

Sunbeam House Services Limited

Directors' report and
financial statements

Year ended 31 December 2015

Registered number: 76504

Sunbeam House Services Limited

Directors' report and financial statements

| <i>Contents</i> | <i>Page</i> |
|---|-------------|
| Directors and other information | 1 |
| Directors' report | 2 - 3 |
| Statement of directors' responsibilities in respect of the directors' report and the financial statements | 5 |
| Independent auditor's report | 6 - 7 |
| Income and expenditure statement and statement of other Comprehensive income | 8 |
| Balance sheet | 9 |
| Statement of changes in equity | 10 |
| Cash flow statement | 11 |
| Notes forming part of the financial statements | 12 - 29 |

Sunbeam House Services Limited

Directors' report and other information

Directors

D. O'Brien (Chairman)
J. Hannigan (Managing Director)
M. McHenry
R. Smith
T. Wray
M. Shiell
E. Flynn
J. French

Secretary

M. Rogers

Registered address

Cedar Estate
Killarney Road
Bray
Co. Wicklow

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Bankers

AIB
107-108 Main Street
Bray
Co. Wicklow

Bank of Ireland
132 Pembroke Road
Ballsbridge
Dublin 4

Solicitors

Maguire McNiece
2 Main Street
Bray
Co. Wicklow

Sunbeam House Services Limited

Directors' report *(continued)*

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

Principal activities, review of the business and future developments

Sunbeam House Services Limited ("the company") is a registered charity operating under section 38 of the Health Act, 2004, providing services to persons with intellectual disabilities in the South East region of Leinster. The company is limited by guarantee, not having a share capital and was incorporated on 11 July 1980. The company's principal source of income is from the Health Services Executive ("HSE"). The directors intend to continue to provide services to persons with intellectual disabilities.

During the year the company provided services and supports for 384 clients, 9 of whom were new in 2015. Also during the year there were 3 discharges and sadly 3 clients passed away.

Funding for this year's core services has been hit by cutbacks in our allocation from the HSE but we have still managed to find efficiencies through the excellent commitment of our staff. The company anticipates another difficult year in terms of funding for 2016 with additional pressures arising due to general efficiency cuts within the HSE. Notwithstanding this, the company is committed to maintaining the quality and standard of frontline services.

The company has been informed that all of its client locations will need to acquire Health Information and Quality Authority ("HIQA") registration. The company has completed HIQA registration visits for in excess of 90% of its locations and most of the related HIQA reports have been published. The company has an action plan in respect of obtaining full registration in the near future. To date the company has an 87% compliance rating. It is intended that the organisation will continue to increase its compliance rating.

Families have had a greater role in the organisation with the formation and development of our "*Family and Friends Forum*". Over time this forum will assist with policy and procedure development and act as a conduit for communication with the company and its board of directors.

The company has further developed a Client Information Database ("CID") system. The CID has and will continue to help over time to eliminate duplication and streamline systems.

Directors and company secretary

The current directors and company secretary are set out on page 1. A.R. Giles retired as a director and secretary of the company on 30 November 2015. M. Rogers was appointed as Company Secretary on 1 December 2015. Subsequent to the balance sheet date F. Sheerin retired as a director of the company on 31 March 2016 and J. French was appointed as director of the company on 15 April 2016.

Results and state of affairs

The results and balance sheet of the company are set out on pages 8 and 9 respectively. The company recorded a deficit for the year of €425,000 (2014: €161,000). Refer to note 1.1(b) for further details surrounding going concern.

Sunbeam House Services Limited

Directors' report *(continued)*

Key performance indicators

The principal key performance indicators used by management to monitor performance are as follows:

| | 2015 | 2014 |
|---|--------|--------|
| • Staff to client ratio | 1:1.06 | 1:1.12 |
| • Cost per client (€) | 65,344 | 61,878 |
| • Staff absences (%) | 3.15% | 3.20% |
| • HIQA compliance rating (%) | 87% | - |
| • QQI level score – level 2 qualification (i) | 58 | 45 |

(i) Quality and Qualifications Ireland, the successor to Further Education and Training Awards Council ("FETAC"), awards certificates in recognition of personal skills and competencies. The company supports its clients in obtaining such accreditation, who have been awarded a level 2 qualification in developing various life skills during the current and prior year.

Principal risks and uncertainties

The principal risks and uncertainties the company currently face are as follows:

- *Reliance on the HSE as its main source of income:* the directors continually engage in discussions with the HSE in relation to funding and are satisfied, at this time, that sufficient funding will be made available to the company for 2015 and beyond to meet its ongoing costs for that year.
- *Staff wellbeing:* there is a risk for the wellbeing of staff working in a potentially stressful environment. This risk is mitigated by the provision of internal counselling and an employee assistance programme.
- *Reputational risk due to frontline allegations:* this risk is mitigated by training regarding safeguarding and protection of clients, good reporting structures e.g. the vigilance of senior and middle managers.
- *Misalignment with HSE policies:* this risk is mitigated by the fact that most company policies are guided by HSE policy and all policies are reviewed internally and by both the HSE and HIQA.
- *Health and safety risk:* This risk is mitigated by having internal safety structures and safety statements in each location. Also there is regular training and individual safety plans.

Compliance and corporate governance

The directors are committed to maintaining a high standard of corporate governance and they believe this is a key element in ensuring the proper operation of the company's activities. The board meets at regular intervals during the year. Three appointments to the board are made by the Sunbeam House Trust. In addition the board appoints the managing director and up to five further independent directors.

