

**Saint John of God Community Services clg
(A company limited by guarantee, not having a share capital)**

Annual Report and Financial Statements

Financial Year Ended 31 December 2016

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DIRECTORS AND OTHER INFORMATION

Board of directors

William Forkan (Brother Donatus)
Anne Gunning
Michael Noone (resigned 26 March 2018)
Paul Robinson
Gerard Boyle
Charles Watchorn (appointed 8 March 2018)
Anne Cleary (appointed 8 March 2018)
Eimer O'Rourke (appointed 8 March 2018)
James Hussey (appointed 8 March 2018)

Solicitors

Porter Morris and Co.
10 Clare Street
Dublin 2

Secretary and registered office

Ciaran Cuddihy
"Granada"
Stillorgan
Co Dublin

Bankers

Bank of Ireland
College Green
Dublin 2

Chief Executive Officer

Clare Dempsey

Company number: 430744

Charity Tax Exemption number: CHY 18284

Charity Reg. number: 20069865

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the financial year ended 31 December 2016. The Directors confirm that the financial statements of the company comply with the current statutory requirement of the companies governing documents and with the provisions of FRS 102 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the Republic of Ireland (FRS102) hereafter denoted as the Charity SORP (FRS102). The Charity SORP (FRS102) is not yet mandatory in the Republic of Ireland and the Irish Charity Regulator has not yet prescribed accounting regulations for Irish Charities. In the absence of such prescriptive guidance this Board has adopted the Charity SORP (FRS102) as it is considered best practice.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the 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 Irish law), and the Charity SORP (FRS 102).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain 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; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

Principal activities and business review

Saint John of God Community Services clg operates HSE (Health Service Executive) funded services across intellectual disability, adult mental health and child and adult psychiatry. The services are provided in the tradition of Saint John of God. Please see Trustees' Report page 7 for more details.

The charity is a registered company and the reports and results are presented in a form which complies with the requirements of the Companies Acts 2014. The company has been granted charitable tax exemption by the Revenue Commissioners.

DIRECTORS' REPORT - continued

Financial review

The result for the year is set out in the statement of financial activities on page 20 and the net position for the year is set out on page 22.

The directors report total income and endowments for the year ended 31 December 2016 of €158,936,879 (2015: €154,072,488), this represents an increase of 3.16% for the year.

The directors report total expenditure for the year ended 31 December 2016 of €161,790,522 (2015: €157,573,492), this represents an increase of 2.68% for the year.

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Hospitaller House, Stillorgan, Co. Dublin.

Going concern and events since the end of the financial year

Based on a combination of the facts and circumstances set out in note 1 to the financial statements, the directors have concluded that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless after making enquiries and considering the proposed actions and negotiations described in note 1, the directors have a reasonable expectation that agreement will be reached with the HSE, and that appropriate measures can be taken to ensure the Company has adequate resources to continue in operational existence for the foreseeable future and to implement planned actions. For these reasons they continue to adopt the going concern basis in preparing the directors' report and financial statements of the company. The directors' detailed considerations in relation to the appropriateness of the going concern concept are set out in note 1 to the financial statements.

There have been no other significant or material events affecting the Company since the year end.

Branches

The organisation comprise of a number of different services, details of which are set out in note 4 (p) of the financial statements.

Political donations

The company did not make any political donations during the financial year.

Research and development

The company carries out ongoing medical research and so ensures that evidence based best practice informs our delivery of service.

Directors

The names of the persons who were directors at any time during the year ended 31 December 2016 are set out below. Unless indicated otherwise they served as directors for the entire year.

William Forkan (Brother Donatus)

William Brennan-Whitmore (Brother Fintan) (Brother Fintan passed away on 19 June 2017)

Anne Gunning

Michael Noone

Paul Robinson

John Pepper (resigned 6 December 2017)

Gerard Boyle (appointed 17 December 2016)

Maura O'Loughlin (appointed 24 March 2016 resigned 24 February 2017)

Charles Watchorn (appointed 8 March 2018)

DIRECTORS' REPORT - continued

Attendance at Board and Finance Committee Meetings

The attendance of the Board of Directors and Finance Committee members at meetings is as follows:

Board meeting	Eligible	Attended	Board Finance Committee	Eligible	Attended
William M Forkan	14	13	John Pepper	9	8
William Brennan-Whitmore	14	12	Paul Robinson	9	9
John Pepper	14	11	Michael Noone	9	8
Anne Gunning	14	13			
Paul Robinson	14	14			
Michael Noone	14	11			
Maura O'Loughlin	10	8			

Directors' and secretary's interests

The directors and secretary and their families had no interest in the company or any other related companies at 31 December 2016.

Review of business and results

The results for the year are included in the Statement of Financial Activities on page 20. Net expenditure amounted to €2,853,643 (2015: €22.076m income). The result for 2015 included the exceptional impact of the receipt of €20.58m in assets transferred from the Hospitalier Order of Saint John of God West European Province and €5m in relation to waiver of a loan balance.

Future developments

The company plans to refine and specialise the range of health services provided to persons with intellectual disability and to persons with mental illness.

Legal status

The company was incorporated in Ireland on 29 November 2006 as a company limited by guarantee. The company's registered number is 430744, the charity tax exemption number is CHY 18284 and the charity registered number is 20069865.

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

Directors Compliance Statement

The directors acknowledge that they are responsible for securing the company's compliance with its relevant obligations.

The directors confirm that they have:

- 1) Drawn up a compliance policy statement setting out the company's policies respecting compliance by the company with its relevant obligations.
- 2) Put in place appropriate arrangements or structures that are designed to secure material compliance with the company's relevant obligations.
- 3) Management maintained the arrangements and structures which had been put in place to secure material compliance with the relevant obligations of Saint John of God Community Services clg. During the financial year ended 31 December 2016, we acknowledge that, these arrangements can only provide reasonable assurance of compliance in all material respects with those obligations. Informal reviews were conducted by management for the financial year ended 31 December 2016 and a formal review was conducted in quarter one 2017 and further reviews will be conducted during the financial year ended 31 December 2017.

DIRECTORS' REPORT - continued

Audit Committee

Since the year end, a separate Audit and Risk Committee has been established in Saint John of God Community Services clg. The Committee was formed in January 2017, and had its first meeting on 28 March 2017. The Audit and Risk Committee has taken responsibility for the review of the output of the 2016 audit and audited financial statements. Previously this role was part of the terms of reference of the Finance Committee.

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Board

William Forkan

Charles Watchorn

29 May 2018

TRUSTEES' REPORT

Structure, Governance and Management

Constitution

Saint John of God Community Services clg is a not-for-profit organisation that provides services and supports to 2,411 children and adults with intellectual disability and 5,650 children, adolescents, and adults with mental illness at its services in Dublin, Louth, Kildare and Kerry. The company is governed by a Memorandum & Articles of Association.

The company is a registered Irish company clg by guarantee (reference 430744) and holds charitable status with the Revenue Commissioners (reference CHY18284).

The main object for which the Company is established is to facilitate the mission of the Hospitaller Order of the Saint John of God, a religious Order within the Catholic Church, to serve the Church in the assistance of the weak and the sick and those in need, with a preference for the poorest and without any type of discrimination, in the alleviation of their suffering and to work for the personal development, education and advancement of such people through the provision of a range of community based health related services to persons with intellectual disability, and persons with mental illness and older persons.

Policy Adopted for the Induction and Training of Directors

There is an induction programme in place for new Directors on commencement of their term of office, which includes a Board of Directors Governance Handbook.

The Directors are supported to participate in regular formation and training for the development of board management skills.

Organisational Structure and Decision Making

Saint John of God Community Services clg is governed by the members of the Board who are appointed in accordance with the company's' Memorandum and Articles of Association. The Directors receive no remunerations for their services. The Directors have a diverse range of skills, experience and expertise. The Board meets at least 10 times per year and has non- executive responsibility for the company and the services it provides.

The Board delegates the day to day management of Saint John of God Community Services clg to the Chief Executive. The Regional Directors report to and are accountable to the Chief Executive for the management of Regional Services. The Corporate Leadership Team at Saint John of God Hospitaller Headquarters provides support and advice across various functions to the Chief Executive and the Management Teams of the Regional Services.

The Board recognises the value of high standards of corporate governance and to this end has established Board Committees to oversee particular aspects of the work of the company and provide reports to the Board.

The following are the principal committees and their responsibility:

Finance Sub Committee

The purpose of the Board Finance Sub Committee is to oversee the development of policies and standards relating to the financial management of Saint John of God Community Services clg, including the system of financial controls and monitoring their implementation.

The Finance Committee discharged this function in accordance with the Terms of Reference of the Audit and Risk Sub Committee for the year under review.

A new Director was appointed to the Board and The Audit and Risk Subcommittee was established in January 2017 under the Chairmanship of this Director.

TRUSTEES' REPORT - continued

Audit and Risk Sub Committee

The Purpose of the Audit and Risk Sub Committee is to provide independent, objective and timely advice to the Board on the financial reporting process and the judgement associated therewith to ensure the balance, transparency and integrity of the business. The Audit and Risk Sub Committee develop Risk Management Policies and Risk Register Systems, and the Risk Sub Committee reviews the scope and effectiveness of internal financial control and the internal audit function.

Under its current constitution, only Directors of the Board can serve as members of Sub Committees. The Board is of the view that there were insufficient Directors to form this Sub Committee in 2016. The functions of the Audit and Risk Sub Committee have been assumed by the Finance Committee.

The Finance Committee discharge this function in accordance with the Terms of Reference of the Audit and Risk Sub Committee.

A new Director is appointed to the Board and The Audit and Risk Subcommittee will establish in January 2017 under the Chairmanship of this Director.

Quality and Safety Sub Committee

The purpose of the Quality and Safety Sub Committee is to provide assurance to the Board that there are appropriate and effective systems, structures and processes in place that cover all aspects of clinical and social care, safety and occupational safety and to set and monitor the delivery of Key Performance Indicators for the Quality and Safety function at executive and local levels.

The Quality and Safety Sub Committee discharges its functions in accordance with the Terms of Reference approved by the Board.

