

Royal Victoria Eye & Ear Hospital
Annual Report and Financial Statements
Financial Year Ended 31 December 2016

CONTENTS

	Page
COUNCIL MEMBERS AND OTHER INFORMATION	2
COUNCIL'S REPORT	3 - 4
INDEPENDENT AUDITORS' REPORT	5 - 6
INCOME AND EXPENDITURE ACCOUNT	7
BALANCE SHEET	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 19
APPENDICES	20 - 22

COUNCIL MEMBERS AND OTHER INFORMATION**Council members**

Mr Patrick Dowling (President)
Mr Danny Dunne (Chief Executive)
Mr Peter Byers
Mr John Casey
Ms Doreen Delahunty
Ms Susan Gilvarry
Ms Elaine Hanly
Mr Stephen Hone
Dr Dermot Kelly
Mr Hugh Kelly
Mr Dara Kilmartin
Dr Niall O'Cleirigh
Mr Declan O'Donoghue
Mr Willie O'Reilly
Ms Ros O'Shea

Ex-officio members

The Lord Mayor of Dublin - Ms Criona Ni Dhálaigh
Dublin City Councillor - Mr Ciaran O'Moore

Address

Royal Victoria Eye and Ear Hospital
Adelaide Road
Dublin 2

CHY number: 1604

Solicitors

A&L Goodbody Solicitors
IFSC
North Wall Quay
Dublin 1

Bankers

AIB
Westmoreland Street
Dublin 2

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1

COUNCIL'S REPORT

The Members of Council present their report and the audited financial statements for the year ended 31 December 2016.

Statement of Council's responsibilities

The Council is responsible for preparing the Council's report and the financial statements.

The Council is required to prepare financial statements for each financial year that give a true and fair view of the Hospital's assets, liabilities and financial position as at the end of the financial year and of the surplus or deficit of the Hospital for the financial year. The Council have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland).

The Council shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Hospital's assets, liabilities and financial position as at the end of the financial year and the surplus or deficit of the Hospital for the financial year.

In preparing these financial statements, the Council is required to:

- select suitable accounting policies 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 applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Hospital will continue in business.

The Council is responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Hospital;
- enable, at any time, the assets, liabilities, financial position and surplus or deficit of the Hospital to be determined with reasonable accuracy; and

The Council is also responsible for safeguarding the assets of the Hospital and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the Hospital's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal activities and risks

The Royal Victoria Eye and Ear Hospital ("the Hospital") operates as an independent state funded hospital. The Hospital is subject to the normal operating and finance risks associated with the current public and private healthcare environments. These include reliance on continued funding from the HSE and for ever increasing demand for quality healthcare services which place significant cost pressures on the available funding.

Results

The surplus for the year was €1,064,512 (2015: €1,158,237). The surplus was arrived at after charging net superannuation costs of €2,875,853 (2015: €2,677,622) being superannuation payroll expenditure of €3,539,545 (2015: €3,382,780) less superannuation income of €663,692 (2015: €705,158).

The Council's view (as stated in the accounting policies on page 11 and in Note 15 to the Financial Statements) is that the liability for superannuation lies with the Department of Health and not with the Hospital and that superannuation costs should be fully funded so there should be no liabilities in the Hospital's Financial Statements in relation to superannuation.

Review of activities and future developments

The Hospital plans to continue providing high quality healthcare, as well as keeping pace with appropriate developments and improvements in medical and clinical healthcare practices in line with Hospital strategy.

COUNCIL'S REPORT - continued**Taxation status**

The Hospital has charitable tax status.

Events since the end of the financial year

No events have occurred since the end of the financial year.

Accounting records


The measures taken by the Council to secure compliance with the Hospitals' obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Royal Victoria Eye and Ear Hospital, Dublin 2.

