

**The Adelaide & Meath Hospital, Dublin  
Incorporating The National Children's Hospital  
(Tallaght Hospital)**

**Annual Financial Statements**

**Year Ended 31 December 2015**

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## **GENERAL INFORMATION**

### **Address**

Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght Hospital)  
Tallaght  
Dublin 24

### **Telephone Number**

01 414 2000

### **Charity Number**

20037161

## **Tallaght Hospital Board**

### **Board Members**

Mr M Scanlan (Chairperson)  
Professor P Barker  
Mr L Dowdall (Vice Chairperson)  
Dr J Kiely (appointed 17<sup>th</sup> February 2015)  
Ms A Lee  
Mr A McConnell  
Professor K Monks (appointed 17<sup>th</sup> February 2015)  
Archdeacon D Pierpoint  
Professor R Reilly  
Mr D Seaman  
Mrs M Shields

### **Executive Board Members**

Mr D Slevin (CEO)  
Mr D Carter  
Ms H Daly  
Dr D Fahey  
Mr M Feeley (resigned 29<sup>th</sup> April 2015)  
Ms S McMickan (resigned 30<sup>th</sup> September 2015)  
Dr S Ni Bhriain  
Ms L Nugent  
Mr J O'Connell  
Ms C Wall (appointed 24<sup>th</sup> June 2015)

The Board was reconstituted on the 28<sup>th</sup> January 2015 with all existing Board Members being reappointed.

### **Solicitors**

A & L Goodbody  
International Financial Services Centre  
North Wall Quay  
Dublin 1

### **Bankers**

Allied Irish Banks plc  
Tallaght  
Dublin 24

Bank of Ireland  
Tallaght  
Dublin 24  
(Opened 6<sup>th</sup> February 2014)

### **Auditors**

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

**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES  
YEAR ENDED 31 DECEMBER 2015**

The Members of the Board are to prepare financial statements for each financial year which properly show the state of affairs of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght Hospital) and its income and expenditure for that period.

In preparing those statements, the Members of the Board are required to:

- select suitable accounting policies for the hospital financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght Hospital) will not continue in existence for at least one year from the date of signing of the financial statements.

The Members of the Board are responsible for the maintenance and integrity of the corporate and financial information included on the Hospital's website, for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght Hospital) and to enable the Board to ensure that the financial statements comply with the Accounting Standards for Voluntary Hospitals issued by the Department of Health. The Board is also responsible for safeguarding the assets of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght Hospital) and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

**On behalf of the Board**

Signed:  Chairperson

Date: 23/05/2016

Signed:  Board Member

Date: 23/05/2016

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF THE ADELAIDE & MEATH HOSPITAL, DUBLIN, INCORPORATING THE NATIONAL CHILDREN'S HOSPITAL (TALLAGHT HOSPITAL) ("THE HOSPITAL")**

We have audited the financial statements of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght Hospital) for the year ended 31 December 2015 which comprise the Statement of Accounting Policies, the Non-Capital Income and Expenditure Account, the Capital Income and Expenditure Account, the Balance Sheet and the Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is the Accounting Standards for Voluntary Hospitals issued by the Department of Health and Children in Ireland.

This report is made solely to the Board members of the Hospital, as a body. Our audit work has been undertaken so that we might state to the Board members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Hospital and the Board members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Board members and auditors**

As explained more fully in the Statement of Board Members' Responsibilities, the Board members are responsible for the preparation of financial statements in accordance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health & Children in Ireland. 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are in accordance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health & Children in Ireland; the reasonableness of significant accounting estimates made by Board members; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements give a true and fair view, in accordance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health & Children in Ireland, of the state of the affairs of the Hospital as at 31 December 2015 and of its deficit for the year then ended.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Hospital. The financial statements are in agreement with the books of account.

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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF THE ADELAIDE & MEATH HOSPITAL, DUBLIN, INCORPORATING THE NATIONAL CHILDREN'S HOSPITAL (TALLAGHT HOSPITAL) ("THE HOSPITAL")**

**Emphasis of matter – going concern**

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in Note 25 to the financial statements concerning the Hospital's ability to continue as a going concern. These conditions, along with the other matters explained in Note 25 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Hospital's ability to continue as a going concern. The Hospital is dependent on the ongoing support of the HSE to provide adequate funding to enable it to continue to provide services. The HSE has not given any indication that it will withdraw its financial support from the Hospital in the foreseeable future. On that basis the Board members have prepared the financial statements of the Hospital on a going concern basis. The financial statements do not include the adjustments that would result if the Hospital was unable to continue as a going concern.



Chartered Accountants and Statutory Audit Firm  
Dublin

23 May 2015

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON  
FOR THE YEAR ENDED 31 DECEMBER 2015**

We certify that the financial statements of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght Hospital) for the year ended 31 December 2015 as set out herein are in agreement with the books of account and have been drawn up in accordance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health.

The financial statements on pages 7 to 27, which have been prepared under the statement of accounting policies set out on pages 7 and 8 properly show the state of affairs of the hospital at 31 December 2015 and its income and expenditure and cash flow for the year then ended.

**Assurance re adequacy of Internal Controls**

The Executive Board Members in the various departments in this hospital are responsible for developing and implementing internal controls, the purpose of which is to mitigate the effects of any risks or threats to the achievement of the objectives of those departments. The Executive Board Members of these departments have given reassurances as to the adequacy of these controls and these reassurances are in turn provided by us to the Hospital Board.

In addition to the above, the Hospital has an Audit Committee, Staff & Organisation Development Committee, Quality Safety and Risk Management Committee, Governance & Board Development Committee, Finance Committee and an Internal Audit function. The Internal Auditor produces an annual audit plan through examining the objectives of the Hospital, assessing the key risks which may prevent those objectives from being achieved and the relevant controls put in place to mitigate those risks. This effectively constitutes an independent review of the key controls in the Hospital. Consultations with the Executive Management Team of the Hospital are used by the Audit Committee to prioritise audits in particular areas. This plan is approved by the Audit Committee on an annual basis.

The Internal Auditor conducts audits and produces reports which contain findings, conclusions and recommendations. These reports are submitted to the Audit Committee for discussion and review. As per the terms of reference, it is intended that the Audit Committee meets at least four times per annum and reports to the Hospital Board. The Audit Committee met six times during the year ended 31 December 2015.

The Audit Committee liaises very closely with the External Auditors and also gains independent assurances on the adequacy of internal controls through them. There are scheduled pre- and post-audit meetings every year during which relevant aspects of the audit are discussed.