Nominations, Performance and Governance Committee

The Nominations, Performance and Governance Committee is responsible for oversight of the Board's exercise of its fiduciary and governance oversight functions, as set out in its written Governance Standards.

The Chairpersons of the Board Sub Committees comprise the membership of the Nominations, Performance and Governance Committee. The Committee is responsible for reviewing the Constitution of the company and for the preparation of a Succession and Formation Plan for Directors and senior managers in accordance with the competency framework.

The Committee approved the appointment of a Company Secretary in 2016 and the appointee is scheduled to take up position in 2017. The Committee will also arrange for an independent Evaluation of Board Effectiveness to take place in 2017.

Risk Management

The Directors with the Chief Executive have assessed the major risks to which the company is exposed, in particular those related to its operations and finances, and are developing systems, procedures and controls to mitigate exposure to these risks.

There are Risk Management Policies in place and the Board adopted the HSE Safety Management Policy in 2015 and the HSE Integrated Risk Managements Policy in March 2017.

The organisation's internal control systems are supported by policies, procedures, protocols and guidelines covering all aspects of the work of the organisation.

It is the policy of Saint John of God Community Services clg that all staff and volunteers including members of the Board are engaged, subject to best practice recruitment policies and Garda Vetting Procedures. All staff and volunteers are made aware of their responsibilities to protect those they support, by adhering to national polices for safeguarding vulnerable people. These policies include, Children First and Safeguarding Vulnerable Persons at Risk of Abuse.

TRUSTEES' REPORT - continued

Objectives and Activities

Mission

Our Mission is to identify, respond and support the needs of individuals, in the manner of Saint John of God.

Vision

Our Vision is of a society inspired by Hospitality, where the potential of each individual is achieved.

Ethos

Based on the beliefs and values of Saint John of God, the philosophy of the Order's work is that people are the creation of God, with intrinsic dignity.

Strategic Plan

The Corporate Strategic Plan 2015 – 2017 defines the five priority areas as follows:

- Heritage, identity, culture, ethos and values
- Person-centred service development and delivery
- Building capacity and relationships
- Innovation, quality and risk
- Sustainability and resilience

This strategic plan for Saint John of God Community Services clg was reviewed in 2015 and sets out the objectives, action plans and key performance indicators to guide the delivery and development of Saint John of God Community Services clg in 2016 and 2017.

In 2017, each Regional Management Team will develop an Annual Plan to give effect to the implementation of the Strategic Plan in the Regional Services.

The Board requested the Executive and each Regional Service to prepare an Annual Plan to give effect to the implementation of the Strategic Plan 2017-2018 and to provide an annual report on the implementation of actions to progress towards compliance with corporate Key Performance Indicators.

Service Provision

Saint John of God Dublin South East/Kerry Region

Saint Augustine's School

A co-educational school providing educational, social, recreational and vocational training programmes for children and adolescents with mild general learning disabilities. Residential services are provided for 4 young people.

Carmona Services

Provide a network of day, education, training, employment, respite and residential services to children and adults with intellectual disabilities, who reside in South East Dublin and North Wicklow.

STEP

Supports men and women presenting with mild intellectual disabilities in the Dublin Mid-Leinster area to seek employment, through career planning, work options, education, training and continuous learning.

City Gate

Supports individuals with mild intellectual disabilities in the Dublin Mid-Leinster area to access their own housing.

Saint John of God Kerry Services

Provides training, employment, social, respite and residential programmes to people with intellectual disabilities in County Kerry.

TRUSTEES' REPORT - continued

Saint John of God Community Mental Health Services

Cluain Mhuire Community Mental Health Service

Provides community mental health services to adults in the catchment area of Dun Laoghaire-Rathdown.

Lucena Clinics

Provides community mental health services to children and adolescents in Dublin South, parts of Dublin West and Co. Wicklow.

Liffey Region

Saint John of God Kildare Services

Provide a network of day, residential and respite service to children and adults with intellectual disabilities in North Kildare.

Menni Services

Provide residential, respite and day services to children and adults with intellectual disabilities in Dublin South City, Dublin South West and Dublin West.

Saint John of God North East Services

Provide residential, respite and day services to children and adults with intellectual disabilities in Louth, Meath and Monaghan.

Suzanne House

Provides specialised individual respite care for children with high medical support needs in a small homelike environment.

Looking back to 2016

2016 was a challenging year for Saint John of God Community Services clg.

Despite the challenges, there are many examples of innovative and exemplary service developments across the regions that focus on empowering and supporting people to be active participants of the community in which they live:

- Development of My Personal Plan App to give the individual direct and immediate access to their personal plan in a format suitable to their needs.
- Continued development of Community Hubs to support people to actively engage in community educational, recreational and occupational activities.
- Staging Drama and Musical Productions in the local community theatres.
- Participation in further education programmes in Adult Education Centres, Institutes of Technology and Universities.
- Development of Individualised living arrangements for people in local communities.
- Move from campus based living to community group homes and apartments.
- Individualised Person Directed programmes for graduates of School and Rehabilitative Training.
- Developing new Advocacy Initiatives.
- Provision of education programmes to parents and families.
- Participation on European Funded Projects to develop technology applications to enhance service provision.

Inspection of residential services for children and adults with intellectual disability in accordance with Health Act 2007 (Care and Support of Residents in Designated Centres for persons with Disabilities) Regulation 2013 continued in 2016. HIQA conducted 52 monitoring and registration inspections in 2016. Community based residential services generally achieved high levels of compliance with the Regulations. Thirty three community based designated centres received their Certificate of Registration in 2016, bringing the total number of registered Designated Centres to forty five by the end of 2016. Campus based services were significantly challenged by inspection and in some cases failed to achieve compliance with the Regulations. Inspection in many cases highlighted that staffing levels were insufficient to provide safe and effective care.

TRUSTEES' REPORT - continued

Looking back to 2016 - continued

The Governance of Designated Centres was reviewed to ensure that each Designated Centre has a Person in Charge and sufficient managers to support effective governance. The delegation of the Role of Provider Nominee to Regional Directors, General Managers or Programme Managers and the allocation of additional Persons in Charge and managers has served to enhance and strengthen Governance and Leadership of the 80 Designated Centres operated by Saint John of God Community Services clg.

The focus on continuous quality improvement across all services continued in 2016 and there has been a concerted commitment to improving practices and standards at all levels. The Executive and Regional Quality and Safety Committees focused their attention on the development, implementation and monitoring of systems, policy and procedures to advance the quality agenda.

The requirement to provide services in accordance with Health Act 2007 (Care and Support of Residents in Designated Centred for persons with Disabilities) Regulation 2013 has required the approval of additional staff resources and the development of alternative individualised living arrangements for residents presenting with behaviours of concern. In the absence of additional funding from the HSE, the board had little option but to respond to these presenting needs in order to provide residents with safe and effective living arrangements.

The need to provide safe effective care put extreme pressure on an already insufficient budget allocation. In Quarter 4 2015, the Executive prepared a Report for the HSE setting out a requirement for an additional annual allocation of €18.7m to provide safe effective quality services. At the end of 2015 the HSE allocated an additional €7.9m and this allocation rolled over to the 2016 allocation. In addition to this identified shortfall, the superannuation funding of €2m allocated to services operating budgets since 2012 was withdrawn to meet current superannuation liabilities in 2016. Regional Services endeavoured to implement cost containment plans to bridge the funding deficit, but these plans proved in the main to be unrealistic, unsustainable and unachievable.

Saint John of God Community Services clg operated with a deficit of €7.9m in 2016. Saint John of God Hospitaller Ministries cashed the last of its reserves to the value of €5m leaving a net deficit of € 2.9m. There are no further reserves to support this or any future operating deficits.

The funding deficit was identified to the HSE again throughout 2016. In December 2016, the HSE set out their intention to conduct a Review of Finance and Governance at Saint John of God Community Services clg.

The HSE Internal Audit Team commenced a review of payments made by the Order to fourteen Senior Managers in November 2013. In September 2013, the HSE issued a circular requiring unequivocal compliance with Public Pay Policy. On review of the Public Pay Compliance requirements in 2013 and the contractual changes required to achieve compliance, The Order made these payments to senior managers to buy out contractual liabilities and pension risks. The Order and Saint John of God Community Services clg has cooperated fully with the HSE review and expects to receive the Report of the Review in 2017.

In July 2016, Deloitte on behalf of the HSE conducted an audit of governance and compliance as part of a national governance audit of S38 services in July 2016. The audit highlighted areas of good and effective practice and also identified areas and recommendations for improvement. An action plan was submitted on completion of the audit process and will be incorporated into the final report. The final report is expected early 2017.

TRUSTEES' REPORT - continued

Looking back to 2016 - continued

The provision of quality services and supports are guided by an organisation's Policies and Procedures. Saint John of God Community Services clg has a diverse suite of policies and procedures to support the provision of services. The following policies and procedure were reviewed and approved by the Board in 2016:

- Policy on Intimate and Personal Care
- Procurement Policy
- Policy on the Management of Dysphagia
- Policy for Management of Complaints, Compliments and Consumer Feedback
- Total Communication Policy
- Record Retention Policy
- Application for Supports Policy
- Dignity and Respect at Work Policy
- Paternity Leave Policy
- Overtime/Time in Lieu Policy
- Protection and Promotion of Human Rights Policy
- Person Directed Medication Management Policy
- Relationships, Sexuality and Education Policy

The Board also approved a suite of policies and procedures prepared by Saint John of God Community Mental Health Services to support and guide the provision of mental health services in accordance with the Mental Health Commission Quality Framework

The Board has adopted the following National Policies:

- Safeguarding Vulnerable Adults at Risk of Abuse
- Safety Incident Management Policy

Advances in the development of technology are of great significance to the quality of life experienced by children and adults with disability. A Task Group comprising staff and the people we support collaborated at workshop style events in 2016 to prepare an accessible website. At the Workshops, the people we support were facilitated to design a website that is truly meaningful and worthwhile to them as individual website users. The website was formally launched on 8th March 2017.

The Assistive Technology Committee developed An Assistive Technology Policy setting out Saint John of God Community Services clg commitment to support people attending its services to use and enhance their own abilities and in doing so, encourage and facilitate their independence. This policy will be presented to the Board in March 2017.