Auditors

The Auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

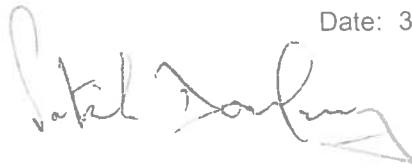
Signed on behalf of the Royal Victoria Eye and Ear Hospital

Signed: D Dunne
Chief Executive
Member of Council



Date: 30 March 2017

Signed: P Dowling
Member of Council



Date: 30 March 2017



Independent auditors' report to the Council members of Royal Victoria Eye and Ear Hospital

Report on the financial statements

Our opinion

In our opinion, Royal Victoria Eye and Ear Hospital's financial statements (the "financial statements"):

- give a true and fair view of the Hospital's assets, liabilities and financial position as at 31 December 2016 and of its surplus and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland.

What we have audited

The financial statements comprise:

- the balance sheet as at 31 December 2016;
- the income and expenditure account for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the Council members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

The responsibilities and those of the council members

As explained more fully in the Statement of Council members' responsibilities set out on page 3, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Council and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come including without limitation under any contractual obligations of the hospital, save where expressly agreed by our prior consent in writing.



What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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 Hospital's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the council members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the council members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Dublin
30 March 2017

INCOME AND EXPENDITURE ACCOUNT
Financial Year Ended 31 December 2016

	Notes	2016 €	2015 €
Income for the year	4	28,404,525	25,987,335
Pay expenditure	5	(19,018,356)	(18,088,752)
Non-pay expenditure		<u>(8,321,074)</u>	<u>(6,737,871)</u>
Operating surplus	6	1,065,095	1,160,712
Interest payable and similar charges		(583)	(3,741)
Interest receivable and similar charges		<u>-</u>	<u>1,266</u>
Surplus for the year		1,064,512	1,158,237
Accumulated (deficit) at beginning of year		<u>(792,344)</u>	<u>(1,950,581)</u>
Accumulated surplus/(deficit) at end of year		<u>272,168</u>	<u>(792,344)</u>

BALANCE SHEET
As at 31 December 2016

	Notes	2016 €	2015 €
Fixed Assets			
Tangible assets	7	<u>827,801</u>	<u>575,819</u>
Current assets			
Stocks	8	530,210	398,522
Debtors	9	3,306,765	1,891,296
Cash at bank and in hand	14	<u>528,257</u>	<u>979,118</u>
		<u>4,365,232</u>	<u>3,268,936</u>
Creditors (amounts falling due within one year)	10	<u>(4,165,846)</u>	<u>(3,733,351)</u>
Net current assets/(liabilities)		<u>199,386</u>	<u>(464,415)</u>
Total assets less current liabilities		1,027,187	111,404
Creditors (amounts falling due after more than one year)	11	<u>(157,379)</u>	<u>(306,108)</u>
Net assets/(liabilities)		<u>869,808</u>	<u>(194,704)</u>
Represented by:			
Capital funds			
Building fund	12	527,070	527,070
Bequest fund	13	<u>70,570</u>	<u>70,570</u>
		597,640	597,640
Accumulated surplus/(deficit)		<u>272,168</u>	<u>(792,344)</u>
		<u>869,808</u>	<u>(194,704)</u>

On behalf of the Council

Signed: D Dunne
Chief Executive
Member of Council



Date: 30 March 2017

Signed: P Dowling
Member of Council



Date: 30 March 2017

STATEMENT OF CASH FLOWS
 Financial Year Ended 31 December 2016

	Note	2016 €	2015 €
Net cash (outflow)/inflow from operating activities		(281,404)	1,697,340
Cash flows from investing activities		<u>(353,123)</u>	<u>(2,475)</u>
(Decrease)/increase in cash and cash equivalents		(634,527)	1,694,865
Cash and cash equivalents at beginning of year		<u>979,118</u>	<u>(715,747)</u>
Cash and cash equivalents at end of year	14	<u>344,591</u>	<u>979,118</u>
Reconciliation of expenditure to net cash (outflow)/inflow from operating activities			
		2016 €	2015 €
Operating surplus		1,065,095	1,160,712
Depreciation		245,070	125,788
Amortisation of deferred income		(245,070)	(125,788)
Increase in stocks		(131,688)	(89,874)
(Increase)/decrease in HSE revenue grants receivable		(1,151,733)	1,347,248
(Increase)/decrease in debtors		(263,736)	635,264
Increase/(decrease) in creditors and accrued expenses		<u>200,658</u>	<u>(1,356,010)</u>
Net cash (outflow)/inflow from operating activities		<u>(281,404)</u>	<u>1,697,340</u>
Cash flows from investing activities			
		2016 €	2015 €
Returns on investment and servicing of finance:			
Purchase of tangible assets		(497,052)	(514,227)
Grant income		144,512	514,227
Interest received		-	1,266
Interest paid		<u>(583)</u>	<u>(3,741)</u>
		<u>(353,123)</u>	<u>(2,475)</u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information