An audit committee was established by the board in prior years. The objective of the Audit Committee is to assist the board in maintaining the highest standards of corporate governance and risk management. This committee did not meet after June 2015 as a result of the resignation of its chair. The duties of the audit committee were subsumed back into the operations of the board.

The company is going through a merger process and it is expected that once completed a new audit committee will be formed. The company intends on revisiting its governance structures subject to the completion of the transaction discussed in post balance sheet events below.

Sunbeam House Services Limited

Directors' report *(continued)*

Post balance sheet events

During 2015, the company entered into discussions with two fellow charities, St. Catherine's Housing Association (a "section 39" organisation) and KARE (a "section 38" organisation), over a proposal to merge the three organisations into one group, given each company's mutually similar aims and objectives. The merger process is now in an advanced stage as of the date of approval of these financial statements with the board of directors expecting the transaction to complete during 2016. The new group will continue to be a charity group and provide the same services across a wider geographical area.

Accounting records

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at its registered address as detailed on page 1.

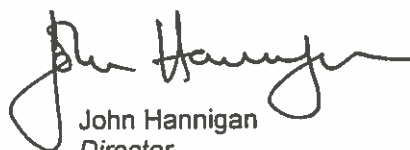
Auditors

In accordance with Section 383(2) of the Companies Act 2014, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



Donal O'Brien
Director



John Hannigan
Director

30 June 2016

Sunbeam House Services Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 and of its profit or loss for that year. In preparing these 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

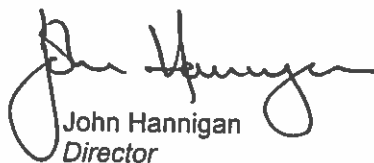
The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

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

On behalf of the board



Donal O'Brien
Director



John Hannigan
Director



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Sunbeam House Services Limited

We have audited the financial statements ("financial statements") of Sunbeam House Services Limited for the year ended 31 December 2015 which comprise income and expenditure statement, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

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 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 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.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

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.

In our opinion the information given in the directors' report is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, 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.



Independent auditor's report to the members of Sunbeam House Services Limited *(continued)*

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 annual report 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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our 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 auditor's 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.

Eamonn Russell
for and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

30 June 2016

Sunbeam House Services Limited

Income and expenditure statement for the year ended 31 December 2015

| | Note | 2015 €'000 | 2014 €'000 |
|--|------|---------------------|---------------------|
| Income – continuing activities | 2 | 24,768 | 23,382 |
| Operating costs | | <u>(25,092)</u> | <u>(23,452)</u> |
| Operating deficit | 3 | (324) | (70) |
| Interest payable and similar charges | 4 | (92) | (99) |
| Pension related finance (expense)/income | 15 | <u>(9)</u> | <u>8</u> |
| Deficit for the year | | <u>(425)</u> | <u>(161)</u> |

These are the first financial statements prepared under the Financial Reporting Standard 102. The 2014 comparative numbers have been restated to conform to the new framework - please refer to note 19 for details of the impact of this transition. The notes form an integral part of these financial statements.

Statement of other comprehensive income for the year ended 31 December 2015

| | 2015 €'000 | 2014 €'000 |
|--|-------------------|---------------------|
| Deficit for the year | (425) | (161) |
| Other comprehensive income | | |
| Net actuarial gains/(losses) on pension scheme | <u>644</u> | <u>(659)</u> |
| Total comprehensive income/(expenditure) for the year | <u>219</u> | <u>(820)</u> |

Sunbeam House Services Limited

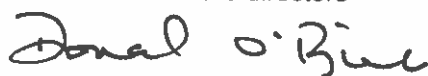
Balance sheet

as at 31 December 2015

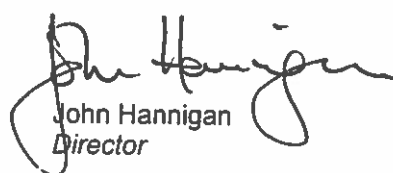
| | Note | 2015 €'000 | 2014 €'000 |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Tangible fixed assets | 7 | 14,104 | 14,818 |
| | | <u>14,104</u> | <u>14,818</u> |
| Current assets | | | |
| Debtors (including €66,000 (2014: nil) due after more than one year) | 8 | 591 | 607 |
| Cash and cash equivalents | 9 | 408 | 242 |
| | | <u>999</u> | <u>849</u> |
| Creditors: amounts falling due within one year | 10 | (2,430) | (2,110) |
| Net current liabilities | | <u>(1,431)</u> | <u>(1,261)</u> |
| Total assets less current liabilities | | 12,673 | 13,557 |
| Creditors: amounts falling due after more than one year | 11 | (10,688) | (11,266) |
| Net assets excluding provisions and pension | | 1,985 | 2,291 |
| Provision for liabilities | 14 | (741) | (741) |
| Net defined benefit pension obligation | 15 | - | (525) |
| Net assets | | <u>1,244</u> | <u>1,025</u> |
| Capital and reserves | | | |
| Income and expenditure account | | 229 | (149) |
| Future maintenance reserve | | 1,015 | 1,174 |
| | | <u>1,244</u> | <u>1,025</u> |

These are the first financial statements prepared under the Financial Reporting Standard 102. The 2014 comparative numbers have been restated to conform to the new framework - please refer to note 19 for details of the impact of this transition. The notes form an integral part of these financial statements.

