

**The Cheshire Foundation in Ireland  
Cheshire Ireland (a company limited by guarantee)**

**Directors' Report and Financial Statements**

**Year Ended 31 December 2012**

## CONTENTS

	<b>Page</b>
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 4
INDEPENDENT AUDITORS' REPORT	5 - 6
ACCOUNTING POLICIES	7
INCOME AND EXPENDITURE ACCOUNT	8
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	8
BALANCE SHEET	9
CASH FLOW STATEMENT	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 18
INCOME AND EXPENDITURE ACCOUNT	19
DETAILED INCOME AND EXPENDITURE ACCOUNT	20 - 21

## DIRECTORS AND OTHER INFORMATION

### Board of Directors

Michael O'Mahony (Chairman)  
Eoin O'Morain (Vice Chairman)  
Vivienne Bradley  
Dr Mark Delargy  
Bill Durkan  
Maeve Nolan  
Owen Collumb  
Diane Davison  
Jerome Kennedy  
Mary Finan  
Gary Britton (appointed 14 August 2012)

### Solicitors

McCann Fitzgerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2

### Secretary and Registered Office

Mr Mark Blake-Knox  
Block 4  
Bracken Business Park  
Bracken Road  
Sandyford Industrial Estate  
Dublin 18

**Company Registration Number:**

20165

**Registered Charity Number:**

CHY 5484

### Bankers

Bank of Ireland  
Lower Baggot Street  
Dublin 2

AIB Bank  
Bank Centre  
Ballsbridge  
Dublin 4

Ulster Bank  
Blackrock Branch  
Blackrock  
Co Dublin

Danske Bank  
1 Airton Close  
Airton Road  
Dublin 24

### Auditors

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012.

### **Directors' responsibilities for financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- 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 keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2012. 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.

### **Books of account**

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are maintained at Block 4, Bracken Business Park, Bracken Road, Sandyford Industrial Estate, Dublin 18.

### **Principal activities and review of the business**

Cheshire Ireland is a not for profit organisation and a registered charity which provides a range of supported accommodation, respite and other support services to adults with neurological conditions and physical disabilities. The HSE funds Cheshire Ireland directly to provide support services to people with disabilities living in residential group homes, supported housing and in their own homes, based on the agreement of annual service arrangements and plans.

### **Result for the year**

The deficit for the financial year amounted to €711,647 (2011: deficit €1,167,109).

### **What we do and who we serve**

In 2012, the organisation operated in 23 locations nationwide and employed 673 individuals. During 2012, Cheshire Ireland provided 277 supported accommodation places and social support services to 47 people in their own homes together with respite breaks in a number of locations around the country.

In excess of 90% of Cheshire Ireland's core funding comes from the HSE. The remaining funding is generated through a combination of other state funding, donations, service user contributions and ward of court applications.

### **How we aspire to do our work**

We are committed to developing our staff, facilities and management processes to ensure we have the capability, knowledge and skills required to deliver cost effective, quality services in ways that respect every person's rights, personal choice and individuality.

## **DIRECTORS' REPORT - continued**

### **How we aspire to do our work - continued**

Cheshire Ireland is committed to delivering person-centred, individualised services to its client group. This will be implemented through the design of services with each person who may be newly referred to us and in time with people living in our accommodation centres who wish to move to other living environments. In designing a service with an individual it is essential that we work with his/her circle of support, including key family members and friends, with advocates, with the HSE and other community and/or voluntary groups where necessary. As part of this service design process, we have learned that very few people with disabilities now choose to get their supports in large shared-living environments, but prefer either to continue living with their families, in their own homes or in adapted houses close to family and their community. Those who would prefer to share, indicate that their preference is to share with one or two people of similar ages with similar interests, rather than a larger group, many of whom could have little in common.

### **Principal risks and uncertainties**

As stated above over 90% of Cheshire's income to operate its services comes from the HSE. In 2012, the organisation's HSE funding was reduced by 3.7%, this followed reductions in HSE funding of 1.8% in 2011. In 2013, funding from the HSE has been reduced by 1.2%.

As indicated in notes 12 and 15 in these financial statements, Cheshire Ireland has accumulated significant fundraised/donated income reserves. However, as the majority of these reserves have been received in the form of bequests and donations specific to a particular Cheshire Home, the Board of Cheshire Ireland applied through the High Court to have these funds applied for the greater benefit of the organisation.

