

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

Annual Financial Statements

Year Ended 31 December 2016

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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
Ms A Lee
Mr A McConnell
Professor K Monks
Archdeacon D Pierpoint
Professor R Reilly (resigned 24th October 2016)
Mr D Seaman
Mrs M Shields

Executives

Mr D Slevin (CEO)
Mr D Carter
Ms H Daly (resigned 11th May 2017)
Dr D Fahey
Mr J Kelly (appointed 24th October 2016)
Ms A Lynch (appointed 11th May 2017)
Dr S Ni Bhriain
Ms L Nugent
Mr J O'Connell
Dr E O'Leary (appointed 18th April 2016)
Ms C Wall

The Board was reconstituted on the 17th February 2016 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

Auditors

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

**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2016**


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 and Children. 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: 22/5/2017

Signed:  Board Member

Date: 22.5.2017

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 2016 which comprise the Statement of Accounting Policies, the Non-Capital Income and Expenditure Account, the Capital Income and Expenditure Account, the Balance Sheet, 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 2016 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 adequate accounting records have been kept by the Hospital. The financial statements are in agreement with the accounting records.

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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 disclosure made in Note 25 to the financial statements concerning the Hospital's ability to continue as a going concern. The Hospital is dependent on the ongoing support of the Health Service Executive ("HSE") to provide adequate funding to enable it to continue to provide services. This condition, 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 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.



Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 22/5/12

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016 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 and Children.

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 2016 and its income and expenditure and cash flow for the year then ended.

Assurance re adequacy of Internal Controls

The Executives 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 Executives of these departments have given reassurances as to the adequacy of these internal 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 (ceased in February 2017), Finance Committee, Nominations Committee and an Internal Audit function. The Governance & Board Development Committee's responsibilities have been reassigned to the Audit Committee and Nominations Committee with some of the responsibilities also moving to the Board Secretary and the Board Chairperson. 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 Audit Facilitator conducts audits and produces reports which contain findings, conclusions and recommendations. These reports are submitted to the Audit Committee for discussion and review. The Audit Committee met five times during the year ended 31 December 2016 and reported to the Hospital Board.

The Audit Committee liaises very closely with the External Auditors and also gains independent assurances on the adequacy of internal controls through them. Pre- and post-audit meetings are held 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 2016 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 2016 (re 2015). The Hospital will submit the annual compliance statement in May 2017 (re 2016).

On behalf of the Board

Signed:  Chairperson Date: 02/5/2017

Signed:  Chief Executive Officer Date: 22.5.17

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.

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.

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 over which the Hospital has no control. Details of these entities are included in note 22 to the financial statements.

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 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. The Department of Public Expenditure and Reform ('DPER') is responsible for the SPSPS and under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 44(1) (b), payments arising under this Single Scheme to retiring employees shall be paid from funds provided by the Oireachtas for that purpose.

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 and Children, 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 less accumulated depreciation.

Depreciation

Fixed assets are depreciated in compliance with Department of Health and Children 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

Computer Equipment -straight line over expected useful life of 3 years

All other Equipment – straight line over expected useful life of 7 years.

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 2016
Form 1


	Notes	2016 €	2015 €
Cumulative non-capital deficit brought forward from previous year		14,666,339	13,960,281
Pay			
Salaries	1	175,583,582	168,278,380
Superannuation and gratuities	1	11,839,863	11,636,888
		<u>187,423,445</u>	<u>179,915,268</u>
Non-Pay			
Direct Patient Care	1	44,812,911	44,150,018
Support Services	1	23,923,190	20,663,678
Financial and Administrative	1	12,594,518	9,918,485
		<u>81,330,619</u>	<u>74,732,181</u>
Gross expenditure (including prior year deficit)		283,420,403	268,607,730
Income	1	(59,718,376)	(63,462,445)
Net expenditure for the year (including prior year deficit)		<u>223,702,027</u>	<u>205,145,285</u>
Non-capital funding – HSE notified for the year	11	<u>(204,748,866)</u>	<u>(190,478,946)</u>
Deficit of funding over net expenditure carried forward to following year	1(a)	<u>18,953,161</u>	<u>14,666,339</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 2016 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 and Children, were approved by the Board on 22 May 2017

