

St. Francis Hospice Dublin
Company limited by guarantee

Reports and Financial Statements
for the financial year ended
31 December 2016

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Justice Peter Kelly (Chairperson)
Phillip Baxter
Sr. Bridget Callaghan (Resigned 25 January 2017)
Dr. Carol Ann Casey
Dr. John Cooney
Prof. Peter Daly
James Flynn
Ita Gibney
Mary Hayes
Patrick Kenny
Sr. Bernadette MacMahon
Sr. Marie McKenna (Resigned 25 January 2017)
Thomas Joseph McMahon
Padraig O'Dea
Joseph Pitcher

CHIEF EXECUTIVE OFFICER

Fintan Fagan

**COMPANY SECRETARY AND
REGISTERED OFFICE**

Angela Coughlan
Station Road
Raheny
Dublin 5

INDEPENDENT AUDITORS

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

BANKERS

Bank of Ireland
Raheny
Dublin 5

Rabo Direct
Charlemont Place
Dublin 2

AIB
Westend Retail Park
Blanchardstown
Dublin 15

SOLICITORS

McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin 2

Colleen Cleary
127 Lower Baggot Street
Dublin 2

REGISTRATION NUMBERS

Charity Tax Number: CHY10568
Charity Registration Number: 20027193
Company Registration Number: 153874

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

St. Francis Hospice Dublin, based at Station Road, Raheny, and also at Blanchardstown Dublin 15, provides specialist palliative care to patients from North Dublin City and County with progressive fatal illnesses. St. Francis Hospice Dublin's activities are provided via an In Patient Palliative Care Unit, a Day Care Unit, Community Palliative Care, Out-Patient services and Bereavement Support Services. The hospice in Blanchardstown, Dublin 15 opened in 2015 with a capacity of 24 In Patient Unit beds. The Community Palliative Care Team (West) now operates from this new facility. Day Care and Out Patient services are delivered there on two days each week; Thursdays and Fridays.

To deliver services to patients and families in 2016, 68% of total costs (excl. interest) were provided by the Health Service Executive (HSE). This level of contribution, year to year, is crucial and the Hospice gratefully acknowledges this core support from the HSE. The balance of costs, amounting to €4.9m, was raised by the hospice through other grants, donations, bequests and a wide range of fundraising events and other activities.

St. Francis Hospice Dublin extends its deepest thanks to the generosity of all who have made donations and bequests and to all its fundraisers and supporters for their creativity and energy year after year. The Directors gratefully acknowledge the great work of all the Hospice staff, the Department of Social Protection and TUS Community Employment Scheme workers and the large number of volunteers for their efforts and contribution to the success of the service.

Staff costs at St. Francis Hospice Dublin in 2016 amounted to €11,004,382 out of a total expenditure of €15,846,360. The total costs associated with core programme work were €15,173,789. Fundraising costs were €538,210 and Governance and administration costs were €134,361. The CEO at St. Francis Hospice Dublin who commenced in June 2015 received a salary of €98,867 for 2016. Pension Contribution was made in 2016 of €5,663. St. Francis Hospice Dublin spent 95.76% of funds on its primary mission, 3.4% on fundraising and 0.84% on governance. St. Francis Hospice Dublin implements a code of corporate governance and Board Committees oversee all areas of governance including finance and fundraising. St. Francis Hospice Dublin complies with the Guiding Principles for Fundraising as set out by the Irish Charities Tax Reform Group. All Directors at St. Francis Hospice Dublin are unpaid volunteers. No Director is employed directly or indirectly by St. Francis Hospice Dublin or has any financial relationship with St. Francis Hospice Dublin. No expenses or fees are paid to any Directors.

MISSION AND VALUES

Mission Statement

- St. Francis Hospice Dublin provides a specialist palliative care service to people in North Dublin. This includes support for their families and friends and other healthcare professionals involved in their care.
- The service is based on a Christian philosophy of human dignity, which treats each person with respect and compassion, irrespective of their cultural or religious background.
- The hospice plays a leadership role in shaping palliative care nationally, working in partnership to advance policy, education, research and service innovation.

Values

The underpinning values of dignity, respect and compassion of St. Francis Hospice Dublin are commitments to:

- Creating a welcoming, relaxed and personal atmosphere of care.
- Providing quality care at a physical, emotional, psychological, spiritual and social level which respects the needs and wishes of each person.
- Supporting families and friends emotionally, psychologically and spiritually from referral through bereavement in an attentive and non-intrusive way.
- Working collaboratively as a team which cares for its members, values each one's contribution and engages in on-going education and reflection.
- Linking with other professionals, support agencies and the local community to improve the quality of service to people who are terminally ill.
- Educating others and influencing the practice and standards of palliative care of people who are terminally ill.