On behalf of the directors



Donal O'Brien
Director



John Hannigan
Director

Sunbeam House Services Limited

Statement of changes in equity for the year ended 31 December 2015

| | Capital expenditure reserve €'000 | Future maintenance reserve €'000 | Profit and loss account €'000 | Total €'000 |
|--|--|---|-------------------------------------|----------------|
| Balance at 1 January 2014 (as restated) | 700 | 1,174 | (29) | 1,845 |
| Deficit for the year | - | - | (161) | (161) |
| Other comprehensive income: | | | | |
| Net actuarial losses on pension scheme | - | - | (659) | (659) |
| | <u>700</u> | <u>1,174</u> | <u>(849)</u> | <u>1,025</u> |
| Transactions recorded directly in equity: | | | | |
| Release of capital expenditure reserve | (700) | - | 700 | - |
| | <u>-</u> | <u>1,174</u> | <u>(149)</u> | <u>1,025</u> |
| Balance at 31 December 2014 | - | 1,174 | (149) | 1,025 |
| | <u>-</u> | <u>-</u> | <u>(425)</u> | <u>(425)</u> |
| Deficit for the year | - | - | (425) | (425) |
| Other comprehensive income: | | | | |
| Net actuarial gains on pension scheme | - | - | 644 | 644 |
| | <u>-</u> | <u>1,174</u> | <u>70</u> | <u>1,244</u> |
| Transactions recorded directly in equity: | | | | |
| Transfer from future maintenance reserve | - | (159) | 159 | - |
| | <u>-</u> | <u>1,015</u> | <u>229</u> | <u>1,244</u> |
| Balance at 31 December 2015 | - | 1,015 | 229 | 1,244 |

Sunbeam House Services Limited

Cash flow statement

for the year ended 31 December 2015

| | Note | 2015 €'000 | 2014 €'000 |
|---|----------|---------------|---------------|
| Cash flows from operating activities | | | |
| Operating deficit | | (324) | (70) |
| <i>Adjustments for:</i> | | | |
| Depreciation | 7 | 859 | 836 |
| Gain on sale of tangible fixed assets | 4 | (18) | (13) |
| Deferred government grant | 2 | (494) | (498) |
| Non-cash element of defined benefit pension expense | 15 | 44 | 8 |
| | | <u>67</u> | <u>263</u> |
| Decrease/(increase) in debtors | | 82 | (246) |
| Increase in trade and other creditors | | 337 | 294 |
| | | <u>486</u> | <u>311</u> |
| Interest paid | | (91) | (100) |
| | | <u>395</u> | <u>211</u> |
| Net cash from operating activities | | | |
| Cash flows from investing activities | | | |
| Proceeds from sale of tangible fixed assets | | 45 | 13 |
| Acquisition of tangible fixed assets | 7 | (173) | (57) |
| | | <u>(128)</u> | <u>(44)</u> |
| Net cash from investing activities | | | |
| Cash flows from financing activities | | | |
| Repayment of borrowings | 12 | (101) | (94) |
| | | <u>(101)</u> | <u>(94)</u> |
| Net cash from financing activities | | | |
| Net increase in cash and cash equivalents | | 166 | 73 |
| Cash and cash equivalents at 1 January | | 242 | 169 |
| | | <u>408</u> | <u>242</u> |
| Cash and cash equivalents at 31 December | 9 | 408 | 242 |

Sunbeam House Services Limited

Notes *(continued)*

1 Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Basis of preparation

A) Company status and measurement convention

Sunbeam House Services Limited (the "company") is a company limited by guarantee, not having a share capital and was incorporated on 11 July 1980. As at 31 December 2015, there were seven members (2014: seven) where guarantee is limited to €1.27 each.

The financial statements are prepared on the historical cost basis except for pension scheme assets which are classified at fair value. The presentation currency of these financial statements is Euro ("€") which is the company's functional currency as substantially all transactions recorded are in Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

B) Going concern

The company incurred a deficit during the year of €425,000 (2014: €161,000) and has net current liabilities assets of €1,431,000 (2014: €1,261,000) as at the reporting date. The company has received funding commitments from the Health Service Executive ("HSE") for the year ending 31 December 2016. The company is forecasting a further operational deficit in 2016 and discussions are ongoing in respect of incremental HSE funding required to meet this deficit. Having regard to implementing necessary budgetary revisions should no incremental funding be received, and, having considered the cashflow forecasts of the company, the directors are satisfied to prepare the financial statements on the going concern basis.

C) Transition to FRS 102

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The company meets the definition of a Public Benefit Entity ("PBE") under FRS 102.

In the transition to FRS 102 from old Irish GAAP the company has revised its accounting policies as set out in this note in order to comply with the provisions of this new accounting framework. Additionally the company has made necessary measurement, presentation and recognition adjustments. An explanation of how the transition to FRS 102 has affected balance sheet and financial performance of the company is detailed in note 19.

1.2 Income

Income is recognised when the company is legally entitled to the income, the amounts involved can be measured with sufficient reliability and it is probable that the income will be received by the company. Grant income from governments and similar agencies are recognised when the company is legally entitled to the income because it has fulfilling conditions contained in the related funding agreements. In the absence of such performed-based conditions, grant income is recognised once the company is notified of entitlement.

Donations are recognised when receipt is probable which is typically at the point in which the donation is received.