On behalf of the Board

Signed:  Chairperson

Date: 22/5/2017

Signed:  Chief Executive Officer

Date: 22.5.17

CAPITAL INCOME AND EXPENDITURE ACCOUNT
 Year Ended 31 December 2016
 Form 2

	Note	2016 €	2015 €
Capital Income Sources			
HSE – Capital Grant	11	(2,499,948)	(5,098,467)
Grants from other sources		(267,296)	(590,481)
Total capital income		(2,767,244)	(5,688,948)
Capital expenditure: Capitalised			
Buildings		676,300	1,476,878
Work in progress		224,990	1,429,497
Non-computer equipment		1,772,563	2,595,931
Computer equipment		1,134,829	83,230
Capital Expenditure - Capitalised		3,808,682	5,585,536
Capital Expenditure - Not Capitalised		90,964	-
Total capital expenditure		3,899,646	5,585,536
Opening surplus carried forward from the previous year		(2,400,891)	(2,297,479)
Closing surplus carried forward to the following year		(1,268,489)	(2,400,891)

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 and Children, were approved by the Board on 22 May 2017.....

On behalf of the Board

Signed: [Signature] Chairperson Date: 22/5/2017

Signed: [Signature] Chief Executive Officer Date: 22.5.17

BALANCE SHEET
As at 31 December 2016
Form 3

	Notes	2016 €	2015 €
Fixed assets			
Tangible assets	13	37,046,497	36,576,665
Current assets			
Debtors	14	31,135,904	35,080,632
Stocks	15	4,607,258	4,412,177
Cash in hand and bank balances		2,787,117	4,334,739
		<u>38,530,279</u>	<u>43,827,548</u>
Creditors - amounts falling due within one year:			
Creditors	16	(43,968,397)	(44,747,158)
Bank overdraft		(10,936,570)	(10,453,487)
Bank loan	17	(431,711)	(431,711)
		<u>(55,336,678)</u>	<u>(55,632,356)</u>
Net current liabilities		(16,806,399)	(11,804,808)
Total assets less current liabilities		20,240,098	24,771,857
Creditors - amounts falling due in more than one year			
Bank loans	17	(856,236)	(1,642,332)
Deficit financing account	17	1,287,947	2,074,043
Deficit financing reserve	17	(1,309,984)	(892,351)
		<u>(878,273)</u>	<u>(460,640)</u>
		<u>19,361,825</u>	<u>24,311,217</u>
Capital and reserves			
Non-capital income and expenditure account		(18,953,161)	(14,666,339)
Capital income and expenditure account		1,268,489	2,400,891
Capitalisation account	18	37,046,497	36,576,665
		<u>19,361,825</u>	<u>24,311,217</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 and Children, were approved by the Board on 22 May 2017.

On behalf of the Board

Signed: L. Doolan Chairperson Date: 22/5/2017

Signed: D. Deane Chief Executive Officer Date: 22.5.17

CASH FLOW STATEMENT
For the year ended 31 December 2016
Form 4

	Notes	2016 €	2015 €
Net cash inflow from operating activities	19	2,142,900	4,740,004
Returns on investment and servicing of finance			
Interest paid on loans and overdrafts		<u>(17,129)</u>	<u>(24,706)</u>
Net cash outflow from servicing of finance		<u>(17,129)</u>	<u>(24,706)</u>
Capital expenditure			
Payments from capital for fixed asset additions		<u>(3,911,097)</u>	(5,821,896)
Payments from non-capital for fixed asset additions		<u>(1,727,897)</u>	<u>(1,026,501)</u>
Net cash outflow from capital expenditure		<u>(5,638,994)</u>	<u>(6,848,397)</u>
Net cash outflow before financing		(3,513,223)	(2,133,099)
Financing			
HSE capital grant received		2,001,318	5,114,614
Receipts from other sources		<u>267,296</u>	<u>590,481</u>
Net cash inflow from financing		<u>2,268,614</u>	<u>5,705,095</u>
Net cash (outflow)/inflow		<u>(1,244,609)</u>	<u>3,571,996</u>
(Decrease)/increase in cash in hand and bank balances	20	(1,547,622)	232,985
(Increase)/decrease in bank loans under 1 year and overdrafts	20	(483,083)	2,323,287
Decrease in bank loans over 1 year	20	<u>786,096</u>	<u>1,015,724</u>
Changes in net debt		<u>(1,244,609)</u>	<u>3,571,996</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details

