

2016  
St. Michael's House Group  
ANNUAL  
REPORT

FULL FINANCIAL  
STATEMENTS

Services for People with  
Intellectual Disabilities

 St. Michael's  
House

St. Michael's House Group  
(a company limited by guarantee and  
not having a share capital)

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

**ST. MICHAEL'S HOUSE GROUP**

**REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS**

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**ST. MICHAEL'S HOUSE GROUP**  
**(A company limited by guarantee and not having a share capital)**

**GENERAL INFORMATION**

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**CURRENT DIRECTORS**

Raymond Brett  
James Cuddy  
Breda Dunne  
Ellis Hennessy  
David Hughes  
Dermot O'Beirne  
Michael O'Farrell  
Martin Lyes

**SECRETARY AND  
REGISTERED OFFICE**

Declan Ryan  
St. Michael's House  
Administration Building  
Ballymun Road  
Dublin 9.

**AUDITORS**

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

**SOLICITORS**

Gore & Grimes  
Cavendish House  
Arran Court  
Smithfield  
Dublin 7.

**BANKERS**

Allied Irish Banks p.l.c.  
60 Clonskeagh Road  
Clonskeagh  
Dublin 14.

**CHARITY REGISTRATION NUMBER**

CHY 20166

**COMPANY REGISTRATION NUMBER**

511121

## ST. MICHAEL'S HOUSE GROUP

### DIRECTORS' REPORT

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The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report, for the financial year ended 31 December 2016.

#### PRINCIPAL ACTIVITY

The main sources of funding for services and supports provided by St. Michael's House Group are the Health Service Executive (HSE) and the Department of Education and Skills.

The principal activity of the group continued to be the provision of a comprehensive service to persons with intellectual disabilities and their families, including the operation of special schools, adult day services, vocational training, social and recreational supports, community residential houses, early services and clinical services.

#### CONSOLIDATED RESULTS FOR THE YEAR

	2016 €	2015 €
Deficit on ordinary activities	<b>(1,526,048)</b>	(2,225,545)
Reversal of non-cash accrual re St Mary's Baldoyle	<b>384,893</b>	-
Deficit for the year	<b><u>(1,141,155)</u></b>	<u>(2,225,545)</u>

The Directors are concerned with the continuing level of deficits being incurred. These arise as the cost base of the organisation has increased over recent years to meet the increasing and more complex needs of our Service Users; and to meet compliance requirements under the Health Act regulations. There is ongoing engagement with the HSE relating to these increased costs resulting in receipt of additional allocations. While the HSE have been supportive, the level of these increased allocations was not sufficient to meet all the increased costs resulting in a year end operating deficit of €1,526,048.

The last three years have placed a very significant strain on St. Michael's House as deficits have drained its ability to invest in new services and infrastructure. The lack of investment in IT in particular is now a critical issue as the aging IT infrastructure is reaching end of life.

The Board was pleased to see a significant enhancement of the working relationship between the organisation and the HSE during 2016, which led to a detailed financial and operational review which was very much welcomed by the Board. The review has led to the resolution of a number of areas of difficulty and funding for areas where work had been undertaken by St. Michael's House for the HSE but for which funding had not been provided in the past. The review also brought a new clarity and agreement on the need and justification for long term sustainable funding from the HSE. The Board hopes that the conclusion of this review will clear the way for the eradication of the remaining deficit to its budget.

#### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Following extensive consultation, research and environmental analysis a 5 year Strategic Plan for St Michael's House was completed by the Chief Executive and Staff Team of St Michael's House in 2016 under the direction of the Board.

St Michael's House Strategic Plan 2017 – 2021 Building Community; Supporting Independence sets out the refreshed vision of St Michael's House as 'A world where the potential of each individual with an intellectual disability is achieved'.

The revised mission is to 'Support individuals with intellectual disabilities to achieve their potential and live as independently as possible in ordinary places in the community connected to natural support networks'.

**BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)**

The strategy comprises the following elements

1. Six high level Goals for the organisation for implementation over the lifetime of the strategy.
2. The aim of the high level Goal is stated in each section
3. A number of objectives sit under each Goal. The objectives are SMART (specific; measurable; achievable; realistic; time bound) and are action, output and / or outcomes oriented.
4. Each Goal will be underpinned by a set of high level key performance indicators and measures of success are proposed.

The 2015 annual financial statements highlighted the key strategic challenges and opportunities facing St. Michael's House:

1. To manage, maintain and renew existing services
2. To manage day, residential and respite service waiting lists and residential emergencies in collaboration with the HSE.
3. To manage, maintain and reconfigure existing services in accordance with the National Policy Framework and operate within allocated resources;
4. To respond to unmet need and individual emergencies in the absence of a National Disability Strategy with an accompanying multi-annual investment fund
5. To deliver on the national policy Progressing Reconfiguration of Disability Services for Children and Young People as Lead Agency for a number of Network Teams whilst maintaining adequate clinical supports for those over 18 years
6. To progress our decongregation programme to community life for men and women presently resident at St Mary's Baldoyle and the Glens Complex, Ballymun
7. To be compliant with the provisions of the Health Act Regulations (2013) whilst presenting a balanced budget
8. To reconfigure existing day services and develop new day services and supports in accordance with the Interim Standards for New Directions (HSE 2015)
9. To meet the needs of young people leaving school and training centres as they grow into adulthood and achieve their potential for independence, further education, health and occupation.
10. To redesign our services for men and women over 18 years enabling them to access leisure, education, occupation and supported living
11. To meet the changing needs of adult service users over 50 years of age who require increased medical and behavioural supports and retirement programmes.
12. To implement a funded workforce plan including the development of a targeted volunteering programme bringing added value to individuals supported.
13. To maintain our housing and premises infrastructure ensuring it is fit for purpose and develop strategic partnerships with other housing providers and agencies
14. To develop a robust information communications and technology infrastructure to support the delivery of real time business information including an electronic person record system making best use of time and resources.
15. To create and maintain a structured meaningful stakeholder consultation and engagement forum ensuring we are connected with the men, women and families we support
16. To create and deliver a financially sustainable operating business model over the period 2016 – 2021

The Strategic Plan, with its Goals and tangible objectives, address these challenges and opportunities.