Advances in technology are of equal significance to the method of operation and the efficiency and effectiveness of our work at all levels of the organisation. The ICT Department and members of Saint John of God Mental Health Services have collaborated over the years to develop a Mental Health Information System (MHIS). In 2016, the system was shared with the Emergency Department at St Vincent's University Hospital. Staff at St Vincent's Hospital supporting patients of Saint John of God Mental Health Services presenting at the Emergency Department have electronic access to the patient's mental health records enabling staff to provide for integrated continuity of care.

The ICT Department also piloted the introduction of Flow Forma in 2016. Flow Forma provides for the single input of information to the system and enables the completion of the required forms in accordance with various legislative, regulatory and general reporting requirements. The pilot has proved very successful and efficient, and will roll out to all regional services in 2017.

Of the 805 people for whom we provided residential services and supports in 2016, 261 people were living in an institutional or campus based setting at Saint Mary's Drumcar, Saint Raphael's Celbridge, and Saint Mary of the Angels, Beaufort.

TRUSTEES' REPORT - continued

Looking back to 2016 - continued

The HSE with capital and revenue funding from the Social Reform Fund established the Transforming Lives Programme in 2016. Transforming Lives Project Plans were prepared for each of the campus based services, identifying the needs of residents, for whom we planned to transition and support to live in community settings in 2016. The Project Plan identified the type of housing required to support each person to live in a community setting. The Plan also identified the need for comprehensive Person Centred Plans and Transition Plans to support each individual to transition successfully to their new home. The Project Plans also identified the need for staff education and training to support the change from a medical model to a social care model of service provision. The Transforming Lives Project identifies the need for transitional funding to be made available to services to allow for the development of community living arrangements and the continued operation of campus based services.

Saint Mary's, North East Services, Saint Raphael's Kildare Services, and Saint Mary of the Angel's Kerry Services submitted Project Plans for the Transforming lives Project. Saint Mary's of the Angel's was removed as a priority accelerated site in 2016, in favour of other national priority sites. Neither Saint Mary's nor Saint Raphael's received transitional funding in 2016. It is anticipated that this funding will be released in early 2017.

As part of the Transforming Lives Project and the Social Reform Fund €4.35m capital funding was allocated for the purchase of 7 houses at St John of God Kerry, North East and Kildare Services. Seven houses were purchased and are under renovation by the HSE in preparation for the transfer of 24 residents to community living in the 2017. Houses and apartments are also being purchased by Saint John of God Housing Association with funding from the Department of the Environment, Capital Assistance Scheme. These houses and apartments will facilitate residents who have the capacity to sign tenancy agreements to transition to community living.

Person Centred Planning is at the core of the services we provide to children and adults. In autumn 2015, the Executive established a Group to review the Person Centred Planning Process with the aim of developing a process and system, that ensures that the services and supports provided to the individual are to a high quality standard and are in accordance with the wishes, preferences and aspirations of the individual. The Review Group developed and launched the Person Directed Planning Process in 2016 providing individuals and staff with a range of tools and supports for the development of a quality driven Person Directed Plans.

New Directions is the Government Policy guiding the provision and development of Day Services to people with an intellectual disability. Services over the years have developed a range of innovative responses to the provision of day services. The Day Service Review Group developed a Baseline Audit Tool for New Directions Standards and completed peer audits across day services in 2016. This group will report on its audit finding in 2017, with recommendations for the development of day services in accordance with New Directions Policy and Standards.

Mental Health Services are provided to children and adolescents at Lucena Clinics in South Dublin and Wicklow. Services are provided to adults in South Dublin at Cluain Mhuire Services. Planning at a national level is at an advanced stage for the co-location of Primary Care and Mental Health Services in Primary Care Networks. Saint John of God Community Mental Health Services are working with HSE to identify appropriate locations for the child and adolescent and adults mental health services in accordance with the services strategic plan.

In November 2016, The Saint John of God Community Mental Health Services collaborated with the UCD School of Nursing to run a seminar to commence discussions on the role of Nursing in ADHD Clinics. Presentations were provided by a Nurse prescriber from the NHS in the UK who has experience of prescribing medications in an ADHD Clinic, a consultant psychiatrist from Lucena CAMHS and the lead lecturer in Nurse prescribing at UCD. The seminar was attended by Nursing and Medical staff with representation from the Nursing Midwifery Professional Development Unit (NMPDU) and the Mental Health Division of the Department of Health.

Following this seminar both the Department of Health and the NMPDU assured Saint John of God Community Mental Health Services that with immediate effect they would support legislation for Nurse prescribing of ADHD medications. Three CAMHS nurses applied to the Nurse prescribing course in UCD to commence in January 2017 with a view of a nurse prescribing pilots commencing in three Lucena clinics in 2017.

TRUSTEES' REPORT - continued

Energy efficiency

The Sustainable Energy Authority of Ireland (SEAI) was established as Ireland's national energy authority under the Sustainable Energy Act 2002 and since 2011 all public sector bodies are required to report details of their energy performance directly to SEAI each year. Data entered for 2015 has shown a decrease of energy consumption by Saint John of God Community Services clg of 8.8% on 2014. Given that the public sector has to improve its energy savings by 33% by the year 2020 a Strategy will be developed in 2017 identifying the measures required to achieve this target.

Statistics	2016	2015
Adult Mental Health		
Cluain Mhuire Community Mental Health Services		
Acute Bed Nights		
Average Monthly Number	28	24
Community accommodation		
High Support Places	21	21
Low Support Places	9	9
Support to Independent Living Places	62	97
Day centres		
Burton Hall Average Daily Attendances	77	53
Burton Hall Number on Register	137	121
Venegas Club House Average Daily Attendances	55	30
Venegas Club House Number on Register	78	65
Child and Adolescent Mental Health		
Saint John of God Lucena Clinic		
Day Hospital		
No. of Places	16	16
New Referrals	72	120
Total attendances (per day)	7	12
Total no. of persons attending	116	170
Outpatient Clinics		
New Attendances	1,546	1,562
Repeat Attendances	29,535	27,429
Total no. of attendances	31,081	28,991

TRUSTEES' REPORT - continued

Statistics - continued 2016 2015

**Saint John of God Community Services clg
Breakdown of Staff Complement by Care Group
Staff Complement**

Management/Admin	160	159
Medical/Dental	41	40
Nursing	486	498
Health and Social Care Professionals	607	551
General Support Services	157	166
Other Patient and Client Care	824	763
Total Staff	2,275	2,177

Intellectual Disability Services	Start of	End of
Children/Adults Attending Programmes	2016	2016
Children/Adults attending Day Programmes	2,333	2,379
Children/Adults in Residential Settings	805	859
Permanent Residents	78	89
Permanent Residents Receiving a Day Service	727	770
Day Attendees Only	1,606	1,609
Special School Attendees	490	467
Total service users (excl. Respite)	2,411	2,468

Residential Service Users	2016	2015
Carmona	113	115
Menni	102	105
Kildare	180	187
Saint Augustine's	4	11
City Gate	39	40
North East Services	251	254
Kerry Services	116	116
Total	805	828

Day attendees (incl. Special Schools)		
Carmona	393	388
Menni	446	458
Kildare	409	407
Saint Augustine's	136	154
City Gate	1	1
STEP	209	191
North East Services	429	424
Kerry Services	308	310
Total	2,331	2,333

TRUSTEES' REPORT - continued

Looking Forward..... The Year Ahead

The Strategic Plan for Saint John of God Community Services clg sets out our objectives and plans for 2017, as we endeavour to develop day, respite and residential services of excellence for people with intellectual disability and for those children, adolescents and adults requiring care and treatment for mental illness.

We have long since identified that services to people with an intellectual disability are best provided in a community setting. This year, we aim, with the support of revenue and capital funding from HSE Transforming Lives Project to transition 58 people to move from campus based services to community living.

The Quality and Safety Sub Committee has established in February 2017 weekly meetings and the development of a monitoring process to oversee the implementation of the required actions to achieve compliance with the Regulations, particularly at campus based services in Louth, Kildare and Kerry.

Our Values of Hospitality, Compassion, Respect, Justice and Excellence are central to the manner through which we provide services and supports to people. With the support of the Institute of Hospitality, and through various education initiatives, we endeavour to ensure that all staff understand and practice the Values and that all actions and interactions are in accordance with the Values. By extension, the Board expects, that the people who we support and any person who has contact with our services, experiences our unique Value of Hospitality.

Saint John of God Community Services clg provides services and supports to children from birth to 18 years. Children are supported through Early Intervention, Pre-School, Respite, and Outreach Programmes. Clinical Service provision for children in Louth, Dublin South East and Dublin West will transfer to Network Disability Teams this year in accordance with the National Policy of Progressing Disability Services for Children. Saint John of God Dublin South East, Liffey Services and North East Services will work with the Governance and Implementation Teams in the Network Area to effect a smooth transfer of services for staff children and their families.

New Directions sets out the key principles for the provision and development of day services to adults. These principles underpinned by standards will guide the development of a range of day services supports for adults. The outcome of Baseline Audits completed in day services in 2016 and the recommendations emanating from the audit will be shared across services. In 2017, a Review Group will be established to identify the Vision and models of service that will underpin the services and supports provided to adults. This Review Group will present its report to the Board in quarter four 2017.

The age profile of people attending our services has changed significantly. Thirty eight percent of people are over 40 years of age. People with Downs Syndrome, present with a higher risk of developing Dementia. In general our policy is that people will age in place. However, we recognise that a time may come, when it is no longer appropriate for an individual to be supported in their own home. In this regard, the Executive are reviewing the End of Life Care needs of people with an intellectual disability and preparing proposals for the development of appropriate end of life services, so that the individual's needs are appropriately met in accordance with the Values of our services.

The Voice of the person we support needs to be heard and listened to at all levels of the organisation. Services have a long tradition of supporting and facilitating the development of advocacy initiatives. In 2017, each service is required to demonstrate new initiatives to enhance the involvement of the people we support in the decision making process to ensure that service provision and development is responsive to their needs.