A High Court Order was subsequently granted in November 2011 and this provided that funds of €2,791,114 could forthwith be applied by Cheshire Ireland without restriction in the furtherance of its general charitable purposes.

After consideration of these factors, the directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future and that it is appropriate to adopt the going concern basis in the preparing the financial statements.

### **Future developments**

In the worsening economic environment we believe that opportunities to engage in new developments will be very limited. It is likely that there will be limited additional revenue funding to support new developments in the coming years and the primary focus for both the Board and Senior Management will be to ensure the economic stability of the organisation.

### **Subsequent events**

There are no significant or material subsequent events affecting the company since the year end.

### **Auditors**

The auditors, PricewaterhouseCoopers, were re-appointed during the year and will continue as auditors in accordance with section 160 of the Companies Act, 1963.

## **Directors**

Michael O'Mahony

Jerome Kennedy

31 May 2013



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHESHIRE FOUNDATION IN IRELAND (CHESHIRE IRELAND)**

We have audited the financial statements of The Cheshire Foundation in Ireland for the year ended 31 December 2012 which comprise the Accounting Policies, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements giving 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 opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, 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 save where expressly agreed by our prior consent in writing.

### **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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2012 and of its deficit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

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*PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland, I.D.E. Box No. 137  
T: +353 (0) 1 792 6000, F: +353 (0) 1 792 6200, [www.pwc.com/ie](http://www.pwc.com/ie)*

Chartered Accountants



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHESHIRE FOUNDATION IN IRELAND (CHESHIRE IRELAND) - continued**

**Matters on which we are required to report by the Companies Acts 1963 to 2012**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- 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 Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

**Paul Hennessy  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin**

**7 June 2013**

## **ACCOUNTING POLICIES**

The significant accounting policies adopted by the company are as follows:

### **Basis of preparation**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Acts 1963 to 2012. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

The financial statements are prepared under the historical cost convention.

### **Donations, bequests and gifts**

Donations, bequests and gifts used for specific revenue purposes are shown as income in the relevant accounting period in which the related expenditure is incurred.

Donations, bequests and gifts received for prescribed purposes are applied as prescribed unless the Company is not in a position to do so. In such circumstances they are applied for the overall charitable objectives of the Company as determined by the directors.

Capital donations, bequests and gifts are credited to the Capital Funding Reserve and amortised/released to the Income and Expenditure Account on the same basis as the related asset is depreciated.

General donations, bequest and gifts are credited to the Fundraised, bequests and donations reserve.

### **Fixed assets and depreciation**

Purchased fixed assets are recorded at cost. Fixed assets received by way of gift are capitalised at a reasonable estimate of their value to the company.

Land and buildings are stated at cost less accumulated depreciation. Land is not depreciated. Depreciation on other tangible assets is provided at rates calculated to write off the cost of the assets over their estimated useful lives. The rates and methods of depreciation are as follows:

Buildings	2% straight line
Fixtures, fittings, furniture and equipment	12½% straight line
Motor vehicles	20% straight line
Computer equipment	33⅓% straight line

### **Grants**

Grants received to fund capital expenditure, including capital assistance schemes are credited to the Capital Grants Reserve and amortised to the income and expenditure account over the estimated useful lives of the related fixed assets. Grants and assistance to fund non-capital expenditure are credited to income and expenditure in the period in which the related expenditure is incurred. Grants and assistance due but not received at year end are included as "Grants receivable" in the balance sheet. Grants and assistance received which relate to the funding of expenditure not incurred at year end are deferred and included under "Grants received in advance" in the balance sheet.

### **Pension costs**

A defined contribution pension scheme is operated in respect of eligible staff. Contributions are charged annually to the income and expenditure account at the level determined by the independent fund administrators.

### **Leases**

Operating lease costs are charged to the income and expenditure account as incurred.

