

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

Annual Financial Statements

Year Ended 31 December 2014

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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 (appointed 26th February 2014)
Mr L Dowdall
Ms A Lee (appointed 29th October 2014)
Mr A McConnell
Mr T O'Higgins (resigned 25th April 2014)
Professor R Reilly
Archdeacon D Pierpoint
Mr D Seaman (appointed 26th February 2014)
Mrs M Shields

Executive Board Members

Mr D Slevin (CEO)
Mr D Carter
Ms H Daly (appointed 29th October 2014)
Ms B Egan (Resigned 30th July 2014)
Dr D Fahey
Mr M Feeley
Ms S McMickan
Ms S Morrow (resigned 27th June 2014)
Dr S Ni Bhriain (appointed 29th October 2014)
Ms L Nugent (24th September 2014)
Mr J O'Connell

The Board was reconstituted on the 28th 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 6th February 2014)

Auditors

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

**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2014**

The Board is 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 Board is 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 continue in existence.

The Board is responsible 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: Michael Lean Chairperson

Date: 27th May 2015

Signed: Liam Dowling Board Member

Date: 27th May 2015

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 2014 which comprise the 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 26. 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 2014 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.

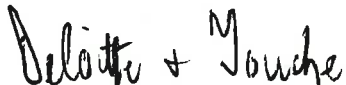
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INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF THE ADELAIDE & MEATH HOSPITAL, DUBLIN, INCORPORATING THE NATIONAL CHILDREN'S HOSPITAL (TALLAGHT HOSPITAL) ("THE HOSPITAL")

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.



Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin

27 May 2015

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 2014 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 26, which have been prepared under the accounting policies set out on pages 7 and 8 properly show the state of affairs of the hospital at 31 December 2014 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, Remuneration and Terms of Service Committee, Quality Safety and Risk Management Committee, Governance Committee and an Internal Audit function. The Internal Auditor produces an annual audit plan through examining the objectives of the organisation, 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 2014.

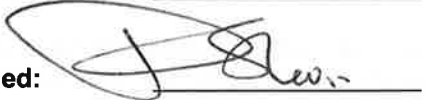
The Audit Committee liaises very closely with the External Auditors and also gains independent assurances on the adequacy of internal controls through them. There are scheduled pre- and post-audit meetings every year during which relevant aspects of the audit are discussed.

The requirement for the HSE annual compliance statement came into effect on 1 January 2014 and applies to the Hospital's 2013 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 2014 (re 2013). The Hospital will submit the annual compliance statement in May 2015 (re 2014).

Signed:  Chairperson

Date: 27th May 2015

Signed:  Chief Executive Officer

Date: 27th May 2015

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 23 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.

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 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.

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.

ACCOUNTING POLICIES – continued

Fixed assets - continued

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

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:

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 €10,792,774 of 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.

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 2014
Form 1

	Notes	2014 €	2013 €
Cumulative non-capital deficit brought forward from previous year		12,919,907	18,334,639
Pay			
Salaries	1	163,072,407	161,674,886
Superannuation and gratuities	1	12,280,689	11,977,515
		175,353,096	173,652,401
Non-Pay			
Direct Patient Care	1	39,772,964	41,567,104
Support Services	1	19,004,899	19,114,090
Financial and Administrative	1	11,022,212	9,587,048
		69,800,075	70,268,242
Gross expenditure (including prior year deficit)		258,073,078	262,255,282
Income	1	(63,875,090)	(63,188,465)
Net expenditure for the year (including prior year deficit)		194,197,988	199,066,817
Non-capital funding – HSE notified for the year	11	(180,237,707)	(186,146,910)
Deficit of funding over net expenditure carried forward to following year	1(a)	13,960,281	12,919,907

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 2014 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 27th May 2015.

