

Saint John of God Foundation

(Formerly St. John of God Development Company Limited by Guarantee)

For the Financial year ended 31 December 2017

Registered number: 18005

Company Information

| | |
|--------------------------------|---|
| Directors | William Forkan (Brother Donatus) Martin Keaney (Brother Kilian) John Lennon (Brother Ronan) Theresa Ghalaieny John Gallagher (appointed 24 July 2017) Marion Ryan (appointed 23 January 2018) Sharon Kearns (appointed 23 January 2018) Michael John Neild (Brother Stanislaus) (retired 21 February 2017) William Brennan - Whitmore (Brother Fintan) (retired 19 June 2017) John Pepper (retired 06 December 2017) |
| Company secretary | William Brennan - Whitmore (Brother Fintan) (retired 24 April 2017) Ciaran Cuddihy (appointed 24 April 2017) |
| Chief executive officer | John Fleming |
| Registered number | 18005 |
| CRA number | 20069841 |
| Revenue charity number | 18280 |
| Registered office | Flavian House St. John of Gods Stillorgan Co. Dublin |
| Independent auditors | Crowe Ireland Chartered Accountants & Statutory Audit Firm Marine House Clanwilliam Place Dublin 2 |
| Bankers | National Irish Bank Limited 26 Lower Kilmacud Road Stillorgan, Dublin Bank of Ireland 2 College Green, Dublin 2 Allied Irish Banks The Plaza Upper Kilmacud Road Stillorgan, Dublin |
| Solicitors | Porter Morris & Co. 10 Clare Street, Dublin 2 |

Contents

| | Page |
|--|---------|
| Directors' Report | 1 – 8 |
| Independent Auditors' Report | 9 – 11 |
| Statement of Financial Activities | 12 |
| Statement of Financial Position | 13 |
| Statement of Cash Flows | 14 |
| Notes to the Financial Statements | 15 - 25 |

Directors' Report

For the Financial year ended 31 December 2017

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.

Introduction

The directors present their report and the audited financial statements for the financial year ended 31 December 2017. The directors have adopted the provisions of the Companies Act 2014, Financial Reporting Standards (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP), in preparing their annual report and financial statements of the charity.

Saint John of God (SJOG) Foundation raises money to support programmes in Ireland, Malawi and in other countries as the need arises. The funds raised by the charity are used in two ways. Projects are funded directly by the Foundation and also through Saint John of God Hospitaller Ministries, the organisation responsible for co-ordinating the work of the Saint John of God charities.

Examples of projects supported directly by donors to the Foundation and others through SJOG Ministries are set out below.

SJOG Foundation

Suzanne House

Suzanne House in Tallaght, Co. Dublin provides care, support and respite services for children who are medically fragile or have a life limiting condition. The service provides a specialist service which encompasses nursing care and social supports for these children. This service allows families to have a well-deserved break happy in the knowledge that their child is being cared for in a respite service that is a home away from home and provides the highest standard of care and support from a dedicated nurse led team.

Suzanne House received major investment in 2017 as a result of the support of Smurfit Kappa Foundation and the Hospital Saturday Fund.

A new and accessible playground was made possible with a grant of €62,985 from Smurfit Kappa Foundation. Prior to its completion there was nowhere outside for the children or their siblings to play. As play and outside activity is an important part of therapy the grant has allowed the quality of life of the children supported by Suzanne House to be improved.

The Hospital Saturday Fund gave a grant of €9,472 to buy a new medical bed to be used by the children, replacing a 20-year-old bed. The new bed allows carers to better manage the movement and rest of the children.

Secret Aid Society (SAS) Programme

Lucena Clinic is the provider of specialist care for children and adolescents with moderate to severe mental health difficulties with expertise in diagnosing and treating a range of complex mental health difficulties such as

- Attention Deficit Hyperactivity Disorder (ADHD)
- Obsessive Compulsive Disorder
- Emotional and Behavioural Disorders
- Anxiety Disorders and Childhood Depression

Directors' Report

For the Financial year ended 31 December 2017

One of the programmes it funds is Secret Agent Society (SAS). This programme was developed especially for children with a range of mental health difficulties. SAS is a spy themed multimedia group programme which uses an evidence-based curriculum to improve children's mental health and emotional resilience. It teaches children:

- To recognise and manage their own feelings, cope with change, detect others' emotions.
- Talk and play with peers and deal with bullying. SAS uses interactive games, activities and resources to empower children to feel happier, calmer and braver.
- It also features computer game component for home use which captivates children's imagination through the spy theme while the child learns new social and emotional skills in a fun way.