**INCOME AND EXPENDITURE ACCOUNT**  
Year Ended 31 December 2012

	Notes	2012 €	2011 €
<b>Income</b>	2	<u>27,859,436</u>	<u>29,546,451</u>
<b>Operating expenditure</b>			
Salaries and wages	3	(22,370,400)	(23,817,594)
Other operating expenses		(5,830,786)	(5,954,752)
Interest, payable and similar charges		<u>(16,707)</u>	<u>(9,476)</u>
<b>Operating (deficit) before exceptional item</b>	4	(358,457)	(235,371)
Exceptional item – redundancy costs	5	(238,964)	(814,439)
<b>Operating (deficit) after exceptional item and before depreciation and amortisation</b>		(597,421)	(1,049,810)
Depreciation	6	(956,003)	(974,091)
Amortisation of fixed asset grants	14	563,217	595,983
Amortisation of capital funding reserves	13	<u>278,560</u>	<u>260,809</u>
<b>(Deficit) for year</b>		<u>(711,647)</u>	<u>(1,167,109)</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
Year Ended 31 December 2012

	Notes	2012 €	2011 €
(Deficit) for the year		(711,647)	(1,167,109)
Transfer from the special reserve	11	711,647	1,174,169
Fundraising, bequests and donations credited to reserves	15	<u>312,690</u>	<u>380,192</u>
<b>Total recognised gains and losses for the year</b>		<u>312,690</u>	<u>387,252</u>

The income and deficit for the year arise solely from continuing activities.

**On behalf of the board**

Michael O'Mahony

Jerome Kennedy

**BALANCE SHEET**  
As at 31 December 2012

	Notes	2012 €	2011 €
<b>Fixed assets</b>			
Tangible assets	6	34,379,158	34,617,509
Financial assets	7	<u>3</u>	<u>3</u>
		34,379,161	34,617,512
<b>Current assets</b>			
Debtors and prepayments	8	1,646,514	1,204,294
Cash at bank and in hand		<u>5,264,132</u>	<u>5,102,015</u>
		6,910,646	6,306,309
<b>Creditors</b> (amounts falling due within one year)	9	<u>(5,467,531)</u>	<u>(4,667,476)</u>
<b>Net current assets</b>		<u>1,443,115</u>	<u>1,638,833</u>
<b>Total assets less current liabilities</b>		35,822,276	36,256,345
<b>Creditors</b> (amounts falling due after more than one year)	10	<u>(414,490)</u>	<u>-</u>
		<u>35,407,786</u>	<u>36,256,345</u>
<b>Represented by</b>			
Revenue reserves	11	40,000	40,000
Special reserve	12	735,575	1,070,779
Capital funding reserve	13	6,952,962	7,438,963
Capital grants reserve	14	27,123,293	27,294,335
Fundraising, bequests and donations reserve		<u>555,956</u>	<u>412,268</u>
		<u>35,407,786</u>	<u>36,256,345</u>

**On behalf of the board**

Michael O'Mahony

Jerome Kennedy

**CASH FLOW STATEMENT**  
**Year Ended 31 December 2012**

	Notes	2012 €	2011 €
Cash inflow from operating activities	16	25,300	51,058
Returns on investments and servicing of finance	17	12,435	33,475
Capital expenditure and capital grants	17	<u>(308,863)</u>	<u>(3,043,048)</u>
<b>(Decrease) in cash</b>	18	<u>(271,128)</u>	<u>(2,958,515)</u>

**RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS**  
**Year Ended 31 December 2012**

	Note	2012 €	2011 €
(Decrease) in cash in the year		(271,128)	(2,958,515)
Net funds at 1 January		<u>4,810,024</u>	<u>7,768,539</u>
<b>Net funds at 31 December</b>	18	<u>4,538,896</u>	<u>4,810,024</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Going concern

The income and expenditure statement for the year ended 31 December 2012 shows a deficit of €711,647 compared to a deficit of €1,167,109 for 31 December 2011.

The funding from the Health Service Executive (“HSE”) accounts for 90% of the Company’s funding. HSE funding was reduced by 3.7% for financial year ended 31 December 2012 and further 1.2% in 2013 which equates to €300,372.

Due to the reduction in HSE funding the directors approved a cost saving framework in 2012 which commits to on-going savings to be achieved in order to bring expenditure in line with income. This cost saving framework is adjusted in line with the reduction in HSE funding and a number of the cost saving measures addressed in 2012 will yield full year savings in 2013 to ensure the Company operates within income.

The directors are satisfied that based on the implementation of the cost saving framework and the available reserves, including the “Special Reserve” (see note 12), the Company can sustain the deficit incurred in 2012 and future reductions in HSE funding.

After consideration of the factors above, the directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future, that is not less than twelve months from the date of approval of these financial statements and accordingly it is appropriate to adopt the going concern basis for the preparation of the financial statements.