	Notes	2016 €	2015 €
Pay			
Management and administration		23,312,820	22,023,720
Medical and dental (NCHD)		25,056,470	24,641,876
Medical and dental (consultants)		23,325,099	23,147,411
Nursing		59,074,857	55,261,767
Paramedical		24,901,857	24,314,062
Support services		17,487,846	16,412,503
Maintenance and technical		2,424,633	2,477,041
	8	<u>175,583,582</u>	<u>168,278,380</u>
Pension payments		9,880,903	9,571,544
Lump sums		1,958,960	2,065,344
		<u>11,839,863</u>	<u>11,636,888</u>
Total pay		187,423,445	179,915,268
Non-pay			
Direct patient care			
Drugs and medicine		18,986,370	19,260,207
Blood		2,955,759	3,131,252
Medical gases		255,071	254,969
Medical and surgical supplies		20,300,571	19,442,726
Medical equipment	12	626,973	817,355
Medical equipment supplies		1,688,167	1,243,509
		<u>44,812,911</u>	<u>44,150,018</u>
Support services			
X-Ray imaging equipment	12	6,765	-
X-Ray imaging		2,304,129	2,072,758
Laboratory equipment	12	155,864	13,922
Laboratory supplies		6,424,813	5,544,973
Catering equipment	12	32,927	6,888
Catering		1,299,648	1,294,423
Light and heat		2,275,577	2,314,753
Cleaning and laundry		4,813,133	4,099,980
Furniture and hardware		330,696	220,268
Bedding		1,955,241	1,691,030
Maintenance equipment	12	25,587	4,674
Maintenance		3,238,112	2,716,256
Travel and subsistence		311,085	279,668
Transport of patients		749,613	404,085
		<u>23,923,190</u>	<u>20,663,678</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details - continued

	Notes	2016 €	2015 €
Financial and administrative			
Bank interest		17,129	24,706
Bank charges		62,160	76,705
Insurance	2	367,683	323,708
Audit and other assurance fees		62,923	64,394
Legal		244,798	293,595
Office expenses		3,150,913	2,801,442
Office contracts		274,213	260,050
Computer equipment	12	412,420	183,662
Computer supplies		1,723,096	1,190,634
Professional services		1,590,129	1,659,320
Adjustment to Doubtful Debts Provision		1,338,674	(625,463)
Miscellaneous Non-capital expenditure on Capital Projects	3	-	730,568
Miscellaneous	4	3,350,380	2,935,164
		<u>12,594,518</u>	<u>9,918,485</u>
Total non-pay		<u>81,330,619</u>	<u>74,732,181</u>
Total gross expenditure		<u>268,754,064</u>	<u>254,647,449</u>
Income			
Patient income			
In-patient	5	40,588,745	42,163,802
Out-patient	5	1,080,354	949,443
		<u>41,669,099</u>	<u>43,113,245</u>
Other income			
Superannuation		5,627,876	5,966,554
Pension Levy		7,629,606	9,341,017
Other payroll deductions		242,077	246,681
Road Traffic Accident (RTA) Receipts	10	498,654	578,482
Income from external agencies	6	2,818,791	2,887,397
Canteen Receipts		882,008	868,233
Other income	7	350,265	460,836
		<u>18,049,277</u>	<u>20,349,200</u>
Total income		<u>59,718,376</u>	<u>63,462,445</u>
Net expenditure	9	<u>209,035,688</u>	<u>191,185,004</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 1(a)	Note	2016 €	2015 €
Net expenditure in year		209,035,688	191,185,004
Allocation in year	11	<u>(204,748,866)</u>	<u>(190,478,946)</u>
Deficit in year		4,286,822	706,058
Cumulative deficit brought forward from previous year		14,666,339	13,960,281
Cumulative deficit carried forward to following year		<u>18,953,161</u>	<u>14,666,339</u>

Note 2 – Insurance	2016 €	2015 €
Public liability	91,326	55,776
Employers' liability	1,342	1,178
Property	176,348	166,909
Board Members' and officers' liability	60,163	61,272
Other	38,508	38,573
	<u>367,683</u>	<u>323,708</u>

