR LADY'S HOSPICE & CARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

29. FUNDS (CONTINUED)

	Unrestricted Funds €	Restricted Funds €	Restricted Capital Funds €	Total Funds €	
(b) Analysis of net assets between funds:					
Tangible fixed assets	62,996,136	-	20,946,763	83,942,899	
Financial assets	368,710	-	-	368,710	
Current assets	4,108,561	5,949,227	457,870	10,515,658	
Current liabilities	(406,658)	(7,173,765)	-	(7,580,423)	
Inter-fund transfer outstanding	374,611	(374,611)	-	-	
Called up share capital	(2)	-	-	(2)	
Share premium	(38,638,786)	-	-	(38,638,786)	
Fund balances at 31 December 2017	28,802,572	(1,599,149)	21,404,633	48,608,056	
(c) Movements in funds:					
	Balance as at 01/01/2017 €	Income €	Expenditure €	Transfers €	Balance as at 31/12/2017 €
Unrestricted funds	29,877,876	5,550,756	(6,127,157)	(498,903)	28,802,572
Restricted funds	(1,661,803)	37,191,980	(37,101,875)	(27,451)	(1,599,149)
Restricted capital funds	19,175,817	2,233,502	(531,040)	526,354	21,404,633
Total funds	47,391,890	44,976,238	(43,760,072)	-	48,608,056

In respect of prior financial year:

	Unrestricted Funds €	Restricted Funds €	Restricted Capital Funds €	Total Funds €
(a) Reconciliation of funds:				
Fund balances at 1 January 2016	29,984,356	(1,846,486)	19,709,821	47,847,691
Net (expenditure)/income	(106,480)	184,683	(534,004)	(455,801)
Fund balances at 31 December 2016	29,877,876	(1,661,803)	19,175,817	47,391,890
(b) Analysis of net assets between funds:				
Tangible fixed assets	62,453,726	-	19,175,817	81,629,543
Financial assets	729,479	-	-	729,479
Current assets	5,747,661	5,544,229	-	11,291,890
Current liabilities	(414,202)	(7,206,032)	-	(7,620,234)
Called up share capital	(2)	-	-	(2)
Share premium	(38,638,786)	-	-	(38,638,786)
Fund balances at 31 December 2016	29,877,876	(1,661,803)	19,175,817	47,391,890
(c) Movements in funds:				
	Balance as at 01/01/2016 €	Income €	Expenditure €	Balance as at 31/12/2016 €
Unrestricted funds	29,984,356	6,455,838	(6,562,318)	29,877,876
Restricted funds	(1,846,486)	37,116,301	(36,931,618)	(1,661,803)
Restricted capital funds	19,709,821	-	(534,004)	19,175,817
Total funds	47,847,691	43,572,139	(44,027,940)	47,391,890

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

30. POST BALANCE SHEET EVENTS

In March 2018 a Memorandum of Understanding (MOU) was signed between Our Lady's Hospice & Care Services and Wicklow Hospice Foundation. A new 15 bed hospice is due to be built in Co. Wicklow with an opening date of late 2019. The MOU details the future involvement of Our Lady's Hospice & Care Services in this new hospice, most notably around the operation of it once it is up and running. Once the new hospice is built by the Wicklow Hospice Foundation, revenue funding will be provided by the HSE, similar to its funding of Our Lady's Hospice & Care Services.

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