<b>2 Income</b>	2012 €	2011 €
Health Service Executive (HSE) funding	25,113,608	26,722,231
FAS income	787,450	787,154
Receipts from service users	1,049,555	1,029,287
Deposit interest and other investment income	12,435	33,475
EU and other public funds	97,721	134,489
Sundry income	173,387	243,198
Ward of court	270,321	273,362
Fundraising, bequests and donations	354,659	320,255
Profit on disposal of fixed assets	300	3,000
	<u>27,859,436</u>	<u>29,546,451</u>

<b>3 Salaries and wages</b>	2012 €	2011 €
Salaries and wages	19,427,655	20,592,325
Employer's PRSI	1,989,554	2,092,366
Employer pension contributions	953,191	1,132,903
	<u>22,370,400</u>	<u>23,817,594</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

<b>3 Salaries and wages - continued</b>	2012 Number	2011 Number
Average number of employees (whole time equivalents)	<u>476</u>	<u>508</u>
<b>4 Operating (deficit) for the year</b>	2012 €	2011 €
Operating (deficit) for the year is stated after charging:		
Directors' remuneration	<u>-</u>	<u>-</u>
Auditors' remuneration		
Remuneration for the statutory audit and other services carried out by the company's auditors is as follows:		
- Audit of individual financial statements	<u>65,630</u>	<u>76,875</u>
	<u>65,630</u>	<u>76,875</u>

**5 Exceptional items**

The Company's accounting policy defines exceptional items as those items of income and expenditure that the Company considers to be material and/or of such a nature that their separate disclosure is relevant to a better understanding of the Company's financial performance.

**Redundancy costs**

The exceptional item relates to redundancy costs of €238,964 (2011: €814,439) recorded in the year to 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Tangible assets	Land and buildings	Fixtures, fittings, furniture and equipment	Motor vehicles	Computer equipment	Total
	€	€	€	€	€
<b>Cost or valuation</b>					
At 31 December 2011	34,244,511	7,825,185	1,908,402	644,092	44,622,190
Additions	233,779	475,183	-	8,690	717,652
Disposals	-	-	-	-	-
At 31 December 2012	<u>34,478,290</u>	<u>8,300,368</u>	<u>1,908,402</u>	<u>652,782</u>	<u>45,339,842</u>
<b>Depreciation</b>					
At 31 December 2011	1,363,221	6,310,214	1,758,081	573,165	10,004,681
Charge for year	555,059	307,888	58,781	34,275	956,003
Disposals	-	-	-	-	-
At 31 December 2012	<u>1,918,280</u>	<u>6,618,102</u>	<u>1,816,862</u>	<u>607,440</u>	<u>10,960,684</u>
<b>Net book amounts</b>					
At 31 December 2012	<u>32,560,010</u>	<u>1,682,266</u>	<u>91,540</u>	<u>45,342</u>	<u>34,379,158</u>
At 31 December 2011	<u>32,881,290</u>	<u>1,514,971</u>	<u>150,321</u>	<u>70,927</u>	<u>34,617,509</u>

As set out in the accounting policies on page 9 the Company policy is to value land and buildings at historical cost less accumulated depreciation.

**7 Financial assets**

The Company owns 2 shares of €1.50 each in Coollattin Properties Limited, being the entire issued share capital of the company incorporated in Ireland on 12 March 1992 and which was received as a charitable donation. Coollattin Properties Limited was donated to Cheshire Ireland and in the year ended 31 December 2012 recorded a deficit of €9,895 and at 31 December 2012 had net liabilities of €72,886.

The financial statements of Coollattin Properties Limited have not been consolidated in view of the Company's objective of realising the value of the investments at the earliest possible date, also the activities of Coollattin Properties are different to the undertakings of Cheshire Ireland. On this basis the investment of €3 has been recorded as a financial asset in the Financial Statements at 31 December 2012.