Key to the implementation of the Strategic Plan will be the development of a business model which is financially sustainable in the medium and long term.

St Michael's House submitted a Financial Sustainability plan to HSE in 2016 arising from the concerns related to the organisations accumulated deficit and its financial viability into the future. The operational cost of delivering the existing level of service did not match the funding allocation and urgently required review.

## **ST. MICHAEL'S HOUSE GROUP**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)**

In late 2016 into early 2017 St. Michael's House and HSE collaborated on an intensive financial and service review and this is further commented on in the next section.

#### **GOING CONCERN**

The Group incurred a deficit for the year of €1,141,155 (2015: deficit of €2,225,545) and at the balance sheet date had net current liabilities of €11,884,478 (2015: €10,061,272).

The Group is entirely dependent on the HSE and Department of Education and Skills to continue to fund its operations. As stated above, in late 2016 into early 2017 St. Michael's House and HSE collaborated on an intensive financial and service review. The output of the review points to quality service and a cost effective use of funds. Discussions are ongoing with the HSE which the Directors expect will result in additional ongoing funding and an agreed financial sustainability plan to stabilise and secure the organisation's financial future. This will support implementation of national policy, ensure present and future service user needs are met and will support the achievement of St Michael's House Strategic Plan 2017- 2021.

While there is no firm commitment at this stage from HSE regarding additional funding to meet ongoing and historic deficits, the Directors are confident that current discussions will yield positive results. This view is supported by HSE agreement in the past to forward fund cash allocations to ensure St Michael's House could meet its ongoing obligations. Nevertheless there is uncertainty regarding the timing, amount and nature of additional financial support from HSE.

On the basis of Management's forecast of the Group's cash requirements and on the basis that funding will be made available to meet these cash requirements, the Directors believe they have adequate resources to continue as a going concern for the foreseeable future. The Directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

## CORPORATE GOVERNANCE

### Board of Directors

The members of the Board of Directors serve on a voluntary basis and encompass a wide range of skills, expertise, backgrounds and experience to ensure effective leadership, direction, and control of the Group. The Board and Management of the Group are committed to maintaining a high standard of corporate governance in accordance with the organisation's Corporate Governance Policy and the Code of Practice for the Governance of State Bodies. The Board appoints all members of the Group Board of Directors and the Directors of the Group's subsidiary companies. An individual must be a member of St. Michael's House Group prior to being elected to the Board. The only exceptions to this rule are Parent Representative Directors who are selected from a panel directly elected by Parent and Family Councils. All Directors receive Induction Training on Corporate Governance. A Code of Conduct outlines the responsibility of each Director to the Group and includes procedures for dealing with any potential conflict of interest, which may arise between their responsibilities as Directors and their outside interests. The Chairperson sets the agenda for each Board meeting. Executive management attend Board meetings and make regular presentations on the strategies and operations of the organisation. In 2016, the Board had ten scheduled meetings and one additional meeting. Under the organisation's Corporate Governance Policies and Procedures there are a number of matters specifically reserved for decision

**Risk Management:** The Board is committed to ensuring that managing risks is an integral part of the organisation's activities. The principle risks faced by the Group is having sufficient funding to provide on-going services and ensuring sufficient resources and personnel are available to meet service requirements. The Board receives regular Risk Management Reports and has developed a policy to ensure that it is advised of significant events that require its attention. In addition the Board receives regular reports on the systems, policies and procedures in place to ensure that services are delivered to a high standard and risks are anticipated and managed.

**Internal Controls:** The Board has established structures, policies and procedures to review and report on internal control including financial, operational and compliance. The operation of these controls has been delegated to the Executive Management Committee. The Board of Directors has appointed external auditors to provide internal audit services for the Group in support of the internal control processes.

**Quality Assurance:** Services provided by St. Michael's House Group are developed, planned and delivered based on the needs and goals of people with intellectual disabilities and their families. Service users life choices and wishes are at the core of service delivery and development. Providing services in this way ensures that the Group is focused on delivering services to best international standards. HIQA are responsible for the registration and inspection of all residential services for children and adults with disabilities, including respite services, run by the HSE and private and voluntary services. As of the 31st of December 2016 the organisation had registered 68 out of 77 units with the Authority.

**Health and Safety:** St. Michael's House Group is committed to ensuring the health and safety of service users, their families, staff and members of the public. The organisation takes account of legislative obligations under the Safety, Health and Welfare at Work Act 2005; General Applications Regulations 2007 and all associated Legislation; the organisation's Safety Statement describes the management system and details of its structure and how it is resourced. In addition it provides a framework for the development of site-specific safety arrangements in all centres. The organisation's Safety Statement details the responsibilities that staff at all levels have in relation to safety matters. In addition, Safety Representatives form an active part of the organisation's consultation arrangements, bringing employee representations on staff health and safety matters through the forum of the Safety Committee. The organisation's Annual Health and Safety Audit Programme monitors compliance with safety standards across the organisation. Two Board members have specific responsibility for health and safety and report to the Board on the organisation's compliance and performance in relation to Health and Safety.