Volunteers have and do make an invaluable contribution to our services and to supporting individuals to achieve their personal goals and aspirations. At December 2016, 245 volunteers were directly engaged to support the provision of services to children and adults. The Volunteer Committee comprising membership of corporate and regional services is working collaboratively to recruit, develop and retain volunteers. Volunteers generously support the work of Saint John of God Community Services clg and significantly enhance the quality of life of people we support. It is our aim this year to focus on the development and growth of volunteer numbers and provide volunteers with appropriate training to enhance their skills and the contribution they make to the lives of individuals.

TRUSTEES' REPORT - continued

Looking Forward..... The Year Ahead - continued

The active participation of the people we support in the community in which they live is core to our mission. Regional services are focused on the development of partnerships with community groups, and organisations to support people to actively engage in training, recreational and occupational activities.

As part of our mission, we recognise the importance of empowering and enabling individuals and their families to become as independent as possible. This year we will develop a system and process focusing on the Quality of Life Domains of Independence, Social Participation and Well Being, with the aim of having quality information available to consistently guide all decisions at organisational, service and individual level.

In the later part of this year The Board will commission an independently facilitated process to prepare the Strategic Plan for Saint John of God Community Services clg 2018-2022. The process will provide for consultation with the relevant stakeholders, so that the Strategic Plan sets out the relevant priorities and objectives to guide the delivery and development of services over the lifetime of the plan.

The management of information is a key component of effective service delivery. This year, the Executive will further develop integrated information management systems to ensure that accurate relevant data is maintained, easily retrievable and is used to support the mission of the services.

The Administrative Policies for Saint John of God Community Services clg will be reviewed and revised in 2017, so that administrative services are provided in accordance with best practice contemporary process and procedures.

The staff of Saint John of God Community Services clg are key to the provision of quality services. Workforce Planning Committees are established at Executive and Service levels to ensure that the right people with the right skills are in the right place at the right times to provide the appropriate and required services and supports to people and to support the transition to the provision of new and emerging models of service delivery.

Our services have a long history of Research. With the support of the Research Department at Saint John of God Research Foundation clg, many staff will be supported to continue research to inform best practice service delivery across intellectual disability and mental health services.

The Executive and Regional Quality and Safety Governance Committees will further develop implement and evaluate programmes and systems to enhance the development and delivery of quality programmes.

Factors Relevant to Achieving the Objectives

Having the necessary resources to implement and achieve the objectives of the company requires sufficient funding from HSE, various government departments, in addition to fundraised income. State funding and fundraising income is vital to the organisation to enable the provision and development of quality services and supports.

The transition from traditional campus based medical models of service delivery can be challenging for residents, their family and staff. Transforming Lives Leadership Committees in place at campus based services will put in place the measures set out in the Project Plans to effect a smooth transition for all concerned, so that the people we support are empowered and supported to experience quality living and become active participants of the community in which they live.

The Trustees are committed to this Vision and to the provision of leadership and support of our intellectual disability and mental health services so that this Vision becomes a reality for each and every individual to whom we provide services and supports.



Independent auditors' report to the members of Saint John of God Community Services clg

Report on the financial statements

Our opinion

In our opinion, Saint John of God Community Services clg's financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2016 and of its net expenditure and cash flows for the year then ended;
 - have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
 - have been properly prepared in accordance with the requirements of the Companies Act 2014.
-

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred net expenditure of €2.85m during the year ended December 31, 2016 and, as of that date, the company's current liabilities exceeded its current assets by €6.66m. These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Financial Activities for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.



Matter on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.

Aisling Fitzgerald
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
29 May 2018

STATEMENT OF FINANCIAL ACTIVITIES
Financial Year Ended 31 December 2016

	Notes	Restricted funds 2016 €	Unrestricted funds 2016 €	Endowment funds 2016 €	Total 2016 €	Total 2015 €
Income and endowments from:						
Contributions, donations and legacies	6	5,472,286	-	-	5,472,286	4,380,873
Earned from charitable activities	7	146,093,338	-	-	146,093,338	141,563,118
Earned from other trading activities	8	339,907	735,021	-	1,074,928	1,781,746
Other income	9	6,226,496	69,831	-	6,296,327	6,346,751
Total income and endowments		<u>158,132,027</u>	<u>804,852</u>	<u>-</u>	<u>158,936,879</u>	<u>154,072,488</u>
Expenditure:						
Expenditure on charitable activities	10	151,092,006	876,752	-	151,968,758	148,044,282
Other expenditure	11	9,821,764	-	-	9,821,764	9,529,210
Total expenditure		<u>160,913,770</u>	<u>876,752</u>	<u>-</u>	<u>161,790,522</u>	<u>157,573,492</u>
Net resources expended before investment (losses)		(2,781,743)	(71,900)	-	(2,853,643)	(3,501,004)
Net gains/(losses) on investments		-	-	-	-	-
Net (expenditure) before non-recurring items		<u>(2,781,743)</u>	<u>(71,900)</u>	<u>-</u>	<u>(2,853,643)</u>	<u>(3,501,004)</u>
Non-recurring transfer in of fixed assets	17	-	-	-	-	20,577,936
Non-recurring - waiver of loan balance	27	-	-	-	-	5,000,000
Net (expenditure)/income		<u>(2,781,743)</u>	<u>(71,900)</u>	<u>-</u>	<u>(2,853,643)</u>	<u>22,076,932</u>
Transfer between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(2,781,743)</u>	<u>(71,900)</u>	<u>-</u>	<u>(2,853,643)</u>	<u>22,076,932</u>
Reconciliation of funds:						
Total funds brought forward		(3,415,946)	(6,151,961)	26,065,069	16,497,162	(5,579,770)
Total funds carried forward		<u>(6,197,689)</u>	<u>(6,223,861)</u>	<u>26,065,069</u>	<u>13,643,519</u>	<u>16,497,162</u>

STATEMENT OF FINANCIAL ACTIVITIES - continued
Financial Year Ended 31 December 2015

	Notes	Restricted funds 2015 €	Unrestricted funds 2015 €	Endowment funds 2015 €	Total 2015 €	Total 2014 €
Income and endowments from:						
Contributions, donations and legacies	6	4,380,873	-	-	4,380,873	2,535,285
Earned from charitable activities	7	141,563,118	-	-	141,563,118	136,204,809
Earned from other trading activities	8	718,992	1,062,754	-	1,781,746	2,004,472
Investment income		-	-	-	-	25,829
Other income	9	6,274,243	72,508	-	6,346,751	6,366,628
Total income and endowments		<u>152,937,226</u>	<u>1,135,262</u>	<u>-</u>	<u>154,072,488</u>	<u>147,137,023</u>
Expenditure:						
Expenditure on charitable activities	10	146,823,962	1,220,320	-	148,044,282	144,429,726
Other expenditure	11	9,529,210	-	-	9,529,210	8,294,020
Total expenditure		<u>156,353,172</u>	<u>1,220,320</u>	<u>-</u>	<u>157,573,492</u>	<u>152,723,746</u>
Net resources expended before investment (losses)		(3,415,946)	(85,058)	-	(3,501,004)	(5,586,723)
Net gains/(losses) on investments		-	-	-	-	-
Net (expenditure) before non-recurring items		<u>(3,415,946)</u>	<u>(85,058)</u>	<u>-</u>	<u>(3,501,004)</u>	<u>(5,586,723)</u>
Non-recurring transfer in of fixed assets	17	-	-	20,577,936	20,577,936	-
Non-recurring - waiver of loan balance	27	-	-	5,000,000	5,000,000	-
Net income/(expenditure)		<u>(3,415,946)</u>	<u>(85,058)</u>	<u>25,577,936</u>	<u>22,076,932</u>	<u>(5,586,723)</u>
Transfer between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(3,415,946)</u>	<u>(85,058)</u>	<u>25,577,936</u>	<u>22,076,932</u>	<u>(5,586,723)</u>
Reconciliation of funds:						
Total funds brought forward		-	(6,066,903)	487,133	(5,579,770)	6,953
Total funds carried forward		<u>(3,415,946)</u>	<u>(6,151,961)</u>	<u>26,065,069</u>	<u>16,497,162</u>	<u>(5,579,770)</u>

BALANCE SHEET
As at 31 December 2016

	Notes	2016 €	2015 €
Fixed assets			
Tangible fixed assets	17	<u>20,306,410</u>	<u>20,577,936</u>
		<u>20,306,410</u>	<u>20,577,936</u>
Current assets			
Investments	18	127	127
Stocks	19	3,287	218,227
Debtors and prepayments	20	<u>8,091,014</u>	<u>9,407,216</u>
		<u>8,094,428</u>	<u>9,625,570</u>
Creditors: amounts falling due in less than one year	21	<u>(14,757,319)</u>	<u>(13,706,344)</u>
Net current (liabilities)		<u>(6,662,891)</u>	<u>(4,080,774)</u>
Total assets less current liabilities		<u>13,643,519</u>	<u>16,497,162</u>
Funds of the charity			
Unrestricted funds		(6,223,861)	(6,151,961)
Restricted funds		(6,197,689)	(3,415,946)
Restricted endowment funds		<u>26,065,069</u>	<u>26,065,069</u>
Total charity funds		<u>13,643,519</u>	<u>16,497,162</u>

On behalf of the Board

William Forkan

Charles Watchorn

29 May 2018

STATEMENT OF CHANGES IN FUNDS
Financial Year Ended 31 December 2016

	Unrestricted funds €	Restricted funds €	Restricted endowment funds €	Total €
Balance at 1 January 2015	(6,066,903)	-	487,133	(5,579,770)
Net expenditure for the year	(85,058)	(3,415,946)	-	(3,501,004)
Non-recurring transfer in of fixed assets	-	-	20,577,936	20,577,936
Non-recurring waiver of loan balance	-	-	5,000,000	5,000,000
Balance at 31 December 2015	<u>(6,151,961)</u>	<u>(3,415,946)</u>	<u>26,065,069</u>	<u>16,497,162</u>
Balance at 1 January 2016	(6,151,961)	(3,415,946)	26,065,069	16,497,162
Net expenditure for the year	<u>(71,900)</u>	<u>(2,781,743)</u>	<u>-</u>	<u>(2,853,643)</u>
Balance at 31 December 2016	<u>(6,223,861)</u>	<u>(6,197,689)</u>	<u>26,065,069</u>	<u>13,643,519</u>

CASH FLOW STATEMENT
Financial Year Ended 31 December 2016

	Notes	2016 €	2015 €
Cash flows from operating activities:			
Net Cash inflow / (outflow) from operating activities	22	356,177	(1,715,102)
Cash flows from investing activities:			
Purchase of property, plant and equipment	17	(156,495)	-
Proceeds from sale of investments		-	1,600
Net cash (used by) / provided by investing activities		(156,495)	1,600
Change in cash and cash equivalents in the reporting period		<u>199,682</u>	<u>(1,713,502)</u>
Cash and cash equivalents at the beginning of the reporting period		(732,466)	981,036
Change in cash and cash equivalents		<u>199,682</u>	<u>(1,713,502)</u>
Cash and cash equivalents at the end of the reporting period	21	<u>(532,784)</u>	<u>(732,466)</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will be able to continue in operational existence for the foreseeable future. The company continues to operate in a very challenging environment.