The requirement for the HSE annual compliance statement came into effect on 1 January 2014 and applies to the Hospital's 2015 financial statements. The purpose of the HSE compliance statement is to strengthen the overall governance arrangements in place within funded agencies. The annual compliance statement requires the chairman and a member of the Board to sign the annual compliance statement which sets out requirements for compliance in eight key areas including Government pay policy.

Tallaght Hospital signed and submitted the HSE compliance statement in May 2015 (re 2014). The Hospital will submit the annual compliance statement in May 2016 (re 2015).

**On behalf of the Board**

|         |   |                         |       |                   |
|---------|---|-------------------------|-------|-------------------|
| Signed: |  | Chairperson             | Date: | <u>23/05/2016</u> |
| Signed: |  | Chief Executive Officer | Date: | <u>23/05/2016</u> |

## **STATEMENT OF ACCOUNTING POLICIES**

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

### **Historical cost convention**

The financial statements are prepared under the historical cost convention, except that certain assets transferred from the base hospitals are stated at professional valuation at 1 January 2000.

### **Basis of consolidation**

The Hospital was established under a Charter as amended by an Order passed by both Houses of the Oireachtas in July 1996 and came into being on 1 August 1996.

The financial statements are prepared in accordance with the principles of merger accounting on the basis that the Hospital represented a combination of the public activities of the Adelaide, Meath and National Children's Hospitals. Details of the combination are included in note 22 to the financial statements.

These financial statements do not include the accounts of The Adelaide Hospital Society, The Meath Foundation or The National Children's Hospital (a company limited by guarantee and not having a share capital), all of which are separate legal entities.

### **Health Service Executive funding**

The Health Service Executive (HSE) provides funding towards the net annual running costs of the Hospital in accordance with the Service Level Agreement. These grants / funding are accounted for on an accruals basis to the extent that they have been approved by the HSE. All exchequer funding received is from the HSE.

### **Income from patients**

Income is accounted for on a receivables basis except for the following categories of income which are accounted for on a cash receipts basis, due to inherent uncertainty as to their collectability:

- (i) Income arising under the Health (Amendment) Act 1986 which provides for the imposition of charges in respect of hospital in-patient and out-patient services on persons for the treatment of injuries received in certain road traffic accidents.
- (ii) Income receivable in accordance with the provisions of the Health (Out-patient charges) Regulations 1987.

### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises cost of purchase including charges such as freight and duty where appropriate. Net realisable value comprises the actual or estimated disposal price (normally a return price to the supplier).

### **Pensions**

#### **(i) Voluntary Hospitals Superannuation Scheme 1969**

The Voluntary Hospitals Superannuation Scheme applies to all employees who joined the public sector prior to January 2013. The liability in respect of pensions payable to employees who are members of this scheme has been underwritten by the Minister for Health. Contributions from employees who are members of the scheme are treated as income in accordance with the Department of Health guidelines. Pension payments under the scheme are charged to the income and expenditure account when paid.

#### **(ii) Single Public Service Pension Scheme**

The Single Public Service Pension Scheme (SPSPS) applies to all new employees who are joining the public sector as new entrants after January 2013. In line with the guidance of this scheme, all employee contributions are paid over to the state pension account and not included in the income and expenditure account. In the opinion of the Board, the Department of Public Expenditure and Reform ('DPER') is responsible for the SPSPS and payments arising under this Single Scheme to retiring employees and payable by the State.

### **Fixed assets**

- (i) Fixed assets acquisitions including revenue funded maintenance projects, regardless of the source of funds (except if it is less than €3,809 per non-computer item and €1,270 per computer item out of non-capital funds), in accordance with the accounting standards laid down by the Department of Health, are capitalised.



**STATEMENT OF ACCOUNTING POLICIES -Continued**

**Fixed assets - continued**

(ii) The basis of valuation of the Hospital's fixed assets is as follows:

Land

Cost with no depreciation.

Buildings

Cost less accumulated depreciation.

Fixtures, Fittings and Equipment

Cost or valuation less accumulated depreciation.

**Depreciation**

Fixed assets are depreciated in compliance with Department of Health accounting standards. The depreciation, which is matched by an equivalent amortisation of the capitalisation account, is not charged against the income and expenditure account. Depreciation is calculated at the following rates:

Land

Depreciation is not charged on land.

Buildings

2.5% reducing balance.

Fixtures, Fittings and Equipment

Straight line over the expected useful life.

Work-in-progress

Depreciation is not charged on work-in-progress.

**Capitalisation account**

The capitalisation account represents the unamortised value of funds for fixed assets.

**Capital income and expenditure account**

The capital income and expenditure account represents the value of capital grants received not yet spent.

**Deficit - financing arrangements**

The hospital has, with the prior approval of the Department of Health, entered into financing arrangements for the non-capital deficit in 1998. No part of HSE funding or any other income or funds which should accrue to the running cost of the hospital service, has been used in the service of this arrangement. The net income earned by the Hospital from the car park is recorded directly to the deficit financing reserve account in the balance sheet to finance the repayment of the loan.

**Designated Funds**

Income received for specific projects and expenditure from external bodies is recognised to the extent of the expenditure being incurred, with income received in excess of this level being treated as deferred income in the balance sheet.

**Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date, and revenues, costs and non-monetary assets at the exchange rates ruling at the dates of the transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the income and expenditure account.

Monetary assets are money held and amounts to be received in money; all other assets are non-monetary assets.

**NON-CAPITAL INCOME AND EXPENDITURE ACCOUNT**  
**Year Ended 31 December 2015**  
**Form 1**

|  | Notes | 2015<br>€            | 2014<br>€            |
|--|-------|----------------------|----------------------|
| <b>Cumulative non-capital deficit brought forward from previous year</b>         |       | <b>13,960,281</b>    | 12,919,907           |
| <b>Pay</b>   |       |                      |                      |
| Salaries   | 1     | 168,278,380          | 163,072,407          |
| Superannuation and gratuities  | 1     | 11,636,888           | 12,280,689           |
|  |       | <u>179,915,268</u>   | <u>175,353,096</u>   |
| <b>Non-Pay</b>   |       |                      |                      |
| Direct Patient Care  | 1     | 44,150,018           | 39,772,964           |
| Support Services   | 1     | 20,663,678           | 19,004,899           |
| Financial and Administrative   | 1     | 9,918,485            | 11,022,212           |
|  |       | <u>74,732,181</u>    | <u>69,800,075</u>    |
| <b>Gross expenditure (including prior year deficit)</b>                          |       | <b>268,607,730</b>   | 258,073,078          |
| Income   | 1     | (63,462,445)         | (63,875,090)         |
| <b>Net expenditure for the year (including prior year deficit)</b>               |       | <b>205,145,285</b>   | <u>194,197,988</u>   |
| <b>Non-capital funding – HSE notified for the year</b>                           | 11    | <b>(190,478,946)</b> | <u>(180,237,707)</u> |
| <b>Deficit of funding over net expenditure carried forward to following year</b> | 1(a)  | <b>14,666,339</b>    | <u>13,960,281</u>    |

With the exception of fixed asset depreciation which is dealt with through the Capitalisation Account, all recognised gains and losses for the year ended 31 December 2015 have been included in the Income and Expenditure Account.