Note 3 – Miscellaneous non-capital expenditure on capital projects

	2016 €	2015 €
Buildings	-	617,314
Equipment	-	113,254
	<u>-</u>	<u>730,568</u>

Note 4 – Miscellaneous expenses	2016 €	2015 €
Security	1,442,244	1,186,593
Subscriptions	317,100	214,987
Education/training	775,690	768,287
Other	815,346	765,297
	<u>3,350,380</u>	<u>2,935,164</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 5 – Analysis of patient income	2016	2015
	€	€
In-Patient		
Statutory in-patient charges	1,288,759	1,227,279
Private/semi-private	39,096,144	40,850,329
Other in-patient charges	203,842	86,194
	<u>40,588,745</u>	<u>42,163,802</u>
Out-patient		
Statutory accident and emergency charge	<u>1,080,354</u>	<u>949,443</u>
Total patient income	<u>41,669,099</u>	<u>43,113,245</u>
 Note 6 – Income from external agencies		
Psychiatric and other services	<u>2,818,791</u>	<u>2,887,397</u>
 Note 7 – Other income		
	2016	2015
	€	€
Rents/licences	311,304	355,492
Other income	38,961	105,344
	<u>350,265</u>	<u>460,836</u>
 Note 8 – Summary pay analysis		
	2016	2015
	€	€
Basic pay	136,809,808	130,394,296
Overtime	8,447,264	8,915,835
Premium pay	6,297,593	6,539,072
Shift allowance	211,673	202,004
Holiday/public holiday premiums	2,044,447	1,328,233
Higher degree	64,473	78,260
On call/standby	3,686,658	4,171,610
PRSI employer	14,379,553	13,478,092
Travel allowances	356,149	303,250
Other	3,285,964	2,867,728
	<u>175,583,582</u>	<u>168,278,380</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 9 - Reconciliation of expenditure to cost of services

	Notes	2016 €	2015 €
Net expenditure - current year	1	209,033,688	191,185,004
Deduct:			
Adjustment re purchase of buildings and equipment from non-capital	3	-	(730,568)
Adjustment re purchase of equipment from non-capital	12	(1,260,536)	(1,026,501)
Total deductions		<u>(1,260,533)</u>	<u>(1,757,069)</u>
Sub-total		207,773,152	189,427,935
Add-back			
Depreciation charge for the year	13	<u>4,599,386</u>	<u>4,084,894</u>
Running cost of service		<u>212,374,538</u>	<u>193,512,829</u>

Note 10 – Road traffic accident memo account

	2016 €	2015 €
Balance at 1 January	5,755,699	5,628,428
Bills issued in respect of the year	1,016,330	705,723
Less cash received during the year	(498,654)	(578,482)
Balance at 31 December	<u>6,273,375</u>	<u>5,755,699</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 11 – Statement of advances and balances due from Health Service Executive Non-Capital and Capital	Notes	2016 €	2015 €
Non-capital			
Allocation in year	1(a)	204,748,866	190,478,946
Less remittances from HSE Non-Capital		(187,246,894)	(168,391,078)
Balance due from HSE in respect of the year		17,501,972	22,087,868
Balance due from HSE re previous years as at 1 January		21,663,831	18,341,740
Less remittances from HSE in year re previous years		(22,087,867)	(18,765,777)
Balance due to HSE re previous years as at 31 December		(424,036)	(424,037)
Total balance of non-capital funding due from HSE	14	17,077,936	21,663,831
Capital			
Total capital grants notified by HSE for the year		2,499,948	5,098,467
Less remittances from HSE Capital in the year		(1,886,932)	(4,984,081)
Balance due from HSE in respect of the year		613,016	114,386
Balance due from HSE re previous years as at 1 January		114,386	130,533
Less remittances from HSE in year re previous years		(114,386)	(130,533)
Balance due to HSE re previous years as at 31 December		-	-
Total balance of capital funding due from HSE	14	613,016	114,386
Gross total due from HSE Capital and Non-Capital	14	17,690,952	21,778,217

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 12 – Purchase of equipment from non-capital account (capitalised)	2016 €	2015 €
Medical equipment	626,973	817,355
X-Ray imaging equipment	6,765	-
Laboratory equipment	155,864	13,922
Computer and office equipment	412,420	183,662
Catering equipment	32,927	6,888
Maintenance equipment	25,587	4,674
	<u>1,260,536</u>	<u>1,026,501</u>