The SAS programme was supported by a grant of €5,800 from ESB Energy for Generations Fund and €5,000 from an Anonymous donor.

SJOG Ministries

Malawi

Malawi is one of the poorest countries in Africa and its health care system is unable to cope with the needs of people with intellectual disabilities or mental health problems. A lack of qualified staff and inadequate facilities makes the lives of people living with these challenges difficult. Personnel based in Ireland established a programme in 1994 in Malawi.

There are only two psychiatric hospitals that offer admission for the whole of Malawi and both of these are run by Saint John of God. One is located in Mzuzu, serving the entire Northern region of Malawi and the other is in the capital, Lilongwe which was officially opened in June 2017.

Since 1994 a wide range of residential and community based services have been provided to people with mental illness, intellectual disabilities and other challenges. The programme in Malawi received funding of €3.19m in 2017 from Irish donors.

The organisation has in place a team of well-qualified, competent and multi-disciplinary professionals including psychiatric clinicians, psychiatric nurses, psychologists, counsellors and social workers. Some of the projects supported in Malawi are detailed below.

Lilongwe Psychiatric Hospital

Lilongwe is the capital of Malawi with a population of over one million people. The city had one government run psychiatric hospital which has since closed meaning that the new facility established through the support of donors provides mental health and intellectual disability support services to the entire city and its surrounding areas. The hospital was officially opened in 2017 in the presence of the Irish Ambassador to Malawi. The unit offers the following services:

- Mental Health assessment and management
- Counselling services to clients and their families which are also open to the general public
- Pastoral care services
- Drug and Alcohol addiction services
- Domiciliary care (Provision of nursing and medical care within the client's home environment)
- Mental Health education to Organizations, Schools, Community Outreach services.

Directors' Report

For the Financial year ended 31 December 2017

Elderly Support

The charity Malawi introduced The Elderly Programme in 2014, aimed at addressing the holistic needs of the older population in Mzuzu. The programme currently provides services to 280 elderly people over the age of 65. A home based service is also offered to those who are unable to attend the centre due to ill health or frailty. As part of the programme three centres dedicated to the elderly have been opened in Mzuzu.

Elderly people in Malawi have a huge burden of care. This is largely due to the fact that their children have died as a result of the Aids epidemic and they have assumed the role of parent to their grandchildren left behind. Over one million children in Malawi have been orphaned by Aids.

This is an initiative that supports older people to lead an independent life with dignity in the community. The project, which provides both community centre and home based support helps with the following activities:

- Provides assessment and facilitates the treatment and management of health issues, physical and mental, experienced by older people
- Provides recreational, educational and social networking opportunities
- Helps improve standards of living by teaching people to grow crops and skills that give them an opportunity to earn extra income

Training and Development of Registered Nurses

The Training of Registered Nurse project is aimed at complementing the government's efforts to increase the number of qualified nursing personnel in all health facilities in Malawi.

360 students have benefited from this training, 180 female students and 180 male students.

Ireland

Community Services

Saint John of God Community Services clg provides services and supports to over 8,000 children, adolescents and adults throughout Ireland with either intellectual disability or mental ill health. It received funding of €1.03m to support its services in 2017 as a result of donations made to the Foundation.

Community Services manages a total of 84 designated centres for 784 residents, 15 of these designated centres operate from campus-based locations and 69 centres are in community settings. The services are split into the following regions:

North East Services: Residential and day services to children and adults with intellectual disabilities in Louth, Meath and Monaghan.

Liffey Services: Residential, day and respite services to children and adults with intellectual disabilities in North Kildare and Dublin South West and Dublin South City.

Suzanne House: Specialised individual respite care for children with high medical support needs based in Tallaght, Co. Dublin.

Dublin South East Services: A network of day, education, training, employment and residential and respite services to children and adults with intellectual disabilities in South East Dublin and North Wicklow including St Augustine's co-educational school and City Gate Services supporting individuals in accessing and sustaining their own homes.