The operating deficit for 2016 after HSE funding is taken into account amounted to €2.85m (2015: €22.07m surplus). The company had net current liabilities at the Balance Sheet date of €6.66m (2015: €4.08m). Based on the 2018 Allocation from HSE and the company's own forecast, the company is likely to generate a substantial operating deficit in 2018.

The company is dependent on the Health Service Executive (HSE) to fund its activities and the on-going support of the HSE at an appropriate level is fundamental to the company's ability to continue as a going concern. The company has been in negotiations with the HSE for the past number of months with a view to finalising terms and signing the Service Level Agreements (SLAs) for 2018 for three of its services - CMHS, Kerry and NES. Very recently these SLAs have been signed. The Company is also in negotiation with the HSE in relation to its overall level of funding. A joint task force has been set up by Saint John of God Community Services CLG and the HSE, the core objective of which is to develop a time bound improvement plan to ensure the organisation can continue to provide important supports and services on behalf of the HSE as statutory funder. This task force has been in place for a number of months, and while an improvement plan has been agreed, it is likely to be a number of months before the task force concludes its work on funding and finance. The Company management team are of the strong view that the service as a whole has been under-funded for a number of years. The cumulative impact of this underfunding has now reached crisis stages for the organisation.

The company has prepared detailed cash projections for the Services as a whole. Based on these cash projections, the company is projecting that without additional cash support from the HSE it will exceed its available overdraft facility by the end of June 2018, and would continue to exceed this facility at an incremental pace between now and December 2018 and this will further continue to May 2019 (12 months out from the projected signing date for these financial statements). The cash-flow forecast indicates that the company will require additional cash funding of at least €15.2m between now and December 2018. The company has already taken certain actions including deferring the month end payments in a number of months until early in the following month.

The company has also written to the HSE seeking a cash advance of €6.5m of which €3.5m was received in April 2018 and €3m in May 2018.

In the past the company has received funding on an ad hoc basis from the Hospitaller Order of Saint John of God. However the Order has indicated that it does not have the resources available to continue to provide such bailout type funding, and the level of cash deficit now being considered is simply beyond the levels which the Order would be in a position to provide support on.

The company is also continuing to actively review its cost base at all Services, with particular focus on those services which have generated the most substantial deficit in the past year. A detailed plan is being prepared as part of the work of the task force group (referred to above), including cost containment in all regions. The plan includes all options up to and including the suspension of services and the potential handing over of certain services to the HSE. The extent of these and the successful implementation of same will have a substantial impact on the overall out-turn for this and future periods. The company is a regulated entity and additional capital and revenue funding is required to meet ongoing regulatory requirements.

The HSE has not given any indication that it will withdraw its financial support from the company in the foreseeable future. However in the past the HSE has indicated there will be no additional funding to meet core deficits.

Management are in active negotiations with the HSE in relation to the ongoing work of the task force, addressing immediate cash requirements and the overall funding situation.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Going concern - continued

In the context of their considerations in relation to going concern, the Board of Saint John of God Community Services have requested from the HSE a letter confirming their intention to provide the necessary financial support to allow the organisation to continue in operational existence for a period of at least 12 months from the date of signing of these financial statements. While the HSE have not explicitly provided that assurance, they have provided various written assurances in correspondence addressed to the Chairman of the board confirming their position. In the most recent letter, the HSE have re-affirmed that they have entered into a long standing service agreement with Saint John of God Community Services clg for the provision of health and social care services to the citizens of Ireland, and that they do not expect this arrangement to cease over the next 12 months.

While the Board are appreciative of the assurances provided by the HSE, it does not alleviate all of their concerns in relation to the uncertainties identified and the ongoing cash shortfalls which the organisation continues to experience, and does not provide a clear assurance that sufficient cash will be made available to meet obligations as they fall due over the next 12 months. In considering the various facts and circumstances, the directors have in summing up their view of the uncertainties facing the organisation, considered in particular the following key points:

- Substantial deficit for year, with substantial forecast future deficits;
- Substantial net current liability situation (caused in part by prior operating deficits) well in excess of overdraft limit;
- Delayed payments to creditors;
- Pro-longed review/negotiation process with HSE has not reached any final conclusions;
- Cash flow projection indicates that an additional €16.5m will be required from HSE in the period to May 2019 to stay afloat. No commitments have been made in relation to this amount, although a cash advance of €7.5m was received in late 2017, this amount is being clawed back by the HSE in 2018. A further cash advance of €3.5m was received in April;
- HSE have provided a letter of support, however it does not provide clear unambiguous confirmation that sufficient cash will be provided to allow the entity to continue as a going concern for at least 12 months from the date of signing;
- Hospitaller Order of Saint John of God itself does not have the funds to continue to support the Saint John of God Community Services clg entity.

Based on a combination of the facts and circumstances set out above the directors have concluded that there is a material uncertainty related to events or conditions that may cast substantial doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless after making enquiries and considering the proposed actions and negotiations described above, the directors have a reasonable expectation that agreement will be reached with the HSE, and that appropriate measures can be taken to ensure the Company has adequate resources to continue in operational existence for the foreseeable future and to implement planned actions. For these reasons they continue to adopt the going concern basis in preparing the directors' report and financial statements of the company.

The financial statements do not include any adjustments that would be necessary if the company were unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 General information

The Company's principal activity is to provide a HSE (Health Service Executive) funded service across intellectual disability, adult mental health and child and adult psychiatry. The services are provided in the tradition of Saint John of God.

The company is incorporated as a Company Limited by Guarantee in the Republic of Ireland. The address of its registered office is "Granada", Stillorgan Road, Stillorgan, Co. Dublin.

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 5.

3 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

4 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The significant accounting policies adopted by the Company are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

Saint John of God Community Services clg meets the definition of a public benefit entity under FRS 102.

(b) Accounting convention

The financial statements are prepared under the historical cost convention. The reporting currency used in these financial statements is the euro ("€").

(c) Revenue recognition

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(c) Revenue recognition - continued

Contributions, donations and legacies

Income earned from contributions, donations and legacies comprises of:

- (i) Contributions from Saint John of God Hospitaller Ministries which are recognised on basis of amounts received and receivable.
- (ii) Donations are recognised on the basis of amounts received and receivable.
- (iii) Legacies for which entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors' intention to make a distribution.

Grant income

Grants are received from both the Health Service Executive and from other sources:

- (i) Revenue grants which are approved by the Health Service Executive are taken to revenue in the year for which they are approved.
- (ii) Other revenue grants are accounted for as revenue once the performance conditions relating to their recognition have been satisfied.

HSE grant income is considered to be restricted income, and has been designated as such in the Statement of Financial Activities.

Pension levy income

Pension levy income relates to the pension levy introduced by the government in 2010. Pension levy income is recognised as it is deducted from employees' pay.

Long stay income

Long stay income relates to patient charges for accommodation. This income is received directly from the patient on a monthly basis by way of a direct debit, and recognised in income.

Earned from other trading activities

Income earned from other trading activities includes farm income sales of food in the canteen, income from people paying to use the swimming pool. Such income is recognised as it is receivable.

Other income

Other income relates to income from the NHASS pension scheme and rental income. NHASS income relates to pension contributions which are deducted from employees' wages and recorded as income as instructed by the HSE.

Donated services and facilities

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Please refer to the trustees' annual report for more information about their contribution.

Deferred income

Grants relating to expenditure to be incurred in a future accounting period received in advance are deferred to the extent that there are unfulfilled performance conditions which must be satisfied, and are recognised in the future period when such conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(d) Funds

All transactions of the organisation have been recorded and reported as income into or expenditure from funds which are designated as "restricted", "endowment" or "unrestricted".

Restricted funds

Income is treated as restricted where the donor has specified that it may only be used for a particular purpose or where it has been raised for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted. Saint John of Gods Community Services consider that the revenue allocation received from the Health Service Executive in accordance with the service level agreements between the various Saint John of God services and the HSE is restricted income. In the case of certain Service users patients, Saint John of God Community Services clg invoice the HSE separately for specific charges and increments relating to the individual. This income also forms part of restricted funds. The designation as restricted is based on an agreed assessment of same with the HSE.

Unrestricted funds

All other income is treated as unrestricted and relates to the core objective of providing services in accordance with the overall charity objectives.

Endowment funds

Endowment funds are a permanent fund whereby the initial capital amount invested will not be accessed but rather the return on the initial investment will provide funding or access to fixed assets on an annual basis. The properties transferred from Western European Province are considered to be restricted endowment funds.

The balance on each restricted fund at the end of the year represents the asset held by the organisation for particular purposes specified by the donors. The balance of the unrestricted fund at the end of the year represents the assets held by the organisation for general use in furtherance of its work. Endowment funds represents amounts held for investment or specific charitable purpose. Income from these principal amounts will either by (a) unrestricted and used for general purposes, or (b) restricted by the donor or by the Board.