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT (CONTINUED)

STRATEGIC OBJECTIVES

The following key strategic objectives for 2016 were achieved:

- To improve access to home care services.
- To fully open all 24 beds at St. Francis Hospice Blanchardstown.
- To commence the planning for the redevelopment of St. Francis Hospice Raheny.
- To develop and implementation of enhanced quality and governance systems.
- To establish Internal Audit Function at St. Francis Hospice Dublin.
- To implement a new computer system for the Fundraising Department.

ACTIVITIES AND ACHIEVEMENTS DURING 2016

Improve Access to Home Care Services

The strategic objective of access to home care services delivered by our Community Palliative Care Team was achieved through a combination of improved efficiency and recruitment of additional nursing staff. The improvement in the number of patients provided with a service in their place of residence within 7 days of referral was demonstrated by 94% of patients in 2016 receiving this service within 7 days compared to 78% of patients in 2015.

Fully Open all 24 beds at St. Francis Hospice Blanchardstown

In 2016 all 24 beds at St. Francis Hospice Blanchardstown were open for admissions, which resulted in an 80% occupancy for the year compared with only 20 beds being open for the majority of 2015. The beds opening were facilitated by successful recruitment of nurses in late 2015 / early 2016.

Commence The Planning for the Redevelopment of St. Francis Hospice Raheny

St. Francis Hospice Raheny was originally developed in 1989 and has provided high quality specialist palliative care services to patients and their families for 28 years from the existing building. The need to redevelop St. Francis Hospice Raheny is driven by the following:

- (a) Patient dignity:
The current hospice bed configuration includes twelve beds which are shared four bedded rooms. This bed configuration provides significant challenges in ensuring patient privacy.
- (b) Patient access:
In 2016 a significant number of patients could not be admitted due to the lack of availability of suitable beds in Raheny, i.e. we could not admit a male patient to a four-bedded room with three female patients or vice versa. The availability of only seven single rooms restricts admission of patients who may have an infection and require isolation in a single room.
- (c) Family space:
The lack of sufficient space for families.

The work on the redevelopment plan has commenced with an initial Raheny site building feasibility study.

Fingal Dublin Chamber Business Excellence Awards 2016

St. Francis Hospice Dublin won the "Best Public Service Excellence Award" at the Fingal Dublin Chamber of Commerce Business Excellence and Corporate Responsibility Awards 2016. The award was in recognition of the best practice establishment and development of the volunteer service at St. Francis Hospice Blanchardstown. In 2016 at St. Francis Hospice Blanchardstown there are 15,500 hours of volunteer service per annum. There are 89 volunteers who work across 19 different roles in St. Francis Hospice Blanchardstown.

FINANCIAL REVIEW

2016 was another successful year with a continuing increase in the provision of Hospice services. There were 11,449 nursing visits and 787 medical visits to patients at home. In Hospice Day Care, there were 175 patients with a total of 2,611 attendances. There were 626 admissions to the In-Patient Unit. In addition, there were 1,931 attendances by patients for a range of out-patient services.

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT (CONTINUED)

The hospice strives to achieve a standard of excellence in the care of patients and their families. There is a continuing emphasis on education in palliative care and indeed to expanding our commitment to a specialist palliative care approach in settings outside St. Francis Hospice Dublin. Our policy is to grow and develop to meet the needs of the North Dublin community, but within the constraints of our financial resources.

The financial year's performance in financial terms is set out in pages 12 and 13 of the financial statements under the 'Statement of Financial Activities' and 'Balance Sheet'. The main features are:

- A deficit of income over expenditure of €570,302. This is a decrease of €199,428 on the deficit of €769,730 reported for the previous financial year. The decrease arises mainly to improved cost efficiencies and improved income generation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURE

St. Francis Hospice Dublin is a company limited by guarantee.

St. Francis Hospice Dublin is a registered charity (with the Charities Regulatory Authority) with charitable tax exempt ("CHY") status from the Revenue Commissioners and is a Section 39 Agency under the Health Act 2004. It holds a current valid Tax Clearance Certificate.

GOVERNANCE

Board Governance

The Board of St. Francis Hospice Dublin is responsible for overseeing the proper management of the hospice. In particular, it has a collective responsibility for:

- (a) Putting in place a clear scheme of delegation of accountability from the Board to the CEO;
- (b) Approval of the strategic goals, annual service plans and the annual Service Level Agreement with the HSE;
- (c) Approval of annual budgets and ensuring the adequacy of internal financial control measures;
- (d) Approval of significant procurement contracts and acquisitions, disposals and retirement of assets of SFHD;
- (e) Ensuring effective systems are in place for identifying and managing risk;
- (f) Approval of annual reports and audited financial statements; and
- (g) Approval of Annual Compliance Statement prior to submission to HSE.

The Board has devised and agreed procedures for conducting its business in a productive way. To do this it has established an appropriate committee structure.

The following committees have written terms of reference which are approved by the Board:

- Governance and Risk (which has under its remit matters of Nominations and Remuneration)
- Audit
- Quality and Safety
- Fundraising Advisory
- Research Ethics

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT (CONTINUED)

Commitment to Standards in Fundraising Practice

St. Francis Hospice Dublin is fully committed to achieving the standards delineated in the Statement of Guiding Principles for Fundraising.