Directors' Report

For the Financial year ended 31 December 2017

Community Mental Health Services: Cluain Mhuire provides community mental health programmes for the adult population of Dun Laoghaire-Rathdown. Lucena Clinic provides child and adolescent mental health programmes in Dublin South, parts of Dublin West and County Wicklow.

Kerry Services Training, employment, social and residential programmes for people with intellectual disabilities in County Kerry.

Fundraising

Saint John of God Foundation would like to offer its sincere thanks to all donors who contributed so generously to the charity in 2017. This support has helped ensure that thousands of people with intellectual disabilities and those experiencing mental health problems and other challenges have had the opportunity to lead a happier and more complete life. Donors from across Ireland made contributions of €6.1m in 2017 making it possible to continue and grow programme support.

Saint John of God Foundation is deeply appreciative of all supporters and the following funders:

Misean Cara: Through its funding from Irish Aid it supported the programme in Malawi, one of the poorest countries in the world. The programme addresses the significant challenges faced by people with intellectual disabilities and mental health in that country.

Smurfit Kappa Foundation: A new and accessible playground was made possible with a grant of €62,985 from Smurfit Kappa Foundation for the children supported by Suzanne House in Tallaght, Co. Dublin.

The Hospital Saturday Fund: A new medical bed to be used by the children of Suzanne House was bought with a grant of €9,472 given by the fund.

ESB Energy for Generations Fund: The SAS programme to support adolescent mental health was supported by a grant of €5,800 from this fund.

The Atlantic Philanthropies: A grant of €2,000 was made towards a new bedroom in the Dementia Care Centre in Saint Joseph's, Shankill, Co. Dublin.

The main fundraising activity continues to be carried out by dedicated fundraisers who work for the Foundation and travel the length and breadth of the country explaining to the public the work supported by the charity and asking for regular donations. Their work is ever more vital as the money to support the people that rely on our services from government is under constant threat. The money raised by this team is vital to the provision of a decent service for all the people served by the charity.

The fundraising effort was enhanced in 2017 with the introduction of the Green Ribbon Raffle to raise money to support services. The raffle licence was issued by Dublin District Court and it raised over €43,000 in additional income.

Communications

The name of the charity was changed in 2017 to include the word 'Foundation' as this was thought to give a more accurate representation of the charitable nature of the work. The name was communicated through a new name for the website, www.sjogfoundation.ie, and through increased presence on social media. The site also featured a new shop and a facility to make donations on-line more easily.

It is planned to continue the development of the website and social media in 2018 with more information on the people supported by the charity and how supporters are helping to improve lives.

Directors' Report

For the Financial year ended 31 December 2017

Structure, Governance and Management

Directors' responsibilities statement

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

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law.

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, of the profit or loss of the Company for that financial year. and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with 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 Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Objectives and activities

The company's principal activity is to raise funds to support people with intellectual disability and those with mental health challenges. It will continue with its fundraising activities.

Directors' Report

For the Financial year ended 31 December 2017

Directors

The Directors who held office during the period under review and up to the date of this report were as follows:

| | | |
|----------------------------|----------------------|-----------------------------|
| William Forkan | (Brother Donatus) | |
| Theresa Ghalaieny | | |
| John Lennon | (Brother Ronan) | |
| Martin Keane | (Brother Killian) | |
| John Gallagher | (Brother Finnian) | (appointed 24 July 2017) |
| Michael John Neild | (Brother Stanislaus) | (resigned 21 February 2017) |
| John Pepper | | (resigned 6 December 2017) |
| William Brennan - Whitmore | (Brother Fintan) | (resigned 19 June 2017) |

Appointment of Directors

New Directors are appointed following an initial analysis of skills gaps on the board. Any vacancies that are identified are advertised on the Boardmatch service – a facility that matches vacancies on voluntary boards with potential suitable volunteer board members. Candidates who put themselves forward are interviewed by the Chairperson who, if he is satisfied, then recommends them to the board. The board makes the decision as to whether an appointment is made or not. Once appointed, new board members follow an induction programme.