## ST. MICHAEL'S HOUSE GROUP

### DIRECTORS' REPORT (CONTINUED)

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#### CORPORATE GOVERNANCE (CONTINUED)

**Electoral Act:** St. Michael's House Group does not make donations to political parties. The Directors have satisfied themselves that there were no political contributions during the year, which require disclosure under the Electoral Act, 1997.

**Board of Directors & Sub-Committees:** Board of Directors: St. Michael's House Group is governed by a voluntary Board of Directors five of whom are parents of a person with an intellectual disability. Board members work on a voluntary basis and do not receive any remuneration.

**Board Members (2016):** Martin Lyes (Chairperson), Breda Dunne, Dermot O'Beirne, James Cuddy, David Hughes, Raymond Brett, Eilis Hennessy, Michael O'Farrell, Laura Beausang.

The Directors would like to express their sincere appreciation of the commitment and dedication of management and staff to maintaining the quality of existing services and for developing new services for people with an intellectual disability and their families. The Directors are satisfied with the operational performance of the organisation in what is a very challenging economic climate with increasing demands and constrained funding.

**Finance Committee:** The Finance Committee monitors and reviews the financial performance of St. Michael's House Group and its subsidiary companies. It provides the Board with an independent view in relation to internal audit, external audit, financial risk management, financial compliance, internal control and reporting and security of financial records and financial data. This committee performs the relevant functions as required by the Companies Act 2014 on a group wide basis, including periodic review of procedures and review of the Company's financial performance by the Group finance function.

**Committee Members:** Michael O'Farrell (Chair), David Hughes, Breda Dunne, Dermot O'Beirne, Laura Beausang and ex officio, Martin Lyes (Board Chairperson).

**Compliance and Nominations Committee:** The Compliance & Nominations Committee is responsible for ensuring that there is effective succession planning for the Board and senior management. It ensures that the membership of the Board and its Sub Committees have the appropriate skills, knowledge and experience to carry out their duties and are compliant with all relevant legislation, regulations and codes of conduct. It is responsible for risk management, for reviewing the organisation's corporate governance strategy, insurance strategy and for policies and procedures in relation to protection of data other than financial data.

**Committee Members:** Dermot O'Beirne (Chair), Aishling Kirkpatrick, Maurice Redmond, and ex officio, Martin Lyes (Board Chairperson).

**Policy & Planning Committee:** The Policy & Planning Committee supports the Board in developing and monitoring the implementation of the organisation's Strategic Plan as well as initiating new policies, examining major plans and programmes to ensure that they achieve the desired outcomes.

**Committee Members:** James Cuddy (Chair), Mairide Woods, Raymond Brett, Marie Therese Mooney, Teresa McDonnell, Marjorie Soden, Bernie Perry, Eilis Hennessy and ex officio, Martin Lyes (Board Chairperson).

## **ST. MICHAEL'S HOUSE GROUP**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **DIRECTORS COMPLIANCE STATEMENT**

As required by Section 225 of the Companies Act 2014, the directors acknowledge that they are responsible for securing the company's compliance with its "relevant obligations" and confirm that they having taken appropriate advice the directors commenced the following three procedures in order to comply with the directors' obligations:

- the drawing up of a "compliance policy statement" setting out the Company's policies (that are, in the opinion of the directors, appropriate to the Company) in respect of the Company's compliance with its Relevant Obligations;
- the putting in place of appropriate arrangements or structures that, in the opinion of the directors, provide a reasonable assurance of compliance in all material respects with the Company's Relevant Obligations; and
- reviewing any arrangements or structures that the directors have put in place or being put in place.

#### **DIRECTORS AND SECRETARY**

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

Martin Lyes (Chairperson)  
Laura Beausang (resigned 13 December 2016)  
Raymond Brett  
James Cuddy  
Breda Dunne  
Ellis Hennessy  
David Hughes  
Dermot O'Beirne  
Michael O'Farrell

#### **Secretary:**

David Dunne (resigned 16 May 2016)  
Declan Ryan (appointed 16 May 2016)

#### **EVENTS AFTER THE BALANCE SHEET DATE**

There were no material subsequent events since the financial year end.

#### **ACCOUNTING RECORDS**

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the engagement of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The group's accounting records are maintained at the group's registered office at St. Michael's House, Administration Building, Ballymun, Dublin 9.

**ST. MICHAEL'S HOUSE GROUP**

**DIRECTORS' REPORT (CONTINUED)**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each of the persons who are directors at the time the directors' report and financial statements are approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

**AUDITORS**

The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:



\_\_\_\_\_  
Dermot O'Beirne  
Director



\_\_\_\_\_  
Michael O'Farrell  
Director

26/05/17

\_\_\_\_\_  
Date

## ST. MICHAEL'S HOUSE GROUP

### DIRECTORS' RESPONSIBILITIES STATEMENT

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the group and parent company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the group and parent company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MICHAEL'S HOUSE GROUP

We have audited the financial statements of St. Michael's House Group for the financial year ended 31 December 2016 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cashflows and the related notes 1 to 26. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the financial year ended 31 December 2016 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

### Emphasis of Matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a deficit of €1,141,155 during the financial year ended 31 December 2016, and at that date had net current liabilities of €11,884,478. The Group is dependent on the HSE and Department of Education and Skills to continue to fund its operations. As at the date of approval of the financial statements, the Group has not received any commitments to fund its net current liabilities at the balance sheet date. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Directors are confident that current discussions with the HSE will lead to additional funding being received, which will enable the Group to meet its current obligations for at least 12 months from the date of approval of the financial statements. On that basis the directors have prepared the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MICHAEL'S HOUSE GROUP

### Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Richard Howard  
For and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Dublin

Date: 29 May 2012

**ST. MICHAEL'S HOUSE GROUP**

**CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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	<i>Notes</i>	<b>2016 €</b>	<b>2015 €</b>
<b>INCOME</b>	4	<b>90,744,904</b>	87,020,927
<b>EXPENDITURE</b>		<b>(92,270,952)</b>	(89,246,472)
<b>DEFICIT ON ORDINARY ACTIVITIES</b>	6	<b>(1,526,048)</b>	(2,225,545)
Write down of St Mary's Baldoyle accrual	25	<b>384,893</b>	-
<b>DEFICIT FOR THE FINANCIAL YEAR</b>		<b>(1,141,155)</b>	(2,225,545)

**ST. MICHAEL'S HOUSE GROUP**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2016**

	Notes	2016 €	2015 €
<b>FIXED ASSETS</b>			
Tangible assets	11	59,095,252	61,156,801
		<u>59,095,252</u>	<u>61,156,801</u>
<b>CURRENT ASSETS</b>			
Grants receivable and prepayments	13	1,260,544	4,958,879
Trade debtors		9,881	41,638
Stocks		-	11,377
Cash at bank and in hand		1,181,685	1,207,714
		<u>2,452,110</u>	<u>6,219,608</u>
<b>CREDITORS: (Amounts falling due within one year)</b>			
Creditors and accruals	14	(11,447,328)	(12,281,014)
Bank overdraft		(2,561,724)	(3,680,242)
Term loan	18	(327,536)	(319,624)
		<u>(14,336,588)</u>	<u>(16,280,880)</u>
<b>NET CURRENT LIABILITIES</b>		<b>(11,884,478)</b>	<b>(10,061,272)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>47,210,774</b>	<b>51,095,529</b>
<b>CREDITORS: (Amounts falling due after more than one year)</b>			
Term loan	18	(3,554,628)	(3,930,610)
<b>NET ASSETS</b>		<b>43,656,146</b>	<b>47,164,919</b>
<b>CAPITAL RESERVES</b>	19	<b>50,075,796</b>	<b>52,308,937</b>
<b>REVENUE DEFICIT</b>		<b>(6,419,650)</b>	<b>(5,144,018)</b>
		<u>43,656,146</u>	<u>47,164,919</u>

The financial statements were approved and authorised for issue by the Board of Directors on 26/05/17 and signed on its behalf by:



Dermot O'Beirne  
Director



Michael O'Farrell  
Director




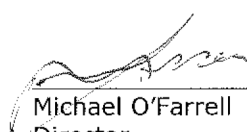
**ST. MICHAEL'S HOUSE GROUP**

**COMPANY BALANCE SHEET  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 €	2015 €
<b>FIXED ASSETS</b>			
Financial Assets	12	103	103
		<u>103</u>	<u>103</u>
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		6,269	32,839
Amounts due from subsidiary undertakings		1,256,590	1,045,634
		<u>1,262,859</u>	<u>1,078,473</u>
<b>CREDITORS: (Amounts falling due within one year)</b>			
Creditors and accruals	14	(45,961)	(47,563)
Amounts due to subsidiary undertakings		(787,785)	(748,743)
		<u>(833,746)</u>	<u>(796,306)</u>
<b>NET CURRENT ASSETS</b>		<u>429,113</u>	<u>282,167</u>
<b>NET ASSETS</b>		<u>429,216</u>	<u>282,270</u>
<b>REVENUE SURPLUS</b>		<u>429,216</u>	<u>282,270</u>
		<u>429,216</u>	<u>282,270</u>

The financial statements were approved and authorised for issue by the Board of Directors on 26/5/17 and signed on its behalf by:

  
Dermot O'Beirne  
Director

  
Michael O'Farrell  
Director

**ST. MICHAEL'S HOUSE GROUP**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<i>Note</i>	<b>Capital Reserve €</b>	<b>Accumulated (Deficit)/ Surplus €</b>	<b>Total €</b>
Balance at 1 January 2015		54,468,813	(2,675,629)	51,793,184
Deficit for the financial year		-	(2,225,545)	(2,225,545)
Grants amortised in the year		(2,402,720)	-	(2,402,720)
Transfers between reserves		242,844	(242,844)	-
At 31 December 2015		<u>52,308,937</u>	<u>(5,144,018)</u>	<u>47,164,919</u>
Balance at 1 January 2016		52,308,937	(5,144,018)	47,164,919
Deficit for the financial year			(1,141,155)	(1,141,155)
Grants amortised in the year	19	(2,367,618)	-	(2,367,618)
Transfers between reserves	19	134,477	(134,477)	-
<b>At 31 December 2016</b>		<u><b>50,075,796</b></u>	<u><b>(6,419,650)</b></u>	<u><b>43,665,146</b></u>

ST. MICHAEL'S HOUSE GROUP

CONSOLIDATED STATEMENT OF CASHFLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<i>Notes</i>	2016 €	2015 €
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	16	<b>2,340,675</b>	1,828,883
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets	11	<b>(731,427)</b>	(1,028,893)
Net interest payable		<b>(148,691)</b>	(142,232)
<b>Net cashflows from investing activities</b>		<b>(880,118)</b>	(1,171,125)
<b>CASH FLOWS FROM FINANCIING ACTIVITIES</b>			
Term loan repaid		<b>(368,068)</b>	(326,868)
<b>Net increase in cash and cash equivalents</b>		<b>1,092,489</b>	330,890
<b>Cash and cash equivalents at beginning of financial year</b>		<b>(2,472,528)</b>	(2,803,418)
<b>Cash and cash equivalents at end of financial year</b>		<b>(1,380,039)</b>	(2,472,528)
<b>Reconciliation to cash and cash equivalents</b>			
Cash at bank		<b>1,181,685</b>	1,207,714
Overdrafts		<b>(2,561,724)</b>	(3,680,242)
<b>Cash and cash equivalents at end of financial year</b>		<b>(1,380,039)</b>	(2,472,528)

**1. ACCOUNTING POLICIES**

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

**General Information and Basis of Accounting**

St. Michael's House Group is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is St. Michael's House, Administration Building, Ballymun Road, Ballymun, Dublin 9. The nature of the company's operations and its principal activities are set out in the directors' report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Companies Act 2014 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of St. Michael's House Group is the euro (€).