The net deficit in the current and prior years arise from continuing operations.

The financial statements which include the accounting policies and notes, which were drawn up in compliance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health, were approved by the Board on 23/05/2016

**On behalf of the Board**

Signed:  Chairperson Date: 23/05/2016

Signed:  Chief Executive Officer Date: 23/05/2016

**CAPITAL INCOME AND EXPENDITURE ACCOUNT**  
**Year Ended 31 December 2015**  
**Form 2**

|   | Note | 2015<br>€                 | 2014<br>€                 |
|---|------|---------------------------|---------------------------|
| <b>Capital Income Sources</b>                                 |      |                           |                           |
| HSE – Capital Grant   | 11   | (5,098,467)               | (5,316,096)               |
| Grants from other sources                                     |      | <u>(590,481)</u>          | <u>(512,520)</u>          |
| <b>Total capital income</b>                                   |      | <u><b>(5,688,948)</b></u> | <u><b>(5,828,616)</b></u> |
| <b>Capital expenditure: Capitalised</b>                       |      |                           |                           |
| Buildings   |      | 1,476,878                 | 2,077,538                 |
| Work in progress  |      | 1,429,497                 | 2,839,004                 |
| Non-computer equipment  |      | 2,595,931                 | 3,075,782                 |
| Computer equipment  |      | <u>83,230</u>             | <u>494,355</u>            |
| <b>Total capital expenditure</b>                              |      | <u><b>5,585,536</b></u>   | <u><b>8,486,679</b></u>   |
| <b>Opening surplus carried forward from the previous year</b> |      | <u><b>(2,297,479)</b></u> | <u><b>(4,955,542)</b></u> |
| <b>Closing surplus carried forward to the following year</b>  |      | <u><b>(2,400,891)</b></u> | <u><b>(2,297,479)</b></u> |

The financial statements which include the accounting policies and notes, which were drawn up in compliance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health, were approved by the Board on ... 23/05/2016 .....

**On behalf of the Board**

Signed:  Chairperson Date: 23/05/2016

Signed:  Chief Executive Officer Date: 23/05/2016

**BALANCE SHEET**  
As at 31 December 2015  
Form 3

|  | Notes | 2015<br>€           | 2014<br>€           |
|--|-------|---------------------|---------------------|
| <b>Fixed assets</b>  |       |                     |                     |
| Tangible assets  | 13    | 36,576,665          | 33,318,954          |
| <b>Current assets</b>  |       |                     |                     |
| Debtors  | 14    | 35,080,632          | 32,599,508          |
| Stocks   | 15    | 4,412,177           | 4,358,802           |
| Cash in hand and bank balances                               |       | 4,334,739           | 4,101,754           |
|  |       | <u>43,827,548</u>   | <u>41,060,064</u>   |
| <b>Creditors - amounts falling due within one year:</b>      |       |                     |                     |
| Creditors  | 16    | (44,747,158)        | (39,189,647)        |
| Bank overdraft   |       | (10,453,487)        | (12,776,774)        |
| Bank loan  | 17    | (431,711)           | (431,711)           |
|  |       | <u>(55,632,356)</u> | <u>(52,398,132)</u> |
| <b>Net current liabilities</b>                               |       | <u>(11,804,808)</u> | <u>(11,338,068)</u> |
| <b>Total assets less current liabilities</b>                 |       | <u>24,771,857</u>   | <u>21,980,886</u>   |
| <b>Creditors - amounts falling due in more than one year</b> |       |                     |                     |
| Bank loans   | 17    | (1,642,332)         | (2,658,056)         |
| Deficit financing account                                    | 17    | 2,074,043           | 3,089,767           |
| Deficit financing reserve                                    | 17    | (892,351)           | (756,445)           |
|  |       | <u>(460,640)</u>    | <u>(324,734)</u>    |
|  |       | <u>24,311,217</u>   | <u>21,656,152</u>   |
| <b>Capital and reserves</b>                                  |       |                     |                     |
| Non-capital income and expenditure account                   |       | (14,666,339)        | (13,960,281)        |
| Capital income and expenditure account                       |       | 2,400,891           | 2,297,479           |
| Capitalisation account                                       | 18    | 36,576,665          | 33,318,954          |
|  |       | <u>24,311,217</u>   | <u>21,656,152</u>   |

The financial statements which include the accounting policies and notes, which were drawn up in compliance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health, were approved by the Board on ..... 23/05/2016 .....

On behalf of the Board

Signed:  Chairperson

Date: 23/05/2016

Signed:  Chief Executive Officer

Date: 23/05/2016

**CASH FLOW STATEMENT**  
 For the year ended 31 December 2015  
 Form 4

|   | Notes | 2015<br>€               | 2014<br>€                 |
|---|-------|-------------------------|---------------------------|
| <b>Net cash inflow/(outflow) from operating activities</b>    | 19    | <b>5,234,212</b>        | <b>(602,193)</b>          |
| <b>Returns on investment and servicing of finance</b>         |       |                         |                           |
| Interest paid on loans and overdrafts                         |       | <u>(24,706)</u>         | <u>(23,716)</u>           |
| <b>Net cash outflow from servicing of finance</b>             |       | <u>(24,706)</u>         | <u>(23,716)</u>           |
| <b>Capital expenditure</b>                                    |       |                         |                           |
| Payments from capital   |       | <u>(5,585,536)</u>      | <u>(8,486,679)</u>        |
| Payments from non-capital re acquisition of fixed assets      |       | <u>(1,757,069)</u>      | <u>(851,280)</u>          |
| <b>Net cash outflow from capital expenditure</b>              |       | <u>(7,342,605)</u>      | <u>(9,337,959)</u>        |
| <b>Net cash inflow before financing</b>                       |       | <b>(2,133,099)</b>      | <b>(9,963,868)</b>        |
| <b>Financing</b>  |       |                         |                           |
| HSE capital grant received                                    |       | <u>5,114,614</u>        | <u>5,338,449</u>          |
| Receipts from other sources – acquisition of fixed assets     |       | <u>590,481</u>          | <u>512,520</u>            |
| <b>Net cash inflow from financing</b>                         |       | <u>5,705,095</u>        | <u>5,850,969</u>          |
| <b>Net cash flow</b>  |       | <u><b>3,571,996</b></u> | <u><b>(4,112,899)</b></u> |
| Increase/(decrease) in cash in hand and bank balances         | 20    | <b>232,985</b>          | <b>(2,566,666)</b>        |
| Decrease/(increase) in bank loans under 1 year and overdrafts | 20    | <b>2,323,287</b>        | <b>(2,536,997)</b>        |
| Decrease in bank loans over 1 year                            | 20    | <u>1,015,724</u>        | <u>990,764</u>            |
| <b>Changes in net debt</b>                                    |       | <u><b>3,571,996</b></u> | <u><b>(4,112,899)</b></u> |