Sunbeam House Services Limited

Notes (continued)

1 Accounting policies (continued)

1.3 Employee benefits

A) Short term employee benefits

Short term employee benefits are expected to be settled by the company wholly before 12 months after the end of its reporting date in which the employee renders the related service and include wages and salaries, social security contributions, paid annual and sick leave and non-monetary benefits such as medical insurance.

B) Defined contribution pension scheme

A defined contribution scheme is a post-employment benefit scheme under which the company pays fixed contributions into a national scheme and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income and expenditure in the period during which services are rendered by the employees.

C) Defined benefit pension scheme

A defined benefit pension scheme is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of its defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The company determines the net interest expense or income on the net defined benefit obligation or surplus for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit obligation or surplus taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit obligation or surplus arising from employee service rendered during the period, net interest on net defined benefit obligation or surplus, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the income and expenditure statement. Re-measurement of the net defined benefit obligation or surplus is recognised in other comprehensive income in the period in which it occurs.

1.4 Other expenditure and provisions

A) Operating leases

Payments made under operating leases are recognised in the income and expenditure account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in income and expenditure account over the term of the lease as an integral part of the total lease expense.

Sunbeam House Services Limited

Notes (continued)

1 Accounting policies (continued)

1.4 Other expenditure and provisions (continued)

B) Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.5 Taxation

No current or deferred tax arises as the company has been granted and continues to maintain its charitable exemption status from the revenue authorities.

1.6 Tangible fixed assets

A) Measurement and impairment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company capitalises the cost of purchase of freehold and leasehold premises as well as costs incurred in acquiring these property units or costs associated in bringing them to their useable condition. Subsequent expenditure on the extension or refurbishment of each property unit is capitalised with all other general maintenance expenditure expensed to the income and expenditure account in the period in which the expenditure is incurred. All property held by the company is operational and the company does not hold investment property.

Leasehold improvements are capitalised and depreciated over the life of the improvement or the remaining life of the lease, whichever is the shorter.

The company assesses at each reporting date whether tangible fixed assets are impaired in which company assesses the recoverable amount of an asset, being the greater of its value in use (replacement cost) and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of fixed asset exceeds its estimated recoverable amount. Impairment losses are recognised in the income and expenditure account. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

B) Depreciation

Depreciation is charged to the income and expenditure on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. Estimated useful lives are reviewed periodically by the company in order to ensure the patterns by which the company expects to consume an asset's future economic benefits have not changed significantly. Estimated useful lives for each asset class are as follows:

- | | |
|-----------------------------------|---------------|
| • Freehold and leasehold premises | 33 years |
| • Leasehold improvements | 4 to 33 years |
| • Furniture and equipment | 4 years |
| • Motor vehicles | 3 years |

Sunbeam House Services Limited

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Capital grants

Government grants and grants from similar agencies that are capital in nature are recorded as deferred income in the balance sheet and credited to the income and expenditure account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

1.8 Basic financial instruments

A) Debtors

Subsequent to initial recognition, the carrying amounts of debtor balances are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of debtor balances exceed its estimated recoverable amount. Impairment losses are recognised in the income and expenditure account.

B) Trade and other creditors

Trade and other creditors are recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

C) Interest-bearing borrowings classified as "basic financial instruments"

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

D) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits requiring less than 3 months' notice of withdrawal. Bank overdrafts are repayable on demand.

1.9 Future maintenance reserve

At the discretion of the board of directors, retained earnings are periodically designated to a future maintenance reserve in order to allocate sufficient funding required for essential repairs and maintenance to the company's property portfolio.

Amounts are subsequently recycled or returned to the income and expenditure account during the period in which the related maintenance work is undertaken.

Sunbeam House Services Limited

Notes (continued)

2 Key accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. They are as follows:

— *Estimation of provisions surrounding legacy employee short-term benefits*

The company holds a provision in respect of the estimated cost of settlement with staff for the cessation since 2009 of the previous practice of granting salary increments on a periodic basis. Refer to note 14 for further details of the assumptions supporting this estimate at the reporting date.

— *Making appropriate long-term assumptions in calculating pension liabilities and costs*

The company operates a funded defined benefit scheme, which is independent of the company's finances. Valuations of the main scheme are carried out on an annual basis by the actuaries to the schemes. The rates of contribution payable and the pension cost are determined on the advice of the actuaries, having regard to the results of these valuations and the unrecognised pension surplus or deficit at the date of the last valuation. The cost of these benefits and the present value of the pension liabilities depend on the assumptions made in respect of such factors as the life expectancy of the members of the scheme, the salary progression of current employees, the return that the pension fund assets will generate in the period before they are used to fund the pension payments and the discount rate at which the future pension payments are valued. The company uses estimates for all of these factors in determining the pension costs and liabilities reflected in the financial statements. Differences between assumptions made and actual experience and changes in assumptions made also impact on pension charges.

— *Useful life period of freehold and leasehold premises*

The company depreciates all freehold and leasehold premises over 33 years. With regard to FRS 102.17 *Property, Plant and Equipment*, management have considered that the useful life period is an appropriate estimate applied to this asset class, based on the different patterns of consumption of economic benefits associated with the varied sub-components of these properties.

— *Going concern basis of preparation*

Refer to note 1.1(b) for details of the directors' assessment in respect of the company's ability to continue as a going concern.

