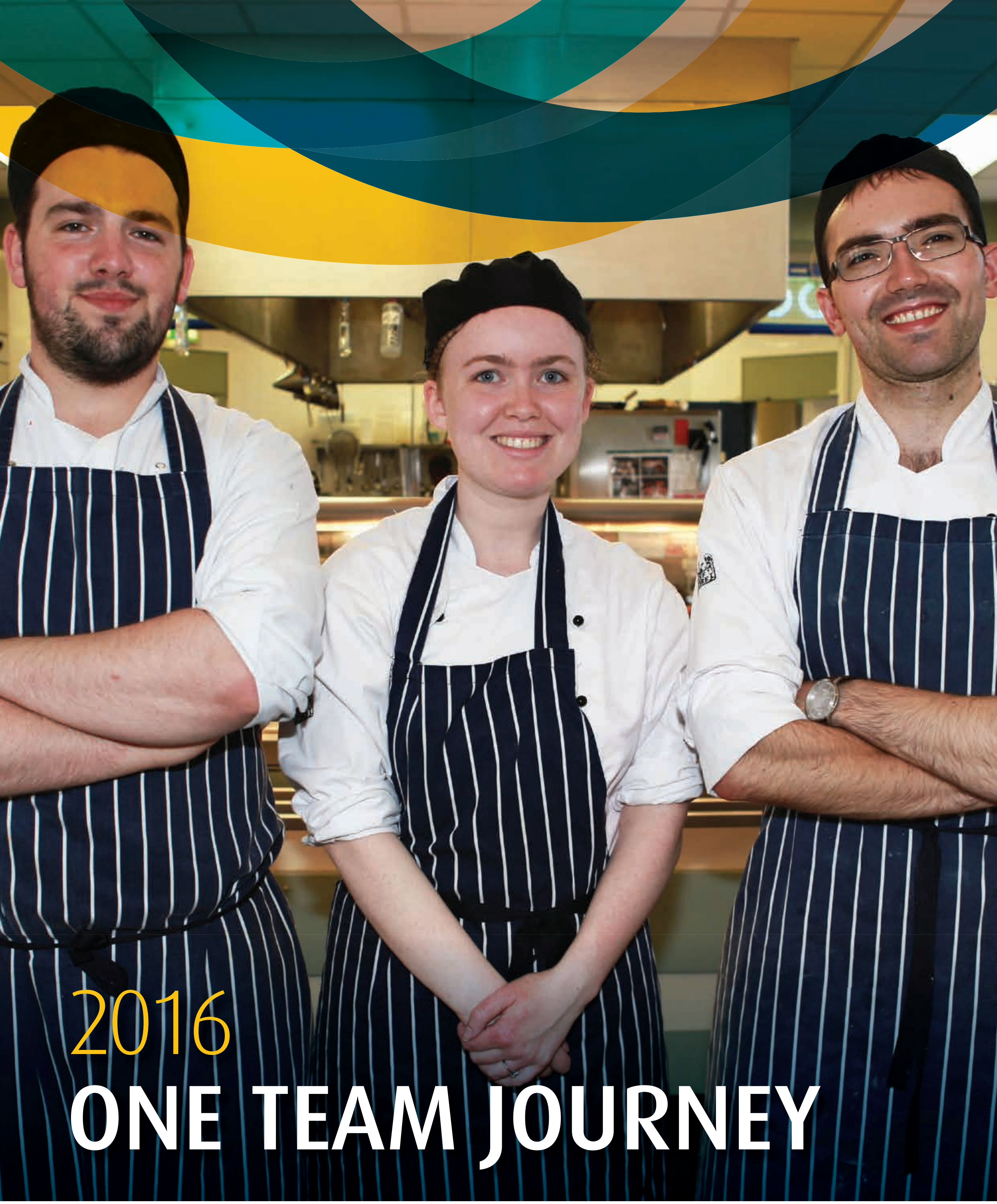
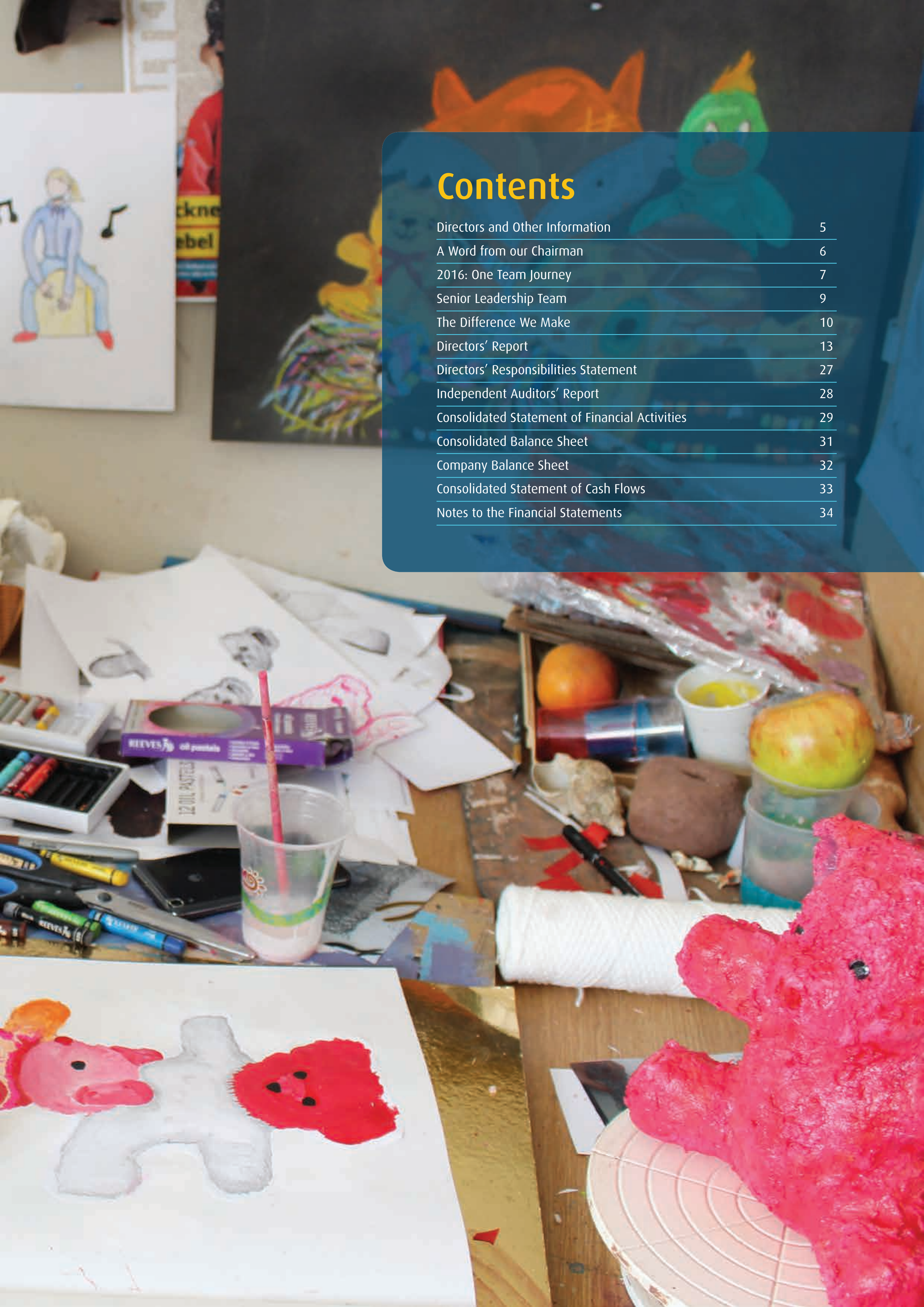


2016
ONE TEAM JOURNEY

Annual Report 2016

RehabGroup
Investing in People, Changing Perspectives



Contents

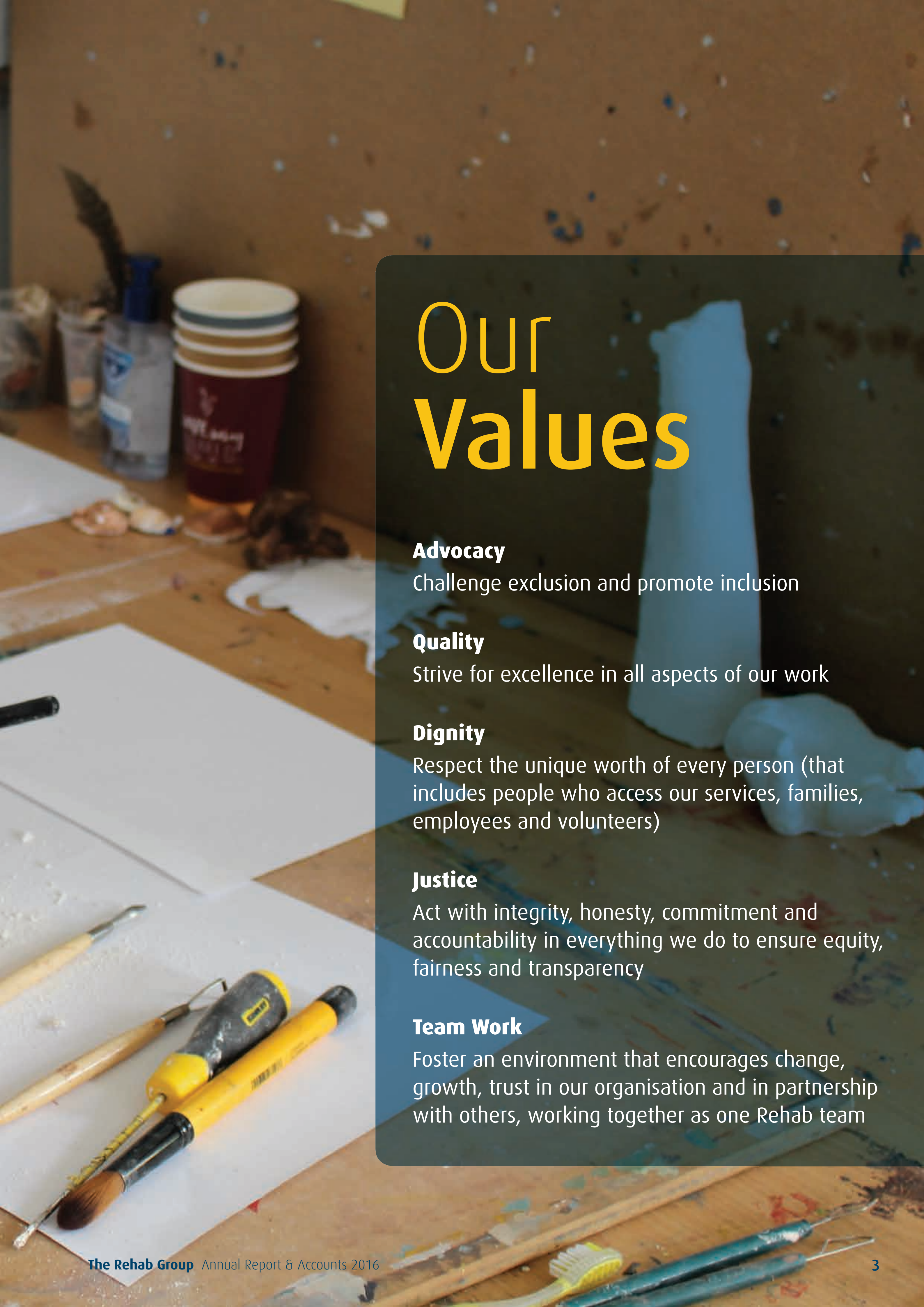
Our Vision & Mission

Our Vision

We are a charity that champions the value of diversity and inclusion for people with a disability or disadvantage, in their communities. Together, we will constantly learn and seek to provide excellent services to foster and enhance social and economic independence.

Our Mission

Helping the people we serve to be more independent; helping them to contribute to and be more included in their communities; empowering them with the skills and confidence to be active in the workforce; and supporting them to be in charge of their health and wellness.



Our Values

Advocacy
Challenge exclusion and promote inclusion

Quality
Strive for excellence in all aspects of our work

Dignity
Respect the unique worth of every person (that includes people who access our services, families, employees and volunteers)

Justice
Act with integrity, honesty, commitment and accountability in everything we do to ensure equity, fairness and transparency

Team Work
Foster an environment that encourages change, growth, trust in our organisation and in partnership with others, working together as one Rehab team

About Rehab

Rehab is a charity that champions the value of diversity and inclusion for people with a disability or disadvantage in their communities.

Our mission is to help the people we serve to be more independent and to contribute to and be more included in their communities; empowering them with the skills and confidence to be active in the workforce, and supporting them to be in charge of their health and wellness.