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details

|                                  | Notes | 2015<br>€          | 2014<br>€          |
|----------------------------------|-------|--------------------|--------------------|
| <b>Pay</b>                       |       |                    |                    |
| Management and administration    |       | 22,023,720         | 21,198,319         |
| Medical and dental (NCHD)        |       | 24,641,876         | 24,050,465         |
| Medical and dental (consultants) |       | 23,147,411         | 21,734,773         |
| Nursing                          |       | 55,261,767         | 53,683,226         |
| Paramedical                      |       | 24,314,062         | 24,380,570         |
| Support services                 |       | 16,412,503         | 15,788,425         |
| Maintenance and technical        |       | 2,477,041          | 2,236,629          |
|                                  | 8     | <u>168,278,380</u> | <u>163,072,407</u> |
| Pension payments                 |       | 9,571,544          | 9,408,871          |
| Lump sums                        |       | 2,065,344          | 2,871,818          |
| Superannuation refunds           |       | -                  | -                  |
|                                  |       | <u>11,636,888</u>  | <u>12,280,689</u>  |
| <b>Total pay</b>                 |       | <b>179,915,268</b> | <b>175,353,096</b> |
| <b>Non-pay</b>                   |       |                    |                    |
| <b>Direct patient care</b>       |       |                    |                    |
| Drugs and medicine               |       | 19,260,207         | 19,218,519         |
| Blood                            |       | 3,131,252          | 2,850,923          |
| Medical gases                    |       | 254,969            | 303,051            |
| Medical and surgical supplies    |       | 19,442,726         | 16,446,914         |
| Medical equipment                | 12    | 817,355            | 310,311            |
| Medical equipment supplies       |       | 1,243,509          | 643,246            |
|                                  |       | <u>44,150,018</u>  | <u>39,772,964</u>  |
| <b>Support services</b>          |       |                    |                    |
| X-Ray imaging equipment          | 12    | -                  | 528                |
| X-Ray imaging                    |       | 2,072,758          | 1,571,705          |
| Laboratory equipment             | 12    | 13,922             | 193,264            |
| Laboratory supplies              |       | 5,544,973          | 5,169,241          |
| Catering equipment               | 12    | 6,888              | 25,665             |
| Catering                         |       | 1,294,423          | 1,219,650          |
| Light and heat                   |       | 2,314,753          | 2,207,649          |
| Cleaning and laundry             |       | 4,099,980          | 3,946,084          |
| Furniture and hardware           |       | 220,268            | 203,908            |
| Bedding                          |       | 1,691,030          | 1,618,042          |
| Maintenance equipment            | 12    | 4,674              | 42,237             |
| Maintenance                      |       | 2,716,256          | 2,255,105          |
| Travel and subsistence           |       | 279,668            | 199,509            |
| Transport of patients            |       | 404,085            | 352,312            |
|                                  |       | <u>20,663,678</u>  | <u>19,004,899</u>  |

**NOTES TO THE FINANCIAL STATEMENTS**

| <b>Note 1 - Non-capital income and expenditure - details - continued</b> | Notes | <b>2015</b><br>€          | <b>2014</b><br>€   |
|--|-------|---------------------------|--------------------|
| <b>Financial and administrative</b>                                      |       |                           |                    |
| Bank interest  |       | <b>24,706</b>             | 23,716             |
| Bank charges   |       | <b>76,705</b>             | 46,633             |
| Insurance  | 2     | <b>323,708</b>            | 370,330            |
| Audit and other assurance fees   |       | <b>64,394</b>             | 78,166             |
| Legal  |       | <b>293,595</b>            | 50,282             |
| Office expenses  |       | <b>2,801,442</b>          | 2,200,482          |
| Office contracts   |       | <b>260,050</b>            | 222,773            |
| Computer equipment   | 12    | <b>183,662</b>            | 279,275            |
| Computer supplies  |       | <b>1,190,634</b>          | 1,005,722          |
| Professional services  |       | <b>1,659,320</b>          | 1,637,745          |
| Adjustment to Doubtful Debts Provision                                   |       | <b>(625,463)</b>          | 2,759,348          |
| Miscellaneous Non-capital expenditure on Capital Projects                | 3     | <b>730,568</b>            | -                  |
| Miscellaneous  | 4     | <b>2,935,164</b>          | 2,347,740          |
|  |       | <b><u>9,918,485</u></b>   | <u>11,022,212</u>  |
| <b>Total non-pay</b>   |       | <b><u>74,732,181</u></b>  | <u>69,800,075</u>  |
| <b>Total gross expenditure</b>   |       | <b><u>254,647,449</u></b> | <u>245,153,171</u> |
| <b>Income</b>  |       |                           |                    |
| <b>Patient income</b>  |       |                           |                    |
| In-patient   | 5     | <b>42,163,802</b>         | 41,367,186         |
| Out-patient  | 5     | <b>949,443</b>            | 922,453            |
|  |       | <b><u>43,113,245</u></b>  | <u>42,289,639</u>  |
| <b>Other income</b>  |       |                           |                    |
| Superannuation   |       | <b>5,966,554</b>          | 6,373,893          |
| Pension Levy   |       | <b>9,341,017</b>          | 9,328,750          |
| Other payroll deductions   |       | <b>246,681</b>            | 224,774            |
| Road Traffic Accident (RTA) Receipts                                     | 10    | <b>578,482</b>            | 804,378            |
| Income from external agencies  | 6     | <b>2,887,397</b>          | 2,777,704          |
| Canteen Receipts   |       | <b>868,233</b>            | 1,377,610          |
| Other income   | 7     | <b>460,836</b>            | 698,342            |
|  |       | <b><u>20,349,200</u></b>  | <u>21,585,451</u>  |
| <b>Total income</b>  |       | <b><u>63,462,445</u></b>  | <u>63,875,090</u>  |
| <b>Net expenditure</b>   | 9     | <b><u>191,185,004</u></b> | <u>181,278,081</u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued**

| <b>Note 1(a)</b>                                      | <b>Note</b> | <b>2015</b><br>€     | <b>2014</b><br>€ |
|---|-------------|----------------------|------------------|
| Net expenditure in year                               |             | <b>191,185,004</b>   | 181,278,081      |
| Allocation in year                                    | 11          | <b>(190,478,946)</b> | (180,237,707)    |
| Deficit in year                                       |             | <b>706,058</b>       | 1,040,374        |
| Cumulative deficit brought forward from previous year |             | <b>13,960,281</b>    | 12,919,907       |
| Cumulative deficit carried forward to following year  |             | <b>14,666,339</b>    | 13,960,281       |

| <b>Note 2 – Insurance</b>              | <b>2015</b><br>€ | <b>2014</b><br>€ |
|--|------------------|------------------|
| Public liability                       | <b>55,776</b>    | 56,126           |
| Employers' liability                   | <b>1,178</b>     | 58,171           |
| Property                               | <b>166,909</b>   | 163,782          |
| Board Members' and officers' liability | <b>61,272</b>    | 54,236           |
| Other                                  | <b>38,573</b>    | 38,015           |
|  | <b>323,708</b>   | 370,330          |