On behalf of the board

Signed: Michael Sean Chairperson

Date: 27/5/15

Signed: D. Lewis Chief Executive Officer

Date: 27/5/15

CAPITAL INCOME AND EXPENDITURE ACCOUNT
 Year Ended 31 December 2014
 Form 2

	Note	2014 €	2013 €
Capital Income Sources			
HSE – Capital Grant	11	(5,316,096)	(6,790,200)
Grants from other sources		(512,520)	(46,091)
Total capital income		(5,828,616)	(6,836,291)
Capital expenditure: Capitalised			
Buildings		2,077,538	-
Work in progress		2,839,004	495,313
Non-computer equipment		3,075,782	1,834,882
Computer equipment		494,355	1,019,390
Total capital expenditure		8,486,679	3,349,585
Opening surplus carried forward from the previous year		(4,955,542)	(1,468,836)
Closing surplus carried forward to the following year		(2,297,479)	(4,955,542)

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 27th May 2015.

On behalf of the board

Signed: Michael Keam Chairperson

Date: 27 / 5 / 15

Signed: [Signature] Chief Executive Officer

Date: 27 / 5 / 15

BALANCE SHEET
As at 31 December 2014
Form 3

	Notes	2014 €	2013 €
Fixed assets			
Tangible assets	13	33,318,954	27,998,655
Current assets			
Debtors	14	32,599,508	35,471,347
Stocks	15	4,358,802	4,318,708
Cash in hand and bank balances		4,101,754	6,668,420
		<u>41,060,064</u>	<u>46,458,475</u>
Creditors - amounts falling due within one year:			
Creditors	16	(39,189,647)	(43,525,436)
Bank overdraft		(12,776,774)	(10,239,777)
Bank loan	17	(431,711)	(431,711)
		<u>(52,398,132)</u>	<u>(54,196,924)</u>
Net current liabilities		<u>(11,338,068)</u>	<u>(7,738,449)</u>
Total assets less current liabilities		<u>21,980,886</u>	<u>20,260,206</u>
Creditors - amounts falling due in more than one year			
Bank loans	17	(2,658,056)	(3,648,820)
Deficit financing account	17	3,089,767	4,080,531
Deficit financing reserve	17	(756,445)	(657,627)
		<u>(324,734)</u>	<u>(225,916)</u>
		<u>21,656,152</u>	<u>20,034,290</u>
Capital and reserves			
Non-capital income and expenditure account		(13,960,281)	(12,919,907)
Capital income and expenditure account		2,297,479	4,955,542
Capitalisation account	18	33,318,954	27,998,655
		<u>21,656,152</u>	<u>20,034,290</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 27th May 2015.

On behalf of the board

Signed: Michael Keane Chairperson

Date: 27th May 2015

Signed: [Signature] Chief Executive Officer

Date: 27th May 2015

CASH FLOW STATEMENT
For the year ended 31 December 2013
Form 4

	Notes	2014 €	2013 €
Net cash (outflow)/inflow from operating activities	19	(602,193)	6,455,860
Returns on investment and servicing of finance			
Interest paid on loans and overdrafts		<u>(23,716)</u>	<u>(36,702)</u>
Net cash outflow from servicing of finance		<u>(23,716)</u>	<u>(36,702)</u>
Capital expenditure			
Expenditure from capital		(8,486,679)	(3,349,585)
Payments from non-capital re acquisition of fixed assets		<u>(851,280)</u>	<u>(407,730)</u>
Net cash outflow from capital expenditure		<u>(9,337,959)</u>	<u>(3,757,315)</u>
Net cash inflow before financing		(9,963,868)	2,661,843
Financing			
HSE capital grant received		5,338,449	6,729,351
Receipts from other sources – acquisition of fixed assets		<u>512,520</u>	<u>46,091</u>
Net cash inflow from financing		<u>5,850,969</u>	<u>6,775,442</u>
Net cash flow		<u>(4,112,899)</u>	<u>9,437,285</u>
(Decrease)/increase in cash in hand and bank balances	20	(2,566,666)	3,307,530
(Increase)/decrease in bank loans under 1 year and overdrafts	20	(2,536,997)	5,029,755
Decrease in bank loans over 1 year	20	<u>990,764</u>	<u>1,100,000</u>
Changes in net debt		<u>(4,112,899)</u>	<u>9,437,285</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details