Over 17,000 people use Rehab's services – children and adults with disabilities, people on the autism spectrum, people with mental health difficulties and people who are disadvantaged in some way in the labour market. More than 3,200 employees deliver Rehab's services in over 170 locations in Ireland, Scotland, England, Wales, Poland and Saudi Arabia.

Directors and Other Information

Board of Directors at 8 May 2017

James Tolan (AF*N*P*) (Chairman)
Assumpta Kelly (Q)
Kevin Marshall (F)
Maeve Martin (Q)
Stan McHugh (Q)
Noreen O'Kelly (A*)
Patrick Salmon (FP) (UK)
John F Smith (NFP)
Michael Williams (Q)
Steven Wrigley-Howe (Q*) (UK)

A – audit & risk committee
Q – quality & safety committee
N – nominations & governance committee
P – performance & remuneration
F – finance committee
* - Committee Chair

Secretary and Registered Office

Company Secretary
Cliona Deegan

External Members of the Audit & Risk Committee
Deirdre Reddan
Robert Barker

Chief Executive Officer
Mo Flynn

Company Number: 14800
Registered Charity Number: 20006716
Charity Revenue Number: CHY4940

Registered Office
Roslyn Park, Sandymount, Dublin 4, D04 FH28

Solicitors

Ireland

McCann Fitzgerald
Riverside One
37 - 42 Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2

UK

Withers Solicitors
16 Old Bailey
London EC4M 7EG

Wright, Johnston & Mackenzie LLP
302 St Vincent Street
Glasgow G2 5RZ
G2 5RZ

Auditors

Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2

Bankers

Allied Irish Bank plc
Bank of Ireland
Barclays Bank plc
Royal Bank of Scotland
H.S.B.C.

A Word from our Chairman

After more than a year in the role of Chairman of The Rehab Group, I am still being surprised not only by the breadth of the work we do, but also the difference we are making to the thousands of people who use our services. We are committed to continuing to do that, in the best way we can, and that's why we have been making a lot of changes to our structure, to make sure we are delivering the best possible service to the people who need us to do that.

And of course, we are working to the commitments we made in our Strategic Plan.

In 2016, we completed the building of a new senior leadership team under the stewardship of our CEO, Mo Flynn. This team has guided the transformation of the organisational structure, as we said we would do in our Strategic Plan, in order to be able to offer a more streamlined, seamless service for those people who need it.

We have integrated the work of RehabCare and the National Learning Network under a single management structure, while Rehab Enterprises remains a commercial company and the largest employer of people with disabilities in Ireland.

We have created Regional Operating Officer roles, and, reporting to them, Integrated Service Managers who will ensure that the services we provide are appropriate and to the highest quality for those who need them.

We continue to live in challenging times for charities. However, I am happy to say that we are well on the way towards meeting the highest standards of governance and adherence to the full range of codes of practice for charities. Together, the Board and senior staff are working to ensure that the highest possible standards of compliance are in place and being adhered to.

I would like to thank the members of the Board who have given such committed service to the work of The Rehab Group during the past year. Being a director of an organisation is not an easy task these days, but all the Board members have been diligent and committed in carrying out their duties, in a voluntary capacity, to ensure that the organisation is operating to the highest standards.

The people we serve are the heart of our organisation. They are the reason we exist. In 2016 we supported more than 17,295 people in our services in Ireland, Scotland, Wales, England, Poland and Saudi Arabia. We are committed to ensuring that the people who use our services do well while they are with us, and when they leave us, for a job, to further education, and to live a more active life in the community. We are committed to ensuring that they live the life they want to live; our job is to make that happen.

Jimmy Tolan
Chairman

2016: One Team Journey

It was a year which saw us firmly embed the ambitious central tenets of our Strategic Plan across the organisation and put these goals into practice. 2016 saw our new Senior Leadership Team guide our substantial organisational change process, central to which was our new management structures which were designed to ensure that the work we do is firmly focused on the needs of the people we serve.

This process has helped us deliver on the new mission, vision and values we set out in our Strategic Plan, bringing the best of what we could do to the fore to make sure it is available to everyone. Our new management structure has also been transformed to drive accountability.

In 2016, we delivered on our promise to integrate and streamline our services in order to provide a holistic end-to-end journey for people with disadvantage or disability and also bring the people who manage the organisation closer to those they serve.

Our core work did not take a back seat while we delivered on this process of change and renewal and we have much to be proud of in 2016. For instance we supported more than 17,000 people across care, learning and employability. In 2016, 90pc of people completing programmes at our National Learning Network training centres progressed to employment or higher levels of training and education. More than 3,400 people accessed our Momentum Skills services across Scotland while almost 3,000 people were helped to get and maintain jobs both here and in the UK.

Our mission is not only to ensure that people get all the services and supports they need, when and where they need them but to also break down the barriers that prevent people who use our services from becoming active members of their communities. We have been making change happen by raising awareness of the issues that people with disabilities face, and challenging assumptions made by others.

In line with our Strategic Plan we continued to position The Rehab Group as a leading charity championing the rights and needs of people living with disabilities, and those who are disadvantaged. In 2016, we got our voice heard where decisions were being made. We lobbied and campaigned hard for the ratification of the United Nations Convention on the Rights of Persons with Disabilities in Ireland, and we will continue to highlight this critical issue until people with disabilities have the same rights as everyone else.

2016 has also been a year of innovation at The Rehab Group. Our vision is to become a leader in terms of how we mobilise technology to support how we deliver what we do, and also how we empower and enable the people who use our services to gain social and economic independence. We forged strong alliances with technology companies and we look forward to running more exciting ‘Technology and Innovation Days’. This will be a major focus over the coming year.

The Rehab Group’s journey of renewal and change saw us working towards our goal of uniting around a common purpose and it has been a very exciting journey so far. We think the future looks very bright. Our key focus will always be the person who uses our services and how we can continue to improve the supports that they need in order to live the lives they wish to live.

I want to take this opportunity to thank all of our hard-working, committed and dedicated staff whose work, although incredibly challenging, continues to inspire me as we continue on our journey of transformation.

Mo Flynn
Chief Executive

Senior Leadership Team, The Rehab Group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1. Mo Flynn
Chief Executive

2. Catherine Whelan
Chief Operations Officer

3. Connie Kelleher
Director of Finance and Corporate Support

4. Barry McGinn
Director of Business Development and Planning

5. Kathleen O'Meara
Director of Communications, Public Affairs and Fundraising

6. Pauline Newnham
Director of Quality and Governance

7. Liz Bayfield
Director of People, Culture and Transformation

8. Neasa O'Reilly
Director of PMO and IT

The Difference We Make

Every year, The Rehab Group makes a difference to the lives of thousands of people, in the communities in which we work. Here are some of the ways in which The Rehab Group supported people to achieve their dreams, enhance their lives or live more independently in 2016.

197,821 hours

CareLink, RehabCare's home-based services, provided more than 197,821 hours of personal supports across Ireland to people with disabilities and to older people in their own homes, enabling them to live more independently.

1,600

People were supported by RehabCare's community-based resource centre services to live more active lives in their own communities.

420

Children and adults availed of RehabCare's centre-based respite services, which provided over 7,808 nights of respite, as well as after-school and day respite.

1,600 tonnes

Rehab Recycle sent 1,600 tonnes of office paper to the recycling mills in 2016 resulting in the saving of 27,200 trees in total.

2,780

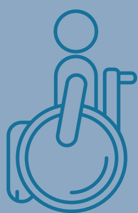
People who used our services were supported to get and maintain jobs.

197

People supported to live in our accommodation services.

17,295 people

A total of 17,295 people supported directly in 2016 by The Rehab Group.



90%

Of people who completed programmes at National Learning Network training centres progressed to employment or higher levels of training and education.

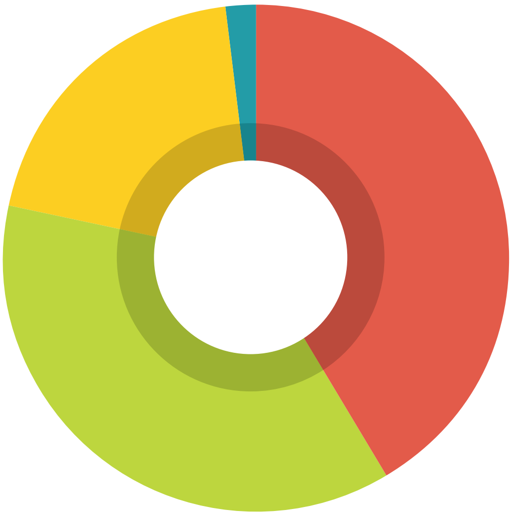
327

People with disabilities were sustained in employment in our supported business, providing a range of quality services to customers in recycling, logistics, packaging, textiles, retail and document scanning.

7,315

qualifications were achieved by people accessing The Rehab Group's training and employability skills services.

Where our money came from in 2016



41.5%
State contracts for the provision of training, support and employability services (Ireland and UK)

36.9%
State contracts for the provision of day activity and care services/Fundraising (Ireland and UK)

19.9%
Income from Social enterprises

1.7%
Grant Income

How we spent our money in 2016

40.7%
Training Support and Employability

38.0%
Day Activities, Care Services and Fundraising

21.3%
Social Enterprises

Directors' Report

The Directors present their annual report and the audited financial statements of The Rehab Group ("Group", "Charity", "Company") and parent company for the year ended 31 December 2016.

Structure, Governance & Management

Legal Structure

The Rehab Group is a company limited by guarantee and not having a share capital (number 14800) and is governed by Part 18 of the Companies Act 2014 (the "Act"). The Company was incorporated in 1953 and is a registered charity (CHY4940). Any commercial activities are operated in pursuit of the Group's charitable objectives.

Governance

The Rehab Group operates to the highest standards of governance and believes that setting and maintaining standards is a key element in demonstrating accountability to all stakeholders, funders and supporters. The Rehab Group is on the journey to compliance with the Governance Code for the Community, Voluntary and Charitable Sector in Ireland. The journey to full compliance is being closely monitored by the Board.

The Rehab Group is compliant with all the requirements of the Charities Regulatory Authority, the Charity Commission (England and Wales) and the Office of the Scottish Charity Regulator, particularly in relation to reporting obligations.

Board of Directors

The Board is responsible for providing leadership, setting overall strategy and monitoring budgets and outcomes of the organisation.

The Directors are elected by the members of the Charity at the Annual General Meeting and serve for a three year term. The Board may have a maximum of twenty directors and a minimum of seven and the Board can fill vacancies that arise during the year. The maximum number of terms that a Director can serve is two (i.e. six years), however, the Board may permit a member to be re-elected for a further two years after the lapse of the six year period, provided the director still meets the criteria for membership.

New Board Directors undergo a wide ranging induction programme. The induction programme includes visits to The Rehab Group services, coverage of the Charity's aims and a detailed briefing on the Charity's operations and financial affairs. The Directors undertake an annual board effectiveness review to help identify any actions that may be needed to improve the Board's governance.

Under The Rehab Group's Articles of Association, the Board holds the Charity's powers and authority. The Board met nine times in 2016 (2015: ten meetings) to determine and review The Rehab Group's budgets, plans and performance and to receive reports from senior managers.

Sub-Committees of the Board

The Board has five formal sub-committees and has set out formal terms of references for each of these committees, which include Nominations and Governance, Audit and Risk, Performance and Remuneration, Finance and Quality and Safety.

Nominations and Governance Committee

Members: James Tolan (Chair), Noreen O'Kelly, Niamh Hyland, John F Smith

The Nominations and Governance Committee is tasked with ensuring that The Rehab Group continues to maintain the standards of best practice in corporate governance.

The Committee's duties also include regularly reviewing the structure, size and composition including the skills, knowledge and experience required of the Board and any subsidiary boards to carry out their function and make appropriate recommendations to their fellow Directors in this regard.

The Committee also regularly reviews the structure, size and composition of the relevant board or committee and make recommendations to The Rehab Group Board with regard to any changes.

Audit and Risk Committee

Members: Noreen O'Kelly (Chair), James Tolan, Deirdre Reddan, Robert Barker

The Audit and Risk Committee is responsible for assisting the Board in its oversight of the integrity of the Company's financial statements and the financial reporting process, including the system of internal financial controls, the Company's compliance with legal and regulatory requirements, the performance of the Company's internal audit function, the effectiveness of the Company's systems of internal controls and policies and procedures for risk assessment and risk management, and the effectiveness of the Company's procedures for risk assessment and risk management.

Performance and Remuneration Committee

Members: James Tolan (Chair), Patrick Salmon, John F Smith

The Performance and Remuneration Committee is responsible for the overview of The Rehab Group remuneration policy for the Senior Leadership Team ("SLT"), CEO and Company Secretary. The Committee is also responsible for annually evaluating the performance of the CEO.