**Note 3 – Miscellaneous non-capital expenditure on capital projects**

|           | <b>2015</b><br>€ | <b>2014</b><br>€ |
|-----------|------------------|------------------|
| Buildings | <b>617,314</b>   | -                |
| Equipment | <b>113,254</b>   | -                |
|           | <b>730,568</b>   | -                |

**Note 4 – Miscellaneous expenses**

|                    | <b>2015</b><br>€ | <b>2014</b><br>€ |
|--------------------|------------------|------------------|
| Security           | <b>1,186,593</b> | 1,146,723        |
| Subscriptions      | <b>214,987</b>   | 168,285          |
| Education/training | <b>768,287</b>   | 657,830          |
| Other              | <b>765,297</b>   | 374,902          |
|                    | <b>2,935,164</b> | 2,347,740        |



NOTES TO THE FINANCIAL STATEMENTS - continued

| <b>Note 5 – Analysis of patient income</b> | <b>2015</b>       | <b>2014</b>       |
|--|-------------------|-------------------|
|  | €                 | €                 |
| <b>In-Patient</b>                          |                   |                   |
| Statutory in-patient charges               | 1,227,279         | 1,021,996         |
| Private/semi-private                       | 40,850,329        | 40,252,299        |
| Other in-patient charges                   | 86,194            | 92,891            |
|  | <u>42,163,802</u> | <u>41,367,186</u> |
| <b>Out-patient</b>                         |                   |                   |
| Statutory accident and emergency charge    | <u>949,443</u>    | <u>922,453</u>    |
| <b>Total patient income</b>                | <u>43,113,245</u> | <u>42,289,639</u> |

**Note 6 – Income from external agencies**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Psychiatric and other services | <u>2,887,397</u> | <u>2,777,704</u> |
|--------------------------------|------------------|------------------|

**Note 7 – Other income**

|                | <b>2015</b>    | <b>2014</b>    |
|----------------|----------------|----------------|
|                | €              | €              |
| Rents/licences | 355,492        | 373,810        |
| Other income   | 105,344        | 324,532        |
|                | <u>460,836</u> | <u>698,342</u> |

**Note 8 – Summary pay analysis**

|                                 | <b>2015</b>        | <b>2014</b>        |
|---------------------------------|--------------------|--------------------|
|                                 | €                  | €                  |
| Basic pay                       | 130,394,296        | 125,612,442        |
| Overtime                        | 8,915,835          | 8,890,360          |
| Premium pay                     | 6,539,072          | 6,003,489          |
| Shift allowance                 | 202,004            | 206,921            |
| Holiday/public holiday premiums | 1,328,233          | 1,574,803          |
| Higher degree                   | 78,260             | 93,507             |
| On call/standby                 | 4,171,610          | 4,267,630          |
| PRSI employer                   | 13,478,092         | 13,048,957         |
| Travel allowances               | 303,250            | 382,066            |
| Other                           | 2,867,728          | 2,992,232          |
|                                 | <u>168,278,380</u> | <u>163,072,407</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

**Note 9 - Reconciliation of expenditure to cost of services**

|  | Notes | 2015<br>€                 | 2014<br>€          |
|--|-------|---------------------------|--------------------|
| Net expenditure - current year                                     | 1     | 191,185,004               | 181,278,081        |
| <b>Deduct:</b>   |       |                           |                    |
| Adjustment re purchase of buildings and equipment from non-capital | 3     | (730,568)                 | -                  |
| Adjustment re purchase of equipment from non-capital               | 12    | (1,026,501)               | (851,280)          |
| <b>Total deductions</b>  |       | <u>(1,757,069)</u>        | <u>(851,280)</u>   |
| <b>Sub-total</b>   |       | <b>189,427,935</b>        | 180,426,801        |
| <b>Add-back</b>  |       |                           |                    |
| Depreciation charge for the year                                   | 13    | <u>4,084,894</u>          | <u>4,017,660</u>   |
| <b>Running cost of service</b>                                     |       | <u><b>193,512,829</b></u> | <u>184,444,461</u> |

**Note 10 – Road traffic accident memo account**

|                                     | 2015<br>€               | 2014<br>€        |
|-------------------------------------|-------------------------|------------------|
| Balance at 1 January                | 5,628,428               | 5,981,132        |
| Bills issued in respect of the year | 705,723                 | 451,674          |
| Less cash received during the year  | (578,482)               | (804,378)        |
| <b>Balance at 31 December</b>       | <u><b>5,755,699</b></u> | <u>5,628,428</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

| <b>Note 11 – Statement of advances and balances due from Health Service Executive Non-Capital and Capital</b> | Notes     | <b>2015</b><br>€     | 2014<br>€     |
|---|-----------|----------------------|---------------|
| <b>Non-capital</b>  |           |                      |               |
| Allocation in year before once-off allocation   | 1(a)      | <b>190,478,946</b>   | 180,237,707   |
| Less remittances from HSE Non-Capital   |           | <b>(168,391,078)</b> | (161,471,930) |
| Balance due from HSE in respect of the year   |           | <b>22,087,868</b>    | 18,765,777    |
| <br>  |           |                      |               |
| Balance due from HSE re previous years as at 1 January  |           | <b>18,341,740</b>    | 19,742,372    |
| Less remittances from HSE in year re previous years   |           | <b>(18,765,777)</b>  | (20,166,409)  |
| Balance due to HSE re previous years as at 31 December  |           | <b>(424,037)</b>     | (424,037)     |
| <br>  |           |                      |               |
| <b>Total balance of non-capital funding due from HSE</b>  | <b>14</b> | <b>21,663,831</b>    | 18,341,740    |
| <br>  |           |                      |               |
| <b>Capital</b>  |           |                      |               |
| <br>  |           |                      |               |
| Total capital grants notified by HSE for the year   |           | <b>5,098,467</b>     | 5,316,096     |
| Less remittances from HSE Capital in the year   |           | <b>(4,984,081)</b>   | (5,185,563)   |
| Balance due from HSE in respect of the year   |           | <b>114,386</b>       | 130,533       |
| <br>  |           |                      |               |
| Balance due from HSE re previous years as at 1 January  |           | <b>130,533</b>       | 152,886       |
| Less remittances from HSE in year re previous years   |           | <b>(130,533)</b>     | (152,886)     |
| Balance due to HSE re previous years as at 31 December  |           | <b>-</b>             | -             |
| <br>  |           |                      |               |
| <b>Total balance of capital funding due from HSE</b>  | <b>14</b> | <b>114,386</b>       | 130,533       |
| <br>  |           |                      |               |
| <b>Gross total due from HSE Capital and Non-Capital</b>   | <b>14</b> | <b>21,778,217</b>    | 18,472,273    |