	Notes	2014 €	2013 €
Pay			
Management and administration		21,198,319	21,575,872
Medical and dental (NCHD)		24,050,465	23,615,386
Medical and dental (consultants)		21,734,773	22,197,907
Nursing		53,683,226	51,731,834
Paramedical		24,380,570	24,545,154
Support services		15,788,425	15,803,213
Maintenance and technical		2,236,629	2,205,520
	8	<u>163,072,407</u>	<u>161,674,886</u>
Pension payments		9,408,871	9,238,471
Lump sums		2,871,818	2,731,882
Superannuation refunds		-	7,162
		<u>12,280,689</u>	<u>11,977,515</u>
Total pay		175,353,096	173,652,401
Non-pay			
Direct patient care			
Drugs and medicine		19,218,519	18,294,537
Blood		2,850,923	3,342,169
Medical gases		303,051	302,340
Medical and surgical supplies		16,446,914	18,076,124
Medical equipment	12	310,311	258,928
Medical equipment supplies		643,246	1,293,006
		<u>39,772,964</u>	<u>41,567,104</u>
Support services			
X-Ray imaging equipment	12	528	3,688
X-Ray imaging		1,571,705	1,231,418
Laboratory equipment	12	193,264	36,426
Laboratory supplies		5,169,241	5,505,232
Catering equipment	12	25,665	-
Catering		1,219,650	1,175,209
Light and heat		2,207,649	2,373,014
Cleaning and laundry		3,946,084	4,074,432
Furniture and hardware		203,908	147,631
Bedding		1,618,042	1,503,378
Maintenance equipment	12	42,237	-
Maintenance		2,255,105	2,460,065
Travel and subsistence		199,509	249,343
Transport of patients		352,312	354,254
		<u>19,004,899</u>	<u>19,114,090</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details - continued	Notes	2014 €	2013 €
Financial and administrative			
Bank interest		23,716	36,702
Bank charges		46,633	7,737
Insurance	2	370,330	668,090
Audit and other assurance fees		78,166	76,947
Legal		50,282	133,413
Office expenses		2,200,482	2,624,212
Office contracts		222,773	38,770
Computer equipment	12	279,275	108,688
Computer supplies		1,005,722	947,869
Professional services		1,637,745	1,283,714
Adjustment to Doubtful Debts Provision		2,759,348	1,202,535
Miscellaneous	4	2,347,740	2,458,371
		<u>11,022,212</u>	<u>9,587,048</u>
Total non-pay		<u>69,800,075</u>	<u>70,268,242</u>
Total gross expenditure		<u>245,153,171</u>	<u>243,920,643</u>
Income			
Patient income			
In-patient	5	41,367,186	39,937,881
Out-patient	5	922,453	1,095,414
		<u>42,289,639</u>	<u>41,033,295</u>
Other income			
Superannuation		6,373,893	6,841,027
Pension Levy		9,328,750	9,724,269
Other payroll deductions (including staff parking fees)		224,774	224,420
Road Traffic Accident (RTA) Receipts	10	804,378	933,336
Income from external agencies	6	2,777,704	2,728,409
Canteen Receipts		1,377,610	889,124
Other income	7	698,342	814,585
		<u>21,585,451</u>	<u>22,155,170</u>
Total income		<u>63,875,090</u>	<u>63,188,465</u>
Net expenditure	9	<u>181,278,081</u>	<u>180,732,178</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 1(a)	Note	2014 €	2013 €
Net expenditure in year		181,278,081	180,732,178
Allocation in year before once-off allocation	11	(180,237,707)	(180,884,910)
Deficit/(surplus) in year before once-off allocation		1,040,374	(152,732)
Retrospective once-off allocation	11	-	(5,262,000)
Deficit/(surplus) in year after once-off allocation		1,040,374	(5,414,732)
Cumulative deficit brought forward from previous year		12,919,907	18,334,639
Revised cumulative deficit carried forward to following year		13,960,281	12,919,907

Note 2 – Insurance	2014 €	2013 €
Public liability	56,126	147,674
Employers' liability	58,171	229,277
Property	163,782	193,678
Board Members' and officers' liability	54,236	23,156
Other	38,015	74,305
	370,330	668,090

Note 3 – Miscellaneous non-capital expenditure on capital projects

Not applicable.