These financial statements comprising the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 18 constitute the individual financial statements of the Royal Victoria Eye and Ear Hospital for the financial year ended 31 December 2016.

The Royal Victoria Eye and Ear Hospital is an independent state funded hospital, governed by a Charter. It is also a registered charity. The Hospital operates in Adelaide Road Dublin. The nature of the Hospital's operations and its principal activities are set out in the councils' report. The Hospital is a Public Benefit Entity as defined by FRS 102.

Statement of compliance

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the Hospital.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Hospital's financial statements.

(a) Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. The financial reporting framework that has been applied in their preparation is FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

(b) Income

Income is derived from the provision of services falling within the Hospital's ordinary activities.

(i) Health Service Executive (HSE) grant

Revenue grants received and receivable are credited to the Income and Expenditure Account on the basis of the amount sought from, or notified by the HSE at the end of the financial year. The revenue grant amount shown is net of capital or revenue amounts deferred or released, in accordance with the timing of the related underlying expenditure. Any element of the grant allocation recognised in the Income and Expenditure Account but not received at the balance sheet date is accounted for as a debtor.

Capital grants are treated as deferred credits and are amortised to the Income and Expenditure Account on the same basis as the related assets are depreciated.

(ii) In-patient income

In-patient income is recognised on an accruals basis.

(iii) Accident and emergency department income

Accident and emergency department income is recognised on a cash receipts basis.

(iv) Other income

Other income is recognised on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

(c) Retirement benefit costs

Certain Hospital employees are members of the Voluntary Hospitals Superannuation Scheme ("the VHSS"). The VHSS is a state plan as defined in FRS 102 and a defined benefit pension scheme. The Hospital collects contributions from employees eligible for inclusion under the Voluntary Hospitals Superannuation Scheme ("the VHSS scheme") and on instruction of the HSE/Department of Health makes pension payments to certain VHSS pensioners. The VHSS scheme is administered, funded and underwritten by the Department of Health. The Hospital acts as an agent in the collection of contributions and payment of pensions in relation to the VHSS, has no obligation to make and does not make any contributions to the scheme.

Contributions are deducted from eligible employees only. In accordance with the service plan agreed with the HSE and the Department of Health, pension contributions deducted from eligible employees may be offset against pension payments made on behalf of the VHSS by the Hospital and the surplus or deficit each year forms part of the funding for the Hospital. The Council members consider that the Hospital has no responsibility for any liability that falls due as a result of any ultimate underfunding of the VHSS scheme and the Hospital does not bear any actuarial risk associated with the VHSS. The Hospital acts as an agent in collecting contributions and making pension payments for the scheme.

The Hospital has been directed by the Department of Health/HSE to retain the VHSS contributions paid by current Hospital staff. Pension payments are funded by the deductions retained from current staff and additional HSE funding which is periodically adjusted by the HSE to reflect changes in the pension payments to be paid and the terms of the scheme.

A new Single Public Service Pension Scheme ("the Single Scheme") commenced with effect from 1 January 2013. The Single Scheme applies to all pensionable first time entrants to the Public Service, as well as former public servants returning to the Public Service after a break of more than 26 weeks. Benefits are calculated by reference to "referable amounts" for each year's service that are uprated by the CPI as directed by the Department of Health/HSE. All contributions deducted from members wages/salaries are remitted to the nominated bank account of the Department of Public Expenditure and Reform ("DPER") and not credited to the Income Statement. In the opinion of the Council members, DPER is responsible for the Single Scheme and payments arising under this scheme to retiring employees are payable by the State.