NOTES TO THE FINANCIAL STATEMENTS - continued

| <b>Note 12 – Purchase of equipment from non-capital account<br/>(capitalised)</b> | <b>2015</b>             | <b>2014</b>           |
|---|-------------------------|-----------------------|
|   | <b>€</b>                | <b>€</b>              |
| Medical equipment   | <b>817,355</b>          | 310,311               |
| X-Ray imaging equipment   | -                       | 528                   |
| Laboratory equipment  | <b>13,922</b>           | 193,264               |
| Computer and office equipment   | <b>183,662</b>          | 279,275               |
| Catering equipment  | <b>6,888</b>            | 25,665                |
| Maintenance equipment   | <b>4,674</b>            | 42,237                |
|   | <b><u>1,026,501</u></b> | <b><u>851,280</u></b> |

The Adelaide & Meath Hospital, Dublin  
Incorporating The National Children's Hospital (Tallaght Hospital)

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 13 – Schedule of fixed assets and depreciation | Land & Buildings<br>€ | Work In Progress<br>€ | Equipment<br>€      | Fixtures and fittings<br>€ | Computer equipment<br>€ | Total<br>€          |
|---|-----------------------|-----------------------|---------------------|----------------------------|-------------------------|---------------------|
| <b>Cost or valuation</b>                            |                       |                       |                     |                            |                         |                     |
| At 31 December 2014                                 | 25,223,642            | 3,161,750             | 75,323,144          | 12,343,369                 | 13,891,978              | 129,943,883         |
| Additions from capital                              | 1,476,878             | 1,429,497             | 2,595,931           | -                          | 83,230                  | 5,585,536           |
| Additions from non-capital                          | 617,314               | -                     | 956,093             | -                          | 183,662                 | 1,757,069           |
| Transfer from WIP                                   | 2,766,322             | (2,858,447)           | 92,125              | -                          | -                       | -                   |
| Write-offs in year                                  | -                     | -                     | (23,137,854)        | -                          | (4,441,741)             | (27,579,595)        |
| <b>At 31 December 2015</b>                          | <b>30,084,156</b>     | <b>1,732,800</b>      | <b>55,829,439</b>   | <b>12,343,369</b>          | <b>9,717,129</b>        | <b>109,706,893</b>  |
| <b>Accumulated depreciation</b>                     |                       |                       |                     |                            |                         |                     |
| At 31 December 2014                                 | (5,222,020)           | -                     | (66,237,269)        | (12,281,931)               | (12,883,709)            | (96,624,929)        |
| Depreciation charge for year                        | (584,784)             | -                     | (2,565,144)         | (61,438)                   | (873,528)               | (4,084,894)         |
| Write-offs in year                                  | -                     | -                     | 23,137,854          | -                          | 4,441,741               | 27,579,595          |
| <b>At 31 December 2015</b>                          | <b>(5,806,804)</b>    | <b>-</b>              | <b>(45,664,559)</b> | <b>(12,343,369)</b>        | <b>(9,315,496)</b>      | <b>(73,130,228)</b> |
| <b>Net book value</b>                               |                       |                       |                     |                            |                         |                     |
| <b>At 31 December 2015</b>                          | <b>24,277,352</b>     | <b>1,732,800</b>      | <b>10,164,880</b>   | <b>-</b>                   | <b>401,633</b>          | <b>36,576,665</b>   |
| At 31 December 2014                                 | 20,001,622            | 3,161,750             | 9,085,875           | 61,438                     | 1,008,269               | 33,318,954          |

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**Note 13 – Schedule of fixed assets and depreciation – continued**

**Note 13(a)**

The new hospital was built and equipped by the Tallaght Hospital Board, the agency appointed under Ministerial Order to develop, build and equip the Hospital. During 1998 hospital buildings costing €131,817,084 were transferred from the Tallaght Hospital Board to the Minister for Health. The Minister has leased the buildings to the Hospital with effect from 19 June 1998 for a period of 150 years at an annual rent of €1.27. Costs and the related accumulated depreciation incurred by the Tallaght Hospital Board in equipping the hospital have been recognised in the fixed assets of the Hospital in 2005.

**Note 13(b)**

Included in the opening cost/valuation are assets totalling €1,614,588 which represents the value to the hospital as at 1 January 2000 of the assets transferred from the base hospitals as determined by Lisney & Co, external valuers. These assets have been fully depreciated at 31 December 2014 and 2015.

**Note 13(c)**

Work-in-Progress at 31 December 2015 represented costs in respect of various on-going developments in clinical care.

**Note 13(d)**

In 2015, the Hospital wrote-off assets with cost valuation of €27,579,595 for assets that are no longer in use. These assets had been fully depreciated at 31<sup>st</sup> December 2014 and 2015.

**Note 13(e)**

With effect from 20<sup>th</sup> August 2012 the Health Service Executive is entitled to request security on assets acquired through capital grant funding in excess of €100,000. A Deed of Charge of €14,690,055 for assets in use at 31<sup>st</sup> December 2015 is in place for whichever is the earlier of:

- a period of 30 years, or
- until the asset is fully depreciated, or
- until the asset is sold.