(e) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs incurred by Saint John of Gods Community Services in raising funds for its charitable purposes. It includes the costs of all fundraising activities and events and the sale of donated goods from the various centre workshops. It also includes advertising and marketing costs. The Saint John of Gods Community Services clg accounts do not include any costs of raising funds, as management have concluded that there are no such costs incurred. Fundraising costs are generally borne by other entities for example Parents and Friends Associations, who do fundraising activities on behalf of Saint John of God Community Services clg.
- Expenditure on charitable activities includes the costs incurred in undertaking the various charitable activities which are performed for the benefit of Saint John of God beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. It also includes the costs of grants made to other charitable organisations.
- Other expenditure represents those items not falling into any other heading, and is comprised predominantly of the NHASS payments made in the year

(f) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities. The basis on which support costs have been allocated is set out in note 12.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(g) Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) Short term benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

(ii) Defined contribution pension plans

Superannuation benefits for the employees are governed by the Nominated Health Agencies Superannuation Scheme (NHASS) or the Single Public Service Pension Scheme (SPSPS). The NHASS and SPSPS are regarded as state plans for the purposes of FRS 102.

(ii) Defined contribution pension plans - continued

NHASS

The NHASS is administered, funded and underwritten by the HSE\Department of Health. The directors believe that the company operates as an agent in the operation of the scheme and does not contribute financially to the scheme.

The directors believe that the liability in respect of pension benefits payable to employees who are members of the NHASS will be met in full by the Department of Health. Saint John of God Community Services clg is not exposed to actuarial risk arising in the NHASS and from the company's perspective the NHASS is, in substance, a defined contribution scheme. Contributions from employees, which are deducted through payroll from members of the scheme are credited to the Statement of financial activities when received. Payments in respect of pensions and lump sum payments are charged to the Income and Expenditure account as amounts become payable. Surplus or deficit funding of the balance is dealt with as part of grant income which is included within income earned from charitable activities in the Statement of Financial Activities.

SPSPS

With effect from 1 January 2013 the Single Public Service Pension Scheme (SPSPS) commenced. Most new employees will be members of the Single Public Service Pension Scheme (SPSPS). Pension contributions are remitted to the Department of Public Expenditure and Reform. The administration of the scheme is operated by the Department of Public Expenditure and Reform. The directors believe that the Department of Public Expenditure and Reform is responsible for the payment of lump sums and pensions in payment on behalf of the SPSPS without recourse to the company.

(h) Income tax

The company has been granted charitable tax exemption by the Revenue Commissioners and is recognised as a charity under Section 207 of the Tax Consolidation Act 1997, registered number CHY 18284

(i) Tangible fixed assets

Tangible fixed assets are carried at cost (or fair value at date transferred, see note 17) 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 and borrowing costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(i) **Tangible fixed assets - continued**

(i) **Land and buildings**

Land and buildings are carried at cost (or fair value at date transferred, see note 17) less accumulated depreciation and accumulated impairment losses.

(ii) **Plant and machinery and fixtures, fittings, tools and equipment and motor vehicles**

Plant and machinery and fixtures, fittings, tools and equipment and motor vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) **Depreciation and residual values**

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives, as follows:

Freehold buildings	Over 40-50 years
Plant and machinery	10 to 15 years
Fixtures, fittings, tools and equipment, motor vehicles	3 to 8 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

(iv) **Derecognition**

Tangible fixed assets are derecognised on disposal or transfer or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of financial activities.

(j) **Current investments**

The company's current investments are carried at historical cost less accumulated impairment losses.

(k) **Stocks**

Stock is included at the lower of cost or net realisable value. Stocks are recognised as an expense in the financial year which the related revenue is recognised.

Stock in the company consists of both raw materials, finished goods and goods for resale.

At the end of each financial year, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in profit or loss.

(l) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(m) Provisions and contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(n) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) *Financial assets*

Basic financial assets, including trade and other debtors, cash and cash equivalents, and short-term deposits, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents, are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, and loans from fellow group companies, and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(o) Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the Euro, denominated by the symbol "€".

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of financial activity.

(p) Scope of the financial statements

The following Services are included in the income and expenditure account and balance sheet:

- (i) Head Quarters (including Callan Institute), Hospitaller House, Stillorgan, Co. Dublin
- (ii) Saint John of God Community Services North East Services
- (iii) Saint John of God Community Services Liffey Region
- (iv) Saint John of God Community Services Dublin South East/Kerry
- (v) Saint John of God Community Mental Health Service

These financial statements deal with the activities carried out at each of these regions, principally the provision of health services to persons with intellectual disability and persons with mental illness.

5 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the charity entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The trustees make estimates and assumptions concerning the future in the process of preparing the entity 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 amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of debtors

The directors make an assessment at the end of each financial year of whether there is objective evidence that debtors are recoverable. When assessing impairment of such debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and historical experience of cash collections from the debtor. See note 20 for the net carrying amount of the debtors and the impairment loss recognised in the financial year.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Critical accounting judgements and estimation uncertainty - continued

(ii) Valuation of non-exchange transactions

The financial statements include a number of non-exchange transactions where Saint John of God Community Services clg have benefited from the donation of time and other goods and services from various donors. Such transactions are included in the financial statements at their estimated value. As there is some judgement required in estimating the value of such non-cash donations, this is considered to be a key estimate. Management have not included an estimate in relation to the deemed value of the buildings provided for use by Saint John of God Community Services clg free of charge by the Hospitaller Order of Saint John of God West European Province.

(iii) Fair value of properties transferred

On 22 December 2015, the West European Province of Saint John of God transferred a number of property assets to Saint John of Gods Community Services clg for a nominal consideration. As the receipt of the properties is considered to be a donation from a connected party, the properties have been included in the financial statements of Saint John of Gods Community Services clg at their fair value. Fair value has been determined by management using the assistance of independent professional valuers CBRE, and is based on the market value of the relevant properties calculated on an existing use basis and applying the red book valuation rules. The assets transferred related only to assets which had previously been grant funded by a grant awarding body. In some cases only part of the relevant assets had been grant funded, and in these cases, only the element of the asset which was grant funded was transferred and included at a valuation in the Saint John of God Community Services clg accounts. Property valuations and the assumptions used to arrive at such valuations are by their nature judgemental.

(iv) Tangible fixed assets depreciation

Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic 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 technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 17 for the carrying amount of the tangible fixed assets,

6 Contributions, donations and legacies	Restricted €	Unrestricted €	Total €
2016			
Contribution from Hospitaller Ministries	5,053,933	-	5,053,933
Donations and fundraising	418,353	-	418,353
	<u>5,472,286</u>	<u>-</u>	<u>5,472,286</u>
2015			
Contribution from Hospitaller Ministries	3,996,220	-	3,996,220
Donations and fundraising	384,653	-	384,653
	<u>4,380,873</u>	<u>-</u>	<u>4,380,873</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Earned from charitable activities	Restricted €	Unrestricted €	Total €
2016			
Health Service Executive Allocation	134,979,636	-	134,979,636
Health Service Executive Income	2,610,112	-	2,610,112
Pension levy income	5,174,295	-	5,174,295
Long stay income	2,056,956	-	2,056,956
Dept of Social Protection	1,069,311	-	1,069,311
Dept of Education	74,203	-	74,203
Grant income - Genio	49,810	-	49,810
Grant Income - National Lottery	41,723	-	41,723
Grant Income – Health Research Board	14,395	-	14,395
Grant Income – other grants	5,597	-	5,597
Other income	17,300	-	17,300
	<u>146,093,338</u>	<u>-</u>	<u>146,093,338</u>
2015			
Health Service Executive Allocation	126,765,031	-	126,765,031
Health Service Executive Income	4,495,320	-	4,495,320
Pension levy income	6,783,912	-	6,783,912
Long stay income	2,190,482	-	2,190,482
Dept of Social Protection	1,134,919	-	1,134,919
Dept of Education	75,819	-	75,819
Grant Income - National Lottery	56,090	-	56,090
Grant income - Genio	47,041	-	47,041
Other income	14,504	-	14,504
	<u>141,563,118</u>	<u>-</u>	<u>141,563,118</u>
8 Earned from other trading activities			
	Restricted €	Unrestricted €	Total €
2016			
Canteen receipts	-	343,272	343,272
Sundry income	339,907	101,020	440,927
Workshop income	-	30,899	30,899
Swimming pool	-	259,830	259,830
	<u>339,907</u>	<u>735,021</u>	<u>1,074,928</u>
2015			
Canteen receipts	-	477,205	477,205
Sundry income	717,642	42,421	760,063
Farm and workshop income	1,350	286,719	288,069
Swimming pool	-	256,409	256,409
	<u>718,992</u>	<u>1,062,754</u>	<u>1,781,746</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Other income	Restricted €	Unrestricted €	Total €
2016			
Nominated Health Agencies Superannuation Scheme	6,226,496	-	6,226,496
Rental income		69,831	69,831
	<u>6,226,496</u>	<u>69,831</u>	<u>6,296,327</u>
2015			
Nominated Health Agencies Superannuation Scheme	6,274,243	-	6,274,243
Rental income	-	72,508	72,508
	<u>6,274,243</u>	<u>72,508</u>	<u>6,346,751</u>
10 Expenditure on charitable activities			
	Restricted €	Unrestricted €	Total €
2016			
Pay	120,867,814	447,285	121,315,099
Drugs Medical Support	2,685,104	-	2,685,104
Catering	1,668,408	229,337	1,897,745
Heat, Power and Light	2,181,234	78,522	2,259,756
Cleaning and Washing	1,267,110	26,781	1,293,891
Household	441,719	1,256	442,975
Maintenance	2,016,417	69,568	2,085,985
Transport and Travel	2,673,286	3,379	2,676,665
Computers and Office Expenses	2,638,187	1,038	2,639,225
Rent and Rates	1,110,004	5,660	1,115,664
Professional Services	509,348	27	509,375
Education and Training	551,381	-	551,381
Psychiatric In-Hospital Beds	5,337,186	-	5,337,186
Nursing Diploma	331,981	-	331,981
Fire and Security Alarms	505,369	2,469	507,838
Depreciation	428,021	-	428,021
Miscellaneous	812,567	11,430	823,997
Support costs (note 12)	4,926,870	-	4,926,870
Governance Costs (note 12)	140,000	-	140,000
	<u>151,092,006</u>	<u>876,752</u>	<u>151,968,758</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Expenditure on charitable activities - continued	Restricted €	Unrestricted €	Total €
2015			
Pay	116,488,905	579,656	117,068,561
Drugs Medical Support	2,800,003	76	2,800,079
Catering	1,815,840	271,911	2,087,751
Heat, Power and Light	2,315,693	80,448	2,396,141
Cleaning and Washing	1,412,524	26,925	1,439,449
Household	611,197	174	611,371
Maintenance	2,682,277	250,912	2,933,189
Transport and Travel	2,748,621	4,518	2,753,139
Computers and Office Expenses	2,611,269	1,330	2,612,599
Rent and Rates	1,043,112	3,981	1,047,093
Professional Services	480,569	46	480,615
Education and Training	717,361	57	717,418
Psychiatric In-Hospital Beds	4,459,741	-	4,459,741
Nursing Diploma	331,848	-	331,848
Fire and Security Alarms	586,272	286	586,558
Miscellaneous	972,408	-	972,408
Support costs (note 12)	4,634,478	-	4,634,478
Governance Costs (note 12)	111,844	-	111,844
	<u>146,823,962</u>	<u>1,220,320</u>	<u>148,044,282</u>