These financial statements do not include pension liabilities and assets of those staff who are members of the VHSS or the Single Scheme as the liabilities of the schemes are the liabilities of the State and not the Hospital. The Hospital does not bear the risk associated with the liability in their role as agents acting on behalf of the State.

(d) Tangible fixed assets

All tangible fixed assets are initially recorded at historic cost. This includes legal fees, stamp duty and other non-refundable purchase taxes, and also any cost directly attributable to bringing the asset to a location and condition necessary for it to be capable of operating in the manner intended by management.

Assets under construction are stated at cost. These assets are not depreciated until they are available for use.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

(e) Depreciation

Depreciation is provided on all tangible fixed assets, other than the site, at rates calculated to write off the cost, less estimated residual value of each asset on a straight line basis over its estimated useful life, as follows:

Buildings	50 years
Furnishings, casualty department, medical equipment, other equipment, computer equipment and software	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of the asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(f) Stocks

Medical stocks are stated at the lower of cost and net realisable value.

(g) Financial instruments

(i) Cash at bank and in hand

Cash comprises of cash at bank and in hand. Bank overdrafts are shown with current liabilities (see note 10). Cash at bank and in hand is initially measured at transaction price and subsequently measured at amortised cost.

(ii) Other financial assets

Other financial assets including trade debtors for the provision of services to patients, are initially measured at the undiscounted amount of cash receivable from that patient, which is normally the invoice price, and are subsequently measured at amortised cost less impairment, where there is objective evidence of an impairment.

(iii) Other financial liabilities

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

(h) Impairments of assets, other than financial instruments

Where there is objective evidence that recoverable amounts of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the Income and Expenditure Account, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other recognised gains and losses to the extent of any previously recognised revaluation increase accumulated in accumulated Income and Expenditure fund.

Where circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the Income and Expenditure account, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in the accumulated Income and Expenditure fund.

The recoverable amount of tangible fixed assets is the higher of the fair value less cost to sell of the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the Hospital which is considered by the Council to be a single cash generating unit.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

(i) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

3 Judgements and key sources of estimation uncertainty

(a) Going concern

The financial statements have been prepared on the going concern basis. The Hospital is dependent on the Health Service Executive (HSE) to fund its activities and the ongoing support of the HSE at an appropriate level is fundamental to the Hospital's ability to continue as a going concern. The HSE has not given any indication that it will withdraw its financial support from the hospital in the foreseeable future. Management have reviewed the level of activity and costs of the Hospital and have drawn up plans to deal with the issues associated with current cost and funding pressures. The ongoing support of the HSE at an appropriate level is fundamental to the achievement of these plans.

(b) Impairment of debtors

The Hospital provides care to a large and varied number of patients. Some debts due will not be paid through the default of a small number of patients. The Hospital uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis.

(c) Impairment of stocks

The Hospital holds stocks amounting to €530,210 (2014: €398,522) at the financial year end date. The Council is of the view that an adequate charge has been made to reflect the possibility of stocks becoming obsolete. However, this estimate is subject to inherent uncertainty.

(d) Useful lives of tangible fixed assets

Long-lived assets comprise primarily of the Hospital site, buildings and equipment. The annual depreciation and amortisation charge in relation to the medical equipment depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. Management regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives, management consider technological change, physical condition and expected economic utilisation of the assets.

(e) Retirement benefits

The Hospital acts as agents on behalf of the State to administer the VHSS. These financial statements do not include pension liabilities and assets of those staff who are members of the VHSS or the Single Scheme as the liabilities of the schemes are the liabilities of the State and not the Hospital. The Hospital does not bear the risk associated with the liability in their role as agents acting on behalf of the State. Refer to note 2(c) and note 15 for additional information.