NOTES TO THE FINANCIAL STATEMENTS - continued

| <b>Note 14 – Debtors</b>                  | Notes | 2015<br>€                | 2014<br>€         |
|---|-------|--------------------------|-------------------|
| HSE – revenue grants due                  | 11    | <b>21,663,831</b>        | 18,341,740        |
| HSE - capital grants due                  | 11    | <b>114,386</b>           | 130,533           |
| HSE – debtors                             |       | <u><b>21,778,217</b></u> | <u>18,472,273</u> |
| Patient debtors                           |       | <b>20,233,324</b>        | 22,218,545        |
| Less provision for bad and doubtful debts |       | <b>(8,297,791)</b>       | (9,241,015)       |
| Net Patient debtors                       |       | <b>11,935,533</b>        | 12,977,530        |
| Other debtors                             |       | <b>1,366,882</b>         | 1,149,705         |
| Non HSE debtors                           |       | <u><b>13,302,415</b></u> | <u>14,127,235</u> |
|   |       | <u><b>35,080,632</b></u> | <u>32,599,508</u> |
| <br>                                      |       |                          |                   |
| <b>Note 15 – Stocks</b>                   |       | 2015<br>€                | 2014<br>€         |
| Pharmacy                                  |       | <b>1,575,846</b>         | 1,536,968         |
| Medical and surgical supplies             |       | <b>2,024,213</b>         | 1,995,473         |
| Other                                     |       | <b>812,118</b>           | 826,361           |
|   |       | <u><b>4,412,177</b></u>  | <u>4,358,802</u>  |
| <br>                                      |       |                          |                   |
| <b>Note 16 – Creditors</b>                |       | 2015<br>€                | 2014<br>€         |
| Creditors – capital                       |       | <b>403,344</b>           | 639,704           |
| Creditors – non-capital                   |       | <b>36,856,715</b>        | 31,306,865        |
| Designated Funds                          |       | <b>2,830,461</b>         | 2,606,715         |
| Wages and salaries                        |       | -                        | 1,025             |
| PAYE/PRSI                                 |       | <b>4,656,638</b>         | 4,635,338         |
|   |       | <u><b>44,747,158</b></u> | <u>39,189,647</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

| <b>Note 17 - Bank loans</b>               | <b>2015</b>      | <b>2014</b>      |
|---|------------------|------------------|
|   | €                | €                |
| <b>Bank loans - greater than one year</b> |                  |                  |
| Deficit bank loan account                 | (1,642,332)      | (2,658,056)      |
| Deficit financing account                 | <u>2,074,043</u> | <u>3,089,767</u> |
|   | <u>431,711</u>   | <u>431,711</u>   |
| <b>Bank loans – within one year</b>       |                  |                  |
| Deficit bank loan account                 | <u>(431,711)</u> | <u>(431,711)</u> |
|   | <u>-</u>         | <u>-</u>         |
| <b>Deficit financing reserve</b>          |                  |                  |
| Balance at 1 January                      | (756,445)        | (657,627)        |
| Net income earned from car park           | (1,220,093)      | (1,192,261)      |
| Loan repayment                            | 1,015,723        | 990,764          |
| Payment of interest                       | <u>68,464</u>    | <u>102,679</u>   |
| Balance at 31 December                    | <u>(892,351)</u> | <u>(756,445)</u> |

During 1998, the Hospital made the decision, approved by the Department of Health, to fund €10,792,774 of the 1998 deficit by means of a long-term bank loan. This element of the deficit was transferred from the non-capital income and expenditure account to a deficit financing account in the balance sheet during 1998. During 1999, the Hospital obtained a bank loan of €10,792,774 to fund this deficit. It is the intention of the Hospital to repay the loan from income generated through the operation of the car park at the Hospital.

The net income earned by the Hospital from the car park is recorded directly to the deficit financing reserve account in the balance sheet to finance the repayment of the loan and does not form part of the deficit for the year shown in the Income and Expenditure Account on page 9. The servicing of the deficit bank loan account is not funded by the funding from the HSE.

The deficit bank loan account is secured by an assignment over income in respect of the car park and certain retail units in the Hospital.

| <b>Note 18 - Capitalisation account</b> | <b>2015</b>              | <b>2014</b>              |
|---|--------------------------|--------------------------|
|   | €                        | €                        |
| Balance at beginning of the year        | <b>33,318,954</b>        | 27,998,655               |
| <b>Additions</b>                        |                          |                          |
| Capital expenditure                     | 5,585,536                | 8,486,679                |
| Non-capital expenditure                 | <u>1,757,069</u>         | <u>851,280</u>           |
|   | <u>7,342,605</u>         | <u>9,337,959</u>         |
| <b>Less:</b>                            |                          |                          |
| Depreciation for the year               | <u>4,084,894</u>         | <u>4,017,660</u>         |
| <b>Balance at year end</b>              | <u><u>36,576,665</u></u> | <u><u>33,318,954</u></u> |



NOTES TO THE FINANCIAL STATEMENTS - continued

Note 19 - Note to the cash flow statement

|   | 2015<br>€        | 2014<br>€        |
|---|------------------|------------------|
| Deficit non capital   | (14,666,339)     | (13,960,281)     |
| Less deficit brought forward  | 13,960,281       | 12,919,907       |
| Deficit for the current year  | (706,058)        | (1,040,374)      |
| Adjustment re purchase of equipment from non-capital                    | 1,026,501        | 851,280          |
| Adjustment re miscellaneous non-capital expenditure on capital projects | 730,568          |                  |
| Add-back all interest charges against non-capital                       | 24,706           | 23,716           |
| (Increase) in stocks  | (53,374)         | (40,094)         |
| (Increase)/Decrease in HSE debtors non-capital                          | (3,322,091)      | 1,400,632        |
| Decrease in non-HSE debtors   | 824,820          | 1,448,854        |
| Increase /(Decrease) in non-capital creditors                           | 5,793,871        | (3,680,851)      |
| (Decrease) in capital creditors   | (236,360)        | (654,938)        |
| Deficit financing account   | 1,015,723        | 990,764          |
| Deficit financing reserve   | 135,906          | 98,818           |
| <b>Net cash (outflow)/inflow from operating activities</b>              | <b>5,234,212</b> | <b>(602,193)</b> |

Note 20 - Analysis of changes in net debt

|                                | At<br>31 December<br>2015<br>€ | Cash flows<br>€    | At<br>31 December<br>2014<br>€ |
|--------------------------------|--------------------------------|--------------------|--------------------------------|
| Cash in hand and bank balances | 4,334,739                      | (232,985)          | 4,101,754                      |
| Bank overdraft                 | (10,453,487)                   | (2,323,287)        | (12,776,774)                   |
|                                | <b>(6,118,746)</b>             | <b>(2,556,272)</b> | <b>(8,675,020)</b>             |
| <b>Bank loans</b>              |                                |                    |                                |
| Debt due within one year       | (431,711)                      | -                  | (431,711)                      |
| Debt due after one year        | (1,642,332)                    | (1,015,724)        | (2,658,056)                    |
|                                | <b>(2,074,043)</b>             | <b>(1,015,724)</b> | <b>(3,089,767)</b>             |
|                                | <b>(8,192,789)</b>             | <b>(3,571,996)</b> | <b>(11,764,787)</b>            |

Note 21 - Reconciliation of net cash inflow/(outflow) to movement in net debt

|  | 2015<br>€    | 2014<br>€    |
|--|--------------|--------------|
| Increase/(Decrease) in cash in the year      | 2,556,272    | (5,103,663)  |
| Net cash inflow from decrease in net debt    | 1,015,724    | 990,764      |
| Changes in net debt resulting from cash flow | 3,571,996    | (4,112,899)  |
| Net debt at beginning of the year            | (11,764,787) | (7,651,888)  |
| Net debt at end of the year                  | (8,192,789)  | (11,764,787) |

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**Note 22 - Scope and basis of preparation of financial statements**

The Hospital was established under a Charter as amended by an Order passed by both Houses of the Oireachtas in July 1996 and came into being on 1 August 1996. The Hospital represents the combination of the public activities of its three constituent base hospitals, the Adelaide Hospital, Meath Hospital and National Children's Hospital, under one Board of Management .