Finance Committee

Members: James Tolan (Chair), Patrick Salmon, Kevin Marshall, John F Smith

The purpose of the Finance Committee (the "Committee") is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the monitoring and oversight of the Company's financial resources and strategies.

Quality and Safety Committee

Members: Steven Wrigley-Howe (Chair), Assumpta Kelly, Maeve Martin, Michael Williams and Stan McHugh

The Quality and Safety Committee seeks to ensure an effective system of integrated governance for quality and safety and risk management across all activities of The Rehab Group.

Senior Leadership Team

The Board maintains and keeps under review a scheme of delegation, which defines key matters reserved for the Board whilst delegating authority over management and operational matters to the Chief Executive Officer ("CEO") and the Senior Leadership Team ("SLT"). The current scheme of delegation was approved by the Board in March 2015 and is reviewed annually.

Subsidiaries

In 2015, as a part of the overall governance arrangements, the Board approved a plan to simplify the organisation's structure and to date, nine companies have been dissolved and three companies have been sold. In addition, the education and training activities of National Learning Network have been transferred to The Rehab Group meaning, as at 31 December 2016, there were thirteen trading entities in the Group. The intention is to reduce this further in 2017.

The appointments to the Boards of all subsidiaries were recommended by the Nominations and Governance Committee and are approved by the Board. The Rehab Group representatives appointed to joint venture entities were approved by the Board, based on the recommendation of the Nominations and Governance Committee.

Compliance Policy Statement

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the company's compliance with certain obligations specified in that section arising from the Companies Act 2014 and Tax laws ('relevant obligations'). The directors confirm that:

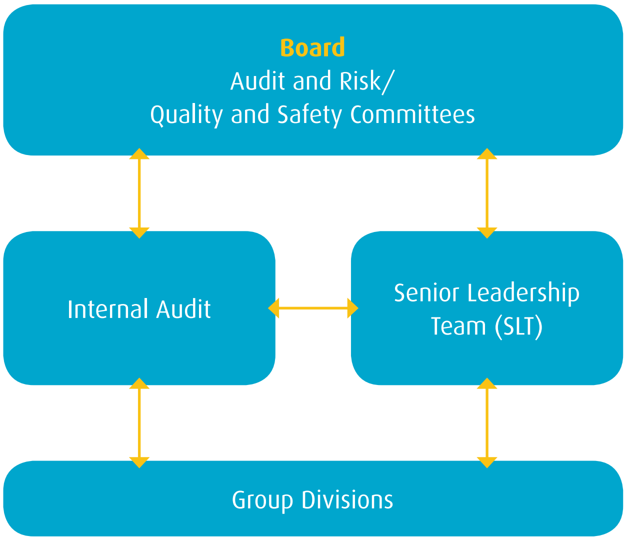
- a compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the Company's relevant obligations have been put in place, including reliance on the advice of one or more than one person employed by the Company or retained by it under a contract for services, being a person who appears to the directors to have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations; and
- a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the Company's compliance with its relevant obligations.

Risk Management Approach

The Rehab Group has an evolving risk management framework which is used throughout its business and service activities to allow it to identify and manage the principal risks and uncertainties that could:

- adversely impact the Group's reputation or stakeholder expectations
- compromise progress and achievement of the Group's objectives and/or financial targets
- have a material impact on the financial performance of the Group
- have a material impact on the operational performance of the Group
- have a negative impact on the safety and wellbeing of our service users/customers and employees

The Organisation conducted a significant review of the Risk Register in 2016, with a revised model implemented with continuous and independent oversight, in line with the Organisation's Transformation Programme. This will undergo further redesign to align with new regional structures.



Risk Management Structure

Whilst some risks are managed at corporate level, all of the divisions/businesses own and manage risks they face on a day to day basis, with assistance from the Group's central function, as required.

The current structure is as follows:

Responsibilities	Process
The Board has overall responsibility. Audit and Risk and Quality and Safeguarding Committees have specific responsibility to review and adopt the Group Risk Register.	Review risk reporting. Review Group Risk Register.
The SLT has oversight of the Group's Risk Register and risk processes. Internal Audit ensures that the audit plan is appropriately risk based.	Review and endorse Group Risk Register.
Business divisions have responsibility for the identification and management of risks identifying current/additional controls to mitigate risk and the maintenance of Risk Registers.	Facilitated by divisional management, risks and mitigating actions for functions and divisions are monitored through divisional senior management teams.

Principal risks and uncertainties

The major risks to which The Rehab Group is exposed as identified by the Senior Leadership Team and the Directors, have been revised and systems and procedures which are subject to continuous review have been established to manage those risks.

The principal risks and uncertainties facing the Group are set out below. These risks have been assessed taking into account their potential impact, the probability/likelihood of occurrence and the residual risk following the implementation of additional controls. At any given time events which are not known or which are considered of low likelihood could develop and give rise to material consequences.

Potential Risks/Uncertainties	Controls
The Rehab Group supports a diverse group of service users with various degrees of vulnerability across a number of divisions and jurisdictions. Our goal is to assist service users to be safe and protected from injury, abuse and other forms of harm.	■ Close working relationships with Community Health Organisations (IRE) inclusive of Safeguarding & Quality, Safety Teams ■ Strong Health & Safety culture with expertise and supports in place ■ Audit & Compliance monitoring ■ Focus on communication with relevant safety authorities ■ Oversight at Senior Leadership Team and Quality & Safeguarding Committees ■ Effective Policy and Procedures
The Rehab Group operates internationally involving different divisions and jurisdictions and must comply with a broad range of legislation and regulation. Failure to comply or address corrective action where compliance falls short could result in negative impact on contracts, registration and reputation.	■ Group divisions continuously monitor/ record key legal and regulatory requirements, appropriate action plans/ controls to meet gaps and monitor implementation and effectiveness. ■ This is overseen by both the Senior Leadership Team and relevant board committees. ■ Service level agreements are carefully monitored
Staff work in a diverse range of services across a variety of industries and jurisdictions which come with their own unique profile of inherent risks and potential to compromise employee safety.	■ Safety incident programmes in place ■ Training of operational staff with system of audit ■ Insurance cover is maintained at Group level for significant insurable risks ■ Business Continuity Plan process under further review with expected outcome of a more streamlined process and improved visibility of service plans
Economic conditions for some of the markets in which the Group are involved may impact in terms of reduced demand and opportunities for growth.	■ Internal review of monthly management accounts in place with potential withdrawal from loss making contracts ■ Continued focus on working capital management, cash generation and managing supplier, customer and employee relationships ■ Board and SLT investment in communications and implementation of the transformation programme is a continued focus with structural planning.

Potential Risks/Uncertainties	Controls
Failure to effectively manage the implementation of upgrade to Information Technology may result in compromise to future growth/ increased cost/reduction and service interruption.	■ Managed Service Agreement (MSA) from infrastructure perspective in place ■ Implementation of MSA is closely governed by the SLT
Failure to recruit/retain and motivate employees at a time of transformation and new Strategy Launch.	■ Regular leadership information sharing seminars ■ Employee survey ■ Engagement with wider workforce/ external stakeholders and union partners.
Competition and/or failure to deliver on key contracts across jurisdictions could lead to non-renewal of contracts, loss of revenue and negative reputational damage.	■ Ongoing communication with stakeholders and customers ■ Monitoring and review of key delivery targets by SLT/Board.

Objectives and activities

The charitable objectives of The Rehab Group, as set out in the Memorandum of Association, are to provide or assist, by whatever manner or means from time to time available, in the provision of the assessment, preventative or remedial action, vocational training, encouragement, education, development, employment, care, housing, equipment and rehabilitation process of persons with disabilities and other disadvantaged persons designed or adapted to meet their needs and to do all things as will improve the quality of life of such persons especially to enhance their social and economic independence, support the fundamental right of equal opportunity with specific actions and help prevent social exclusion.

In addition, the Group engages in various fundraising and lottery promotions solely in support of its main objective.

Rehab's aims including the change it seeks to make due to its activities

The primary aim of The Rehab Group is to support people to live the lives that they want, fulfil their potential, and enable them to be part of their communities and live as independently as possible. The Rehab Group achieves this aim by providing a range of training, employment and health and social care services, each of which is designed to support each individual person's needs, as defined by the person during a personal planning process. The manner in which The Rehab Group delivers these services is influenced by these individual needs and wishes, the support network of the individual, international best practice, national policy in the relevant area and the requirements of funders. The Rehab Group also provides support to individuals to advocate on their own behalf, and advocates on behalf of the people who use its services on issues of importance.

Our main objectives in 2016:

In 2016, The Rehab Group's core objective remained to provide high quality training, education, employment, health and social care services, to as many people as possible in line with its main aim and mission.

The objective to provide a wide range of high quality health and social care, training, education and employment services was managed at divisional level across The Rehab Group. Objectives were measured against financial, compliance, outcome and impact targets. Local delivery of programmes and services by team members in communities all around Ireland and the UK and of customer focused social enterprise in Scotland led to the achievement of many of the targets set. In Ireland, RehabCare continued to adapt to the needs of people who use the services in line with the HSE's New Directions model of service delivery. Learner numbers were retained in training and education services in Ireland and the UK. The group applies the Statement of Recommended Practice for Accounting and Reporting by Charities ("SORP") to ensure compliance with best practice in its reporting.

In late 2015, The Rehab Group Board agreed a Five-Year Strategic Plan for the organisation setting out its plans for ambitious transformation within the organisation. This established a new mission, vision and values for the organisation. A key objective for 2016 was to firmly embed the new Strategy across the organisation.

New leadership: new structures

The new Senior Leadership Team became operational in early 2016 and worked throughout the year to complete the substantial organisational change that was set out in the Strategic Plan. Central to this was the reorganisation of The Rehab Group's management structures to ensure that the work of the organisation is firmly focused on the needs of the people who use its services.

The Rehab Group achieves this aim by providing a range of training, employment and health and social care services...

A structure united around our common purpose

In the past, the organisation's management structure has created barriers between the organisation's training and health and social care work. By bringing together management structures at regional and national level across its jurisdictions, The Rehab Group plans to ensure it can deliver support more efficiently to a greater number of people across the continuum of their lives. Joint management will enable better shared learning, easier identification of opportunities for new service division and a better mobilisation of The Rehab Group's core skills for the benefit of the individual. This means for instance ensuring that a person who requires a supported accommodation service but who is accessing a training service can be supported to obtain these supports.

In 2016, this new organisational structure was agreed and roll-out commenced with a substantial realignment of existing staff roles and the internal recruitment of new posts at Level 2 and 3 of the management structure (regional and national roles).

By year end most Level 2 senior managers had been appointed - this included the appointment of 4 Regional Operating Officers (ROO) to oversee the Northwest, East and South Regions in Ireland as well as a ROO to take charge of The Rehab Group's operations in the UK. Plans were also in place to internally recruit the Level 3 posts.

Details of Significant Activities

Training, Education, Support and Employability Services:

The Rehab Group's training activities are delivered in Ireland, England, Scotland and Wales through its companies National Learning Network, Momentum Skills, Acorn Training, TBG Learning and The Rehab Group's joint venture partnership Rehab Jobfit. The various organisations provide personalised training, education employment and community-based rehabilitation supports and services to people who due to health conditions, illness, disability, mental health difficulty, trauma, addiction or challenging life circumstances need additional specialist support to progress their education, training or life plan.

In Ireland, **National Learning Network (NLN)** works with people who through ill health or disability need extra support to achieve success in their training and education. Each person gets the opportunity to identify their strengths, needs and goals, and is then facilitated to develop their own personalised support plan for successful results. These include achieving qualifications, accessing further or higher education, getting into employment and improving their quality of life, health and wellness.

The objectives set and achieved by NLN for 2016 were challenging. The main goal was to deliver high quality training and education services to as many people as possible all of whom have very different support needs; other key goals included supporting learners to achieve progression to employment and to further learning, supporting learners to gain recognised qualifications, and to reach out to people who need additional support to stay engaged in further or higher education.

Results for the year were strong with NLN achieving 96.4% of training allocation in Education and Training Board (ETB) funded services and 100% of training allocation in HSE funded services.

In 2016 NLN engaged with a total of 7,338 people who had additional training or educational support needs. This included people in community based rehabilitative training services funded by the HSE, specialist vocational training funded by the ETBs, education support services in further education and third level colleges and long term unemployed.

Over 2,000 learners exited rehabilitative and specialist vocational training services in NLN, of which 1,406 had completed their training in full. 832 people were unable to complete their training due to ill health or other factors. Of the 1,406 people who had completed training 448 entered into employment including 121 who were successful in finding full time employment and a further 327 who sourced part time or other forms of employment. 813 people progressed to higher levels of training or education with 63 securing a place in 3rd level. **In total, 1,261 (90%) of people completing programmes in NLN achieved a measurable positive outcome.**

In 2016, NLN also supported almost 5,000 people to achieve a qualification at Levels 2 to 5 on the national qualifications framework with 395 major and 6,500 minor awards achieved in the year.