4 Income	2016 €	2015 €
Revenue grants receivable from the Health Services Executive	25,012,284	22,803,631
Hospital charges	3,165,688	2,990,348
Other income	226,553	193,356
	<u>28,404,525</u>	<u>25,987,335</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Particulars of staff	2016 €	2015 €
Wages and salaries	14,813,613	14,146,070
Superannuation	2,875,853	2,677,622
Employer's PRSI	1,328,890	1,265,060
	<u>19,018,356</u>	<u>18,088,752</u>

	2016 Number	2015 Number
--	----------------	----------------

The average monthly number of persons employed during the financial year was as follows:

Administration and management	55	53
Medical	53	53
Nursing	104	97
Paramedical	14	13
Support services	27	28
	<u>253</u>	<u>244</u>

Key management remuneration

Key management is made up of the hospital management group.

Remuneration paid or payable to key management for employee services is shown below:

	2016 €	2015 €
Wages and salaries	<u>449,700</u>	<u>450,708</u>

6 Operating surplus	2016 €	2015 €
---------------------	-----------	-----------

Operating surplus is stated after charging/(crediting):

Auditors remuneration (inclusive of VAT)	29,104	27,060
Movement in provision for doubtful debt	208,685	(223,667)
Depreciation	245,070	125,788
Amortisation of deferred grant income	<u>(245,070)</u>	<u>(125,788)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Tangible assets	Assets under construction	Site	Buildings	Furnishings	Casualty department	Medical equipment	Computer equipment and software	Other equipment	Total
	€	€	€	€	€	€	€	€	€
Cost									
At 31 December 2015	-	4,571	62,391	2,609	3,360	478,724	154,617	14,502	720,774
Additions	352,540	-	-	-	-	137,285	7,227	-	497,052
At 31 December 2016	352,540	4,571	62,391	2,609	3,360	616,009	161,844	14,502	1,217,826
Accumulated depreciation									
At 31 December 2015	-	-	-	-	-	107,021	29,474	8,460	144,955
Depreciation	-	-	-	-	-	184,051	56,185	4,834	245,070
At 31 December 2016	-	-	-	-	-	291,072	85,659	13,294	390,025
Net book value									
At 31 December 2015	352,540	4,571	62,391	2,609	3,360	324,937	76,185	1,208	827,801
At 31 December 2016	-	4,571	62,391	2,609	3,360	371,703	125,143	6,042	575,819

NOTES TO THE FINANCIAL STATEMENTS - continued

7	Tangible assets - continued	Site	Buildings	Furnishings	Casualty department	Medical equipment	Computer equipment and software	Other equipment	Total
		€	€	€	€	€	€	€	€
	Cost								
	At 31 December 2014	4,571	62,391	2,609	3,360	100,573	18,541	14,502	206,547
	Additions	-	-	-	-	378,151	136,076	-	514,227
	At 31 December 2015	4,571	62,391	2,609	3,360	478,724	154,617	14,502	720,774
	Accumulated depreciation								
	At 31 December 2014	-	-	-	-	11,857	3,684	3,626	19,167
	Depreciation	-	-	-	-	95,164	25,790	4,834	125,788
	At 31 December 2015	-	-	-	-	107,021	29,474	8,460	144,955
	Net book value								
	At 31 December 2015	4,571	62,391	2,609	3,360	371,703	125,143	6,042	575,819
	At 31 December 2014	4,571	62,391	2,609	3,360	88,716	14,857	10,876	187,380

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Stocks	2016 €	2015 €
Consumables	530,210	398,522
No impairment provision has been recorded in respect of the above stock items (2015: nil).		
9 Debtors	2016 €	2015 €
HSE revenue grants receivable	2,404,052	1,252,319
Amounts due from patients	445,803	290,679
Other debtors and prepayments	456,910	348,298
	3,306,765	1,891,296
Trade debtors are after provision for impairment. See below for movement:		
Bad debt provision		
At beginning of year	390,229	774,009
Amounts written off during the year	-	(160,113)
Increase/(decrease) in bad debt provision	208,685	(223,667)
At end of year	598,914	390,229
10 Creditors (amounts falling due within one year)	2016 €	2015 €
Bank overdraft	183,666	-
Trade creditors	687,794	732,259
Social insurance	563,602	557,527
Deferred income (Note 16)	244,951	196,780
Accruals and sundry creditors	2,485,833	2,246,785
	4,165,846	3,733,351
11 Creditors (amounts falling due after more than one year)	2016 €	2015 €
Deferred income (Note 16)	157,379	306,108
12 Building fund	2016 €	2015 €
At beginning and end of year	527,070	527,070