8 Debtors and prepayments	2012 €	2011 €
Amounts due from Health Service Executive	1,085,680	513,774
Prepaid expenses and other debtors	534,805	675,197
Amounts due from service users	<u>26,029</u>	<u>15,323</u>
	<u>1,646,514</u>	<u>1,204,294</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

<b>9 Creditors (amounts falling due within one year)</b>	2012 €	2011 €
Bank loans and overdrafts	310,745	291,991
Creditors and accruals	4,229,581	3,220,898
Health Service Executive - deferred income	492,848	546,016
Income tax deducted under PAYE	232,103	319,911
Pay related social insurance	<u>202,254</u>	<u>288,660</u>
	<u>5,467,531</u>	<u>4,667,476</u>

<b>10 Creditors (amounts falling due after more than one year)</b>	2012 €	2011 €
Bank loan	<u>414,490</u>	<u>-</u>

<b>11 Revenue reserves</b>	2012 €	2011 €
Balance at 1 January	40,000	32,940
(Deficit) for the year	(711,647)	(1,167,109)
Transfer from the Special reserve (note 12)	<u>711,647</u>	<u>1,174,169</u>
Balance at 31 December	<u>40,000</u>	<u>40,000</u>

The transfer of €711,647 (2011: €1,174,169) from the Special Reserve to Revenue Reserves comprises an amount of €238,964 (2011: €814,439) to offset redundancy costs incurred in 2012 and an amount of €472,683 (2011: €359,730) to offset the operating deficit in 2012 and leaves a positive balance in revenue reserves of €40,000.

<b>12 Special reserve</b>	2012 €	2011 €
Balance at 1 January	1,070,779	-
Transfer from capital funding reserve ((b) and note 13)	450,000	(450,000)
Transfer from fundraising, bequests and donations reserve ((a) and note 15)	-	2,791,114
Transfer to capital funding reserve (note 13)	(73,557)	(96,166)
Transfer to revenue reserves (note 11)	<u>(711,647)</u>	<u>(1,174,169)</u>
Balance at 31 December	<u>735,575</u>	<u>1,070,779</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Special reserve - continued

- (a) The High Court decided on 28 November 2011 that certain funds held by Cheshire Ireland (amounting to €2,791,114 which had restrictions as to their application, could forthwith be applied by Cheshire Ireland without restriction in the furtherance of its general charitable purposes. These funds have been transferred into a Special Reserve account and all proposals in relation to the application of these funds shall require Board approval.
- (b) The €450,000 transfer to the Special Reserve from the Capital Funding Reserve is related to the receipt of a loan from Ulster Bank to finance the purchase of three apartments. It is the reversal of the 2011 transaction relating to the temporary use of the Special Reserve funds to purchase these apartments.

13 Capital funding reserve	2012 €	2011 €
Balance at 1 January	7,438,963	6,891,922
Amortisation of capital funding reserve	(278,560)	(260,809)
Transfer from special reserve (note 12) for capital developments	73,557	96,166
Fundraising, bequests, and donations received (note 15)	169,002	261,684
Transfer to special reserve (note 12b)	<u>(450,000)</u>	<u>450,000</u>
Balance at 31 December	<u>6,952,962</u>	<u>7,438,963</u>

14 Capital grants reserve	2012 €	2011 €
Balance at 1 January	27,294,335	27,810,836
Add: Capital grants received and receivable	408,488	103,592
Less: Released to revenue	(16,313)	(24,110)
Amortisation to income and expenditure account	<u>(563,217)</u>	<u>(595,983)</u>
Balance at 31 December	<u>27,123,293</u>	<u>27,294,335</u>

Deeds of charge have been registered by several Health Services Executive Boards and Local Authorities in respect of grants advanced to a number of the Cheshire centres. Grants may become repayable in the event that the conditions contained in the grant agreements are not adhered to.

NOTES TO THE FINANCIAL STATEMENTS - continued

<b>15 Fundraising, bequests and donations reserve</b>	2012	2011
	€	€
Balance at 1 January	412,268	3,084,869
Transfer to Special reserve (a)	-	(2,791,114)
Investment in Coollattin Properties	-	3
Fundraising, bequests and donations received during the year	667,352	700,447
Amounts transferred to income and expenditure (b)	(354,662)	(320,255)
Transfers to capital funding reserve (note 13)	<u>(169,002)</u>	<u>(261,684)</u>
Balance at 31 December	<u>555,956</u>	<u>412,266</u>

2012	2011
€	€

Amount recognised in statement of total recognised gains and losses during the year:

Fundraising, bequests and donations received during the year	667,352	700,447
Transfer to meet revenue expenditure from fundraised/donated Income reserve	<u>(354,662)</u>	<u>(320,255)</u>
Balance retained in fundraising, donations and bequests reserve	<u>312,690</u>	<u>380,192</u>

(a) The use of these funds for revenue funding purposes in certain circumstances has been approved by court order. Please refer to the directors' report on pages 3 to 4, note 1 "Going Concern" and note 12.