Attendance at Board Meetings

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

| <u>Board member</u> | <u>Attended</u> | <u>Eligible</u> |
|--------------------------|-----------------|-----------------|
| William Forkan | 4 | 5 |
| Theresa Ghalaieny | 3 | 5 |
| John Lennon | 4 | 5 |
| Martin Keane | 5 | 5 |
| John Gallagher | 3 | 3 |
| John Pepper | 0 | 5 |
| Michael John Neild | 1 | 1 |
| William Brennan-Whitmore | 2 | 2 |

Achievements and performance

The results for the year are included in the Statement of Financial Activities on page 12. The surplus for the financial year, amounted to €40,788 (2016 – deficit €131,592). The state of affairs of the company is considered by the directors to be satisfactory.

Directors' Report

For the Financial year ended 31 December 2017

Structure, governance and management

The company is a company limited by guarantee, not having a share capital, registered with the Companies Registration Office (18005) and the Charity Commission (20069841) and the Revenue Commissioners (18282).

The company is governed on behalf of its members through its Constitution. The company is under the Direction of a Board of voluntary and non-executive Directors to whom the Chief Executive reports and receives direction.

The Board meets at the very least, four times a year to receive reports from the CEO and consider the company's performance and strategies. The directors convene an annual general meeting each year at which the reports and financial statements for the preceding financial year are adopted, the performance and outlook for the company are discussed and the independent auditors report is received. The Board submits its longest serving directors, as well as any casual vacancies filled since the last AGM, for election to the company's members in line with the Constitution.

The Board is empowered to appoint Directors subject to subsequent ratification by the Members in General Meeting. Upon appointment, Directors are inducted as to the Company's mission, values, current issues and their responsibilities as Directors under law. Appointment is for a three-year renewable term, with a maximum of three terms in line with best practices in corporate governance, to which the Board is committed.

Directors and secretary's interests

The directors and secretary and their families had no interest in the company or any other related companies at 31 December 2017.

Reference and administration details

Details included on the company information page.

Principal risks and uncertainties

The directors consider the greatest risk and uncertainty to be a fall in charitable donations. The directors regularly review and assess this risk.

Reserves Policy

It is our policy to retain sufficient reserves to safeguard ongoing commitments and operations. The Board reviews reserves on an annual basis in order to ensure that sufficient funds are available to allow for fundraising activity to continue, without disruption, in the case of a fall in income. The aim of the organisation is to maintain a minimum of three months' resources required to operate.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Flavian House, Saint John of Gods, Stillorgan, Co. Dublin.

Events since the end of the year

There have been no significant events affecting the company since the year end.

Directors' Report

For the Financial year ended 31 December 2017

Future developments

The company plans to continue in its current operations.

Statement of relevant audit information

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Grant Thornton resigned as auditors and were replaced by Crowe Ireland. Crowe Ireland, being eligible, express a willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf:

Martin Keaney
Director

Date: 24 September 2018

John Gallagher
Director

Date: 24 September 2018

Independent Auditor's Report to the Members of Saint John of God Foundation

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Saint John of God Foundation for the year ended 31 December 2017, which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

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 2017 and of its net movement in funds for the period then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of Saint John of God Foundation

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on the other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

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, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Members of Saint John of God Foundation

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our Auditors' Report.

Signed: Roseanna O'Hanlon

for and on behalf of:

Crowe Ireland
Chartered Accountants and Statutory Audit Firm
Marine House
Clanwilliam Place
Dublin 2

Date: 27 September 2018

Statement of Financial Activities

For the Financial year ended 31 December 2017

| | Note | Restricted funds € | Unrestricted funds € | Total 2017 € | Total 2016 € |
|--------------------------------|----------|--------------------------|----------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and legacies | | 6,020,162 | - | 6,020,162 | 6,755,969 |
| Charitable activities | | 369,476 | - | 369,476 | 778,126 |
| Investments | | 26 | - | 26 | 51 |
| Total income | 3 | 6,389,664 | - | 6,389,664 | 7,534,146 |
| Expenditure on: | | | | | |
| Raising funds | 7 | 1,772,758 | - | 1,772,758 | 1,728,500 |
| Charitable activities | 8 | 4,576,118 | - | 4,576,118 | 5,937,238 |
| | | 6,348,876 | - | 6,348,876 | 7,665,738 |
| Net movement in funds | | 40,788 | - | 40,788 | (131,592) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 325,004 | - | 325,004 | 456,596 |
| Total funds carried forward | | 365,792 | - | 365,792 | 325,004 |

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of financial activities.