Note 4 – Miscellaneous expenses	2014 €	2013 €
Security	1,146,723	1,188,503
Subscriptions	168,285	179,263
Education/training	657,830	506,644
Other	374,902	583,961
	2,347,740	2,458,371

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 5 – Analysis of patient income	2014	2013
	€	€
In-Patient		
Statutory in-patient charges	1,021,996	3,117,974
Private/semi-private	40,252,299	36,710,599
Other in-patient charges	92,891	109,308
	<u>41,367,186</u>	<u>39,937,881</u>
Out-patient		
Statutory accident and emergency charge	922,453	1,095,414
	<u>922,453</u>	<u>1,095,414</u>
Total patient income	<u>42,289,639</u>	<u>41,033,295</u>
Note 6 – Income from external agencies		
Psychiatric and other services	2,777,704	2,728,409
	<u>2,777,704</u>	<u>2,728,409</u>
Note 7 – Other income	2014	2013
	€	€
Pharmacy	-	12,942
Rents/licences	373,810	360,437
Other income	324,532	441,206
	<u>698,342</u>	<u>814,585</u>
Note 8 – Summary pay analysis	2014	2013
	€	€
Basic pay	125,612,442	122,754,831
Overtime	8,890,360	10,202,980
Premium pay	6,003,489	5,933,666
Shift allowance	206,921	193,273
Holiday/public holiday premiums	1,574,803	1,466,257
Higher degree	93,507	92,742
On call/standby	4,267,630	4,373,157
PRSI employer	13,048,957	12,961,914
Travel allowances	382,066	391,169
Other	2,992,232	3,304,897
	<u>163,072,407</u>	<u>161,674,886</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 9 - Reconciliation of expenditure to cost of services

	Notes	2014 €	2013 €
Net expenditure - current year	1	181,278,081	180,732,178
Deduct:			
Adjustment re purchase of equipment from non-capital	12	<u>(851,280)</u>	<u>(407,730)</u>
Total deductions		<u>(851,280)</u>	<u>(407,730)</u>
Sub-total		180,426,801	180,324,448
Add-back			
Depreciation charge for the year	13	<u>4,017,660</u>	<u>3,467,006</u>
Running cost of service		<u>184,444,461</u>	<u>183,791,454</u>

Note 10 – Road traffic accident memo account

	2014 €	2013 €
Balance at 1 January	5,981,132	5,482,987
Bills issued in respect of the year	451,674	1,431,481
Less cash received during the year	<u>(804,378)</u>	<u>(933,336)</u>
Balance at 31 December	<u>5,628,428</u>	<u>5,981,132</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 11 – Statement of advances and balances due from Health Service Executive Non-Capital and Capital	Notes	2014 €	2013 €
Non-capital			
Allocation in year before once-off allocation	1(a)	180,237,707	180,884,910
Retrospective once-off allocation	1(a)	-	5,262,000
Total approved non-capital funding		180,237,707	186,146,910
Less remittances from HSE Non-Capital		(161,471,930)	(165,980,501)
Balance due from HSE in respect of the year		18,765,777	20,166,409
Balance due from HSE re previous years as at 1 January		19,742,372	16,957,430
Less remittances from HSE in year re previous years		(20,166,409)	(17,381,467)
Balance due to HSE re previous years as at 31 December		(424,037)	(424,037)
Total balance of non-capital funding due from HSE	14	18,341,740	19,742,372
Capital			
Total capital grants notified by HSE for the year		5,316,096	6,790,200
Less remittances from HSE Capital in the year		(5,185,563)	(6,637,314)
Balance due from HSE in respect of the year		130,533	152,886
Balance due from HSE re previous years as at 1 January		152,886	92,037
Less remittances from HSE in year re previous years		(152,886)	(92,037)
Balance due to HSE re previous years as at 31 December		-	-
Total balance of capital funding due from HSE	14	130,533	152,886
Gross total due from HSE Capital and Non-Capital	14	18,472,273	19,895,258