**Financial Instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

*Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs),

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

**Taxation**

As a registered charity, St. Michael's House Group has been granted a charitable tax exemption by the Revenue Commissioners.

**Government Grants**

Government grants specifically received for capital purposes are credited to the capital grants reserve. This reserve is amortised over the expected useful life of the asset to which it relates.

**Revenue Grants**

Revenue grants received and amounts receivable within one year of the balance sheet date are taken to the income and expenditure account.

**1. ACCOUNTING POLICIES (CONTINUED)**

**Income - Sales**

Sales are accounted for using the accruals basis of accounting.

**Income - Fund Raising**

Fund raising and donations income are accounted for on a cash receipts basis and are stated net of costs incurred in raising that income. A significant proportion of fund raising and donations income, determined by the Board, is designated for capital purposes and is credited to a capital expenditure reserve. Funds raised for specific capital projects and not spent at year end are deferred to match the related expenditure in the following year. Where fund raising income is designated for specific revenue based expenditure, the income is credited to the income and expenditure account and matched with the related revenue expenditure.

**Capital Grants Reserve**

Government grants specifically received for capital purposes are credited to the capital grants reserve. This reserve is amortised over the expected useful lives of the assets to which it relates.

**Capital Expenditure Reserve/European Social Fund Grant Reserve**

Income and grants designated for capital purposes, excluding Government Grants dealt with above, are credited to the Capital Expenditure Reserve. The Capital Expenditure Reserve is amortised over a period of 20 years and the European Social Fund grant reserve is amortised over a period of 40 or 10 years, as appropriate.

**Leasing**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**Fixed Assets and Depreciation**

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and in the case of assets donated in kind, at the best estimate of cost at the date of receipt less accumulated depreciation.

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives, where all assets have a residual value of nil, as follows:

Freehold and long leasehold property	40 years
Furniture, equipment and computers	5 - 10 years
Motor vehicles	5 years

A half year's charge for depreciation is made in the year of acquisition and year of disposal.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to the net realisable value. Cost includes all expenditure that has been incurred in the normal course of business in bringing them to their present location and condition.

**1. ACCOUNTING POLICIES (CONTINUED)**

**Investments in subsidiaries**

The investments are stated at cost less impairment.

**Pensions**

Nominated Health Agencies and Voluntary Hospitals Superannuation Schemes are in operation for the employees of St. Michael's House and St. Mary's Hospital, Baldoyle. No provision has been made in respect of the benefits payable under the scheme as the liability is underwritten by the Minister for Health and Children.

Contributions from the employees who are members of the scheme are credited to the income and expenditure account when received. Pension payments under the scheme are charged to the income and expenditure account when paid.

**2. GOING CONCERN**

The Group incurred a deficit for the financial year ended 31 December 2016 of €1,141,155. (2015: deficit of €2,225,545) and at that date had net current liabilities of €11,884,478. (2015: €10,061,272).

The Group is entirely dependent on the HSE and Department of Education and Skills to continue to fund its operations. In late 2016 and early 2017, St. Michael's House and HSE collaborated on an intensive financial and service review. The output of the review points to quality service and a cost effective use of funds. Discussions are ongoing with the HSE which the Directors expect will result in additional ongoing funding and an agreed financial sustainability plan to stabilise and secure the organisation's financial future. This will support implementation of national policy, ensure present and future service user needs are met and will support the achievement of St Michael's House Strategic Plan 2017- 2021.

While there is no firm commitment at this stage from HSE regarding additional funding to meet ongoing and historic deficits, the Directors are confident that current discussions will yield positive results. This view is supported by HSE agreement in the past to forward cash allocations to ensure St Michael's House could meet its ongoing obligations. Nevertheless there is uncertainty regarding the timing, amount and nature of additional financial support from HSE.

On the basis of Management's forecast of the Group's cash requirements and on the basis that funding will be made available to meet these cash requirements, the Directors believe they have adequate resources to continue as a going concern for the foreseeable future, being at least 12 month from the date of approval of the financial statements. The Directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

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

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that the Directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- The depreciation rates are based on expected useful lives of the relevant assets. The estimates and underlying assumptions are reviewed on an ongoing basis and could have a material impact on both result for the year and financial position if altered
- Certain accruals are subject to estimate and judgement and the final cash outflow may not equate to the existing carrying value of the accrual
- The Directors have prepared the financial statements on a going concern basis of accounting. This assumption is subject to judgement and the group being able to meet its liabilities as they fall due.