NLN provided a range of educational and psychological supports and assessment to 1,330 students in schools and third level institutes including the Institute of Technology Blanchardstown (ITB), the National College of Art and Design, Maynooth University and NUI Galway. The Student Central service for 3rd level students with mental support needs, which is run on campus by NLN in Maynooth University, is currently being evaluated externally by Edge Hill University. NLN continued to support students in the City of Dublin Education and Training Board (CDETB) colleges through its Disability Support Services. The contract for services with Maynooth University and the Institute of Technology Blanchardstown were both renewed during 2016.

Support was also provided to the Red Hill School in Limerick, which is attended by 75 children on the Autism Disorder Spectrum.

NLN achieved external validation of service quality by achieving the Excellence Award at Level 5 from the European Foundation for Quality Management, as well as the European Quality in Social Services Award at Excellence Level across all its services.

Mental health programmes which include recovery college forums, peer support and Individual Place and Support (IPS) initiatives continued to be delivered as part of the ongoing development of mental health and recovery services provided by NLN. Outcome Star and Recovery Star have also continued as outcome measurement tools for learners.

A Research Project which began in 2015 with AHEAD on the support needs of students with disabilities at 3rd level was published in September 2016.

Care and Day Activities

The Rehab Group's care and day activities are provided in Ireland by RehabCare and in the UK by Momentum Care.

RehabCare is committed to providing a range of support services for people with disabilities (adults and children), people with mental health difficulties and older people, which support them to maximise their independence, their community presence and participation; each month circa 3,167 people accessed RehabCare's services in 2016.

During the year, RehabCare's objective was to maintain capacity at 2015 levels to ensure that it continued to support as many people as possible, within its funded resources. Across the services projected capacity levels were exceeded through the development of new services and new places, including school leavers, as agreed with the Health Service Executive (HSE) and through endeavours by local services to maximise the number of people who could benefit from supports.

In 2016, 98 per cent of people using RehabCare's services were supported in updating their person-centred plan, with 2 per cent opting not to engage with the process.

Throughout 2016, RehabCare continued to work towards the evolution of its services to achieve greater community integration for people using its supports.

Whilst the time frame for the programme of registering designated centres in the Irish Disability Sector has been extended by HIQA, RehabCare has seen a busy year with now a total of 30 registration certificates received for our Residential/Respite services since HIQA commenced working with the sector in 2013.

As at 31 December 2016 a further five Registration Inspections have been completed by HIQA with reports awaited or received and currently being prepared for return. HIQA has also continued its programme of unannounced monitoring inspections along with the required unannounced audit inspections conducted by ourselves.

We continue to focus on internal ownership of Quality and Improvement with collaborative partnership with our regulator to maximise quality and safety for the people who use our services.

During the year, RehabCare's objective was to maintain capacity at 2015 levels to ensure that it continued to support as many people as possible, within its funded resources.

Newgrove Housing Association is registered as a voluntary housing association with the Department of the Environment, Heritage & Local Government. It is a charity (CHY 13584) and works in association with RehabCare to provide housing for disadvantaged people throughout the country. It is an affiliated member of the Irish Council for Social Housing.

Newgrove Housing Association now provides 280 (2015: 270) units of accommodation. The company is anticipating further growth in 2017 in partnership with RehabCare and the Health Service Executive in the provision of supported housing

Momentum Care and Skills provided a range of vocational rehabilitation and social care support services for those with an acquired brain injury and/or disability/significant health condition across its operations in Newcastle, Blyth, Birmingham and Coventry. Currently we support 56 individuals per year with intakes occurring every 12 weeks. Last year over 87% of North East service users returned to work, education or voluntary work (57% of this was employment).

Our UK services

TBG Learning in the UK continued to partner with Rehab JobFit working across a range of employability support programmes. In 2016, 732 new customers joined the Work Programme bringing the total number of people supported into employment in the life of the programme to 11,686. The delivery on the Work Programme across south Wales and Swindon was a challenge for TBG throughout the year, however, towards the latter part of the year, under the direct governance and management of Rehab JobFit, programme performance improved significantly, enabling strong delivery for the customers in these areas. In October 2016, an organisational restructure took place which helped to realign the headcount and associated costs in the organisation with the reduced size of the programme as it reaches its final stage.

Momentum

Over 3,400 people accessed Momentum Skills services across Scotland in 2016 and did so across a range of interventions including employment, training, vocational rehabilitation and health and social care. In the same period we helped 1,450 people to gain and/or sustain jobs through a combination of employment and access to work services.

Momentum continued to work closely with the Scottish Government in planning for the delivery of a new Work First Scotland Programme following the devolution of welfare to work powers to it as a result of the Smith Commission recommendations.

In partnership with Skills Development Scotland, Momentum secured funding in the last quarter of 2016 through the ESF funded Third Sector Challenge Fund. With service provision in place until December 2018 this Programme will engage with over 900 people in 8 local authority areas in Scotland who have multiple barriers to employment and/or other positive outcomes.

In 2016 Momentum's Work Choice Programme continued to be amongst the highest performing contract in the UK for its provision delivery in Scotland. In November 2016, Momentum began delivery of the Work Choice contract extension that will come to an end in March 2017 although we will continue to support disabled people on this Programme through until 2018.

Momentum Skills carried out over 900 Access to Work ergonomic assessment and technical workstation assessments for disabled people in paid employment. Momentum remains a top performing provider for this national contract in the UK.

Rehab JobFit

In 2016 Rehab JobFit delivered significant performance improvement on the Department for Work & Pensions (DWP) Work Programme contract in both of its contracted geographies (Wales and South West England).

In addition, its strong governance and assurance standards were recognised through the retention of a '*reasonable*' grade (level 2) in the Provider Assurance Team audit and the achievement of the highest mark of '*excellent*' in the UK Government's Merlin Supply Chain Management standard.

Throughout 2016, Rehab JobFit continued to enhance its capability in managing a diverse Supply Chain and providing support to enable partners to progress customers into sustainable employment. This was exemplified in the consistently strong performance in the Community Work Placements contract.

Given that 2016 saw the final full year of referrals for the Work Programme, Rehab JobFit has particularly focussed on ensuring that its partners are fully equipped to support the remaining customers on the programme.

In particular, it launched an enhanced Customer Framework which includes a Breakthrough course which has yielded strong results at converting the hardest-to-help customers into Job Entries.

The Mandatory Work Activity (MWA) contract concluded in 2016; the contract successfully delivered 17,948 placement outcomes for customers. This was a strong result, especially in an environment where it can be challenging to engage with placement hosts for voluntary work.

Social Enterprises

The Rehab Group's social enterprises for people with disabilities are delivered in Ireland by Rehab Enterprises and in Scotland by Haven Enterprises.

Rehab Enterprises continues to employ a total workforce of 312 of whom 173 are employees with a disability. Fundamental to our success are our employees and our customers.

Rehab Enterprises aspires to balance a successful commercial activity with employee wellbeing. During 2016, our employees continued to fulfil contracts for our key commercial partners including: Dell, DuPont and Thermoking.

Haven Products in Scotland has continued to enjoy valued support from its existing long-term customers and the Scottish Government, and continues to win new contracts in both the public and private sector, particularly in the health, central Government and emergency services sectors.

The consolidation of four of six of the businesses in 2015 into two new modern factory locations continued in 2016 and across the businesses people with disabilities represented 235 out of the total Haven Products workforce of 245, making the organisation the largest employer of people with disabilities in Scotland.

Haven Products continues to achieve high levels of quality and satisfaction for its customers, however the challenge remains to grow the customer base to ensure the long term financial viability on which its charitable purpose is founded.

Haven Products continues to engage and participate in discussions with the UK Government in Westminster and the devolved Scottish Government in Edinburgh as outcomes from Scotland`s devolved employability and procurement policies become clearer.

In 2016, The Rehab Group's Advocacy Team in Ireland supported 2,579 people across RehabCare and National Learning Network services.

Advocacy

The Rehab Group's Five Year Strategic Plan seeks to position The Rehab Group as a leading Charity for championing the rights, needs and voice of people living with a disability and/or who are disadvantaged.

In 2016, The Rehab Group's Advocacy Team in Ireland supported 2,579 people across RehabCare and National Learning Network services. This was an increase of 21% on the 2015 figures.

In 2014 and 2015 significant work had been undertaken to build national representative structures in both RehabCare and National Learning Network. In 2016, work began to bring these two representative structures together in line with the organisational change. A joint National Advocacy Conference in April 2016 was an important first step in establishing the potential benefits of such a merger. Later in the year a sub-group of the two national committees identified a way forward to working together with elections to a new joint representative structure planned for April 2017.

A joint pre-Budget Submission was developed by the advocacy committees with 650 people who use The Rehab Group's services participating in a survey that found that 70% of people in The Rehab Group's services find it difficult or very difficult to live on the income they receive from the State. A Voter Education Programme was rolled out in The Rehab Group's centres in Ireland to build capacity around the election which took place in February 2016.

A number of targeted submissions in areas of interest including to the Public Consultation on Commissioning in Human, Social and Community Services and a submission to the Oireachtas Committee on the Future of Healthcare in Ireland. The Rehab Group continued to influence the implementation of the Comprehensive Employment Strategy for People with Disabilities and played a central role in the consultation to develop Make Work Pay an interdepartmental group looking at ways to remove financial barriers to employment for people with disabilities. This report is due to be published in early 2017. Work continued to highlight the potential of Article 20 of the Public Procurement Directives to reserve contracts for social enterprises, an issue which will continue to be a priority into 2017.

2016 marked the 10th Anniversary of the introduction of the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). A Government commitment to ratify the Convention by year end did not come to fruition. The Rehab Group remains committed to calling for ratification and to influencing the relevant policy areas which are included in the Government's roadmap to ratification. In 2016, this included influencing a new law relating to sexual relationships for people with intellectual disabilities which was included in the Criminal Justice (Sexual Offences) Bill 2015 and enacted in early 2017. It removes an outright ban on sexual relationships for people with intellectual disability to a consideration of the person's capacity, a major development in the human rights of people with disabilities.

Lotteries and Fundraising

In 2012 the Government in Ireland took a decision to wind down the Charitable Lottery Fund ("CLF") over three years ending in 2015. The Rehab Group received €nil (2015: €686,000) from the CLF in 2016.

This fund had been established in 1997 to compensate charitable lotteries whose prize funds are capped and which had suffered as a result of direct competition from the National Lottery. The CLF was a significant source of funds for The Rehab Group.

By 2016 the External Lottery Management Company (ElmCo), a joint venture which was set up to manage lotteries on behalf of The Rehab Group since 2014, had become bedded down and has an excellent working relationship with The Rehab Group. Internal change management has taken place to make the enterprise efficient and build a foundation for growth on the ground.

A number of new lottery products were being developed in 2016 with a view to being launched in 2017.

It needs to be borne in mind that these lottery products compete against the National Lottery which dominates the Irish market. A significant portion of lottery sales goes on prizes, however in 2016 The Rehab Group secured a net return €390,000 from this activity (2015: €420,000).

In addition The Rehab Group benefits from The Care Trust which also raises funds for the Central Remedial Clinic and the Mater Misericordia University Hospital. The Care Trust publishes its own annual report which is available upon request or on its website; www.thecaretrust.ie .

In 2016, The Care Trust contributed €1.2m to The Rehab Group which was applied to various The Rehab Group capital projects, the most significant being the development of a new day service for people with autism, in Tullamore, Co. Offaly. (2015: €1.3m)

Kathleen O'Meara, Director of Fundraising, was appointed to the Board of The Care Trust in November 2016.

A Fundraising Manager was not appointed in 2016. However, some local fundraising has been taking place and €109,500 was raised in 2016 via RehabCare centres.

Fundraising continues in the UK with the most significant event being the Annual Moor Park Golf Classic which raises £30k annually.

Investment

In 2009, The Rehab Group transferred its glass and can recycling business into a new joint venture with another recycling company Glassco Recycling Limited. The joint venture company is called Rehab Glassco Limited. The Directors decided to dispose of its shareholding in Rehab Glassco Limited and this transaction was concluded on 22 December 2016.