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 12 – Purchase of equipment and vehicles from non-capital account (capitalised)	2014	2013
	€	€
Medical equipment	310,311	258,928
X-Ray imaging equipment	528	3,688
Laboratory equipment	193,264	36,426
Computer and office equipment	279,275	108,688
Catering equipment	25,665	-
Maintenance equipment	42,237	-
	<u>851,280</u>	<u>407,730</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 13 – Schedule of fixed assets and depreciation	Buildings €	Work In Progress €	Equipment €	Fixtures and fittings €	Computer equipment €	Total €
Cost or valuation						
At 31 December 2013	23,123,973	495,313	71,522,816	12,343,369	13,120,453	120,605,924
Additions from capital	2,077,538	2,839,004	3,075,782	-	494,355	8,486,679
Additions from non-capital	-	-	574,110	-	277,170	851,280
Transfer from WIP	22,131	(172,567)	150,436	-	-	-
At 31 December 2014	25,223,642	3,161,750	75,323,144	12,343,369	13,891,978	129,943,883
Accumulated depreciation						
At 31 December 2013	(4,709,158)	-	(64,016,799)	(12,009,374)	(11,871,938)	(92,607,269)
Depreciation charge for year	(512,862)	-	(2,220,470)	(272,557)	(1,011,771)	(4,017,660)
At 31 December 2014	(5,222,020)	-	(66,237,269)	(12,281,931)	(12,883,709)	(96,624,929)
Net book value						
At 31 December 2014	20,003,622	3,161,750	9,085,875	61,438	1,008,269	33,318,954
At 31 December 2013	18,414,815	495,313	7,506,017	333,995	1,248,515	27,998,655

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 2013 and 2014.

Note 13(c)

Work-in-Progress at 31 December 2014 represented costs in respect of various on-going developments in clinical care.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 14 – Debtors	Notes	2014 €	2013 €
HSE – revenue grants due	11	18,341,740	19,742,372
HSE - capital grants due	11	130,533	152,886
HSE – debtors		18,472,273	19,895,258
Patient debtors		22,218,545	21,397,212
Less provision for bad and doubtful debts		(9,241,015)	(6,971,037)
Net Patient debtors		12,977,530	14,426,175
Other debtors		1,149,705	1,149,914
Non HSE debtors		14,127,235	15,576,089
		32,599,508	35,471,347
Note 15 – Stocks		2014 €	2013 €
Pharmacy		1,536,968	1,478,357
Medical and surgical supplies		1,995,473	2,038,117
Other		826,361	802,234
		4,358,802	4,318,708
Note 16 – Creditors		2014 €	2013 €
Creditors – capital		639,704	1,294,642
Creditors – non-capital		31,306,865	35,550,160
Designated Funds		2,606,715	2,159,572
Wages and salaries		1,025	2,209
PAYE/PRSI		4,635,338	4,518,853
		39,189,647	43,525,436

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 17 - Bank loans	2014	2013
	€	€
Bank loans - greater than one year		
Deficit bank loan account	(2,658,056)	(3,648,820)
Deficit financing account	3,089,767	4,080,531
	<u>431,711</u>	<u>431,711</u>
Bank loans – within one year		
Deficit bank loan account	<u>(431,711)</u>	<u>(431,711)</u>
	<u>-</u>	<u>-</u>
Deficit financing reserve		
Balance at 1 January	(657,627)	(641,373)
Net income earned from car park	(1,192,261)	(1,158,655)
Loan repayment	990,764	1,100,000
Payment of interest	102,679	42,401
Balance at 31 December	<u>(756,445)</u>	<u>(657,627)</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 surplus 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	2014	2013
	€	€
Balance at beginning of the year	27,998,655	27,708,346
Additions		
Capital expenditure	8,486,679	3,349,585
Non-capital expenditure	851,280	407,730
	<u>9,337,959</u>	<u>3,757,315</u>
Less:		
Depreciation for the year	4,017,660	3,467,006
	<u>33,318,954</u>	<u>27,998,655</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 19 - Note to the cash flow statement

	2014 €	2013 €
Deficit non capital	(13,960,281)	(12,919,907)
Less deficit brought forward	12,919,907	18,334,639
(Deficit)/surplus for the current year	(1,040,374)	5,414,732
Adjustment re purchase of equipment from non-capital	851,280	407,730
Add-back all interest charges against non-capital	23,716	36,702
(Increase)/decrease in stocks	(40,094)	188,480
Decrease/(Increase) in HSE debtors non-capital	1,400,632	(2,784,942)
Decrease(increase) in non-HSE debtors	1,448,854	(7,233,448)
(Decrease)/increase in non-capital creditors	(3,680,851)	9,241,534
(Decrease)/increase in capital creditors	(654,938)	68,818
Deficit financing account	990,764	1,100,000
Deficit financing reserve	98,818	16,254
Net cash (outflow)/inflow from operating activities	(602,193)	6,455,860