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 €	Work In Progress €	Equipment €	Fixtures and Fittings €	Computer Equipment €	Total €
Cost or valuation						
At 31 December 2015	30,084,156	1,732,800	55,829,439	12,343,369	9,717,129	109,706,893
Additions from capital	676,300	224,990	1,772,563	-	1,134,829	3,808,682
Additions from non-capital	-	-	881,093	-	379,443	1,260,536
Transfer from WIP	84,309	(1,168,351)	847,995	-	236,047	-
Write-offs in year	-	-	(1,069,062)	-	-	(1,069,062)
At 31 December 2016	30,844,765	789,439	58,262,028	12,343,369	11,467,448	113,707,049
Accumulated depreciation						
At 31 December 2015	(5,806,804)	-	(45,664,559)	(12,343,369)	(9,315,496)	(73,130,228)
Depreciation charge for year	(605,816)	-	(3,054,898)	-	(938,672)	(4,599,386)
Write-offs in year	-	-	(1,069,062)	-	-	(1,069,062)
At 31 December 2016	(6,412,620)	-	(47,650,395)	(12,343,369)	(10,254,168)	(76,660,552)
Net book value						
At 31 December 2016	24,432,145	789,439	10,611,633	-	1,213,280	37,046,497
At 31 December 2015	24,277,352	1,732,800	10,164,880	-	401,633	36,576,665

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. Land and Buildings included in note 13 reflects additions since that date. 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)

Work-in-Progress at 31 December 2016 represented costs in respect of various on-going developments in clinical care.

Note 13(c)

In 2016, the Hospital wrote-off assets with cost valuation of €1,069,062 (2015 €27,579,595) for assets that are no longer in use. These assets had been fully depreciated at 31st December 2015 and 2016.

Note 13(d)

With effect from 20th 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 €16,832,668 for assets in use at 31st 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

Note 14 – Debtors	Notes	2016 €	2015 €
HSE – revenue grants due	11	17,077,936	21,663,831
HSE - capital grants due	11	613,016	114,386
HSE – debtors		17,690,952	21,778,217
Patient debtors		20,488,840	20,233,324
Less provision for bad and doubtful debts		(8,422,983)	(8,297,791)
Net Patient debtors		12,065,857	11,935,533
Other debtors		1,379,095	1,366,882
Non HSE debtors		13,444,952	13,302,415
		31,135,904	35,080,632
Note 15 – Stocks		2016 €	2015 €
Pharmacy		1,673,769	1,575,846
Medical and surgical supplies		2,100,479	2,024,213
Other		833,010	812,118
		4,607,258	4,412,177
Note 16 – Creditors		2016 €	2015 €
Creditors – capital		267,671	403,344
Creditors – non-capital		34,773,850	36,856,715
Designated Funds		3,580,022	2,830,461
Wages and salaries		547,038	-
PAYE/PRSI		4,799,816	4,656,638
		43,968,397	44,747,158

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 17 - Bank loans	2016	2015
	€	€
Bank loans - greater than one year		
Deficit bank loan account	(856,236)	(1,642,332)
Deficit financing account	1,287,947	2,074,043
	<u>431,711</u>	<u>431,711</u>
Bank loans – within one year		
Deficit bank loan account	(431,711)	(431,711)
	<u>-</u>	<u>-</u>
Deficit financing reserve		
Balance at 1 January	(892,351)	(756,445)
Net income earned from car park	(1,242,764)	(1,220,093)
Loan repayment	786,096	1,015,723
Payment of interest	39,035	68,464
Balance at 31 December	<u>(1,309,984)</u>	<u>(892,351)</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 in advance of its termination date of 2019 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.