<b>4. INCOME</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
HSE allocation (net of superannuation deficit funding)	<b>74,629,454</b>	71,365,378
HSE superannuation deficit funding	<b>1,532,615</b>	688,000
Other HSE income	<b>1,538,918</b>	1,087,393
Superannuation income	<b>2,224,801</b>	2,228,202
Pension levy retained	<b>2,485,702</b>	3,128,014
Department of Education	<b>1,549,557</b>	1,741,680
Dublin City Council	<b>40,309</b>	44,027
Capital grants amortised	<b>2,358,467</b>	2,402,720
Sundry income	<b>3,836,351</b>	3,749,717
Fund raising income	<b>548,730</b>	585,796
	<b>90,744,904</b>	87,020,927

**ST MICHAEL'S HOUSE GROUP**

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

**5. STAFF NUMBERS, COSTS AND BANDS**

The whole time equivalent of all staffing employed in providing the services of St. Michael's House including overtime, additional hours, agency and those employed by St. Michael's House Services at 31 December was 1,331 (2015: 1,345).

The average number in whole-time equivalents of persons employed by the Group during the year, analysed by category is as follows:

	<b>2016 Number</b>	2015 Number
Management and administrative	<b>92</b>	83
Medical	<b>9</b>	9
Nursing	<b>248</b>	232
Clinical	<b>570</b>	458
Support services	<b>393</b>	414
	<u><b>1,312</b></u>	<u>1,196</u>

The aggregate payroll costs of these employees were as follows:	<b>2016 €</b>	2015 €
Wages and salaries	<b>63,744,211</b>	60,662,169
Social welfare costs	<b>6,382,550</b>	6,002,040
Retirement benefit costs (Note 23)	<b>3,809,241</b>	3,188,059
	<u><b>73,936,002</b></u>	<u>69,852,268</u>
Agency payroll costs	<b>2,153,579</b>	3,435,216
	<u><b>76,089,581</b></u>	<u>73,287,484</u>

Bands of wages and salaries over €60,000

To ensure complete transparency in relation to salary bands and staff numbers the following information on staff aggregate remuneration is presented. Staff salaries inclusive of overtime, additional hours as per their individual P35, expressed in bands of €10,000 are as follows:

	<b>2016 Number</b>	<b>2015 Number</b>
€60,000 - €70,000	<b>103</b>	109
€70,001 - €80,000	<b>40</b>	22
€80,001 - €90,000	<b>5</b>	6
€90,001 - €100,000	<b>8</b>	9
€100,001 - €110,000	<b>2</b>	1
€110,001 - €120,000	<b>1</b>	1
€120,001 - €130,000	<b>1</b>	1
€130,001 - €140,000	<b>1</b>	-
€140,001 - €150,000	<b>-</b>	1
€150,001 - €160,000	<b>-</b>	-
€160,001 - €170,000	<b>1</b>	-
€170,001 - €180,000	<b>-</b>	-
€180,001 - €190,000	<b>-</b>	1
€190,001 - €200,000	<b>1</b>	-
€200,001 - €210,000	<b>-</b>	1
Total number of staff	<u><b>163</b></u>	<u>152</u>



## ST MICHAEL'S HOUSE GROUP

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

<b>6. DEFICIT ON ORDINARY ACTIVITIES</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
The deficit on ordinary activities is stated after charging:		
- Depreciation: Owned assets	<b>2,773,907</b>	2,806,563
- Auditors' remuneration;		
Audit fee for the company	<b>5,000</b>	5,000
Audit fee for the group and subsidiary audits	<b>40,000</b>	32,000
Other services	<b>23,840</b>	34,000
Tax services	<b>1,400</b>	2,250
- Directors' emoluments	-	-
- Loss on disposal of fixed assets	<b>19,067</b>	5,461
- Hire and rentals payable under operating leases	<b>816,485</b>	897,120
- Interest payable:		
- On bank loans and overdrafts repayable within five years	<b>113,655</b>	83,506
- On long-term loans	<b>34,570</b>	58,726
and after crediting:		
- Grants amortised	<b>2,358,467</b>	2,402,720

### 7. AUDITORS' REMUNERATION

The fee for the audit of St. Michael's House Group is paid by St. Michael's House.

### 8. DIRECTORS' REMUNERATION AND TRANSACTIONS

The directors of St. Michael's House Group undertake their roles in a voluntary capacity. They do not receive any benefit from the holding of the post.

### 9. LEGAL, CONSULTANCY AND PROFESSIONAL FEES

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
PR and Advertising	<b>20,553</b>	15,604
Legal	<b>55,661</b>	13,201
Other (e.g. IT, architects, investigations)	<b>520,753</b>	442,937
	<b>596,967</b>	471,742

### 10. TAX ON PROFIT ON ORDINARY ACTIVITIES

St. Michael's House Group is a registered charity and is exempt from Corporation tax.

ST. MICHAEL'S HOUSE GROUP

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

11. TANGIBLE ASSETS

GROUP	Freehold & Long Leasehold Property	Motor Vehicles	Furniture, Equipment & Computers	Total
	€	€	€	€
<b>Cost:</b>				
1 January 2016	86,186,192	5,025,607	9,276,813	100,488,612
Additions	347,024	85,799	298,604	731,427
Disposals	-	-	(93,736)	(93,736)
<b>31 December 2016</b>	<b>86,533,216</b>	<b>5,111,406</b>	<b>9,481,681</b>	<b>101,126,303</b>
<b>Depreciation:</b>				
1 January 2016	27,207,909	4,632,719	7,491,183	39,331,811
Charge for year	2,144,681	141,122	488,104	2,773,907
Disposals	-	-	(74,669)	(74,669)
<b>31 December 2016</b>	<b>29,352,590</b>	<b>4,773,841</b>	<b>7,904,618</b>	<b>42,031,049</b>
<b>Net book value:</b>				
<b>31 December 2016</b>	<b>57,180,626</b>	<b>337,565</b>	<b>1,577,063</b>	<b>59,095,252</b>

Certain buildings included under property above, are built on land owned by the State or its related agencies. Such buildings may not be sold or used other than for their current purpose.