(b) Board approved allocation to meet specific expenditure.

<b>16 Reconciliation of operating deficit to operating cash flow</b>	2012	2011
	€	€
(Deficit) for the year	(711,647)	(1,167,109)
Fundraising, bequests and donations credited to reserves	312,693	380,194
Interest received	(12,435)	(33,475)
Depreciation	956,003	974,091
Amortisation	(841,777)	(856,792)
Capital grant released to income	(16,313)	(24,110)
Profit on disposal of fixed assets	(300)	(128)
(Increase)/decrease in debtors and prepayments	(442,220)	14,668
Increase/(decrease) in creditors	<u>781,296</u>	<u>763,719</u>
Net cash inflow from operating activities	<u>25,300</u>	<u>51,058</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

<b>17 Analysis of cash flows for headings netted in the cash flow statement</b>	2012	2011
	€	€
<b>Returns on investment and servicing of finance</b>		
Interest received	<u>12,435</u>	<u>33,475</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(717,652)	(3,146,640)
Proceeds on disposal of tangible fixed assets	300	1,677
Capital grants received to finance fixed assets	<u>408,489</u>	<u>101,915</u>
Net cash (outflow)/inflow for capital expenditure and capital grants	<u>(308,863)</u>	<u>(3,043,048)</u>

<b>18 Analysis of net funds</b>	At	Cash flow	At
	31 December		31 December
	2011		2012
	€	€	€
Cash at hand and in bank	5,102,015	162,117	5,264,132
Bank loans and overdrafts	<u>(291,991)</u>	<u>(433,245)</u>	<u>(725,236)</u>
	<u>4,810,024</u>	<u>(271,128)</u>	<u>4,538,896</u>

**19 Taxation**

No tax liability arises because of the charitable status of the company.

**20 Legal status of the company**

- (i) In accordance with Section 24 of the Companies Act, 1963, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee (€1.27 per member) and has no share capital.
- (ii) The company, as a charity, is exempt from the reporting and disclosure requirements of the Companies (Amendment) Act, 1986.

**21 Pension commitments**

A defined contribution pension scheme is operated in respect of eligible employees. The assets of the scheme are held separately from those of the Foundation in independently administered funds.

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **22 Branches**

During 2012 the Foundation carried out its activities principally through the following:

Central Office, Dublin 18  
Ardeen Cheshire Home, Shillelagh, Co. Wicklow  
Abbey View Residences, Co. Sligo  
Barrett Cheshire House, Herbert Street, Dublin 2 (service provision ceased from Barrett in November 2011)  
Blackrock Cheshire, Cross Avenue, Co. Dublin  
Cara Cheshire House, Phoenix Park, Dublin 20  
Cheshire Community Living – South, at locations in:  
- South Dublin City and County  
- Co. Wicklow  
Cheshire Community Living – North, at locations in:  
- North Dublin City and County  
- Dundalk, Co. Louth  
- Navan, Co. Meath (service provision ceased in Navan in July 2012)  
Cork Supported Accommodation Service, Cork City and County  
Donegal Cheshire Apartments, Letterkenny, Co. Donegal  
Eaglewood Cheshire, Dun Laoghaire, Co. Dublin  
Ballina Cheshire Home, Ballina, Co. Mayo (formerly known as Emmanuel Cheshire Home)  
Galway Cheshire House, Curragrean, Galway  
Greystones Cheshire, Greystones, Co. Wicklow  
Kerry Cheshire, Killarney, Co. Kerry  
Newbridge Respite Centre, Newbridge, Co. Kildare  
O'Dwyer Cheshire Home, Bohola, Co. Mayo  
Rathfredagh Cheshire Home, Newcastlewest, Co. Limerick  
Richmond Cheshire House, Monkstown, Co. Dublin  
St. Laurence Cheshire Home, Cork  
St. Patrick's Cheshire Home, Tullow, Co. Carlow  
Waterford Cheshire, St. John's Hill, Waterford

### **23 Comparative amounts**

Some prior year comparative amounts have been reclassified on a basis consistent with the current year.