The Board of Directors of St. Francis Hospice Dublin resolved to adopt the Statement of Guiding Principles for Fundraising and confirms that St. Francis Hospice Dublin is committed to complying with the Statement and will endeavor to adhere to the core principles of respect, honesty and openness by:

- Respecting the rights, dignity and privacy of supporters, clients and beneficiaries.
- Answering reasonable questions about fundraising activity and fundraising costs honestly.
- Making information about our purpose, activities and governance available to the public.

MANAGEMENT

St. Francis Hospice Dublin's Leadership Team includes the Chief Executive Officer, Medical Director and Director of Nursing. The Leadership Team is supported by an Executive team comprising Head of Finance, Human Resources Manager, Fundraising Manager, General Services Manager, Quality & Risk Manager and IT Officer.

PRINCIPAL RISKS AND UNCERTAINTIES

- Adequate funding by the HSE is crucial towards maintaining the current range of services and also towards providing for the totality of services at both hospice locations.
- St. Francis Hospice Dublin, as a priority, strives to maintain and develop its income sources to meet the specialist palliative care service needs of North Dublin. It closely monitors reserve levels to ensure that they are sufficient to meet planned outgoings in the short term.
- St. Francis Hospice Dublin has three interest bearing loans of c. €6.07 million. The level of debt is significant given that the Hospice relies entirely on fundraising activities, donations and bequests to service interest costs and handle agreed arrangements for repayments, in addition to meeting the annual gap (€4.9m in 2016) between HSE grants and the ongoing cost of hospice activities. St. Francis Hospice Dublin is making special efforts in its current fundraising programmes to reduce debt levels. In relation to increasing interest costs, this risk has been significantly mitigated by the rate and term of fixed interest rates negotiated in the bank loan contract. The Hospice closely monitors the ongoing adequacy of headroom over the banking covenants in the bank loan agreement.

RISK MANAGEMENT AND CREDIT CONTROLS.

The Hospice's activities expose it to a number of financial risks including credit risks, cash flow risk and liquidity risk. These are disclosed in Note 22 to the financial statements.

FUTURE DEVELOPMENTS

St Francis Hospice Dublin is currently reviewing the refurbishment and redevelopment of its Raheny Hospice with a view to improving In-Patient facilities.

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Hospice's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. These are disclosed in Note 22 to the financial statements.

RESEARCH AND DEVELOPMENT

St. Francis Hospice Dublin carries out on-going research to achieve optimum care for patients.

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND SECRETARY

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

Directors:

Mr. Justice Peter Kelly (Chairperson)
Fr. Philip Baxter
Sr. Bridget Callaghan (Resigned 25 January 2017)
Dr. Carol Ann Casey
Dr. John Cooney
Prof. Peter Daly
James Flynn
Ita Gibney
Mary Hayes
Patrick Kenny
Sr. Bernadette MacMahon
Sr. Marie McKenna (Resigned 25 January 2017)
Thomas Joseph McMahon
Padraig O'Dea
Joseph Pitcher

Secretary:

Angela Coughlan

GOING CONCERN

The directors have a reasonable expectation that St. Francis Hospice Dublin has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

POST BALANCE SHEET EVENTS

There have been no significant events affecting St. Francis Hospice Dublin since the financial year end.

POLITICAL CONTRIBUTIONS

There were no political contributions made by St. Francis Hospice Dublin during the financial year.

RESULTS FOR THE FINANCIAL YEAR

The net movement in funds during the financial year was a deficit of €570,302 (2015: Deficit €769,730).

DIVIDENDS AND RESERVES

The reserves are not distributable, and are applied in accordance with the Articles of Association to finance the work of the Hospice.

SUBSIDIARY COMPANY

Details relating to the subsidiary company are set out in Note 14 to the financial statements.

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 accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Hospice's accounting records are maintained at the Hospice's registered office at Station Road, Raheny, Dublin 5.

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT (CONTINUED)

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 Hospice'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 Hospice's auditors are aware of that information.

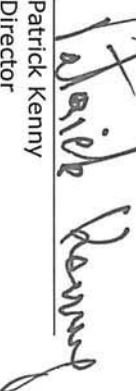
This confirmation is given and should be interpreted in accordance with the provisions of Section 350 of the Companies Act 2014.

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:


Justice Peter Kelly
Director


Patrick Kenny
Director


24th May 2017
Date

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). 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 Hospice as at the financial year end date and of the surplus or deficit of the Hospice 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 for the Hospice Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with 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 Hospice will continue in business.

The directors are responsible for ensuring that the Hospice keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Hospice, enable at any time the assets, liabilities, financial position and surplus or deficit of the Hospice 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 Hospice 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 Hospice's website

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. FRANCIS HOSPICE DUBLIN (COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of St. Francis Hospice Dublin for the financial year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 28. 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 2016 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 2016 and of its outgoing resources and application of resources, including its income and expenditure 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
ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

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.