Mortgages have been registered or title deeds have been deposited with lenders in respect of certain properties costing approximately €7,874,172 (2015: €7,874,172) as security for long term loans. The current value of these loans is €3,882,164 (2015: €4,250,234) of which €327,536 (2015: €319,624) is payable within one year. The balance of these will be payable within the next 11 years with an approximate interest rate of 1.11% (2015: 1.11%)

In respect of certain properties costing approximately €32,059,326 (2015: €32,059,326) for which grants have been received from the Department of the Environment via the relevant public authority, there is a contingency to repay those amounts if the properties are sold. The related contingency is disclosed in Note 26.

ST. MICHAEL'S HOUSE GROUP

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

11. TANGIBLE ASSETS (CONTINUED)

In respect of prior year:

Group	Freehold & Long Leasehold Property	Motor Vehicles	Furniture, Equipment & Computers	Total
	€	€	€	€
Cost:				
1 January 2015	85,640,675	4,782,717	9,141,165	99,564,557
Additions	545,517	242,890	240,486	1,028,893
Disposals	-	-	(104,838)	(104,838)
31 December 2015	86,186,192	5,025,607	9,276,813	100,488,612
Depreciation:				
1 January 2015	25,069,446	4,468,467	7,086,712	36,624,625
Charge for year	2,138,463	164,252	503,848	2,806,563
Disposals	-	-	(99,377)	(99,377)
31 December 2015	27,207,909	4,632,719	7,491,183	39,331,811
Net book value:				
31 December 2015	58,978,283	392,888	1,785,630	61,156,801
31 December 2014	60,571,229	314,250	2,054,453	62,939,932

**ST. MICHAEL'S HOUSE GROUP**

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

<b>12.</b>	<b>FINANCIAL ASSETS - INVESTMENT IN SUBSIDIARIES</b>	<b>2016</b>	2015
		€	€
	The historical cost and provisions for permanent diminutions in value based on historical cost are as follows:		
	Original cost	<b>63,587</b>	63,587
	Provisions for permanent diminution in value	<b>(63,484)</b>	(63,484)
		<u><b>103</b></u>	<u>103</u>

*Investment in subsidiaries is represented by a 100% interest in each of the following subsidiaries, all of which have their registered address at Ballymun Road, Dublin 9.*

<b>Name</b>	<b>Principal Activity</b>
St. Michael's House	Provision of services to intellectually disabled persons
St. Michael's House Housing Association	Provision of housing and associated amenities for persons in deprived or necessitous circumstances
St. Michael's House Leisure Complex DAC	Operation of swimming pool and leisure centre
St. Michael's House Properties	Holding of properties
St. Michael's House Services	Provision of Employment services to St. Michael's House
Northbrook Industries Limited	Dormant

<b>13.</b>	<b>GRANTS RECEIVABLE AND PREPAYMENTS</b>	<b>2016</b>	2015
		€	€
	<b>GROUP</b>		
	Health Service Executive Allocation receivable	-	3,975,074
	Other prepayments and receivables	<b>1,260,544</b>	983,805
		<u><b>1,260,544</b></u>	<u>4,958,879</u>

ST. MICHAEL'S HOUSE GROUP

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

14. CREDITORS: Amounts falling due within one year	2016	2015
GROUP	€	€
Health Service Executive advance	1,058,702	-
PAYE and PRSI	3,521,101	4,828,374
Trade and other creditors	1,918,839	2,461,168
Accruals	4,948,686	4,991,472
	<u>11,447,328</u>	<u>12,281,014</u>
COMPANY	2016	2015
	€	€
PAYE and PRSI	1,391	2,761
Accruals	44,570	44,802
	<u>45,961</u>	<u>47,563</u>

15. FINANCIAL INSTRUMENTS

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

GROUP	2016	2015
Financial assets	€	€
<i>Measured at undiscounted amount receivable</i>		
Trade and other debtors	<u>1,270,425</u>	<u>5,000,517</u>
Financial liabilities	2016	2015
<i>Measured at undiscounted amount payable</i>	€	€
Trade and other payables	<u>7,926,227</u>	<u>7,452,640</u>
COMPANY	2016	2015
Financial assets	€	€
<i>Measured at undiscounted amount receivable</i>		
Amounts due from subsidiaries	<u>1,256,590</u>	<u>1,045,634</u>
Financial liabilities	2016	2015
<i>Measured at undiscounted amount payable</i>	€	€
Trade and other payables	44,570	44,802
Amounts due to subsidiaries	787,784	748,743
	<u>832,354</u>	<u>793,545</u>

ST. MICHAEL'S HOUSE GROUP

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

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16. CASH FLOW STATEMENT

<i>Reconciliation of deficit to cash generated by operations</i>	2016 €	2015 €
<b>Deficit for the financial year</b>	<b>(1,141,155)</b>	(2,225,545)
<b>adjustment for:</b>		
Depreciation	2,773,907	2,806,563
Loss on disposal of fixed assets	19,067	5,461
Interest paid	148,691	142,232
Grants amortised	(2,367,618)	(2,402,720)
	<u>(567,108)</u>	<u>(1,674,009)</u>
<b>Operating cash flows before movement in working capital:</b>		
Decrease/(increase) in debtors	3,730,092	(30,083)
Decrease in stocks	11,377	-
(Decrease)/increase in creditors	(833,686)	3,532,975
<b>Cash generated by operations</b>	<u><b>2,340,675</b></u>	<u>1,828,883</u>

17. BANK OVERDRAFT

The bank overdraft facility of the group is secured by a registered deposit of leasehold interests in a number of properties. This deposit of title deeds is separate from those outlined in Note 10.