The notes on pages 15 to 25 for part of these financial statements.

Statement of Financial Position

For the Financial year ended 31 December 2017

| | Note | 2017 € | 2016 € |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 44,528 | 59,777 |
| | | <u>44,528</u> | <u>59,777</u> |
| Current assets | | | |
| Debtors: Amounts falling due within one year | 11 | 501,465 | 347,364 |
| Cash at bank and in hand | 12 | 119,451 | 73,004 |
| | | <u>620,916</u> | <u>420,368</u> |
| Creditors: Amounts falling due within one year | 13 | (299,652) | (155,141) |
| Net current assets | | <u>321,264</u> | <u>265,227</u> |
| Total assets less current liabilities | | <u>365,792</u> | <u>325,004</u> |
| Net assets | | <u><u>365,792</u></u> | <u><u>325,004</u></u> |
| Reserves | | | |
| Restricted | | <u>365,792</u> | <u>325,004</u> |
| Funds | | <u><u>365,792</u></u> | <u><u>325,004</u></u> |

The financial statements were approved and authorised for issue by the board on

Signed on behalf of the board:

Martin Keaney
Director

John Gallagher
Director

Date: 24 September 2018

Date: 24 September 2018

The notes on pages 15 to 25 for part of these financial statements.

Statement of Cash Flows

For the Financial year ended 31 December 2017

| | 2017 € | 2016 € |
|---|-----------------|------------------|
| Cash flows from operating activities | | |
| Surplus/(deficit) for the financial year | 40,788 | (131,592) |
| Adjustments for: | | |
| Depreciation of tangibles | 27,967 | 35,169 |
| Interest received | (26) | (51) |
| (Increase)/ decrease in debtors | (154,101) | 78,760 |
| Increase/ (decrease) in creditors | 144,511 | (122,919) |
| Net cash generated from operating activities | <u>59,139</u> | <u>(140,633)</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (12,718) | (9,206) |
| Interest received | 26 | 51 |
| Net cash from investing activities | <u>(12,692)</u> | <u>(9,155)</u> |
| Net increase/(decrease) in cash and cash equivalents | 46,447 | (149,788) |
| Cash and cash equivalents at beginning of financial year | 73,004 | 222,792 |
| Cash and cash equivalents at the end of financial year | <u>119,451</u> | <u>73,004</u> |
| Cash at bank and in hand | 119,451 | 73,004 |
| | <u>119,451</u> | <u>73,004</u> |

Notes to the Financial Statements

For the Financial year ended 31 December 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

In preparing the financial statements, the charity has referred to guidance included within the following Statements of Recommended Practice (SORP): Accounting and Reporting for Charities, 2014 FRS 102. The charity has adopted best practice to the extent that requirements contained within the aforementioned SORP are applicable to the charity.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and associated tax refunds, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to the Financial Statements

For the Financial year ended 31 December 2017

1. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

| | | |
|-----------------------|---|-----|
| Fixtures and fittings | - | 20% |
| Office equipment | - | 20% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Financial Activities.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Notes to the Financial Statements

For the Financial year ended 31 December 2017

1. Accounting policies (continued)

1.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

For the Financial year ended 31 December 2017

1. Accounting policies (continued)

1.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.8 Foreign currency translation

Functional and presentation currency:

The company's functional and presentational currency is Euros.

Transactions and balances:

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

1.9 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.10 Funds structure

Unrestricted income funds comprise those funds which the directors are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the directors, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. Further details of each fund are disclosed in note 14.

Notes to the Financial Statements

For the Financial year ended 31 December 2017

1. Accounting policies (continued)

1.11 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utility of certain property, plant and equipment.