Reserves

As a diverse and geographically dispersed charity, the Directors are conscious of the need to regularly review our reserves position to ensure that we have adequate funds to support the work of the charity. At a minimum, this review is completed annually. In doing this, we take into consideration the assets required to provide long-term care and employment support for the people using our services, reasonable working capital and planned development projects. Also, we hold adequate reserves to react to challenging and unforeseen circumstances, whilst ensuring that the maximum levels of resources are applied to the people who avail of our services or depend upon the Group to provide supported employment.
The Board has set a target of greater than €20m to be maintained in unrestricted general funds. This amounts to approximately 20% of the organisation's annual payroll costs (2016: €93m). As at 31 December 2016, unrestricted funds amounted to €29.4m (2015: €21.8m).

Financial review

The year ending 31 December 2016 is our second year reporting under SORP (FRS 102) for charities. There were three events in particular that stand out during the year, namely the sale of Roslyn Park, Sandymount, Co. Dublin, the transfer of the Chaseley Trust to new trustees and the disposal of our shareholding in Rehab Glassco. The objective of each of these transactions was to help to deliver financial sustainability for the Group. The operating loss for the year is (€2.9m) (2015: (€1.7m)). Total incoming resources amounted to €151m (2015: €160m).

Our sources of funding

The table below summarises the main sources of income for the Group for the provision of services:

	€'000
Health Service Executive	64,160
Education Training Boards	27,021
Department for Work and Pensions (UK)	12,424
Other	41,646
Income from charitable activities	145,251

Total expenditure amounted to €154m (2015: €162m). The Group's share of resources in associates and joint venture undertakings was €1.6m (2015: €1.6m).

Finally, foreign exchange gains of €150k meant the net movement in funds for the year ended up as €3.4m versus a loss of €0.03m in 2015.

Capital expenditure amounted to €3.2m (2015: €5.2m).

There was an inflow of cash of €1.3m during the year (2015 outflow: €4.5m) before repayment borrowings resulting in a net movement in cash of €13.1m (2015 €3.6m outflow).

Funds	€'000	€'000
Group		
Opening funds as at 1 January 2016		54,688
Foreign currency translation		150
Total income including associate	161,251	
Total expenditure	(157,959)	
Net Income/Expenditure		3,292
Closing funds as at 31 December 2016		58,130

Movement in funds is disclosed in note 25 to the accounts.

Future Plans

These are exciting times for The Rehab Group and the future is looking positive.

The publication of The Rehab Group's Five Year Strategic Plan in 2015 laid the foundations for a transformed organisation. It sets out a clear plan for The Rehab Group's future and gives clear direction to staff and people using our services about how we intend to work and what we will achieve. Our key focus will always be on the person who uses our service and how we can continue to improve the supports that they need in order to live the lives they want to live, independent and empowered.

New organisational structures, the groundwork for which was laid in 2016 will ensure a more agile and nimble organisation, better suited to meeting the needs of the people who use its services. This new, streamlined, integrated structure will offer a holistic end-to-end journey for people with disadvantage or disability and will also help bring the people who manage the organisation closer to those it serves.

The first half of 2017 will see the induction of new Regional Operating Officers (ROOs) and Integrated Services Managers (ISMs) who will oversee the running of services in both Ireland and the UK. For the first time training and health and social care services will be managed together. All have been appointed from within the organisation which will be crucial to enabling a smooth transition.

The new organisational structure has also impacted on the organisation's support structures with existing directorates re-imagined to ensure that the focus is on the needs of the people who use our services.

While much of 2016 was focused on internal change and development, the external environment will play a greater role in coming years. In 2017, we will continue to take account of political, economic, social, technological and regulatory changes. The changing policy environment offers many opportunities for The Rehab Group to develop new initiatives and service models but there are also challenges on the horizon.

Negotiations with the HSE will continue in relation to securing the additional funding required to ensure that The Rehab Group's employees benefit from the pay restoration measures of relevant public sector pay agreements in line with pay restoration experienced by public sector counterparts. The Rehab Group is committed to continue to advocate for fair and equal pay for its employees.

From an advocacy perspective, ratification of the UNCRPD is a key objective for the organisation and a number of activities are planned for 2017 to ensure that the focus remains on its completion.

The Strategic Plan commits The Rehab Group to corporate excellence and to building a sustainable model of services by maximising value, efficiency, transparency and governance across the Group. This will mean making important choices about what to invest in, and what to divest, in line with the Strategy. A number of key decisions made in 2016, as referenced above, have secured the future of the organisation.

New service development and innovation will be key to future development and to ensuring that the supports provided remain relevant and in line with best practice. Work to bring together people from different areas of the organisation into one cohesive service development function has begun and this will begin to reap rewards in 2017. We will use the wealth of knowledge of our people to develop more effective models of service. Our goal is that The Rehab Group will be at the forefront of evidence-based practice and will enable our people to be leaders in their fields.

Within the UK the Haven Enterprise businesses will continue to seek out business development opportunities from both public and private sector customers that strengthen and consolidate their operational footprint creating additional sustainable job creation and training opportunities for disabled clients.

The Momentum Skill Services in both England and Scotland will continue to service both local and national specialist supported employment and training programmes. As the devolved employability powers begin to transfer from Westminster to Holyrood, Momentum Skills Scotland will continue to position themselves as a prime provider for the interim "Work First" programme and future "Fair Start" programme anticipated to commence in 2018.

In recent years, The Rehab Group has focused on ensuring that the foundations of its organisation are strong and that the organisation is fit-for-purpose in the face of much anticipated external change.

Our priority is and will remain the people that we support. Our management culture has been transformed to drive accountability and enable improvements.

The groundwork completed will ensure a strong unified culture, investing in the development of service provision and our employees and building a flexible skillset to deliver and develop our services and supports in years to come.

In October 2016 the Board considered a number of propositions brought by the Director of Strategy and Business Development designed to advance and develop the strategic aims of the organisation. The areas selected for development are: Decongregration: moving away from outdated, institutionalised settings; Unscheduled Emergency Access: a residential service specifically for emergency need; Ageing and Intellectual Disability: specialist community support which is required for the growing number of people with an intellectual disability who are living longer; Mental Health Services, a non-clinical community service model and Vocational Rehabilitation for Acquired Brain Injury: an integrated and progressive route back to education and employment for people with ABI. The newly appointed Heads of Community Support, Learning and Employability will develop each of these propositions once the transition into their new roles is complete.

Subsequent events

Subsequent to the year end, The Rehab Group made the decision to sell Acorn Training Consultants Limited. The sale was effective 1 February 2017. There were no other significant events affecting the company since the year end.

Research and development

Evidence-based practice underpins all of our support services, and in 2016, the organisation supported numerous external and internal research projects in areas such as mental health and disability. A joint research study by AHEAD and NLN investigated good practice in third level educational institutions on supporting students with mental health difficulties. We continue to develop links with partner academic institutions, and in 2017/18 will be establishing a new research and ethics committee, as well as further developing our research department.

Related parties

Details of transactions with related parties and connected organisations can be found in note 34 to the financial statements.

Political donations

Neither the Company nor any of its subsidiaries, joint ventures or associates made any disclosable political donations in the current financial year.

Transactions with Directors

Details of transactions with Directors can be found in note 31 to the financial statements.

Accounting records

The measures taken by the Directors to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, are the implementation of necessary policies and procedures for recording transactions, employment of appropriately qualified accounting personnel with appropriate expertise, the provision of adequate resources to the financial function and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at Roslyn Park, Sandymount, Dublin 4.

Statement on relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 332 of the Companies Act 2014:

a. so far as each Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and

b. each Director has taken all of the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Auditors

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

The Directors' Report was approved by the Board and authorised for issue on 8 May 2017.

J Tolan	**N O'Kelly**
Director	Director

8 May 2017

Directors

The names of the persons who were Directors at any time during the year ended 31 December 2016 are set out below. Unless indicated otherwise, they served as Directors for the entire year.

James Tolan	*appointed 14 March 2016*
Noreen O'Kelly	*appointed 8 February 2016*
Assumpta Kelly	
Maeve Martin	
Kevin Marshall	
Patrick Salmon	
Steven Wrigley-Howe	
Michael Williams	
Stan McHugh	
John Frederick Smith	
Niamh Hyland	*resigned 11 April 2017*
Brendan Nevin	*resigned 7 March 2017*
Killian O'Higgins	*resigned 23 November 2016*
Joyce Brereton	*resigned 9 May 2016*

Directors' Responsibilities Statement

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

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

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

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

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

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

J Tolan
Director

N O'Kelly
Director

8 May 2017

Independent Auditors' Report

to the members of The Rehab Group

We have audited the financial statements of The Rehab Group for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities (including an Income and Expenditure Account), Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with 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.

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 Group's and the parent 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.

Opinion on financial statements

In our opinion the Group and parent company financial statements:

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

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by Sections 305 to 312 of the Act are not made.

Tommy Doherty
For and on behalf of
Mazars
Chartered Accountants
& Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

Consolidated Statement of Financial Activities

(including an income and expenditure account) For the Year Ended 31 December 2016

	Notes	Unrestricted 2016 €'000	Restricted 2016 €'000	Total 2016 €'000	Total 2015 €'000
Income and endowments					
Income including share of joint venture	3	154,675	1,943	**156,618**	165,909
Less: share of joint venture income		(5,397)	-	**(5,397)**	(5,597)
Group income and endowments		149,278	1,943	**151,221**	160,312
Income: donations and legacies					
Lotteries and donations	4	3,372	7	**3,379**	4,197
Grant income	5	1,968	623	**2,591**	2,266
Investment and other income		-	-	**-**	1
		5,340	630	**5,970**	6,464
Income from charitable activities					
Training, support and employability	6	63,925	1,088	**65,013**	71,750
Day activity and care services	7	54,108	225	**54,333**	55,498
Social enterprises	8	25,905	-	**25,905**	26,600
		143,938	1,313	**145,251**	153,848
Total income and endowments	3	149,278	1,943	**151,221**	160,312
Expenditure on:					
Raising funds					
Voluntary costs including fundraising, lotteries and donations		(2,995)	(3)	**(2,998)**	(3,920)
Charitable activities					
Training, support and employability		(63,738)	(999)	**(64,737)**	(68,759)
Day activities and care services		(57,330)	(163)	**(57,493)**	(60,895)
Social enterprises		(28,723)	(193)	**(28,916)**	(28,413)
		(149,791)	(1,355)	**(151,146)**	(158,067)
Total expenditure	9	(152,786)	(1,358)	**(154,144)**	(161,987)

Consolidated Statement of Financial Activities (continued)

(including an income and expenditure account) For the Year Ended 31 December 2016

	Notes	Unrestricted 2016 €'000	Restricted 2016 €'000	Total 2016 €'000	Total 2015 €'000
Net expenditure for the year before exceptional item		(3,508)	585	**(2,923)**	(1,675)
Group share of resources in associate and joint venture undertakings		1,561	-	**1,561**	1,569
Exceptional items:					
Profit on sale of Roslyn Park		8,378	-	**8,378**	-
The Chaseley Trust exit		(2,478)	-	**(2,478)**	-
Rehab Glassco (shared disposal)		(1,337)	-	**(1,337)**	-
Net income/(expenditure) for the year after exceptional item and before transfers		2,616	585	**3,201**	(106)
Transfer between funds	*25*	3,508	(3,508)	**-**	-
Net income/(expenditure) before other recognised gains and losses		6,124	(2,923)	**3,201**	(106)
Other recognised gains and losses					
Exchange gain/(loss) on foreign currency net assets	*25*	691	(541)	**150**	138
Gains on revaluation of fixed assets		91	-	**91**	-
Net movement in funds		6,906	(3,464)	**3,442**	32
Fund brought forward 1 January	*25*	32,894	21,794	**54,688**	54,656
Fund balances carried forward 31 December	*25*	39,800	18,330	**58,130**	54,688

Consolidated Balance Sheet

31 December 2016

	Notes	2016 €'000	2015 €'000
Fixed assets			
Intangible assets - goodwill	*16*	**-**	43
Intangible assets - negative goodwill	*16*	**-**	(383)
Tangible assets	*17*	**42,170**	58,289
Investments:	*18*		
Investment in joint venture		**-**	2,701
Investment in associates		**241**	134
Other investments		**-**	208
Total fixed assets		**42,411**	60,992
Current assets			
Stocks	*19*	**1,190**	1,059
Debtors	*20*	**21,793**	14,972
Cash at bank		**21,516**	19,523
		44,499	35,554
Creditors - amounts falling due within one year	*21*	**(22,711)**	(20,273)
Net current assets		**21,788**	15,281
Total assets less current liabilities		**64,199**	76,273
Creditors - amounts falling due after more than one year	*22*	**(1,091)**	(16,380)
Provisions for liabilities and charges	*23*	**(4,978)**	(5,205)
Net assets		**58,130**	54,688
Funds			
Restricted funds	*25*	**18,330**	21,794
Unrestricted funds	*25*	**39,800**	32,894
Total funds		**58,130**	54,688