Note 20 - Analysis of changes in net debt

	At 31 December 2014 €	Cash flows €	At 31 December 2013 €
Cash in hand and bank balances	4,101,754	2,566,666	6,668,420
Bank overdraft	(12,776,774)	2,536,997	(10,239,777)
	<u>(8,675,020)</u>	<u>5,103,663</u>	<u>(3,571,357)</u>
Bank loans			
Debt due within one year	(431,711)	-	(431,711)
Debt due after one year	(2,658,056)	(990,764)	(3,648,820)
	<u>(3,089,767)</u>	<u>(990,764)</u>	<u>(4,080,531)</u>
	<u>(11,764,787)</u>	<u>4,112,899</u>	<u>(7,651,888)</u>

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

	2014 €	2013 €
(Decrease)/increase in cash in the year	(5,103,663)	8,337,285
Net cash inflow from decrease in net debt	990,764	1,100,000
Changes in net debt resulting from cash flow	(4,112,899)	9,437,285
Net debt at beginning of the year	(7,651,888)	(17,089,173)
Net debt at end of the year	(11,764,787)	(7,651,888)

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, under Financial Reporting Standards No. 8. Based on grant applications to these entities the hospital has received the following support:

	2014	2013
	€	€
National Children's Hospital		
Balance due from National Children's Hospital at start of year	187,709	232,826
Salary recoupments receivable	75,272	88,044
Grants receivable re non-pay	201,515	150,007
Receipts	(131,902)	(283,168)
Balance due from National Children's Hospital at end of year	<u>332,594</u>	<u>187,709</u>
Meath Foundation		
Balance due from/(to) Meath Foundation at start of year	275,256	(316,009)
Salary recoupments receivable	39,728	20,362
Grants receivable re non-pay	33,520	313,553
Receipts	(301,400)	(100,736)
Funds reimbursed	-	358,086
Balance due from Meath Foundation at end of year	<u>47,104</u>	<u>275,256</u>

There were grants amounting to €28,372 (2013: €1,040) 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 Hospital continues to provide effective financial support to this company as required, and at 31 December 2014 €298,740 (2013: €298,740) was due to the Hospital from the company. At 31 December 2014 the company had a deficit on shareholders' funds of €304,265 (2013: €250,817) and a loss for the year ended 31 December 2014 of €53,448 (2013: loss of €24,100).

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 €47,069 in respect of salary recoupments in 2014 (2013: €79,047) and neither party owed any transaction at year end (2013: €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 2014 the company had a total surplus on shareholders funds of €5,320 (2013: €313,423) and a loss for the year ended 31 December 2014 of €307,722 (2013: loss of €109,845).

Note 24 – Capital commitments

At 31 December 2014 the hospital had capital commitments of €6.8 million (2013: €5.2 million) of which €5.8 million (2013: €3.3 million) was contracted.

Note 25 - Going concern

The Hospital is funded by means of an annual revenue allocation from the Health Service Executive ("HSE"). A substantial deficit arose in years 2007, 2010 and 2011. In December 2013 the HSE allocated a once-off funding uplift of €5.3million in order to alleviate financial pressures in respect of the accumulated deficits carried forward. The deficit of €1 million for 2014 has resulted in the accumulated deficit now being €13.9 million at December 2014.

The Hospital's current revenue allocation for 2015 of €175.3 million represents a 6% reduction against the outgoing run-rate for 2014. 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.

Note 26 – Board Members' fees and Chief Executive Officer's salary	2014	2013
	€	€
Board Members' fees		
Fees paid to Board members (Note 26(a))	-	-
Chief Executive Officer's salary		
Basic- as per DOH salary scales (Note 26(b))	136,282	141,120
Travel and subsistence	591	1,422
	<u>136,873</u>	<u>142,542</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.