Marguerita M. Martin

Marguarita Martin
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: *30 May 2017*

ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		2016	2016	2016	2015	2015	2015
	Note	Restricted Funds €	Unrestricted Funds €	Total €	Restricted Funds	Unrestricted Funds	Total €
INCOME FROM:							
Donations and legacies	3	21,178	2,305,952	2,327,130	11,520	2,038,721	2,050,241
Charitable activities	4	10,712,143	68,002	10,780,145	10,405,479	65,258	10,470,737
Other activities	5	18,340	2,112,344	2,130,684	14,534	1,901,040	1,915,574
Investment income	6	-	38,099	38,099	-	38,956	38,956
Total		10,751,661	4,524,397	15,276,058	10,431,533	4,043,975	14,475,508
EXPENDITURE ON:							
Raising funds	7	-	538,210	538,210	-	484,461	484,461
Charitable activities	8	10,927,356	4,380,794	15,308,150	10,642,507	4,118,270	14,760,777
Total		10,927,356	4,919,004	15,846,360	10,642,507	4,602,731	15,245,238
Net Expenditure	11	(175,695)	(394,607)	(570,302)	(210,974)	(558,756)	(769,730)
Taxation	12	-	-	-	-	-	-
Net expenditure for the financial year		(175,695)	(394,607)	(570,302)	(210,974)	(558,756)	(769,730)
RECONCILIATION OF FUNDS							
Total funds brought forward	20	614,572	27,567,689	28,182,261	825,546	28,126,445	28,951,991
Total funds carried forward	20	438,877	27,173,082	27,611,959	614,572	27,567,689	28,182,261

There are no other 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.

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Notes	2016 €	2015 €
Fixed Assets			
Tangible fixed assets	13	33,496,660	34,654,938
Financial fixed assets	14	100	100
		<u>33,496,760</u>	<u>34,655,038</u>
Current Assets			
Debtors	15	70,237	48,801
Cash at bank and in hand		2,933,519	3,049,214
		<u>3,003,756</u>	<u>3,098,015</u>
Creditors: Amounts falling due within one financial year	16	<u>(1,879,980)</u>	<u>(1,637,712)</u>
Net current assets		<u>1,123,776</u>	<u>1,460,303</u>
Total assets less current liabilities		<u>34,620,536</u>	<u>36,115,341</u>
Creditors: Amounts falling due after more than one financial year	17	<u>(5,332,202)</u>	<u>(5,944,705)</u>
Government (HSE) grant	19	<u>(1,676,375)</u>	<u>(1,988,375)</u>
NET ASSETS		<u>27,611,959</u>	<u>28,182,261</u>
CAPITAL AND RESERVES			
Unrestricted reserves	20	27,173,082	27,567,689
Restricted reserves	20	438,877	614,572
		<u>27,611,959</u>	<u>28,182,261</u>

The financial statements were approved and authorised for issue by the Board of Directors on
M. Mary Goff and signed on its behalf by:


 Justice Peter Kelly
 Director


 Patrick Kenny
 Director

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 €	2015 €
Cash flows from charitable activities			
Net cash generated from charitable activities	21	843,630	640,866
Cash provided by investing activities			
Interest and similar income received	21	599	1,456
Interest paid	21	(215,906)	(373,065)
Payments to acquire tangible fixed assets	13	(210,360)	(218,033)
Net cash provided by investing activities		<u>(425,667)</u>	<u>(589,642)</u>
Cash provided by financing activities			
Repayment of borrowings	17	(533,658)	(1,344,936)
Net cash provided by financing activities		<u>(533,658)</u>	<u>(1,344,936)</u>
Change in cash and cash equivalents at the beginning of the reporting year		(115,695)	(1,293,712)
Cash and cash equivalents at the beginning of the reporting year		<u>3,049,214</u>	<u>4,342,926</u>
Cash and cash equivalents at the end of the reporting year		<u><u>2,933,519</u></u>	<u><u>3,049,214</u></u>
Reconciliation to cash and cash equivalents			
Cash at bank and in hand at		<u><u>2,933,519</u></u>	<u><u>3,049,214</u></u>

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year.

General Information and Basis of Accounting

St Francis Hospice Dublin is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is Station Road, Raheny, Dublin 5. The nature of the company's operations and its principal activities are set out in the director's report on pages 3 to 8.

- (i) 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 limited by guarantee.
- (ii) In prior financial years, companies not trading for gain for the members were not within the scope of company law requirements with regard to formats and content of financial statements which applied to not-for-profit companies, thus permitting the adoption of a format appropriate to a charity. Accordingly, the company 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. In particular, St Francis Hospice Dublin reports its performance for the financial year in the format of the SORP's Statement of Financial Activities (SOFA).