On behalf of the board

J Tolan
Director

N O'Kelly
Director

8 May 2017

Company Balance Sheet

31 December 2016

	Notes	2016 €'000	2015 €'000
Fixed assets			
Tangible assets	*17*	**20,602**	32,313
Financial assets	*18*	**316**	210
		20,918	32,523
Current assets			
Debtors	*20*	**8,496**	5,110
Cash at bank		**7,411**	2,618
		15,907	7,728
Creditors - amounts falling due within one year	*21*	**(15,639)**	(7,688)
Net current assets		**268**	40
Debtors - amounts falling due after more than one year	*20*	**2,474**	6,173
Total assets less current liabilities		**23,660**	38,736
Creditors - amounts falling due after more than one year	*22*	**(758)**	(15,008)
Provisions for liabilities and charges	*23*	**(1,090)**	(1,303)
Net assets		**21,812**	22,425
Funds			
Restricted funds	*25*	**6,591**	7,142
Unrestricted funds	*25*	**15,221**	15,283
Total funds		**21,812**	22,425

On behalf of the board

J Tolan
Director

N O'Kelly
Director

8 May 2017

Consolidated Statement of Cash Flows

Year Ended 31 December 2016

	Notes	2016 €'000	2015 €'000
Cashflows from operating activities:			
Net cash used in operating activities	*27*	**(5,610)**	(385)
Cashflows from investing activities:			
Purchase of property, plant and equipment	*17*	**(3,233)**	(5,204)
Proceeds from the sale of property, plant and equipment		**20,593**	2,678
Interest received	*13*	**28**	96
Interest paid	*13*	**(594)**	(748)
Purchase of investments		**-**	(19)
Proceeds from the sale of investments		**1,933**	-
Net cash provided by/(used in) investing activities		**18,727**	(3,197)
Cashflows from financing activities:			
Repayments of borrowings		**(12,035)**	(948)
Finance lease repaid		**195**	-
Net cash used in financing activities		**(11,840)**	(948)
Change in cash and cash equivalents in the reporting period	*29*	**1,277**	(4,530)

Notes to the Financial Statements

1 General Information

These financial statements comprising the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes 1 to 40 constitute the Group financial statements of The Rehab Group for the financial year ended 31 December 2016.

The Rehab Group is a company limited by guarantee (governed by Part 18 of the Companies Act 2014), incorporated in the Republic of Ireland. The registered office is Roslyn Park, Sandymount, Dublin 4. The principal place of business of the Company is the Republic of Ireland. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 13 to 24.

The Rehab Group is constituted under Irish company law as a company limited by guarantee and is a registered charity. In prior years, company law excluded companies which are not trading for gain from the requirements with regard to formats and content of financial statements which applied to for profit companies thus permitting the adoption of a format appropriate to a charity. Accordingly The Rehab Group has adopted and reported its performance for the financial year in the format of the Charities SORP's Statement of Financial Activities (SOFA).

The Companies Act 2014 became effective in law on 1 June 2015 and from that date applies the format and content of financial statements requirements appropriate for a company trading for the profit of its members to a company that is a not for profit organisation such as The Rehab Group.

In order to provide information relevant to understanding the stewardship of the directors and the performance and financial position of the charity, The Rehab Group has prepared its financial statements in accordance with the formats provided for in the Charities SORP.

Had the company format and content of financial statements requirements suitable for a company trading for the profit of its members been presented instead, a profit and loss account with related notes showing items such as turnover and cost of sales would have been reported along with a profit on ordinary activities before taxation.

Statement of Compliance

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2014. These financial statements also comply with the Statement of Recommended Practice (SORP FRS 102) "Accounting and Reporting by Charities".

Currency

The financial statements have been presented in Euro (€), which is also the functional currency of the Company. In instances where amounts have been rounded to the nearest thousand Euro, this is indicated by the symbol €'000.

2 Accounting Policies and Estimation Techniques

The significant accounting policies and estimation techniques adopted by the Group and parent company are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention modified to include certain items at fair value. The financial reporting framework that has been applied in their preparation is the Companies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and the Statement of Recommended Practice (Charities SORP (FRS102)) as published by the Charity Commission for England and Wales which is recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with SORP is considered best practice for charities in Ireland. As noted above, the directors consider that the adoption of the SORP requirements is the most appropriate accounting to properly reflect and disclose the activities of the organisation.

2 Accounting Policies and Estimation Techniques (continued)

The consolidated financial statements of The Rehab Group incorporate the results of The Rehab Group and all of its subsidiaries, and its share of the results of associate and joint venture undertakings for the year ended 31 December 2016. The results of subsidiaries are included from the effective date of acquisition. Acquisition accounting principles are followed in respect of all subsidiaries acquired.

Judgments and key sources of estimation uncertainty

The Directors consider the accounting estimates and assumptions below to be its critical accounting estimates and judgements:

Going Concern

The Directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the Company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Company was unable to continue as a going concern.

Impairment of Trade Debtors

The Group trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The Group uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis. The total amount of trade debtors is €12,837k (2015: €11,336k).

Impairment of Stocks

The Group holds stocks amounting to €1,190k (2015: €1,059k) at the financial year end date. The Directors are of the view that an adequate charge has been made to reflect the possibility of stocks being sold at less than cost. However, this estimate is subject to inherent uncertainty.

Useful Lives of Tangible Fixed Assets

Tangible fixed assets comprise plant and machinery, motor vehicles, computer equipment, and fixtures and fittings. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The Directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives, management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the financial year end date was €33m (2015: €46m).

Valuation of Land and Buildings

Land and buildings are stated at deemed cost less accumulated depreciation and accumulated impairment losses. The Group previously adopted a policy of revaluing land and buildings and they were stated at their revalued amount less any subsequent depreciation and impairment losses. The company revalued land and buildings on a fair value basis as at 1 January 2014. This valuation is being used as the deemed cost going forward.

Impairment of financial assets

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments in joint ventures are impaired. Where necessary, the Company's assessment is based on the estimation of the value-in-use of the assets defined in FRS 102 Section 27 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments as at 31 December 2016 was €241k (2015: €3,043k).

Notes to the Financial Statements (continued)

2 Accounting Policies and Estimation Techniques (continued)

Income

Income comprises fees for the provision of care, employment and training services; income from the sale of goods and services supplied by the social enterprises and income from fundraising activities and the sale of lottery products in support of The Rehab Group's main objective.

With the following exceptions, all revenue items are credited to the Statement of Financial Activities for the year to which they relate:

- Income from fundraising activities is recorded in the Statement of Financial Activities when the receipt is probable.
- Income from the Irish Government received through the Charitable Lottery Fund is recognised on a cash receipts basis.

In the notes to the financial statements, income is disclosed by funding source for the charitable activity, with the designation 'Other' primarily representing self-generated trading income. In addition, all State funding is separately identifiable within the same notes.

Interest receivable

Interest income is recognised using the effective interest method.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants

i) Grants from public authorities, the European Social Fund, and other agencies both in Ireland and the United Kingdom, are credited to the Statement of Financial Activities in the year to which they relate.

ii) Grants received towards capital expenditure are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific future period in which case they are deferred.

iii) Grants are recognised when there is evidence of entitlement and their receipt is probable.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Voluntary costs including fundraising, lotteries and donations;
- Training, support and employability;
- Day activities and care services;
- Social enterprises

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

2 Accounting Policies and Estimation Techniques (continued)

Allocation of support costs

Support costs arise from those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration costs, finance, personnel, IT, payroll and governance costs which support the Group's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 9.

Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

Leases

Where tangible assets are financed by leasing agreements which give rights approximating to ownership ("finance leases"), they are treated as if they had been purchased outright at the present values of the minimum lease payments and the corresponding leasing liabilities are shown in the balance sheet as finance leases.

Depreciation on leased assets is calculated on a straight line basis over the estimated useful lives of the individual assets. Interest arising on finance leases is charged to the Statement of Financial Activities in proportion to the amounts outstanding under the leases.

All operating lease rentals are charged to the Statement of Financial Activities on a straight line basis. The Group classifies the lease of premises and motor vehicles as operating leases, as the title to the asset remains with the lessor.

Employee benefits

The group provide a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The Rehab Group operates defined contribution schemes. The pension entitlements are secured by contributions by The Rehab Group to separately administered pension funds. A defined contribution plan is a pension plan under which The Rehab Group and employees pay a fixed percentage of the employee's salary as a contribution into a separate fund. Under these plans, The Rehab Group has no further payment obligations once the contributions have been paid.

The costs arising in respect of The Rehab Group's defined contribution schemes are charged to the Statement of Financial Activities in the period in which they are incurred.

Taxation

The Group's operations are substantially not for profit and accordingly avail of the Charities exemption from corporation tax. The remainder of operations are subject to taxation.

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Notes to the Financial Statements (continued)

2 Accounting Policies and Estimation Techniques (continued)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Foreign currencies

The principal exchange rates used for the translation of results, cash flows and balance sheet into Euro were as follows:

British Pound	**2016 €1=Stg£**	**2015 €1=Stg£**
Average	0.82021	0.7263
Year end	0.8543	0.7375

Polish Zloty	**2016 €1=PLN**	**2015 €1=PLN**
Average	4.3632	4.184
Year end	4.4103	4.264

Saudi Riyal	**2016 €1=SAR**	**2015 €1=SAR**
Average	4.140	4.166
Year end	3.940	4.092

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and revenues, costs and non-monetary assets at the exchange rates ruling at the dates of the transactions.

Gains and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the Statement of Financial Activities.

Monetary assets are monies held and amounts to be received in money; all other assets are non-monetary assets.

The balance sheets of foreign subsidiary undertakings, joint ventures and associates are translated into Euro using the closing rate method and the Statements of Financial Activities are translated using the average rate for the period. Exchange differences arising from the translation of the opening net investment together with the difference between the Statement of Financial Activities translated at the average rate and closing rate are dealt with as adjustments to reserves

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

2 Accounting Policies and Estimation Techniques (continued)

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be measured reliably they are disclosed on the same basis as other contingent liabilities.

Goodwill, representing purchased goodwill, being the difference of the cost of acquisition of new subsidiaries, joint ventures and associates over the fair value of the net tangible assets acquired, is capitalised as an intangible asset and amortised over a certain period. The period chosen is the Directors' best estimate of the goodwill's useful life and is outlined in Note 16.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Land and buildings
Land and buildings are stated at deemed cost less accumulated depreciation and accumulated impairment losses. In transitioning to FRS102 the Company revalued land and buildings as at 1 January 2014. This valuation is being used as the deemed cost going forward.

Depreciation

Buildings are depreciated on a straight line basis at a rate of 2 - 4% per annum on both cost (without deduction of capital based grants) and valuation.

All other assets are depreciated on a straight line basis at such rates as will write off the cost of these assets over the period of their expected useful lives.

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

Derecognition
Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Activity.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, with the exception of losses on previously revalued assets which are recognised in other comprehensive income to the extent of any previously recognised revaluation increases accumulated in equity in respect of that asset.

If an impairment loss subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account except to the extent a previous impairment loss was recognised in equity.

Stocks

Stocks and work in progress have been valued at the lower of cost (which is comprised of suppliers' invoice price of materials) and net realisable value.

2 Accounting Policies and Estimation Techniques (continued)

Net realisable value comprises the actual or estimated selling price (net of trade but before settlement discounts), less all costs to be incurred in marketing, selling and distribution.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment loss is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Financial fixed assets

Investments in associated undertakings, where the Group has a long-term strategic interest, are recorded using the equity method of accounting. Under this method, the Group's current year share of post-acquisition gains less losses is included in the Statement of Financial Activities and added to the carrying value of the investments in the balance sheet.

The Group's share of income and results of joint ventures, which are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement, are equity accounted from the dates on which the joint venture agreements are finalised.

Interests in subsidiary undertakings are stated in the Company's balance sheet at cost, less provision for any permanent diminution in value.

Accounting for partnership interests

These financial statements include the results of TBG Learning Limited, and its share of the results of Rehab Jobfit LLP. In accordance with FRS 102 Section 15, the Group has included its share of assets, liabilities and profits from the 51% share held in Rehab Jobfit LLP. Rehab Jobfit LLP is a limited liability partnership between The Rehab Group, TBG Learning Limited, and Interserve PFI 2009 Limited. The partnership is jointly controlled by both parties. The Rehab Group has a 51% interest in the surplus, assets and liabilities of the partnership. This interest has been assigned to TBG Learning Limited by The Rehab Group. TBG Learning Limited has been appointed to the partnership as a corporate member. The partnership remains under the joint control of The Rehab Group and Interserve PFI 2009 Limited. There is no restriction on the distribution of the partnership's surpluses and reserves.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above net of outstanding bank overdrafts, if any.