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Bequest fund	2016 €	2015 €
At beginning and end of year	<u>70,570</u>	<u>70,570</u>

14 Components of cash at bank and in hand	2016 €	2015 €
Cash at bank and in hand	528,257	979,118
Bank overdraft	<u>(183,666)</u>	<u>-</u>
	<u>344,591</u>	<u>979,118</u>

15 Retirement benefits

The majority of staff employed by the Royal Victoria Eye and Ear Hospital are members of either the Voluntary Hospitals Superannuation Scheme (VHSS) or the Single Public Service Pension Scheme (SPSPS).

The VHSS is a scheme underwritten by the Minister of Health and administered by the Hospital. The VHSS was established by the Minister for Health in 1969 and is compulsory for all persons appointed to the hospital who are eligible under the scheme and is a condition of such appointments.

The SPSPS was established by the enactment of Public Service Pensions (Single Scheme and Other Provisions) Act, 2012 and, similarly, is compulsory for all persons appointed to the hospital who are eligible under the scheme and is a condition of such appointments after 1 January 2013. Both the VHSS and the SPSPS are state plans as defined by FRS 102. However, as the Hospital does not make contributions to either scheme and the risk and ultimate liability in relation to both Schemes lies with the State, the Schemes are neither defined benefit nor defined contribution schemes from the perspective of the Hospital.

The Council of the Hospital believe that the funds required in the future to pay current pension liabilities, as they arise into the future, will be provided by the Department of Health under the VHSS. The Council have arrived at this opinion having taken account of precedent set on the closure of certain other healthcare facilities in recent years where pension payments (including retirement lump sum payments) have been honoured by the Department of Health. Therefore, they believe that it is not necessary for the financial statements of the Hospital to include the liability at the balance sheet date in respect of pension entitlements accrued to that date by employees of the hospital, nor other disclosure requirements of the FRS 102, because the Council believes that liability rests with the Department of Health. The above issue is similar to that applying in the majority of other publicly funded hospitals.

The superannuation payments made (including retirement lump sum payments) and deductions retained by the hospital under the VHSS for the years 2013 to 2016 are detailed below.

	2016 €	2015 €	2014 €	2013 €
Superannuation payable	3,539,545	3,382,780	3,638,047	2,998,130
Superannuation deductions	<u>(663,692)</u>	<u>(705,158)</u>	<u>(809,371)</u>	<u>(804,474)</u>
Excess of payments over deductions	<u>2,875,853</u>	<u>2,677,622</u>	<u>2,828,676</u>	<u>2,193,656</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Deferred grant income	2016 €	2015 €
HSE revenue grant income attributable to capital items		
At 1 January	502,888	114,449
Received during year	144,512	514,227
Amortised during year	(245,070)	(125,788)
At 31 December	<u>402,330</u>	<u>502,888</u>
Disclosed in creditors as follows:		
Amounts falling due within one year	244,951	196,780
Amounts falling due after more than one year	157,379	306,108
At 31 December	<u>402,330</u>	<u>502,888</u>

17 Related party transactions

There were no transactions with related parties for the financial year (2015:€nil).

18 Approval of financial statements

The Council approved the financial statements on 30 March 2017.