3. Incoming resources

| | Restricted € | Unrestricted € | 2017 € | 2016 € |
|------------------------------|------------------|-------------------|------------------|------------------|
| Donations | | | | |
| Donors/standing orders | 6,020,162 | - | 6,020,162 | 6,755,969 |
| | <u>6,020,162</u> | <u>-</u> | <u>6,020,162</u> | <u>6,755,969</u> |
| Charitable activities | | | | |
| Misean Cara | 284,219 | - | 284,219 | 776,349 |
| Suzanne House | 72,457 | - | 72,457 | - |
| Lucena | 10,800 | - | 10,800 | - |
| The Atlantic Philanthropies | 2,000 | - | 2,000 | - |
| Menni | - | - | - | 1,777 |
| | <u>369,476</u> | <u>-</u> | <u>369,476</u> | <u>778,126</u> |
| Investment income | | | | |
| Bank interest | <u>26</u> | <u>-</u> | <u>26</u> | <u>51</u> |

4. Net movement in funds

The net movement in funds is stated after charging:

| | | |
|---------------------------------------|---------------|---------------|
| | 2017 € | 2016 € |
| Depreciation of tangible fixed assets | <u>27,967</u> | <u>35,169</u> |

Notes to the Financial Statements

For the Financial year ended 31 December 2017

5. Employees

Staff costs were as follows:

| | 2017 € | 2016 € |
|-----------------------|------------------|------------------|
| Wages and salaries | 994,760 | 953,781 |
| Social security costs | 95,158 | 94,077 |
| Staff pension costs | 123,203 | 179,430 |
| | <u>1,213,121</u> | <u>1,227,288</u> |

Capitalised employee costs during the financial year amounted to €NIL (2016 - €NIL).

The average monthly number of employees during the financial year was 24 (2016 – 20).

Employees earning in salary bands between:

| | 2017 No. | 2016 No. |
|---------------------|-------------|-------------|
| €60,000 - €70,000 | 1 | 1 |
| €100,000 - €110,000 | 1 | 1 |

6. Interest receivable

| | 2017 € | 2016 € |
|---------------------------|-----------|-----------|
| Other interest receivable | 26 | 51 |
| | <u>26</u> | <u>51</u> |

Notes to the Financial Statements

For the Financial year ended 31 December 2017

7. Analysis of raising funds expenditure

| | Restricted Total 2017 € | Total 2016 € |
|-------------------------------------|--|--------------------|
| Staff salaries | 796,393 | 746,433 |
| Staff national insurance | 95,158 | 94,077 |
| Staff pension costs | 123,203 | 179,430 |
| Motor vehicle leasing (operational) | 50,250 | 41,421 |
| Consultancy | 21,349 | 13,187 |
| Bank charges | 58,629 | 70,350 |
| Sundry expenses | 119,526 | 58,515 |
| Salesman expenses | 110,174 | 86,264 |
| Newsletter costs | 78,770 | 117,686 |
| Support costs (Note 9) | 319,306 | 321,137 |
| | <u>1,772,758</u> | <u>1,728,500</u> |

8. Analysis of charitable activities expenditure

The charity undertakes its charitable activities through project work with other Saint John of God organisations in the following countries.

| | Restricted Total 2017 € | Total 2016 € |
|--|--|--------------------|
| Malawi | 284,219 | 702,961 |
| Zambia | - | 73,388 |
| Total amount sent overseas | <u>284,219</u> | <u>776,349</u> |
| Hospitaller Order of Saint John of God | 4,291,899 | 5,160,889 |
| | <u>4,576,118</u> | <u>5,937,238</u> |

Notes to the Financial Statements

For the Financial year ended 31 December 2017

9. Allocation of support costs

In accordance with the Statement of Recommended Practice (SORP) 2015 FRS 102 support costs should be fully allocated to the activities of the charity. Support costs that are fully attributable to a particular activity are charged directly to that activity. Costs which are not directly allocable to a particular activity are apportioned to all activities based on the amount of staff time absorbed by each activity. The allocation of support costs is detailed below:

| | Basis of apportionment | Governance related | Other support costs | Total 2017 | Total 2016 |
|------------------------------|-------------------------------|---------------------------|----------------------------|-------------------|-------------------|
| | | € | € | € | € |
| Office Staff Salaries | Staff time | - | 198,367 | 198,367 | 207,348 |
| Printing & Stationery | Staff time | - | 10,901 | 10,901 | 13,819 |
| Telephone | Staff time | - | 5,157 | 5,157 | 3,546 |
| Light & Heat | Staff time | - | 3,640 | 3,640 | 3,525 |
| Postage | Staff time | - | 12,156 | 12,156 | 9,991 |
| Insurances | Staff time | - | 12,635 | 12,635 | 2,867 |
| Repairs & Maintenance | Staff time | - | 789 | 789 | 1,617 |
| Depreciation | Staff time | - | 27,967 | 27,967 | 35,169 |
| Staff recruitment & training | Staff time | - | 25,492 | 25,492 | 24,693 |
| Auditors remuneration | | 22,202 | - | 22,202 | 18,562 |
| | | <u>22,202</u> | <u>297,104</u> | <u>319,306</u> | <u>321,137</u> |