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and amounts due from group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

2 Accounting Policies and Estimation Techniques (continued)

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled; or substantially all the risks and rewards of the ownership of the asset are transferred to another party; or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions on transfer.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and amounts due to group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Unlisted Investments

The Company holds investments in unlisted equity shares of a number of entities. It is considered by the Directors that the fair value of these shares cannot be measured reliably. These investments are measured at cost less impairment.

Trade and other debtors

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Group's work or for specific projects being undertaken by the Group.

Notes to the Financial Statements (continued)

2 Accounting Policies and Estimation Techniques (continued)

Provisions and contingencies

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Contingencies

Contingent liabilities, arising as a result of past events, are recognised when it is probable that there will be an outflow of resources and the amount can be reliably measured at the reporting date. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

3 Total income by geographical location

Current year	**Total income €'000**	**Less share of joint venture €'000**	**2016 €'000**
Ireland	122,755	(5,397)	**117,358**
UK	29,423	-	**29,423**
Other	4,440	-	**4,440**
	156,618	(5,397)	**151,221**

Total income by geographical location Prior year	**Total income €'000**	**Less share of joint venture €'000**	**2015 €'000**
Ireland	120,331	(5,597)	**114,734**
UK	39,893	-	**39,893**
Other	5,685	-	**5,685**
	165,909	(5,597)	**160,312**

4 Lotteries and donations

Current year	Unrestricted €'000	Restricted €'000	2016 €'000
Local fundraising	179	-	**179**
Lottery activity	2,899	-	**2,899**
Donations	58	7	**65**
Other	236	-	**236**
	3,372	7	**3,379**

Lotteries and donations Prior year	Unrestricted €'000	Restricted €'000	2015 €'000
Local fundraising	173	86	**259**
Lottery activity	3,467	-	**3,467**
Donations	241	7	**248**
Other	223	-	**223**
	4,104	93	**4,197**

5 Grant income

Current year	Unrestricted €'000	Restricted €'000	2016 €'000
Charitable Lottery Fund	-	-	**-**
Capital grants	5	430	**435**
Other grants	1,963	193	**2,156**
	1,968	623	**2,591**

Grant income Prior year	Unrestricted €'000	Restricted €'000	2015 €'000
Charitable Lottery Fund	686	-	**686**
Capital grants	-	726	**726**
Other grants	182	672	**854**
	868	1,398	**2,266**

Notes to the Financial Statements (continued)

6 Training, support and employability

Current year	Unrestricted €'000	Restricted €'000	2016 €'000
HSE	13,999	-	**13,999**
Education Training Boards (ETB's)	27,021	-	**27,021**
Department for Work and Pensions (UK)	12,424	-	**12,424**
Glasgow City Council (UK)	372	364	**736**
Pobal	-	-	**-**
Other	10,109	724	**10,833**
	63,925	1,088	**65,013**

Training, support and employability Prior year	Unrestricted €'000	Restricted €'000	2015 €'000
HSE	13,609	-	**13,609**
Education Training Boards (ETB's)	26,641	-	**26,641**
Department for Work and Pensions (UK)	19,835	-	**19,835**
Glasgow City Council (UK)	-	497	**497**
Pobal	510	-	**510**
Other	9,492	1,166	**10,658**
	70,087	1,663	**71,750**

7 Day activity and care services

Current year	Unrestricted €'000	Restricted €'000	2016 €'000
HSE	50,161	225	**50,386**
Other	3,947	-	**3,947**
	54,108	225	**54,333**

Day activity and care services Prior year	Unrestricted €'000	Restricted €'000	2015 €'000
HSE	48,800	-	**48,800**
Other	6,323	375	**6,698**
	55,123	375	**55,498**

8 Social enterprises

Current year	Unrestricted €'000	Restricted €'000	2016 €'000
Department of Work and Pensions (UK)	-	-	**-**
Wages Subsidy Scheme - Department of Social Protection	2,595	-	**2,595**
Income from trading activities	23,310	-	**23,310**
	25,905	-	**25,905**

Social enterprises Prior year	Unrestricted €'000	Restricted €'000	2015 €'000
Department for Work and Pensions (UK)	1,808	-	**1,808**
Wages Subsidy Scheme - Department of Social Protection	2,766	-	**2,766**
Income from trading activities	22,026	-	**22,026**
	26,600	-	**26,600**

9 Analysis of expenditure

Current year	Fundraising €'000	Training support and employability €'000	Day activity and care services €'000	Social enterprises €'000	2016 Total €'000
Staff costs (note 12)	262	38,568	41,541	12,443	**92,814**
Depreciation (note 17)	24	964	1,539	673	**3,200**
Other operating costs	290	24,523	14,073	3,995	**42,881**
Prizes and retailer commission	2,406	-	-	-	**2,406**
Raw materials and freight	-	68	-	11,544	**11,612**
Net finance charge (note 13)	16	202	251	97	**566**
Amortisation/impairment of goodwill	-	-	89	-	**89**
Taxation (note 14)	-	420	-	25	**445**
Increase/(decrease) in stock and WIP (note 19)	-	(8)	-	139	**131**
	2,998	64,737	57,493	28,916	**154,144**

Analysis of expenditure Prior year	Fundraising €'000	Training support and employability €'000	Day activity and care services €'000	Social enterprises €'000	2015 Total €'000
Staff costs (note 12)	383	39,930	43,614	12,319	**96,246**
Depreciation (note 17)	52	853	2,010	782	**3,697**
Other operating costs	413	27,247	14,944	4,000	**46,604**
Prizes and retailer commission	3,048	-	-	-	**3,048**
Raw materials and freight	-	169	12	10,301	**10,482**
Net finance charge (note 13)	24	169	356	103	**652**
Amortisation of goodwill	-	-	(41)	781	**740**
Taxation (note 14)	-	397	-	42	**439**
Increase/(decrease) in stock and WIP (note 19)	-	(6)	-	85	**79**
	3,920	68,759	60,895	28,413	**161,987**

Notes to the Financial Statements (continued)

9 Analysis of expenditure (continued)

Included in the analysis above are the following support costs:

Analysis of support costs Current year	**Governance €'000**	**Human resources €'000**	**Information technology €'000**	**Finance and administration €'000**	**Policy compliance & communication €'000**	**2016 Total €'000**
Staff costs	287	2,081	470	2,299	2,207	**7,344**
Other operating costs	293	501	2,049	357	563	**3,763**
	580	2,582	2,519	2,656	2,770	**11,107**

Analysis of support costs Prior year	**Governance €'000**	**Human resources €'000**	**Information technology €'000**	**Finance and administration €'000**	**Policy Compliance & communication €'000**	**2015 Total €'000**
Staff costs	232	2,351	769	2,732	2,834	**8,918**
Other operating costs	431	642	2,220	316	665	**4,274**
	663	2,993	2,989	3,048	3,499	**13,192**

Where staff or other costs in support functions are borne centrally, they are charged out on the basis of headcount, time allocation or in the case of Information Technology based on users of technology; otherwise support costs are incurred wholly and exclusively within the service.

Analysis of governance costs	**2016 €'000**	**2015 €'000**
Board and committee meeting costs	**34**	52
Company secretarial costs	**103**	161
Legal, strategy and other costs	**-**	82
External audit fees		
- Audit work (excluding vat)	**163**	160
Internal audit	**280**	208
	580	663

10 Net (expenditure)/income

	2016 €'000	2015 €'000
Net income/(expenditure) for the year has been arrived at after charging:		
Auditors' remuneration - group		
- Statutory audit of group and subsidiaries' accounts	**163**	160
- Other assurance services	**-**	-
- Tax advisory and compliance services	**2**	-
	165	160
Depreciation of tangible fixed assets owned	**3,200**	3,697
Impairment of goodwill (note 16)	**36**	670
Amortisation of goodwill (note 16)	**(383)**	70
Operating lease rentals:		
- Property	**3,662**	3,722
- Other	**604**	720
Realised gain/(loss) on foreign currency transactions	**(684)**	180
Cost of stock recognised as an expense	**131**	79
Impairment of stock recognised as an expense in cost of sales	**9**	11

Whilst The Rehab Group is a charity and does not in the main incur corporation tax, it does remit significant payroll taxes and incurs a significant cost in irrecoverable VAT.

11 Exceptional items

	2016 €'000	2015 €'000
Profit on the sale of Roslyn Park, Sandymount, Dublin 4	**8,378**	
The Chaseley Trust – Exit from Group	**(2,478)**	-
Disposal of shares in RG Recycle Holdings Ltd	**(1,337)**	-
	4,563	-

The above items are considered to be exceptional by virtue of size or incidence, notwithstanding that they fall within the ordinary activities of the Company.

Notes to the Financial Statements (continued)

12 Staff costs

The average monthly number of persons employed by the Group during 2016 analysed by category was as follows: 3,073 (2015: 3,234). All directors of the Company are non-executive and receive no remuneration.

	2016 Number	2015 Number
Management	**220**	205
Administration/support	**203**	243
Service delivery	**2,650**	2,786
	3,073	3,234

	2016 €'000	2015 €'000
Their aggregate remuneration comprised:		
Staff costs:		
- Wages and salaries	**78,450**	81,233
- Social welfare costs	**7,886**	8,077
- Retirement benefit costs	**5,872**	5,916
	92,208	95,226
- Other compensation costs – termination benefits	**606**	1,020
	92,814	96,246

All the amounts stated above were treated as an expense of the Group in the financial year. No amount was capitalised into assets.

The Group operates a number of defined contribution pension schemes for employees of group companies. All are held in separate trustee administered funds.

	2016 Number	2015 Number
The remuneration of higher paid employees		
€60,000 - €70,000	**56**	58
€70,001 - €80,000	**28**	23
€80,001 - €90,000	**11**	15
€90,001 - €100,000	**7**	8
€100,001 - €110,000	**6**	6
€110,001 - €120,000	**5**	3
€120,001 - €130,000	**3**	-
€130,001 - €140,000	**-**	1
€140,001 - €150,000	**1**	1
€170,001 - €180,000	**-**	1
€190,001 - €200,000	**-**	-
€220,001 - €230,000	**-**	1
€270,001 - €280,000	**-**	1
€300,001 - €310,000	**-**	1
	117	119
Numbers excluding redundancies	**113**	117

Employer pension contributions made to defined contribution schemes for these 117 employees amounted to €586,792 during the year.

12 Staff costs (continued)

Remuneration includes salary, redundancy costs and benefit in kind on motor vehicles but excludes pension scheme contributions. If redundancy costs were excluded, staff would be included on this table in 2016, which is included below:

	2016 Number	2015 Number
The remuneration of higher paid employees excluding redundancy		
€60,000 - €70,000	**56**	58
€70,001 - €80,000	**27**	23
€80,001 - €90,000	**11**	15
€90,001 - €100,000	**5**	7
€100,001 - €110,000	**5**	7
€110,001 - €120,000	**5**	4
€120,001 - €130,000	**3**	-
€130,001 - €140,000	**-**	1
€140,001 - €150,000	**1**	1
€170,001 - €180,000	**-**	1
	113	117

The Chief Executive has an annual salary of €140,000.

Included in the remuneration figures used to complete this table are redundancy costs totalling €165,299 and benefit in kind totalling €216,673. Total remuneration including redundancy costs paid to the Senior Leadership Team (SLT) in 2016 amounted to €1,236,234.

Prior to 2014, the CEO and members of the SLT's compensation was aligned to the general market including all organisation types in Ireland. The compensation included contractual bonus arrangements. During 2014, the CEO and members of the SLT's compensation arrangements were revised by the Group Board and aligned to appropriate benchmarks in the Public, Health and Not for Profit sectors in Ireland. This involved very significant pay cuts for continuing SLT members (an average base salary reduction of 18.5%) and a termination of all bonus arrangements. It also involved a new compensation level for the recruitment of the CEO and new SLT members.

In 2015 two former employees' details have been redacted from this table as they withdrew their consent of disclosure of details to third parties that might identify them. Having taken legal advice and having previously consulted with the Data Protection Commissioner regarding the disclosure in 2014 the directors have redacted their details.

Notes to the Financial Statements (continued)

13 Finance costs

	2016 €'000	2015 €'000
This interest was in respect of:		
Interest receivable	**(28)**	(96)
Interest payable:		
Borrowings wholly repayable within five years	**594**	693
Borrowings not wholly repayable within five years	**-**	55
Total charge	**566**	652

14 Taxation

	2016 €'000	2015 €'000
Corporation tax:		
Overseas corporation tax on profit in the current year	**(445)**	(439)

The Group's operations are substantially not for profit and accordingly avail of the Charities exemption from corporation tax. The remainder of operations which are subject to corporation tax have, where possible, utilised tax losses brought forward to derive a nil charge for tax. The charge above relates to the activities of the Polish branch of Rehab Enterprises Limited and Saudi Rehab Group Services Co. LLC.