Sunbeam House Services Limited

Notes (continued)

3 Income

Income for the current and prior year is analysed as follows:

| | 2015 | 2014 |
|------------------------------------|---------------------------|--------------------|
| | €'000 | €'000 |
| HSE grant income | 22,927 | 21,478 |
| Other income | 1,346 | 1,406 |
| Capital grants amortised (note 13) | 494 | 498 |
| | <hr/> 24,767 <hr/> | <hr/> 23,382 <hr/> |

4 Deficit for the year

The deficit for the current and prior year is stated after charging/(crediting):

| | 2015 | 2014 |
|---|------------------------|-----------------|
| | €'000 | €'000 |
| Directors' remuneration: | | |
| - fees | - | - |
| - emoluments | 150 | 153 |
| - pension contributions | 17 | 14 |
| Auditor's remuneration (including expenses) | 30 | 21 |
| Key Management personnel compensation | 610 | 596 |
| Depreciation | 859 | 836 |
| Profit on disposal of fixed assets | 18 | 13 |
| Amortisation of capital grants | (494) | (498) |
| Operating leases | 380 | 332 |
| | <hr/> 380 <hr/> | <hr/> 332 <hr/> |

The company rents a complex of units from the Sunbeam House Trust, an entity which has common directors with the company. The rent charge for the current year was €77,000 (2014: €66,000) and is included in total operating lease charges of € 380,000 (2014: €332,000). There were no amounts due to Sunbeam House Trust in respect of the rental arrangement as at the reporting date (2014: Nil).

Sunbeam House Services Limited

Notes (continued)

5 Employees

The average number of weekly employees during the year was as follows:

| | 2015 | 2014 |
|--------------------------------------|---------------|---------------|
| Management and administration | 38 | 30 |
| Nursing | 54 | 56 |
| Health and social care professionals | 128 | 115 |
| General support | 13 | 14 |
| Other client care | 131 | 125 |
| | <u>364</u> | <u>339</u> |
| | €'000 | €'000 |
| Wages and salaries | 16,478 | 15,580 |
| Pension costs | 932 | 902 |
| Social welfare costs | 1,738 | 1,641 |
| | <u>19,149</u> | <u>18,123</u> |

6 Interest payable and similar charges

| | 2015 €'000 | 2014 €'000 |
|---------------------------------------|---------------|---------------|
| Interest charge on bank loan | 70 | 76 |
| Interest charge on related party loan | 22 | 23 |
| | <u>92</u> | <u>99</u> |

Sunbeam House Services Limited

Notes (continued)

| 7 Fixed assets | Land €'000 | Freehold and leasehold premises €'000 | Leasehold improvements €'000 | Furniture and equipment €'000 | Motor vehicles €'000 | Total €'000 |
|------------------------------------|---------------|--|------------------------------------|-------------------------------------|----------------------------|----------------|
| Cost | | | | | | |
| Balance at beginning of year | 165 | 19,921 | 2,193 | 539 | 994 | 23,812 |
| Additions | - | - | - | 106 | 67 | 173 |
| Disposals | - | - | - | (42) | (208) | (250) |
| Balance at end of year | 165 | 19,921 | 2,193 | 603 | 853 | 23,735 |
| Depreciation | | | | | | |
| Balance at beginning of year | - | 6,062 | 1,460 | 505 | 967 | 8,994 |
| Charge for the year | - | 628 | 163 | 31 | 37 | 859 |
| Disposals | - | - | - | (21) | (202) | (223) |
| Balance at end of year | - | 6,692 | 1,621 | 515 | 802 | 9,630 |
| Net book value | | | | | | |
| Balance at 31 December 2015 | 165 | 13,229 | 572 | 88 | 51 | 14,105 |
| Balance at 31 December 2014 | 165 | 13,859 | 733 | 34 | 27 | 14,818 |

Refer to note 16(c) for details of fixed and/or floating charges over certain fixed assets pledged as security.

Sunbeam House Services Limited

Notes (continued)

| 8 Debtors | 2015 €'000 | 2014 €'000 |
|--|-----------------------------|-----------------------------|
| Grant income receivable (i) | 183 | 555 |
| Other debtors and prepayments | 342 | 52 |
| Net pension surplus on defined benefit pension scheme (ii) | 66 | - |
| | <hr/> | <hr/> |
| | 591 | 607 |
| | <hr/> <hr/> | <hr/> <hr/> |

- (i) Grant income receivable is wholly attributable to amounts outstanding from the HSE.
(ii) The surplus is expected to be recovered in a period greater than 12 months from the reporting date. Refer to note 15 for further details.

| 9 Cash and cash equivalents | 2015 €'000 | 2014 €'000 |
|------------------------------------|-----------------------------|-----------------------------|
| Cash at bank and in hand | 408 | 92 |
| Short term investments | - | 150 |
| | <hr/> | <hr/> |
| | 408 | 242 |
| | <hr/> <hr/> | <hr/> <hr/> |

There are no restrictions on cash and cash equivalents held include at the reporting date (2014: nil). All cash amounts were held at banking institutions with a credit rating of BB+ or higher at the reporting date.

| 10 Creditors: amounts falling due within one year | 2015 €'000 | 2014 €'000 |
|--|-----------------------------|-----------------------------|
| Trade creditors | 305 | 27 |
| Accruals | 1,073 | 1,063 |
| PAYE/PRSI accrual | 457 | 408 |
| Capital grants (note 13) | 494 | 498 |
| Bank loan (note 12) | 76 | 77 |
| Related party loan (note 12) | 25 | 37 |
| | <hr/> | <hr/> |
| | 2,430 | 2,110 |
| | <hr/> <hr/> | <hr/> <hr/> |