The Charity Commission for England and Wales, is recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs 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 Companies Act 2014 became effective in law on 1 June 2015 and from that date applies the format and content of financial statements requirements appropriate for a company trading for the profit of its members to a company that is a not-for-profit organisation such as St Francis Hospice Dublin. This would require St Francis Hospice Dublin for example, to present a profit and loss account and report on items such as turnover, cost of sales, profit or loss on ordinary activities before taxation, along with related notes. In the view of the directors this is neither an appropriate presentation nor terminology for a not-for-profit organisation.

In order to provide information relevant to understanding the stewardship of the directors and the performance and financial position of the charity, St Francis Hospice Dublin has prepared its financial statements in accordance with the formats provided for in the Charities SORP (FRS102).

The financial statements have been prepared under the historical cost convention, 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 and Republic of Ireland (FRS 102), issued by the Financial Reporting Council, and the Companies Act 2014. See note 28 for details of the impact on reserves previously reported under FRS102 on transition to the Charities SORP (FRS102).

The functional currency of St Francis Hospice Dublin is considered to be euro because that is the currency of the primary economic environment in which the company operates.

Going Concern

The Hospice's 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 Hospice 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 Hospice's ability to continue as a going concern. The HSE has not given any indication that it will withdraw its financial support from the Hospice for the foreseeable future and has continued to provide funding in 2017.

**ST. FRANCIS HOSPICE DUBLIN
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

In addition to HSE funding, the Hospice continues to focus on generating income through donations, bequests and fundraising events. Cost and funding pressures continued during the financial year. The Hospice's management have prepared budgets and reviewed activity levels to address the ongoing funding issues. The Hospice has also held discussions with its bankers and no matters have arisen in relation to on-going funding. The Hospice's current operating budget and forecast show that the Hospice will 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 a reasonable expectation that the Hospice has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

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 Hospice 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 pattern of consumption of economic benefits and are depreciated separately over their useful lives.

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives in equal annual instalments. The annual rates of depreciation are as follows:

Buildings	2%
Office equipment	12.5%
Medical equipment	12.5%
Computers	33.33%
Furniture, fixtures & fittings	12.5%
Motor vehicles	20%

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.

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 St Francis Hospice Dublin. 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 St Francis Hospice Dublin.
- (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 Health Service Executive (HSE) are accounted for on the basis of the allocated amount notified by the HSE for that financial year. Legacies are included when the amount is to be received is probably and can be measured with certainty.
- (iv)
- (v) Investment income is recognised on a receivable basis.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure

Charitable activities comprise expenditure incurred by the activities in the Raheny and Blanchardstown 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 St Francis Hospice Dublin on raising funds for the organisation's charitable activities.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in the Statement of Financial Activities in the financial year in which they arise.

Pensions

A defined contribution pension scheme is in operation which, in the main, is non-contributory and is financially separate from the company. The pension costs charged in the financial statements represent the contribution payable by the company during the financial year.

Capital Grants

Capital grants received are shown as deferred income and credited to income by instalments on a basis consistent with the terms of the depreciation policy of the relevant assets.

Taxation

The company has been granted charitable tax exempt status by the Revenue Commissioners under CHY number 10568 and therefore no provision for corporation tax is required.

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.

(1) 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 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 Financial Activities.

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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

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

Balances are classified as payable or receivable within one financial year if payment or receipt is due within one financial year or less. If not, they are presented as falling due after more than one financial year. Balances that are classified as payable or receivable within one financial 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.

(ii) Investments

Investments in subsidiaries are measured at cost less impairment.

(iii) Bank loans

Bank loans are measured at amortised cost using the effective interest method.

Reserves Policy

In order to secure the long term viability of St Francis Hospice Dublin and to maintain the smooth operation of the organisation, it is critical to ensure that the organisation has adequate reserves.

The level of reserves is required to cover the following activities of the organisation:

- Provide funding for the hospices activities.
- Meet contractual liabilities such as lease agreements, statutory staff payments and payments to creditors.
- Meet unanticipated expenses such as repairs and maintenance, currency variances and legal costs.
- Cover day to day expenditure of St Francis Hospice Dublin.
- Ensure there is adequate funding should any winding up costs ever arise.
- Provide for any other unanticipated expenditure of significance.

The Board may designate unrestricted reserves for specific future expenditure such as Long Term Programmes, sinking funds to cover repairs to Fixed Assets (or as required under the terms of any lease relating to premises etc.) and any other potential future requirement(s).

Comparative figures

Comparative figures have been reclassified on the same basis as the current financial year.

ST. FRANCIS HOSPICE DUBLIN
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Hospice'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 financial period in which the estimate is revised if the revision affects only that financial period or in the financial period of the revision and future financial periods if the revision affects both current and future financial 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.

Critical judgements in applying the Company's accounting policies

In the opinion of the directors, there were no critical judgements, apart from those involving estimations (which are dealt with separately below), made in the process of applying the company's accounting policies.