Notes to the Financial Statements

For the Financial year ended 31 December 2017

10. Tangible fixed assets

| | Fixtures and fittings € | Office equipment € | Total € |
|-----------------------------|-----------------------------------|------------------------------|-------------------|
| Cost or valuation | | | |
| At 1 January 2017 | 2,838 | 130,950 | 133,788 |
| Additions | - | 12,718 | 12,718 |
| At 31 December 2017 | <u>2,838</u> | <u>143,668</u> | <u>146,506</u> |
| Depreciation | | | |
| At 1 January 2017 | 172 | 73,839 | 74,011 |
| Charge owned for the period | 567 | 27,400 | 27,967 |
| At 31 December 2017 | <u>739</u> | <u>101,239</u> | <u>101,978</u> |
| Net book value | | | |
| At 31 December 2017 | <u>2,099</u> | <u>42,429</u> | <u>44,528</u> |
| At 31 December 2016 | <u>2,666</u> | <u>57,111</u> | <u>59,777</u> |

11. Debtors

| | 2017 € | 2016 € |
|---------------------------------|------------------|------------------|
| Due within one year | | |
| Prepayments and accrued income | 411,418 | 347,364 |
| Amounts owed by related parties | 90,047 | - |
| | <u>501,465</u> | <u>347,364</u> |

12. Cash and cash equivalents

| | 2017 € | 2016 € |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 119,451 | 73,004 |
| | <u>119,451</u> | <u>73,004</u> |

Notes to the Financial Statements

For the Financial year ended 31 December 2017

13. Creditors: Amounts falling due within one year

| | | |
|---|----------------|----------------|
| | 2017 | 2016 |
| | € | € |
| Trade creditors | 10,764 | 18,942 |
| Taxation and social security | 30,910 | 33,934 |
| Other creditors | 66,200 | 13,486 |
| Amounts due to related parties | 133,496 | 58,822 |
| Accruals | 58,282 | 29,957 |
| | <u>299,652</u> | <u>155,141</u> |
| | 2017 | 2016 |
| | € | € |
| Other taxation and social security | | |
| PAYE/NI control | 30,910 | 33,934 |
| | <u>30,910</u> | <u>33,934</u> |

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Amounts due to related parties are unsecured, interest free and payable on demand.

14. Analysis of fund movements

| | Fund brought forward € | Income € | Expenditure € | Fund balances carried forward € |
|----------------|---------------------------------|------------------|--------------------|---|
| Reserve | | | | |
| Restricted | 325,004 | 6,389,664 | (6,348,876) | 365,792 |
| | <u>325,004</u> | <u>6,389,664</u> | <u>(6,348,876)</u> | <u>365,792</u> |

15. Company limited by guarantee

The company is limited by guarantee and consequently does not have share capital. Each of the members liable to contribute an amount not exceeding €1.27 towards the assets of the company in the event of liquidation.

Notes to the Financial Statements

For the Financial year ended 31 December 2017

16. Pension commitments

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund, and amounted to €57,611 (2016 - €67,032).

17. Related party transactions

During the year the company transferred €4,291,889 (2016: €5,160,889) to Hospitaller Order of St. John of God. Amounts owing to Hospitaller Order of St. John of God at the year end amounted to €133,496 (2016 - €58,822).

During the year the company provided services to The Saint John of God Association for €86,226. At year end the company was owed €86,226 (2016: €NIL).

During the year the company provided services to Hospitaal Broeders for €22,925. At year end the company was owed €3,821 (2016: €NIL).

There were no other transactions with related parties such as are required to be disclosed under Financial Reporting Standard 102 Section 33.

18. Approval of financial statements

The board of directors approved these financial statements for issue on 24 September 2018.