With effect from 1 August 1996 the Board of Management, managed on a combined basis, the public activities of the three constituent base hospitals in their original locations until 21 June 1998 when they moved to the new hospital located in Tallaght, Dublin 24. The fund raising and other private activities of the three constituent base hospitals continued to be managed by separate Boards, and while each has a nominated member on the Tallaght Hospital Board, those entities are not regarded as related parties of the Hospital. Based on grant applications to these entities the hospital has received the following support:

|  | 2015<br>€        | 2014<br>€        |
|--|------------------|------------------|
| <b>National Children's Hospital</b>                            |                  |                  |
| Balance due from National Children's Hospital at start of year | 332,594          | 187,709          |
| Salary recoupments receivable                                  | 25,066           | 75,272           |
| Grants receivable re non-pay                                   | 31,700           | 201,515          |
| Receipts   | <u>(220,912)</u> | <u>(131,902)</u> |
| Balance due from National Children's Hospital at end of year   | <u>168,448</u>   | <u>332,594</u>   |
| <b>Meath Foundation</b>  |                  |                  |
| Balance due from Meath Foundation at start of year             | 47,104           | 275,256          |
| Salary recoupments receivable                                  | 101,876          | 39,728           |
| Grants receivable re non-pay                                   | 25,375           | 33,520           |
| Receipts   | <u>(164,475)</u> | <u>(301,400)</u> |
| Balance due from Meath Foundation at end of year               | <u>9,880</u>     | <u>47,104</u>    |

There were grants amounting to €25,942 (2014: €28,372) received from the Adelaide Hospital Society.

The amounts above are netted against the related expenditure when incurred.

**Note 23 - Subsidiary companies**

**The Adelaide and Meath Hospital Dublin, Incorporating The National Children's Hospital Crèche Limited**

The Hospital controls a single member company, The Adelaide and Meath Hospital Dublin, Incorporating The National Children's Hospital Crèche Limited, which has operated the Hospital crèche since 2004. This company is not consolidated into the financial statements of the Hospital on the grounds of immateriality. The company ceased trading on the 31<sup>st</sup> December 2015. At date of signing of the financial statements the company is in the process of liquidation. The crèche service is now being provided by an independent provider on the Hospital campus.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**Note 23 - Subsidiary companies- continued**

**The Haughton Institute For Graduate Education and Training in the Health Sciences Limited**

This limited company was set up in 1998 as a joint venture between St James' Hospital, Tallaght Hospital and Trinity College, Dublin. Each of the three organisations hold one third of the share capital of the company and have nominated three directors each to the Haughton Board. The company's main activity has been to provide administrative and accounting services for a number of research programmes and projects. The company paid the Hospital the sum of €nil in respect of salary recoupments in 2015 (2014: €47,069) and neither party owed any transaction at year end (2014: €nil due to the Hospital).

This company is not consolidated into the financial statements of the Hospital on the grounds of immateriality. At 31 December 2015 the company had a total surplus on shareholders' funds of €2,262 (2014: €59,883) and a loss for the year ended 31 December 2015 of €57,622 (2014: loss of €253,159).

**Note 24 – Capital commitments**

At 31 December 2015 the hospital had capital commitments of €3.1 million (2014: €6.8 million) of which €1.7 million (2014: €5.8 million) was contracted.

**Note 25 - Going concern**

The Hospital is funded by means of an annual revenue allocation from the Health Service Executive ("HSE"). The deficit of €0.7 million for 2015 has resulted in the accumulated deficit now being €14.7 million at December 2015.

The Hospital's current revenue allocation for 2016 is €183.2 million represents a 4.1% reduction against the outgoing run-rate for 2015. This presents a challenge to management to maintain activity at current levels. The Hospital remains dependent on the ongoing support of the HSE to provide adequate funding to enable it to continue to provide services. The HSE has not given any indication that it will withdraw its financial support from the Hospital in the foreseeable future.

On this basis these financial statements have been prepared on the going concern basis. The Board Members are of the opinion that it remains appropriate to present the financial statements on a going concern basis and that there is a reasonable expectation that the hospital will continue to trade.

| <b>Note 26 – Board Members' fees and Chief Executive Officer's salary</b> | <b>2015</b>                 | <b>2014</b>                 |
|---|-----------------------------|-----------------------------|
|   | €                           | €                           |
| <b>Board Members' fees</b>  |                             |                             |
| Reimbursement of expenses paid to Board Members                           | 334                         | -                           |
| Fees paid to Board members (Note 26(a))                                   | -                           | -                           |
|   | <u>                    </u> | <u>                    </u> |
| <b>Chief Executive Officer's salary</b>                                   |                             |                             |
| Basic- as per DOH salary scales (Note 26(b))                              | <u>136,282</u>              | <u>136,282</u>              |
| Chief Executive Officer's Travel and subsistence                          | <u>1,939</u>                | <u>591</u>                  |

**Note 26 (a)**

Board Members do not receive remuneration in respect of their position on the Hospital's Board.

**Note 26 (b)**

The Chief Executive Officer's superannuation arrangements conform to the standard entitlements in the model public sector superannuation scheme.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**Note 27 – Lease Commitments**

**Operating Leases**

At the balance sheet date the Hospital had annual commitments under non-cancellable operating lease in respect of buildings which expire:

|                            | <b>2015</b>    |
|----------------------------|----------------|
|                            | <b>€</b>       |
| Less than one year         | 93,247         |
| Between two and five years | <u>372,986</u> |

**Note 28 – Contingent Liability**

**Consultants' back-pay on Contracts**

The Health Service Executive ("HSE") are addressing this issue on a national basis. No provision has been made in the financial statements for 2015 in respect of any liabilities which may arise as a result of these negotiations.