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.

3. DONATIONS AND LEGACIES

	Restricted	Unrestricted	2016	2015
	€	€	Total	Total
			€	€
Donations	21,178	1,368,233	1,389,411	1,445,630
Legacies	-	937,719	937,719	604,611
	21,178	2,305,952	2,327,130	2,050,241

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

4. CHARITABLE ACTIVITIES		2016	2015
	Restricted €	Unrestricted €	Total €
Health Service Executive Grants	10,687,543	-	10,687,543
Other Grants	24,600	-	24,600
Conferences, seminars, research income	-	68,002	68,002
	10,712,143	68,002	10,780,145
			10,470,737
5. OTHER ACTIVITIES		2016	2015
	Restricted €	Unrestricted €	Total €
Lotteries and Raffles	-	360,037	360,037
Campaigns and Appeals	-	239,086	239,086
Fundraising Events	18,340	1,513,221	1,531,561
	18,340	2,112,344	2,130,684
			1,915,574
6. INVESTMENT INCOME		2016	2015
	Restricted €	Unrestricted €	Total €
Deposit Interest	-	599	599
Rental Income	-	37,500	37,500
	-	38,099	38,099
			38,956
7. EXPENDITURE ON RAISING FUNDS		2016	2015
	Restricted €	Unrestricted €	Total €
Raising donations, legacies, corporate donations and regular giving	-	6,340	6,340
Fundraising activities - campaigns, appeals and events	-	308,465	308,465
Support costs (Note 9)	-	223,405	223,405
	-	538,210	538,210
			484,461

ST. FRANCIS HOSPICE DUBLIN
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

8. EXPENDITURE ON CHARITABLE ACTIVITIES

Activity	Activities undertaken directly €	Grant funding of activities €	Support costs (Note 9) €	Total 2016 €	Total 2015 €
Raheny and Blanchardstown Homecare, Raheny Day Care	537,332	-	2,423,375	2,960,707	2,833,638
In-Patient Unit Raheny	972,339	889,559	4,623,331	6,485,229	6,572,047
Blanchardstown Day Care and Out Patients	520,218	51,170	334,834	906,222	937,966
In-Patient Unit Blanchardstown	1,556,555	-	3,399,437	4,955,992	4,417,126
	<u>3,586,444</u>	<u>940,729</u>	<u>10,780,977</u>	<u>15,308,150</u>	<u>14,760,777</u>

9. ANALYSIS OF SUPPORT COSTS

	2016 €	2015 €	Basis of allocation
Fundraising activities (Note 7)	223,405	202,191	<i>Fundraising team - % time spent on activities</i>
<u>Charitable activities:</u>			
Raheny and Blanchardstown Homecare, Raheny Day Care	2,423,375	2,377,724	<i>Salary costs - % time spent on activities</i>
In-Patient Unit Raheny	4,623,331	4,620,322	
Blanchardstown Day Care and Out Patients	334,834	305,229	
In-Patient Unit Blanchardstown	3,399,437	2,900,719	
Total	<u>11,004,382</u>	<u>10,406,185</u>	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

10. STAFF NUMBERS AND COSTS

The number of persons employed by the company on a whole time equivalent basis was as set out below:

	2016 Number	2015 Number
Clinical/Nursing	145	135
Other support services	14	14
Administrative and fundraising staff	38	34
	<u>197</u>	<u>183</u>

The aggregate payroll costs of these were as follows:

	2016 €	2015 €
Wages and salaries	9,657,611	9,170,225
Social welfare costs	990,651	943,478
Pension costs	356,120	292,482
	<u>11,004,382</u>	<u>10,406,185</u>

Employee remuneration exceeding €60,000:

	2016 Number	2015 Number
€60,000 - €70,000	13	13
€70,001 - €80,000	4	2
€80,001 - €90,000	1	2
€90,001 - €100,000	1	1
€100,001 - €160,000	-	-
€160,001 - €170,000	1	-
€170,001 - €180,000	-	1
	<u>20</u>	<u>19</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

11. NET EXPENDITURE	2016	2015
	€	€
The net expenditure for the financial year is arrived at after charging/(crediting):		
Depreciation	1,368,638	1,321,353
Grant amortisation	(312,000)	(312,000)
Directors' remuneration (b)	-	-
Auditors' remuneration (a)	32,000	31,748
	=====	=====
(a) Auditors' remuneration disclosures (net of VAT and outlays):		
Audit	15,000	15,000
Tax advisory	2,700	1,950
Other assurance services	3,800	3,800
Other non-audit services	10,500	10,998
	=====	=====
(b) No salaries or fees are payable to the directors of the company for their services as directors.		