ST. MICHAEL'S HOUSE GROUP

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

18. TERM LOANS	2016 €	2015 €
Loans wholly repayable	<b>3,882,164</b>	4,250,234
Included in current liabilities	<b>327,536</b>	319,624
Included in long term liabilities	<b>3,554,628</b>	3,930,610

Bank loans amounting to €3,882,164. (2015: €4,250,234) are repayable as follows:

	2016 €	2015 €
Within one year	<b>327,536</b>	319,624
From two to five years	<b>1,310,144</b>	1,278,495
Over five years	<b>2,244,484</b>	2,652,115
	<b>3,882,164</b>	4,250,234

19. CAPITAL RESERVES

	Capital Expenditure Reserve €	E.S.F. Grant Reserve €	Capital Grants Reserve €	Total €
<b>GROUP</b>				
Balance at 1 January 2016	4,704,151	1,886,365	45,718,421	52,308,937
Transfer from Income and Expenditure Account	134,477	-	-	134,477
Grants amortised during year	(460,617)	(152,968)	(1,754,033)	(2,367,618)
<b>Balance at 31 December 2016</b>	<b>4,378,011</b>	<b>1,733,397</b>	<b>43,964,488</b>	<b>50,075,796</b>

The transfer from income to reserves of €134,477 is made up of fundraising income.

In the financial statements all fundraising monies are reflected in income; however the amount of monies raised in respect of capital projects is transferred separately to the capital expenditure reserve fund (see Note 20).

**ST. MICHAEL'S HOUSE GROUP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<b>20. FUND RAISING INCOME</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Fund raising income comprises:		
- Unit and central fund raising	<b>594,706</b>	644,471
- Bequests and donations	<b>18,000</b>	52,000
- Parents' subscriptions	<b>36,211</b>	26,303
Total fundraising income for year	<b>648,917</b>	722,774
Amounts attributed to deferred capital expenditure at beginning of year	<b>1,515,634</b>	1,378,657
Less amounts attributed to deferred capital expenditure at end of year	<b>(1,615,821)</b>	(1,515,634)
Total fundraising income recognised in year	<b>548,730</b>	585,797
Fundraising used for revenue related expenditure	<b>(414,253)</b>	(342,953)
Fundraising transferred to capital expenditure reserve	<b>134,477</b>	242,844

<b>21. LEASE COMMITMENTS</b>	<b>2016</b>	<b>2015</b>
<b>GROUP</b>	<b>€</b>	<b>€</b>
Analysis of lease commitments in respect of:		
<b>Operating leases:</b>		
Amounts payable during the next twelve months in respect of operating leases which expire:		
- within one year	<b>816,485</b>	897,355
- between two and five years	<b>2,735,603</b>	2,707,678
- after five years	<b>4,415,612</b>	5,042,682
	<b>7,967,700</b>	8,647,715

The leases in respect of land and buildings are both cancellable and non cancellable lease agreements and are for a period of 3 to 25 years with the final agreement expiring in 2033.

**22. CAPITAL COMMITMENTS**

There were no capital commitments at the year end 31 December 2016 (2015: €Nil).



## ST. MICHAEL'S HOUSE GROUP

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

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#### 23. RETIREMENT BENEFITS

The group operates the following pension schemes:

##### *Nominated Health Agencies and Voluntary Hospitals Superannuation Schemes*

The employees of St. Michael's House Group and St Michael's House are members of the Nominated Health Agencies and Voluntary Hospitals Superannuation Schemes. No provision has been made in respect of the benefits payable under the scheme as the liability is administered and underwritten by the Minister for Health and Children. The scheme is a contributory scheme and is non-funded in common with other public sector schemes. Contributions from employees who are members of the scheme are credited to the income and expenditure account when received. Pension payments under the scheme are charged to the income and expenditure account when paid.

In the year ending 31 December 2016, €2,224,801. (2015: €2,228,202) was retained and treated as income and €3,809,241. (2015: €3,174,045) paid to pensioners. The group has credited €1,532,615 of HSE allocation income as funding the superannuation deficit in 2016.

##### *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.

#### 24. RELATED PARTY TRANSACTIONS

Total compensation paid to key management during the year amounted to €989,907 (2015, €930,852).

Key management has been assessed as being the Board of Directors, who receive no compensation and the executive management team which comprises of eight staff as follows; the Chief Executive, the Directors of Operations, Finance and Human Resources, the Service Directors, Clinic Manager and Director of Psychiatry.

The directors have availed of the exemption available under Section 33 FRS 102 "Related Party Disclosures", which permits subsidiaries 100% of whose voting rights are controlled within the group, not to disclose transactions with other wholly owned entities of the group.

#### 25. ST MARY'S BALDOYLE

St Michael's House took over the operation of St. Mary's Hospital Baldoyle in 2006. A provision against potential outstanding liabilities was created at that time. In the opinion of the directors, this remaining provision is no longer required and has been credited to the income and expenditure account in 2016.

**ST. MICHAEL'S HOUSE GROUP**

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

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**26. CONTINGENT LIABILITY**

There is a contingent liability to repay capital grants amounting to €57,196,644 (2015: €57,196,644) if the company does not adhere to the terms and conditions of the grant agreements, which include provision for the use of the assets as originally intended.

“The Big Splash”  
Art by Colman Patton

**St. Michael's House Group,**  
Ballymun Rd , Ballymun, Dublin 9.

T: 01 8840200

E: [info@smh.ie](mailto:info@smh.ie).

W: [www.smh.ie](http://www.smh.ie)



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