11 Other expenditure	Restricted €	Unrestricted €	Total €
2016			
NHASS	9,821,764	-	9,821,764
	<u>9,821,764</u>	<u>-</u>	<u>9,821,764</u>
2015			
NHASS	9,529,210	-	9,529,210
	<u>9,529,210</u>	<u>-</u>	<u>9,529,210</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Analysis of governance and support costs

	Charitable Activities	
	Support costs €	Governance costs €
2016		
Pay - finance	1,715,097	-
Pay - human resources	1,165,931	-
Pay - information and communications technology	894,664	-
Computers and office expenses	670,102	-
Professional services	314,573	140,000
Transport and travel	53,835	-
Other support costs	112,668	-
	<u>4,926,870</u>	<u>140,000</u>
2015		
Pay - finance	1,692,147	-
Pay - human resources	1,104,693	-
Pay - information and communications technology	847,315	-
Computers and office expenses	616,951	-
Professional services	218,360	111,844
Transport and travel	54,180	-
Other support costs	100,832	-
	<u>4,634,478</u>	<u>111,844</u>

Support costs are all related to direct charitable activities, as there are no costs of raising funds included in these financial statements. Support costs have been determined by isolating the specific costs charged to the Finance, Human Resources and Management Information Systems cost centres across the various regions within Saint John of God Community Services clg.

13 Operating expenses

	2016 €	2015 €
The following operating expenses have been recognised:		
Directors' remuneration		
<i>Emoluments:</i>		
- For services as directors	-	-
- For other services	-	-
<i>Pension:</i>		
- For services as directors	-	-
- For other services	38,682	38,282
Cost share allocation (note 27)	(1,491,780)	(1,410,936)
Depreciation (note 17)	428,021	-
Subsidy from Hospitaller Ministries (note 27)	<u>(5,053,933)</u>	<u>(3,996,220)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Operating expenses - continued

Auditors' remuneration

Remuneration (excluding VAT and expenses) for the statutory audit and other services carried out for the company by the company's auditors is as follows:

	2016 €	2015 €
Audit of entity financial statements	140,000	90,930
Other assurance services	-	21,000
Other non-audit services	-	-
	<u>140,000</u>	<u>111,930</u>

14 Employees and directors

(i) **Employees**

The average number of persons employed by the company during the financial year was 2,251 (2015: 2,165).

	2016 €	2015 €
Staff costs comprise:		
Wages and salaries	105,276,474	100,963,381
Social insurance costs	10,784,385	10,234,478
Other retirement benefit costs	9,821,764	9,529,210
Termination payments	-	76,864
Staff costs	<u>125,882,623</u>	<u>120,803,933</u>

	Number of employees 2016	Number of employees 2015
Salary range (excluding pension contributions):		
230,000 - 239,999	-	1
220,000 - 229,000	-	1
210,000 - 219,000	1	1
200,000 - 209,999	1	1
190,000 - 199,999	1	3
180,000 - 189,999	3	1
170,000 - 179,999	5	2
160,000 - 169,999	1	1
150,000 - 159,999	1	-
140,000 - 149,999	3	2
130,000 - 139,999	1	-
120,000 - 129,999	1	-
110,000 - 119,999	-	4
100,000 - 109,999	9	9
90,000 - 99,999	8	8
80,000 - 89,999	16	21
70,000 - 79,999	37	40
60,000 - 69,999	148	165
	<u>236</u>	<u>260</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Employees and directors - continued

(i) Employees - continued

In the year, 236 staff earning in excess of €60,000 p.a. (2015: 260) participated in the defined contribution pension schemes (Note 16). Contributions totalling €nil were made in respect of these employees (2015: €nil).

The salary bands from €60,000 to €239,999 above include, Clinical Director and Consultant Psychologists for the community mental health service and for the intellectual disability services and the leadership teams of the five regions. It also includes salary, premiums and overtime for nurse managers, nurses and other staff who work weekends and bank holidays which is needed as part of running a residential service.

The average number of persons employed by the company during the financial year was 2,251 (2015: 2,165).

	2016 Number	2015 Number
Management/administration	161	158
Medical/dental	41	41
Nursing and General support services	524	583
Health and social care professionals	590	526
General support services	935	857
	<u>2,251</u>	<u>2,165</u>

(ii) Directors/trustees

Trustees received no remuneration (2015: €Nil) and incurred expenses of €3,124 (2015:€3,486) during the reporting period.

There were no loans advanced to directors/trustees during the year and no loans outstanding at 31 December 2016.

(iii) Key management compensation

Key management are defined as the management team. This includes the key management personnel in each of the individual regions which form part of the Saint John of God Community Services clg financial statements, as well as overall central management. The compensation paid or payable to key management for employee services is shown below:

	2016 €	2015 €
Salaries and other short-term benefits	4,146,329	4,254,440
Post-employment benefits	-	-
Total key management compensation	<u>4,146,329</u>	<u>4,254,440</u>

15 Tax

The company has been granted charitable tax exemption by the Revenue Commissioners and is recognised as a charity under Section 207 of the Tax Consolidation Act 1997, registered number CHY 18284.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Post-employment benefits

Most staff employed by the company are members of either the Nominated Health Agencies Superannuation Scheme (NHASS) or the Single Public Service Pension Scheme (SPSPS).

Nominated Health Agencies Superannuation Scheme (NHASS)

The directors believe that the NHASS is a 'pay as you go' state plan administered, funded and underwritten by the Department of Health. It is the Directors' understanding that the funds required in the future to pay pension benefits under the NHASS, as they arise into the future, will be reimbursed to the company in full by the Department of Health.

In the year ending 31 December 2016 the company received €6,226,496 (2015: €6,274,243) in contributions from members of the NHASS. The company also received €3,448,248 (2015:€2,085,233) from the HSE in respect of the NHASS costs, this amount is included with the main revenue grant received from the HSE during the year. €9,821,764 (2015: €9,529,210) was paid out in lump sums, death gratuities and pensions during the year. All of these amounts are included in the Statement of Financial Activities.

Therefore, the Directors' have concluded that from the entity's perspective the NHASS is, in substance, a defined contribution scheme and that it is not necessary for the financial statements of the company to include any liability at the balance sheet date in respect of pension entitlements accrued to that date by employees of the company, nor the disclosure requirements of FRS 102 in respect of defined benefit schemes. The above issue is similar to that applying in the majority of publicly funded organisations. With effect from 31 December 2012 the Nominated Health Agencies Superannuation Scheme (NHASS) was closed to new members.

Single Public Service Pension Scheme (SPSPS)

With effect from 1 January 2013 the Single Public Service Pension Scheme (SPSPS) commenced. Most new employees will be members of the Single Public Service Pension Scheme (SPSPS) which will provide Consumer Price Index linked defined benefit pensions based on career average pay. The directors believe that the company's obligation under the SPSPS to deduct pension contributions from employees who are members of the SPSPS and remit those pension contributions to the Department of Public Expenditure and Reform. The directors believe that the Department of Public Expenditure and Reform are responsible for payments under the SPSPS.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Tangible fixed assets	Land and buildings €	Motor Vehicles €	Total €
Cost			
At 31 December 2015	20,577,936	-	20,577,936
Additions		156,495	156,495
Disposals	-	-	-
At 31 December 2016	<u>20,577,936</u>	<u>156,495</u>	<u>20,734,431</u>
Accumulated depreciation			
At 31 December 2015	-	-	-
Charge for year	411,559	16,462	428,021
Disposals	-	-	-
At 31 December 2016	<u>411,559</u>	<u>16,462</u>	<u>428,021</u>
Net book value			
At 31 December 2015	<u>20,577,936</u>	<u>-</u>	<u>20,577,936</u>
At 31 December 2016	<u>20,166,377</u>	<u>140,033</u>	<u>20,306,410</u>
Cost			
At 31 December 2014	-	-	-
Transfer of beneficial ownership	20,577,936	-	20,577,936
Disposals	-	-	-
At 31 December 2015	<u>20,577,936</u>	<u>-</u>	<u>20,577,936</u>
Accumulated depreciation			
At 31 December 2014	-	-	-
Charge for year	-	-	-
At 31 December 2015	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2015	<u>20,577,936</u>	<u>-</u>	<u>20,577,936</u>

Up until December 2015 the Hospitaller Order of Saint John of God, West European Province held the beneficial ownership of all of the land and buildings used by Saint John of God Community Services clg. The legal title of these assets is held by the Saint John of God Trust (Ireland). During the year ended 31 December 2016, the Hospitaller Order of Saint John of God, West European Province has continued to allow the use of certain of its fixed assets by Saint John of God Community Services clg.

On 22 December 2015, a number of directions were signed between the Order, the Trust and Saint John of God Community Services clg which transferred the beneficial ownership of various properties which were previously in the beneficial ownership of the Order to Saint John of God Community Services clg for a nominal consideration.