### **24 Approval of the financial statements**

The financial statements were approved by the directors on 31 May 2013.

**INCOME AND EXPENDITURE ACCOUNT**  
**Year Ended 31 December 2012**

	2012 €	2011 €
Income	27,859,436	29,546,451
Operating expenses	<u>(28,217,893)</u>	<u>(29,781,822)</u>
<b>Operating (deficit) before exceptional item</b>	(358,457)	(235,371)
Exceptional item – redundancy costs	<u>(238,964)</u>	<u>(814,439)</u>
<b>Operating (deficit) for the year after exceptional item and before depreciation and amortisation</b>	(597,421)	(1,049,810)
Depreciation	(956,003)	(974,091)
Amortisation of fixed asset grants	563,217	595,983
Amortisation of capital funding reserve	<u>278,560</u>	<u>260,809</u>
<b>(Deficit) for the year</b>	<u>(711,647)</u>	<u>(1,167,109)</u>

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**Year Ended 31 December 2012**

	2012 €	2012 €	2011 €	2011 €
<b>Income</b>				
<b>HSE Income</b>				
Health Service Executive (HSE) revenue grants	24,948,906		26,485,221	
HSE skills training scheme	15,750		-	
HSE grants for minor capital expenditure	8,896		35,844	
HSE stores and pharmacy	<u>140,056</u>		<u>201,166</u>	
		25,113,608		26,722,231
<b>FAS</b>				
FAS Community Employment Scheme	766,829		766,385	
FAS Employment Support Scheme	<u>20,621</u>		<u>20,769</u>	
		787,450		787,154
Receipts from service users		1,049,555		1,029,287
Deposit interest and other investment income		12,435		33,475
<b>EU and other public funds</b>				
EU Volunteer / Leargas	97,721		102,750	
Dept of Community, Rural and Gaeltacht Affairs	<u>-</u>		<u>31,739</u>	
		97,721		134,489
<b>Other Income</b>				
Sundry income	173,387		243,198	
Ward of Court	270,321		273,362	
Specific allocation from fundraising, bequests and donations	354,659		320,255	
Profit on disposal of fixed assets	<u>300</u>		<u>3,000</u>	
		<u>798,667</u>		<u>839,815</u>
<b>Total Income</b>		<u>27,859,436</u>		<u>29,546,451</u>

**DETAILED INCOME AND EXPENDITURE ACCOUNT – continued**  
**Year Ended 31 December 2012**

	2012	2011
	€	€
<b>Expenditure</b>		
Salaries and wages	19,427,655	20,592,325
Employer's PRSI	1,989,554	2,092,366
Employer pension contributions	953,191	1,132,903
FAS Community Employment Scheme	767,810	769,193
Advertising and recruitment	44,319	38,613
Food and catering	292,678	380,874
Light and heat	607,662	638,389
Surgical and medical costs	130,102	200,008
Therapy	162,893	212,806
Building and equipment maintenance, repairs and renewals	432,914	593,382
General insurance	224,866	276,949
Motor expenses	190,635	200,050
Bank interest and charges	16,707	9,476
Rent and rates	375,218	345,128
Staff travel and accommodation expenses	224,919	209,100
Telephone	112,027	125,675
Postage, printing and stationery	67,704	59,767
Sundry expenses	25,979	30,379
Audit and accountancy	76,971	85,064
Legal and professional fees	57,191	63,595
Education and training	49,166	41,981
IT and computer costs	84,877	111,163
Laundry and cleaning	115,234	137,425
Social Activities	40,905	66,327
Affiliation and subscription fees	55,947	24,263
Special project expenses	19,131	46,974
Agency costs	1,263,070	695,467
Volunteer living expenses	112,760	150,109
Meeting and conference expenses	9,060	9,230
Annual report costs	2,214	-
Quality and standards	10,500	26,050
Health and safety	22,839	10,154
POPS training programme	11,612	44,266
Minor capital expenditure	34,628	130,253
Loss on disposal of fixed assets	-	(267)
Dept of Community, Rural and Gaeltacht Affairs project	-	6,107
Bad debts	25,066	11,887
Consultancy fees	59,996	118,885
VHI Employee assistance programme	35,806	10,894
Waste management	84,087	84,612
<b>Total operating expenditure</b>	<b>28,217,893</b>	<b>29,781,822</b>