Sunbeam House Services Limited

Notes (continued)

| | | |
|---|---------------|--------------|
| 11 Creditors: amounts falling due after more than one year | 2015 | 2014 |
| | €'000 | €'000 |
| Capital grants (note 13) | 9,070 | 9,560 |
| Bank loan (note 12) | 1,206 | 1,280 |
| Related party loan (note 12) | 412 | 426 |
| | 10,688 | 11,266 |

12 Borrowings

The repayment profile of bank and related party loans is as follows:

| | | |
|---------------------------------------|--------------|--------------|
| | 2015 | 2014 |
| | €'000 | €'000 |
| Amounts due within one year | 101 | 114 |
| Amounts due between two to five years | 403 | 377 |
| Amounts due greater than five years | 1,215 | 1,329 |
| | 1,719 | 1,820 |

The terms associated with the bank and related party loans are as follows (all loan amounts are denominated in euros):

| | Interest rate | Year of maturity | Repayment schedule | 2015 | 2014 |
|------------------------|----------------------|-------------------------|---------------------------|--------------|--------------|
| | % | | | €'000 | €'000 |
| Bank loan (a) | 3.9 | 2022 | Monthly | 1,282 | 1,357 |
| Related party loan (b) | 5.0 | 2032 | Bi-annually | 437 | 463 |
| | | | | 1,719 | 1,820 |

(a) Bank of Ireland holds mortgages over the property at Arklap Fencing, Croghan Industrial Estate, Arklow, Co Wicklow, the land and buildings at the property at Ballyraine, Arklow, Co Wicklow and the properties at Units 1, 2 and 3 Cedar Estate, Killarney Road, Bray, Co Wicklow. Bank of Ireland also holds a fixed and floating debenture over the company's main premises at Cedar Estate, Killarney Road, Bray, Co. Wicklow.

(b) The related party loan is with the Sunbeam House Trust and is secured on certain lands that the company has a leasehold interest over. During the year the company made repayments, both capital and interest, totalling to €47,812 (2014: 49,062).

Sunbeam House Services Limited

Notes (continued)

| 13 Capital grants | 2015 €'000 | 2014 €'000 |
|---------------------------------|---------------|---------------|
| Opening balance | 10,058 | 10,556 |
| Grants received during the year | - | - |
| Amortised during the year | (494) | (498) |
| Closing balance | 9,564 | 10,058 |

Capital grants received are amortised to the income and expenditure statement over a period of 30 years. The capital grants received are repayable in certain circumstances, principally in the event that the related assets are disposed of within a period of 30 years from the date of receipt of the related grants (20 years on grants received prior to 31 May 2002). It is the policy of the company to retain the freehold title of assets purchased. The board of directors do not intend disposing of any assets purchased for which a capital grant was received. As at 31 December 2015 the contingent liability for the repayment of capital grants is €9,564,000 (2014: €10,058,000).

| 14 Provision for liabilities | 2015 €'000 | 2014 €'000 |
|--------------------------------------|---------------|---------------|
| Opening balance | 741 | 741 |
| Amounts charged during year | - | - |
| Utilisation of provision during year | - | - |
| Closing balance | 741 | 741 |

Refer to note 16(d) for further details.

15 Retirement benefits

A) Defined contribution pension scheme

The company facilitates membership of a defined contribution scheme (*the "National Federation of Voluntary Bodies Pension Scheme"*) for qualifying members of staff who join after 1 January 1996. The contributions are paid into a separate fund and the assets of the scheme are managed by independent trustees. Contributions are determined at the commencement of each financial year and are charged in full against the profit and loss account for the year. The total cost of the defined contribution scheme in 2015 was € 731,357 (2014: €708,318). The year end liability for contributions due to the scheme was € nil (2014: €39,545).

15 Retirement benefits (continued)

B) Defined benefit pension scheme

The company operates the Sunbeam House Pension Scheme (*"the Scheme"*) for qualifying members of staff who joined the organisation prior to 1st January 1996. The Scheme is now

Sunbeam House Services Limited

Notes (continued)

15 Retirement benefits (continued)

B) Defined benefit pension scheme (continued)

closed to new members. Contributions are determined by a qualified actuary on the basis of a full valuation every three years. The company currently contributes to the Scheme at a rate of 32.2% of pensionable salary, subject to review at future valuations. The most recent full actuarial valuation was 1 January 2014.

An expense of €201,000 (2014: €139,000) was recorded in the income and expenditure account which included current service costs of €192,000 (2014: €147,000) and an interest expense of €9,000 (2014: interest income of €8,000). The Scheme comprises the following plan assets and benefit obligations at the reporting date:

| | 2015 €'000 | 2014 €'000 |
|---|---------------|---------------|
| Present value of obligations | (10,151) | (10,148) |
| Fair value of plan assets | 10,217 | 9,623 |
| | <hr/> | <hr/> |
| Net pension surplus/(obligation) | 66 | (525) |
| | <hr/> <hr/> | <hr/> <hr/> |