Note 18 - Capitalisation account	2016	2015
	€	€
Balance at beginning of the year	36,576,665	33,318,954
Additions		
Capital expenditure	3,808,682	5,585,536
Non-capital expenditure	1,260,536	1,757,069
	<u>5,069,218</u>	<u>7,342,605</u>
Less:		
Depreciation for the year	4,599,386	4,084,894
	<u>37,046,497</u>	<u>36,576,665</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 19 - Note to the cash flow statement	2016	2015
	€	€
Deficit non capital	(18,953,161)	(14,666,339)
Less deficit brought forward	14,666,339	13,960,281
Deficit for the current year	(4,286,822)	(706,058)
Adjustment re purchase of equipment from non-capital	1,260,536	1,026,501
Adjustment re miscellaneous non-capital expenditure on capital projects	-	730,568
Add-back all interest charges against non-capital	17,129	24,706
Increase in stocks	(195,081)	(53,374)
Decrease/(Increase) in HSE debtors non-capital	4,585,895	(3,322,091)
Decrease in non-HSE debtors	(142,537)	824,820
(Decrease)/Increase in non-capital creditors	(299,949)	5,063,303
Deficit financing account	786,096	1,015,723
Deficit financing reserve	417,633	135,906
Net cash inflow from operating activities	2,142,900	4,740,004

Comparative figures for 2015 have been re-stated to reflect actual capital spend. HSE funds were received in 2016 to provide additional cash-flow towards year end.

Note 20 - Analysis of changes in net debt	At		At
	31 December	Cash flows	31 December
	2016	€	2015
	€		€
Cash in hand and bank balances	2,787,117	1,547,622	4,334,739
Bank overdraft	(10,936,570)	483,083	(10,453,487)
	(8,149,453)	2,030,705	(6,118,748)
Bank loans			
Debt due within one year	(431,711)	-	(431,711)
Debt due after one year	(856,236)	(786,096)	(1,642,332)
	(1,287,947)	(786,096)	(2,074,043)
	(9,437,400)	1,244,609	(8,192,791)

Note 21 - Reconciliation of net cash inflow/(outflow) to movement in net debt	2016	2015
	€	€
(Decrease)/Increase in cash in the year	(2,030,705)	2,556,272
Net cash inflow from decrease in net debt	786,096	1,015,724
Changes in net debt resulting from cash flow	(1,244,609)	3,571,996
Net debt at beginning of the year	(8,192,791)	(11,764,787)
Net debt at end of the year	(9,437,400)	(8,192,791)

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 fundraising 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:

	2016	2015
	€	€
National Children's Hospital		
Balance due from National Children's Hospital at start of year	168,448	332,594
Salary recoupments receivable	46,996	25,066
Grants receivable re non-pay	140,577	31,700
Receipts	(130,050)	(220,912)
Balance due from National Children's Hospital at end of year	225,971	168,448
Meath Foundation		
Balance due from Meath Foundation at start of year	9,880	47,104
Salary recoupments receivable	56,125	101,876
Grants receivable re non-pay	49,050	25,375
Receipts	(81,189)	(164,475)
Balance due from Meath Foundation at end of year	33,866	9,880

There were grants amounting to €60,360 (2015: €25,942) received from the Adelaide Hospital Society.

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

Note 23 - Subsidiary companies

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 2016 (2015: €nil) and neither party owed any transaction at year end (2015: €nil due to the Hospital).

This company is not consolidated into the financial statements of the Hospital on the grounds of immateriality. The company ceased trading on the 31st August 2016. At the date of signing the financial statements the company is in process of liquidation.

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 24 – Capital commitments

At 31 December 2016 the hospital had capital commitments of €3.5 million (2015: €3.1 million) of which €3.0 million (2015: €1.7 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 €4.2million for 2016 has resulted in the accumulated deficit now being €19.0 million at December 2016. The funding of this accumulated deficit, in the absence of a commitment from the HSE, represents a material uncertainty for the Hospital's ability to continue as a going concern.

The Hospital's current revenue allocation for 2017 is €211.0 million represents a 1% increase against the outgoing run-rate for 2016. 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 Hospital continues to proactively engage with the HSE in respect of the revenue allocation for 2017 and dealing with the accumulated deficit. The bank-overdraft facility is authorised by the HSE. 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.

Note 26 – Board Members' fees and Chief Executive Officer's salary	2016	2015
	€	€
Board Members' fees		
Reimbursement of expenses paid to Board Members	-	334
Fees paid to Board members (Note 26(a))	-	-
	<u> </u>	<u> </u>
Chief Executive Officer's salary		
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>1,329</u>	<u>1,939</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:

	2016
	€
Less than one year	93,247
Between two and five years	<u>279,974</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 2016 in respect of any liabilities which may arise as a result of these negotiations.