12. TAXATION

No taxation arises in the current or prior financial year due to the charitable status of the company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

13. TANGIBLE FIXED ASSETS

	Buildings €	Office equipment €	Medical equipment €	Computer €	Motor vehicles €	Furniture, fixtures & fittings €	Total €
Cost:							
At 1 January 2016	39,528,823	570,050	467,480	201,916	119,947	3,786,565	44,674,781
Additions	26,908	-	3,561	66,844	-	113,047	210,360
At 31 December 2016	39,555,731	570,050	471,041	268,760	119,947	3,899,612	44,885,141
Accumulated depreciation:							
At 1 January 2016	(7,344,284)	(429,627)	(411,644)	(156,871)	(119,947)	(1,557,470)	(10,019,843)
Charge for the financial year	(791,115)	(41,720)	(20,521)	(41,659)	-	(473,623)	(1,368,638)
At 31 December 2016	(8,135,399)	(471,347)	(432,165)	(198,530)	(119,947)	(2,031,093)	(11,388,481)
Net book value:							
At 31 December 2016	31,420,332	98,703	38,876	70,230	-	1,868,519	33,496,660

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

13. TANGIBLE FIXED ASSETS (CONTINUED)

In respect of the prior financial year:

	Buildings €	Office equipment €	Medical equipment €	Computer €	Furniture, Motor vehicles €	fixtures & fittings €	Total €
Cost:							
At 1 January 2015	39,509,233	694,656	467,480	306,342	119,947	3,626,992	44,724,650
Additions	19,590	-	-	38,870	-	159,573	218,033
Disposals	-	(124,606)	-	(143,296)	-	-	(267,902)
At 31 December 2015	39,528,823	570,050	467,480	201,916	119,947	3,786,565	44,674,781
Accumulated depreciation:							
At 1 January 2015	(6,553,756)	(508,109)	(386,479)	(288,834)	(119,947)	(1,109,267)	(8,966,392)
Charge for the financial year	(790,528)	(46,124)	(25,165)	(11,333)	-	(448,203)	(1,321,353)
Disposals	-	124,606	-	143,296	-	-	267,902
At 31 December 2015	(7,344,284)	(429,627)	(411,644)	(156,871)	(119,947)	(1,557,470)	(10,019,843)
Net book value:							
At 31 December 2015	32,184,539	140,423	55,836	45,045	-	2,229,095	34,654,938

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

14. FINANCIAL FIXED ASSETS	2016	2015
	€	€
Shares in subsidiary undertaking	100	100

SUBSIDIARY UNDERTAKING

Name	Registered Office	Country of Incorporation	% held	Principal Activity
S.F.H. Property Services Limited	Raheny, Dublin 5	Ireland	100%	Non-trading
The capital and reserves at 31 December 2016 were €Nil (2015: €Nil) and the result for the financial year ended 31 December 2016 was €Nil (2015: €Nil).				

15. DEBTORS: (Amounts falling due within one financial year)	2016	2015
	€	€
Sundry debtors	70,237	48,801

16. CREDITORS: (Amounts falling due within one financial year)	2016	2015
	€	€
Trade creditors	452,395	432,930
Taxation and social welfare	293,458	271,487
Accruals	396,934	274,947
Bank loans (Note 17)	737,193	658,348
	1,879,980	1,637,712

The amount due in respect of taxation and social welfare is comprised as follows:

	2016	2015
	€	€
PAYE/PRSI	293,458	271,487

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

17. CREDITORS: Amounts falling due after more than one financial year

	2016	2015
	€	€

Bank loans

5,332,202	5,944,705
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Bank loans are comprised of amounts payable as follows:

	2016	2015
	€	€
Within one financial year (Note 16)	737,193	658,348
Between one and two financial years	1,474,386	1,316,696
Between two and five financial years	2,211,579	1,978,044
After five financial years	1,646,237	2,649,965
	6,069,395	6,603,053

Security:

The company's borrowings have been secured by a first mortgage/charge over the company's property at Raheny, Dublin 5 and a deed of mortgage/charge and assignment of certain rights, title and interest in property of the company at Blanchardstown, Dublin 15. The company's borrowings consist of three interest bearing loans with two fixed interest loans with interest rates of 2.97% and 2.76%, and one variable rate of 5.428%.

18. FINANCIAL INSTRUMENTS

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

	2016	2015
	€	€
Financial assets:		
Measured at cost less impairment		
• Investment in subsidiary (Note 14)	100	100
Measured at undiscounted amount receivable		
• Sundry debtors (Note 15)	70,237	48,801
Financial liabilities		
Measured at amortised cost		
• Bank loans and other loans (Note 17)	6,069,395	6,603,053
Measured at undiscounted amount payable		
• Trade creditors (Note 16)	452,395	432,930

**ST. FRANCIS HOSPICE DUBLIN
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

19. GOVERNMENT (HSE) GRANT	2016	2015
	€	€
At 1 January	1,988,375	2,300,375
Amortised during the financial year	(312,000)	(312,000)
At 31 December	1,676,375	1,988,375

Under an agreement between the company and the Health Service Executive, which is dated 1 December 2005, the company has a contingent liability of €270,000 at 31 December 2016 (2015: €300,000) to repay the grant received of €600,000 if certain circumstances set out in that agreement occur within 20 years of the date of the agreement. The amount which may be repayable is reduced by an amount equal to 1/20th of the received amount each financial year.