Movements in plan assets and benefit obligations during the year are as follows:

| | |
|--|-----------------------|
| <i>i) Movement in plan assets</i> | 2015 €'000 |
| Fair value of plan assets at beginning of year | 9,623 |
| Interest income | 213 |
| Actuarial gain on plan assets | 348 |
| Employer contributions | 148 |
| Members' contributions | 41 |
| Benefits paid from plan | (156) |
| | <hr/> |
| Fair value of plan assets at end of year | 10,217 |
| | <hr/> <hr/> |
| <i>ii) Movement in benefit obligations</i> | 2015 €'000 |
| Benefit obligations at the beginning of the year | 10,148 |
| Current service cost | 192 |
| Interest cost | 222 |
| Members' contributions | 41 |
| Actuarial gains on obligations | (296) |
| Benefits paid from plan | (156) |
| | <hr/> |
| Benefit obligation at end of year | 10,151 |
| | <hr/> <hr/> |

Sunbeam House Services Limited

Notes (continued)

15 Retirement benefits (continued)

B) Defined benefit pension scheme (continued)

iii) Fair value of plan assets

The fair value of the plan assets and the return on those assets were as follows:

| | 2015 Plan assets | 2015 Percentage of plan assets | 2014 Plan assets | 2014 Percentage of plan assets |
|-------------------------------------|------------------------|---|------------------------|---|
| Equities | 4,149 | 41% | 5,562 | 59% |
| Bonds | 3,820 | 37% | 3,503 | 38% |
| Properties | 246 | 2% | 297 | 3% |
| Other | 2,002 | 20% | 20 | - |
| | <u>10,217</u> | <u>100%</u> | <u>9,382</u> | <u>100%</u> |
| Actual return on plan assets | <u>561</u> | <u>n/a</u> | <u>1,233</u> | <u>n/a</u> |

iv) Actuarial assumptions

An actuarial assessment of the Scheme was carried out on 31 December 2015 by Towers Watson for the purpose of preparing the FRS 102 financial reporting & disclosures. The financial assumptions used to calculate the present value of retirement benefit liabilities under were as follows:

| | 2015 | 2014 |
|---------------------------------------|------|------|
| Discount rate | 2.3% | 2.2% |
| Rate of price inflation | 1.6% | 1.6% |
| Rate of increase in salaries* | 2.6% | 2.6% |
| Rate of increase for deferred pension | 1.5% | 1.5% |
| Rate of increase in pension payments | 1.5% | 1.5% |

* Salary increases are assumed to be zero for 3 years to 31 December 2018. Thereafter the long term growth rate is forecast at 2.6%.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 20.9 years (male), 23.5 years (female).
- Future retiree upon reaching 65: 24 years (male), 26.1 years (female).

The company expects to make contributions to the Scheme of €148,000 during the year ended 31 December 2016.

Sunbeam House Services Limited

Notes (continued)

16 Commitments and contingencies (continued)

(a) Capital commitments

The company had no capital commitments at the reporting date (2014: Nil).

(b) Operating lease commitments

Annual commitments exist under non-cancellable operating leases as follows:

| Residential properties | 2015 | 2014 |
|-------------------------------|--------------|--------------|
| | €'000 | €'000 |
| <i>Expiring:</i> | | |
| Within one year | 332 | 160 |
| Between two and five years | 883 | 219 |
| More than five years | 724 | 38 |
| | <hr/> | <hr/> |
| | 1,939 | 417 |
| | <hr/> <hr/> | <hr/> <hr/> |

(c) Charges over assets of the company

Charges over the assets of the company are detailed as follows:

- Bank of Ireland and Sunbeam House Trust as lenders hold charges over certain properties of the company as detailed in note 12.
- Dun Laoghaire-Rathdown County Council hold a charge of €107,927 (2014: €107,927) over the company's property at Maranatha, Shanganagh Road, Shankill, Co. Dublin in respect of capital grants advanced to the company.
- The Health Service Executive ("HSE") hold a charge to the value of €1,000,000 (2014: €1,000,000) over the company's property known as Arigna House, Herbert Road, Bray, Co Wicklow.
- Wicklow County Council holds unregistered charges over the properties in respect of which it has granted the company capital grants to acquire (note 13).

(d) Contingent liabilities

The company is engaged in negotiations in respect of the cost of settlement with staff for the cessation since 2009 of the previous practice of incremental salary reviews. The status of the issue in which the company is involved in is reviewed by management on a periodic basis and the company's potential financial exposure is assessed. A key element that the directors continue to take into account is the requirement to secure adequate funding commitments from the HSE in tandem with any corresponding settlement agreement.

Because of the uncertainties inherent in such matters, the related provision as detailed in note 14 is based on the best information available at the time. As additional information becomes available on the issue, the potential liability is reassessed and revisions are made to the amounts accrued where appropriate.

Sunbeam House Services Limited

Notes (continued)

16 Commitments and contingencies (continued)

(d) Contingent liabilities (continued)

The directors confirm that they have reviewed the status of the issue as at the date of approval of these financial statements and have concluded that the company is adequately positioned to deal with the outcome of any such settlement.

Refer to note 13 for details of contingent liabilities associated with the awarding of capital grants.

17 Related party transactions

Total compensation of 10 (2014: 10) key management personnel including executive directors amounted to €760,000 (2014: €749,000) as disclosed in note 4 to the financial statements. There are no further related party transactions or balances to disclose other than those detailed in notes 4, 10 and 11 of these financial statements.

18 Post balance sheet events

During 2015 the company entered into discussions with two fellow charities, St. Catherine's Housing Association (a "section 39" organisation) and KARE (a "section 38" organisation), over a proposal to merge the three organisations into one group, given each company's mutually similar aims and objectives. The merger process is now in an advanced stage as of the date of approval of these financial statements with the board of directors expecting the transaction to complete during 2016. The new group will continue to be a charity group and provide the same services across a wider geographical area.