APPENDICES

Income and Expenditure Account

	Schedule	2016 €	2015 €
HSE revenue grant for year	1	25,012,284	22,803,631
Hospital income	2	<u>4,924,799</u>	<u>4,937,465</u>
Total income		29,937,083	27,741,096
Pay expenditure	3	(20,550,914)	(19,842,513)
Non-pay expenditure	4	<u>(8,321,657)</u>	<u>(6,740,346)</u>
Operating surplus		1,064,512	1,158,237
Accumulated deficit at beginning of year		<u>(792,344)</u>	<u>(1,950,581)</u>
Accumulated deficit at end of year		<u>272,168</u>	<u>(792,344)</u>

1 Grants receivable from the Health Service Executive

	2016 €	2015 €
Allocation for year	24,911,726	23,192,070
Amount released/(deferred) in respect of tangible fixed asset additions	<u>100,558</u>	<u>(388,439)</u>
	<u>25,012,284</u>	<u>22,803,631</u>

2 Hospital income

	2016 €	2015 €
Payroll deductions: Emoluments	41,205	67,574
Superannuation	663,692	705,158
Pension levy	827,661	981,029
In-patient	2,742,210	2,560,063
Out-patient	423,478	430,285
Other income	<u>226,553</u>	<u>193,356</u>
	<u>4,924,799</u>	<u>4,937,465</u>

3 Pay expenditure

	2016 €	2015 €
Administration and management	2,561,125	2,491,624
Medical	5,717,478	5,677,567
Nursing	5,526,471	5,231,277
Paramedical	762,440	744,433
Support services	<u>1,114,965</u>	<u>1,049,772</u>
	15,682,479	15,194,673
Superannuation	3,539,545	3,382,780
Social welfare costs	<u>1,328,890</u>	<u>1,265,060</u>
	<u>20,550,914</u>	<u>19,842,513</u>

APPENDICES - continued

3 Pay expenditure - continued

The number of employees whose benefits exceed €60,000 are as set out below:

	2016 Number	2015 Number
Administration and management employees		
€60,000 - €69,999	2	2
€70,000 - €79,999	1	1
€90,000 - €99,999	1	1
	<u>4</u>	<u>4</u>
Medical and other employees		
€60,000 - €69,999	17	17
€70,000 - €79,999	6	7
€80,000 - €89,999	2	4
€90,000 - €99,999	3	3
€100,000 - €109,999	4	2
€110,000 - €119,999	-	-
€120,000 - €129,999	1	1
€130,000 - €139,999	1	-
€140,000 - €149,999	7	9
€150,000 - €159,999	1	1
€160,000 - €169,999	1	2
€170,000 - €179,999	4	3
€180,000 - €189,999	1	-
€190,000 - €199,999	-	1
€200,000 - €209,999	-	-
€210,000 - €219,999	1	1
	<u>49</u>	<u>51</u>
	<u>53</u>	<u>55</u>

Many of the medical employees are jointly appointed to the Hospital and to other Hospitals or educational organisations. Amounts are recharged by the Hospital to these third parties in respect of the proportion of time these employees are contracted to work in these organisations. The above salary categories do not take account of these recharges.

The remuneration of the Chief Executive Officer is €98,867 (2015: €98,867).

The Hospital did not make any contributions to employee pensions during the year (2015: €nil).

APPENDICES - continued

4 Non- pay expenditure	2016 €	2015 €
Medicines	1,622,884	1,493,215
Medical and surgical supplies	2,886,131	2,628,720
Medical equipment	269,079	193,059
Pathological expenses	233,154	259,961
X-ray expenses	290,663	133,843
Food	145,500	149,562
Heat, light and power	225,744	316,013
Cleaning and washing	339,005	365,713
Bedding and clothing	(2,026)	8,154
Maintenance	371,860	163,172
Transport and travelling	43,287	55,729
Finance	95,162	187,705
Bad debts	178,459	(223,667)
Computer expenses	188,986	118,206
Office expenses	617,749	492,661
Sundry expenses	198,514	(53,570)
Research Foundation	79,720	63,080
Employment agencies	180,485	150,721
Non-medical consultancy	112,231	112,281
Depreciation	245,070	125,788
	<u>8,321,657</u>	<u>6,740,346</u>
5 Balance due from HSE	2016 €	2015 €
Opening balance	1,252,319	2,599,567
Revenue grant allocation	24,911,748	23,192,070
Cash receipts	<u>(23,760,015)</u>	<u>(24,539,318)</u>
Closing balance	<u>2,404,052</u>	<u>1,252,319</u>