Under a similar agreement the company has a contingent liability of €1,125,000 at 31 December 2016 (2015: €1,200,000) to repay the grant received of €1,500,000 if certain circumstances occur within 20 years of the date of that agreement. The amount which may be repayable is reduced by an amount equal to 1/20th of the amount received each financial year.

Under a similar agreement the company has a contingent liability of €810,000 at 31 December 2016 (2015: €855,000) to repay the grant received of €900,000 if certain circumstances occur within 20 years of the date of that agreement. The amount which may be repayable is reduced by an amount equal to 1/20th of the amount received each financial year.

The government grants are secured over the premises known as "Walmer Villa", Station Road, Raheny, Dublin 5.

20. FUNDS OF THE CHARITY	Restricted Funds	Unrestricted Funds	Total
	€	€	€
Opening balance 1 January 2016	614,572	27,567,689	28,182,261
Net expenditure for financial year	(175,695)	(394,607)	(570,302)
Closing balance 31 December 2016	438,877	27,173,082	27,611,959
In respect of prior financial year:	Restricted Funds	Unrestricted Funds	Total
	€	€	€
Opening balance 1 January 2015	825,546	28,126,445	28,951,991
Net expenditure for financial year	(210,974)	(558,756)	(769,730)
Closing balance 31 December 2015	614,572	27,567,689	28,182,261

**ST. FRANCIS HOSPICE DUBLIN
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

21. RECONCILIATION OF NET EXPENDITURE TO NET CASH OUTFLOW FROM CHARITABLE ACTIVITIES	2016	2015
	€	€
Net Expenditure for the Reporting Period	(570,302)	(769,730)
<i>Adjustment for:</i>		
Interest payable and similar charges	215,906	373,065
Interest income	(599)	(1,456)
Depreciation	1,368,638	1,321,353
Amortisation	(312,000)	(312,000)
(Increase)/decrease in debtors	(21,436)	25,254
Increase/(decrease) in creditors	163,423	4,380
Net Cash generated from Charitable Activities	843,630	640,866

22. 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. The company does not use derivative financial instruments.

Credit risk

The company's principal financial assets are bank balances, cash and other receivables. The company's credit risk is primarily attributable to its other receivables. The amounts presented in the balance sheet are net of allowances for doubtful other receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on cash at bank is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a number of counterparties.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets and liabilities are held at fixed rates to ensure certainty of cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future activities, the company uses a mixture of long-term and short-term debt finance.

23. PENSIONS

The company operates an externally funded defined contribution scheme that covers substantially all the employees of the company. The assets of the scheme are vested in trustees in accordance with the Trust Deed for the sole benefit of these employees. There were no liabilities in respect of pension contributions outstanding at 31 December 2016.

24. FINANCIAL COMMITMENTS

There are no capital commitments which have been contracted for but not provided in the financial statements as at 31 December 2016 (2015: €Nil). There are no contracted future minimum lease payments under non-cancellable operating leases as at 31 December 2016 (2015: €Nil).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

25. SUBSEQUENT EVENTS

There have been no significant events affecting the company since the balance sheet date.

26. CONSOLIDATED GROUP FINANCIAL STATEMENTS

Consolidated group financial statements have not been prepared, as the company has availed of the exemption under Section 293 of the Companies Act 2014 not to prepare consolidated financial statements.

27. RELATED PARTY TRANSACTIONS

The total remuneration for key management personnel for the financial year amounted to €852,175 (2015: €783,149). Remuneration included salaries, employer PRSI and pension contributions.

28. TRANSITION TO CHARITIES STATEMENT OF RECOMMENDED PRACTICE (CHARITIES SORP FRS102)

This is the first financial year the company has presented its financial statements under "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" known as the Charities SORP (FRS102). The following disclosures are required in the year of transition.

Reconciliation of Reserves	At 01/01/2015	At 31/12/2015
Reserves reported under previous FRS 102	28,864,530	28,092,227
<i>Adjustments to equity on transition to FRS 102:</i>		
Reclassification of restricted funds included in creditors	87,461	90,034
Adjusted Reserves Report under Charities SORP (FRS 102)	28,951,991	28,182,261
Reconciliation of surplus of income over expenditure for 2015		€
Surplus of income over expenditure for the financial year under previous FRS 102		772,303
Reclassification of restricted funds included in creditors		(2,573)
Surplus of income over expenditure for the financial year under Charities SORP (FRS 102)		769,730

As part of the transition to the Charities SORP (FRS102), the directors reviewed the accumulated reserves of the company and noted that in addition to the above adjustment to reserves, a reallocation between restricted and unrestricted funds was required. The impact of this reallocation had no effect on total accumulated reserves at 1 January 2015 or 31 December 2015.