19 Explanation of transition to FRS 102 from old Irish GAAP

These are the company's first financial statements prepared in accordance with FRS 102. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014. In preparing its FRS 102 balance sheet, the company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting ("Irish GAAP"). The following represents the significant accounting changes arising from the company's transition to FRS 102:

(i) Short term employee benefits

Under previous Irish GAAP the company did not accrue holiday pay and time-in-lieu that was earned but not yet taken at the end of a financial period. Under FRS 102, the company is required to accrue for all short-term compensated absences at the reporting date.

(ii) Defined benefit pension scheme

Under old Irish GAAP, the present value of the scheme's liabilities and the fair value of the scheme's assets were measured using a discount rate and a rate equivalent to the expected return on plan assets respectively. On transition to FRS 102, a net obligation/surplus measurement approach has been adopted.

The impact of how the transition from Irish GAAP to FRS 102 has affected the company's balance sheet and financial performance is set out in the following tables:

Sunbeam House Services Limited

Notes (continued)

19 Explanation of transition to FRS 102 from old Irish GAAP (continued)

Table 1 – impact on comparative balance sheet

| | Note | 1 January 2014 | | 31 December 2014 | | |
|--|----------|---------------------|----------------------------------|------------------|----------------------------------|------------------|
| | | Irish GAAP €'000 | Effect of transition €'000 | FRS 102 €'000 | Effect of transition €'000 | FRS 102 €'000 |
| Fixed assets | | | | | | |
| Tangible fixed assets | | 15,597 | - | 15,597 | - | 14,818 |
| Current assets | | | | | | |
| Debtors | (d) | 361 | 135 | 496 | - | 607 |
| Cash and cash equivalents | (a) | 19 | 150 | 169 | 150 | 242 |
| Short term investments | (a) | 150 | (150) | - | (150) | - |
| Creditors: amounts due within one year | (b), (c) | (2,165) | 338 | (1,827) | 371 | (2,110) |
| Net current liabilities | | (1,635) | 473 | (1,162) | 371 | 1,261 |
| Total assets less current liabilities | | 13,962 | 473 | 14,435 | 371 | 13,557 |
| Creditors: amounts due after more than one year | | (11,847) | - | (11,847) | - | (11,266) |
| Net assets excluding provisions and pension | | 2,115 | 473 | 2,588 | 371 | 2,291 |
| Provision for liabilities | (c) | - | (741) | (741) | (741) | (741) |
| Net defined benefit pension surplus/(obligation) | (d) | 135 | (135) | - | - | (525) |
| Net assets | | 2,250 | (403) | 1,847 | (370) | 1,025 |
| <i>Financed by:</i> | | | | | | |
| Capital and reserves | | | | | | |
| Income and expenditure account | | 1,076 | (403) | 673 | 370 | (149) |
| Future maintenance reserve | | 1,174 | - | 1,174 | - | 1,174 |

Sunbeam House Services Limited

Notes (continued)

19 Explanation of transition to FRS 102 from old Irish GAAP (continued)

Table 2 – impact on comparative income and expenditure statement and statement of other comprehensive income balance sheet

| | Note | Year ended 31 December 2014 | | |
|---|------|-----------------------------|------------------------------|--------------|
| | | Irish GAAP € | Effect of transition € | FRS 102 € |
| Income – continuing activities | | 23,382 | - | 23,382 |
| Operating costs | (b) | (23,486) | 33 | 23,453 |
| Operating deficit | | (104) | 33 | (71) |
| Interest payable and similar charges | | (99) | - | (99) |
| Pension related finance income | (e) | 115 | (107) | 8 |
| Deficit for the year | | (88) | (74) | (162) |
| Net actuarial loss on pension scheme | (e) | (767) | 107 | (660) |
| Total comprehensive income/(expenditure) | | (855) | 33 | (822) |

(a) Re-classification of short term investments

As these short term investments require less than 90 days' notice of withdrawal, the company has reclassified short term investments of €150,000 to cash and cash equivalents as at the transition date, 1 January 2014 and as at 31 December 2014.

(b) Short term employee benefits

The impact of accruing for short term employee benefits not previously recorded is to decrease net assets by €403,000 as at 1 January 2014, the transition date. The accrual was re-measured at 31 December 2014 resulting in a credit of €33,000 to the income and expenditure statement given utilisation during that period.

(c) Re-classification of Provision for liabilities

The provision of €741,000 as detailed in note 14 to the financial statements was previously presented as an accrual on the transition date balance sheet, 1 January 2014, and as at 31 December 2014. The liability has been disaggregated from accruals and classified as a provision given the significant uncertainty surrounding its estimation.

(d) Presentation of pension scheme surplus

A pension surplus of €135,000 as recorded on 1 January 2014, the transition date, was previously presented as a liability. The surplus has been reclassified in order to conform to the disclosure and presentation requirements of FRS 102.28.

Sunbeam House Services Limited

Notes *(continued)*

19 Explanation of transition to FRS 102 from old Irish GAAP *(continued)*

(e) Defined benefit pension scheme

Application of the net pension obligation measurement approach has resulted in a decrease of €107,000 in interest income previously credited to the income statement for the year ended 31 December 2014 and a decrease to the actuarial loss of the same amount.

20 Approval of financial statements

The financial statements were approved by the board of directors on 30 June 2016.