In advance of transferring the assets across from West European Province to Community Services, management West European Province considered whether there were any related grants, loans or other obligations attaching to the various assets, which might impact on the future use of the assets within Community Services. This review indicated that a significant element of the assets being transferred had been funded by grants which had no specific performance conditions attaching to them.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Tangible fixed assets - continued

There were some restrictions noted in relation to the grants, principally around the fact that a future sale of the asset within a specific time period would trigger an obligation to repay the grant to the funder. It was agreed as part of the directions transferring the assets, that Community Services would take over the obligation in relation to any future clawbacks arising as a result of any decision to sell the assets. These obligations are considered to be contingent liabilities, and are disclosed as same in Note 23 of these financial statements.

The properties were valued by CBRE Ireland on the basis of Fair Value on an existing use basis, as at 31 December 2015.

Saint John of God Community Services continue to use certain assets which are owned by the Hospitaller Order of St John of God, West European Province free of charge. In relation to the motor vehicles purchased the funding has been provided primarily by donations.

18 Investments	Total €
Cost at 1 January 2015	1,727
Disposals	(1,600)
Cost at 31 December 2015	<u>127</u>
Cost at 1 January 2016	127
Disposals	-
Cost at 31 December 2016	<u>127</u>

19 Stocks	2016 €	2015 €
Raw materials and consumables	3,287	5,525
Finished goods and goods for resale	-	212,702
	<u>3,287</u>	<u>218,227</u>

20 Debtors and prepayments	2016 €	2015 €
Amounts falling due within one year:		
Debtors and prepayments (including provisions of €231,520 : 2015 €71,000)	1,150,512	1,361,491
Amounts due from HSE	6,540,803	6,592,220
Amounts owed by affiliates and related parties (note 27)	399,699	1,453,505
	<u>8,091,014</u>	<u>9,407,216</u>

Amounts owed by related parties are unsecured, interest free, have no fixed date of repayment and are payable on demand.

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Creditors - amounts falling due in less than one year	2016	2015
	€	€
Trade creditors	1,138,178	1,052,780
Amounts owed to affiliates and related parties (note 27)	2,611,653	1,100,578
Income tax deducted under PAYE and PRSI	3,113,417	3,008,343
VAT due to revenue commissioners	2,539	56
Bank overdraft	532,784	732,466
Deferred income	1,008,690	1,373,197
Accruals	6,350,058	6,438,924
	<u>14,757,319</u>	<u>13,706,344</u>

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

Amounts due to related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

22 Reconciliation of net expenditure to cash outflow from operating activities	2016	2015
	€	€
Net (expenditure) / income for the reporting period (per SOFA)	(2,853,643)	22,076,932
Adjustments for:		
Transfer of fixed assets	-	(20,577,936)
Depreciation	428,021	-
Decrease in debtors	1,316,202	151,246
Increase / (decrease) in creditors	1,250,657	(3,324,839)
Decrease / (increase) in stocks	214,940	(40,505)
Net cash provided by/(used in) operating activities	<u>356,177</u>	<u>(1,715,102)</u>

23 Contingent liabilities, commitments and guarantees

As detailed in Note 17 in 2015 a number of assets transferred from Hospitaller Order of Saint John of God, West European Province to Community Services at a nominal consideration. The assets transferred related only to assets which had previously been grant funded by a grant awarding body or capital donation. In advance of transferring the assets across from Hospitaller Order of Saint John of God, West European Province to Community Services, management considered whether there were any related grants, loans or other obligations attaching to the various assets, which might impact on the future use of the assets within Community Services.

There were some restrictions noted in relation to the grants, principally around the fact that a future sale of the asset within a specific time period would trigger an obligation to repay the grant to the funder. It was agreed as part of the directions transferring the assets, that Community Services would take over the obligation in relation to any future clawbacks arising as a result of any decision to sell the assets. These obligations are considered to be contingent liabilities, and are therefore disclosed as same in this note to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Controlling body

The directors consider the Hospitaller Order of Saint John of God – West European Province to be the controlling party of the company.

25 Events since the end of the financial year

There are no subsequent events for disclosure.

26 Public Juridic Person (PJP)

In July 2012, Saint John of God Hospitaller Ministries was established by the Holy See of the Roman Catholic Church as a public juridic person of pontifical right (a “PJP”). The PJP is a canonical body and civil structures are being put in place to implement the new canonical structures in civil law. The new Church body (PJP) has a Board of Sponsors which comprises religious Brothers and lay people.

The Saint John of God Hospitaller Services Group was incorporated in 2015 to put into civil legal effect the structures anticipated by the establishment of the PJP and to secure the long term continuation of the services provided by the Order. The Saint John of God Hospitaller Services Group constitution mirrors the objectives of Saint John of God Hospitaller Ministries and has the same membership as the PJP thus ensuring that the canonical responsibilities which reflect the ethos and purpose of the Order are carried out in the Civil structure. The Saint John of God Hospitaller Services Group will take over the activities in relation to the provision of health and social care, public education particularly with regard to mental health, disability and social needs to the poor and marginalised in Ireland, Great Britain, and Africa; the provision of health and social services in developing countries; and sponsoring education and training of staff who work in these service areas from the Hospitaller Order of Saint John of God, West European Province and is expected to commence activities in 2017. The Hospitaller Order of Saint John of God, West European Province is currently seeking charitable status approval from the Charities Regulator for the new organisation. It is the intention that Saint John of God Community Services clg will effectively become a subsidiary of that organisation during 2017

27 Related party transactions

Note 26 above sets out the intended future Group Structure. The following entities are deemed related parties as they avail of the central management function provided by the Saint John of God Community Services clg. At the end of the year, Saint John of God Community Services clg had the following balances with related parties.

	2016 €	2015 €
Amounts receivable from related parties:		
Saint John of God Hospital clg	40,083	1,176,678
Saint John of God Hospitaller Services Group	-	-
Saint John of God Research Foundation clg	3,912	-
Saint John of God Housing Association clg	355,704	276,827
	<u>399,699</u>	<u>1,453,505</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

27 Related party transactions - continued	2016 €	2015 €
Amounts payable to related parties:		
Hospitaller Order of Saint John of God, West European Province	2,611,653	1,093,470
Saint John of God Research Foundation clg	-	7,108
	<u>2,611,653</u>	<u>1,100,578</u>

Saint John of God Hospital clg provides beds for Saint John of God Community Services clg (Cluain Mhuire Service and Lucena Service) and the costs are charged from Saint John of God Hospital clg to Saint John of God Community Services clg. The cost of this is €5,145,250 (2015: €3,929,342). The Health Service Executive funds a nursing education programme and the Saint John of God Hospital clg are involved in delivering aspects of this at a cost of €331,981 (2015: €331,848).

Transactions with Saint John of God Research Foundation clg relate to reimbursement of salary expenses which amount to €42,605 (2015: €42,548).

Certain costs incurred in the running of the company are shared with other entities within the Order of Saint John of God and administered by Saint John of God Community Services clg. The portion of these costs allocated in the year amounted to Saint John of God Hospital clg €819,912 (2015: €819,912), Hospitaller Order of Saint John of God, West European Province €99,996 (2015: €99,996), Saint John of God Hospitaller Ministries €480,756 (2015: €421,032) and Saint John of God Housing Association clg €91,116 (2015: €69,996).

The Hospitaller Order of Saint John of God, West European Province has provided a subsidy to the company to support its activities in the amount of €5,053,933 (2015: €3,996,220), in addition an amount due at end December 2015 of €5,000,000 from Community Services to West European Province was waived on a once-off basis.

Saint John of God Community Services clg charges or receives from related parties the cost, primarily of salaries, to reflect the portion of work done for/by the other entities and these may be summarised as follows, charged to Saint John of God Hospital clg €532,280 (2015 : €542,667) charged by Saint John of God Hospital clg €141,802 (2015 : €143,406) charged to Hospitaller Order of Saint John of God €152,862 (2015 : €172,645) charged by Hospitaller Order of Saint John of God €233,316 (2015: €264,815). The detail of these charges relating to the relevant personnel are set out in the Memorandum of Understanding between (1) Saint John of God Community Services clg, and St John of God Hospital clg. (2) Saint John of God Community Services clg and Saint John of God Hospitaller Ministries.

The Group Chief Executive of Saint John of God Hospitaller Ministries is a non-executive director of Saint John of God Community Services clg. He does not receive any remuneration in his capacity as non executive director of Saint John of God Community Services clg. His salary in respect of his executive responsibilities in the Hospitaller Order of Saint John of God, West European Province are disclosed in the financial statements of that entity.

Saint John of God Community Services clg pays for repairs and maintenance on properties used by tenants of Saint John of God Housing Association clg which are then recharged to the Housing Association. The amount recharged during the year was €109,866 (2015: €268,790).

NOTES TO THE FINANCIAL STATEMENTS - continued

28 Reserves

Restricted funds

Income is treated as restricted where the donor has specified that it may only be used for a particular purpose or where it has been raised for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted. Saint John of Gods Community Services consider that the revenue allocation received from the Health Service Executive in accordance with the service level agreements between the various Saint John of God services and the HSE is restricted income. In the case of certain Service users patients, Saint John of God Community Services clg invoice the HSE separately for specific charges and increments relating to the individual. This income also forms part of restricted funds. The designation as restricted is based on an agreed assessment of same with the HSE.

Unrestricted funds

All other income is treated as unrestricted and relates to the core objective of providing services in accordance with the overall charity objectives.

Endowment funds

Endowment funds are a permanent fund whereby the initial capital amount invested will not be accessed but rather the return on the initial investment will provide funding or access to fixed assets on an annual basis. The properties transferred from Hospitaller Order of Saint John of God, Western European Province are considered to be restricted endowment funds.

The balance on each restricted fund at the end of the year represents the asset held by the organisation for particular purposes specified by the donors. The balance of the unrestricted fund at the end of the year represents the assets held by the organisation for general use in furtherance of its work. Endowment funds represents amounts held for investment or specific charitable purpose. Income from these principal amounts will either by (a) unrestricted and used for general purposes, or (b) restricted by the donor or by the Board.

29 Prior year comparatives

Certain prior year comparatives have been re-stated in line with current year presentation formats. The main change is in respect of the classification of HSE income and related expenditure as restricted rather than unrestricted following guidance from the HSE requesting this classification.

30 Approval of financial statements

The financial statements were approved by the Board of Directors on 29 May 2018 and were signed on its behalf on that date.