15 Company profit/loss for the financial year

In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual revenue account to the Annual General Meeting and from filing it with the Registrar of Companies. The Company's loss for the year is €0.6m (2015: loss of €6.5m).

16 Intangible assets

Current year	Goodwill on Redrock and Acorn acquisitions €'000	Goodwill on joint venture €'000	Negative goodwill €'000	Total 2016 €'000
At beginning of year	43	-	(383)	**(340)**
Currency adjustments	(7)	-	-	**(7)**
Additions	-	-	-	**-**
Impaired during the year	(36)	-	-	**(36)**
Amortised during year	-	-	383	**383**
At end of year	-	-	-	**-**

Prior year	Goodwill on Redrock and Acorn acquisitions €'000	Goodwill on joint venture €'000	Negative goodwill €'000	Total 2015 €'000
At beginning of year	266	550	(408)	408
Currency adjustments	14	-	(22)	(8)
Additions	-	-	-	-
Impaired during the year	(230)	(440)	-	(670)
Amortised during year	(7)	(110)	47	(70)
At end of year	43	-	(383)	(340)

Negative goodwill

In 2001, the Group took control of the Chaseley Trust by virtue of the fact that The Rehab Group controls the composition of the majority of its Trustees. This remaining negative goodwill was amortised during this year.

Goodwill on Redrock and Acorn acquisitions

In 2012, the Group acquired 100% of the shares of Acorn Training Consultants Ltd through its subsidiary TBG Learning Limited. The Directors have decided to write off the remaining goodwill in the current year.

Notes to the Financial Statements (continued)

17 Tangible assets

Current year	Land and buildings €'000	Plant and machinery €'000	Fixtures and fittings €'000	Computer equipment €'000	Motor vehicles €'000	Total €'000
Group						
Cost						
At 1 January 2016	63,198	15,111	12,507	13,796	4,805	109,417
Reclassification/transfers	-	-	-	-	-	-
Translation adjustment	(1,132)	(458)	(597)	(712)	(38)	(2,937)
Additions	1,304	229	187	1,029	484	3,233
Disposals	(16,775)	(1,738)	(3,038)	(3,764)	(321)	(25,636)
At 31 December 2016	46,595	13,144	9,059	10,348	4,931	84,077
Accumulated depreciation						
At 1 January 2016	9,068	13,817	11,869	12,640	3,734	51,128
Reclassification/transfers	-	-	(6)	6	-	-
Translation adjustment	(349)	(321)	(562)	(655)	(28)	(1,915)
Charge for the year (note 9)	1,333	290	261	934	382	3,200
Disposals	(2,055)	(1,475)	(2,900)	(3,765)	(311)	(10,506)
At 31 December 2016	7,997	12,311	8,662	9,159	3,778	41,907
Net book amounts						
At 1 January 2016	54,130	1,294	638	1,156	1,071	58,289
At 31 December 2016	38,598	833	397	1,189	1,153	42,170

17 Tangible assets - continued

Prior year	Land and buildings €'000	Plant and machinery €'000	Fixtures and fittings €'000	Computer equipment €'000	Motor vehicles €'000	Total €'000
Group						
Cost						
At 1 January 2015	62,431	14,831	12,010	12,614	4,688	106,574
Reclassification	-	-	359	429	-	788
Translation adjustment	512	160	197	222	13	1,104
Additions	2,848	600	191	531	1,034	5,204
Disposals	(2,593)	(480)	(250)	-	(930)	(4,253)
At 31 December 2015	63,198	15,111	12,507	13,796	4,805	109,417
Accumulated depreciation						
At 1 January 2015	7,696	13,370	11,107	11,191	4,229	47,593
Reclassification	-	-	359	429	-	788
Translation adjustment	141	103	170	202	9	625
Charge for the year (note 9)	1,764	445	233	916	339	3,697
Disposals	(533)	(101)	-	(98)	(843)	(1,575)
At 31 December 2015	9,068	13,817	11,869	12,640	3,734	51,128
Net book amounts						
At 1 January 2015	54,735	1,461	903	1,423	459	58,981
At 31 December 2015	54,130	1,294	638	1,156	1,071	58,289

Included above are the following amounts in respect of assets held under finance leases.

	2016 €'000	2015 €'000
Net book amount	205	-
Depreciation charge for year	11	-

The estimated useful lives of fixed assets by reference to which depreciation is calculated are as follows:

Freehold and leasehold buildings	25 - 50 years
Plant and machinery	3 - 10 years
Fixtures and fittings	3 - 10 years
Motor vehicles	5 - 7 years
Computer equipment	3 - 5 years

The properties included in freehold land and buildings were valued in Ireland by Lisney, 24 St Stephens Green, Dublin 2, an independent valuer, at 1 January 2014 on a fair value basis. These valuations are included above.

Notes to the Financial Statements (continued)

17 Tangible assets - continued

In undertaking the valuation (for both Group and Company properties), Lisney have made the following assumptions:

- that all property titles are deemed good and marketable freehold/long leasehold in compliance with modern conveyance practice;
- that all properties comply with all relevant planning permissions and after legislative requirements for existing developments and use;
- that there are no undisclosed "tenant improvements";
- that all properties, where relevant, comply with all HIQA standards and regulations;
- that there is no outstanding capital expenditure on any of the subject properties.

Certain freehold and leasehold land and buildings are charged as security for the Company's bank advances and loans. These are detailed below.

Freehold land and buildings includes land of €8.95m (2015: €12.7m) which is not depreciated.

Current year	Land and buildings €'000	Plant and machinery €'000	Fixtures and fittings €'000	Computer equipment €'000	Total €'000
Company					
Cost					
At 1 January 2016	37,614	282	357	2,386	40,639
Additions	1,136	-	-	54	1,190
Disposals	(12,821)	-	-	(610)	(13,431)
At 31 December 2016	25,929	282	357	1,830	28,398
Accumulated depreciation					
At 1 January 2016	5,529	275	333	2,189	8,326
Charge for the year	641	7	17	115	780
Disposals	(700)	-	-	(610)	(1,310)
At 31 December 2016	5,470	282	350	1,694	7,796
Net book amounts					
At 1 January 2016	32,085	7	24	197	32,313
At 31 December 2016	20,459	-	7	136	20,602

17 Tangible assets - continued

Tangible assets Prior year	Land and buildings €'000	Plant and machinery €'000	Fixtures and fittings €'000	Computer equipment €'000	Total €'000
Company					
Cost					
At 1 January 2015	35,795	282	349	2,328	38,754
Additions	1,819	-	8	58	1,885
At 31 December 2015	37,614	282	357	2,386	40,639
Accumulated depreciation					
At 1 January 2015	4,524	258	313	1,954	7,049
Charge for the year	1,005	17	20	235	1,277
At 31 December 2015	5,529	275	333	2,189	8,326
Net book amounts					
At 1 January 2015	31,271	24	36	374	31,705
At 31 December 2015	32,085	7	24	197	32,313

Notes to the Financial Statements (continued)

17 Tangible assets - continued

The Rehab Group has received capital grants from the Health Service Executive and local authorities in respect of various property developments. In addition certain properties are provided as security to financial institutions. Legal charges have been registered against the related properties as a result, details of which are set out below:

Property	Carrying amount €'000	Amount secured €'000	Person entitled	Nature of charge	Effective date
Park House, Stillorgan, Co Dublin	4,560	* note	Allied Irish Banks plc	Mortgage	13 April 2015
Unit 2, Parkmore Business Park, Galway	499	* note	Bank of Ireland	Deed of mortgage	18 September 1998
Clash, Co. Kerry	293	59	Kerry County Council	Indenture of mortgage	2 April 1998
Roseville, Clonmel, Tipperary & Faythe, Wexford	412	1,132	South Eastern Health Board	Mortgage	22 December 1998
The Ramparts, Dundalk, Co. Louth	110	520	North Eastern Health Board	Mortgage	29 September 1999
Raheen Industrial Estate, Limerick	550	668	Mid Western Health Board	Mortgage and charge	22 December 1999
Liosbaun, Galway	229	1,270	Western Health Board	Charge	13 November 2001
Cootehill Road, Drumlee, Cavan	293	546	North Eastern Health Board	Charge	14 February 2003
Kylemore Road, Ballyfermot, Dublin 10	916	2,729	Eastern Regional Health Authority	Charge	31 December 2004
St. Anne's, Charleville Road, Tullamore, Co. Offaly	259	349	Midland Health Board	Mortgage	21 February 2002
Model Farm Road, Cork	641	1,570	Southern Health Board	Mortgage and charge	6 November 2000
Blennerville, Tralee, Kerry	92	311	Southern Health Board	Mortgage and charge	6 November 2000
Clash, Tralee, Kerry	293	381	Southern Health Board	Mortgage and charge	10 November 1999
Dromleigh South, Bantry, Cork - charge satisfied 15 April 2013	611	454	Cork County Council	Charge	13 November 2001
Grafton Court, Longford	92	549	Midland Health Board	Mortgage and charge	21 September 2000
Mullaghboy Industrial Estate, Navan, Co. Meath	641	265	North Eastern Health Board	Mortgage	25 June 1999

* note: All sums due or hereafter due from the company

17 Tangible assets - continued

There are a number of legal charges in place over the related properties as a result of the grants received within Newgrove Housing Association. Details of the charges registered are set out below:

Property	Carrying amount €'000	Amount secured €'000	Person entitled	Nature of charge	Effective period
16 Glenina Heights, Dublin Road, Galway	240	339	The Mayor Alderman and Burgesses of the County Borough of Galway	Mortgage	28 June 2001
Site at Kill Abbey, Deansgrange, Co. Dublin	452	634	Dun Laoghaire Rathdown County Council	Mortgage	1 May 2002
Apts 1,2 and 3, Cootehill Road, Drumalee, Cavan	118	599	Cavan County Council	Mortgage	30 April 2003
No 12 and 14 Clonleigh Park, Lifford, Co. Donegal	235	347	Donegal County Council	Mortgage	13 May 2003
Graifen, Leopardstown Road, Foxrock, Dublin 18	705	977	Dun Laoghaire Rathdown County Council	Mortgage	5 August 2003
Highfield House, Knockloughlin, Co. Longford	302	444	Longford County Council	Mortgage	13 October 2003
Townland of Clybaun, Galway Folio 2837	280	397	Galway County Council	Mortgage	9 November 2004
74-76 Wingfield, Enniskerry Road, Stepaside, Co. Dublin	312	425	Dun Laoghaire Rathdown County Council	Mortgage	16 June 2005
20 Balreask Manor, Navan, Co. Meath	285	673	Meath County Council	Mortgage	16 October 2006
19 Oaklands Green, Ardnacassagh, Longford	194	381	Longford County Council	Mortgage	8 November 2006
Property at Folio 7276F, Waterford	910	1,798	Waterford County Council	Mortgage	20 March 2007
24 Heathergrove, Mervue, Galway	368	1,256	Galway City Council	Mortgage	18 February 2008
Lands in Townland of Kilnamack West, Folio 7176F		140	Health Service Executive (South East)	Mortgage	18 August 2008
No 22 The Willows, Oakleigh Wood, Tulla Road, Ennis, Co. Clare	231	611	Clare County Council	Mortgage	4 February 2009
Apps. 10, 22, 37, 51 St. Johns Well, Old Kilmainham Road Dublin 8	579	694	Dublin City Council	Charge	21 April 2010
No 1 The Boulevard, Grangerath, Drogheda, Co. Louth	344	899	Meath County Council	Charge	22 April 2010
Folio 14861F Register County Monaghan	359	-	Monaghan County Council	Mortgage	9 January 2015

Notes to the Financial Statements (continued)

17 Tangible assets - continued

There are also charges in place in relation to properties in Newgrove Housing Association Ltd which are not registered in the CRO as set out below:

Property	Carrying amount €'000	Amount secured €'000	Person entitled	Nature of charge	Effective date
No 4 & 5 Claragh Glen, Tonnaphubble, Sligo	325	376	The Mayor Alderman and Burgesses of the County Borough of Sligo	Mortgage	28 February 2002
No 15 Rosog, Ballinamore, Co Leitrim	99	177	Leitrim County Council	Mortgage	19 September 2002
No 13 Ripley Hills, Killarney Road, Bray, Co Wicklow	249	476	Wicklow County Council	Mortgage	30 April 2002
No 2 Castle Oaks, Dark road, Nenagh, Co. Tipperary	271	397	North Tipperary County Council	Mortgage/ charge	6 December 2010
Stradavoher, Co Tipperary	407	1,397	North Tipperary County Council	Mortgage/ charge	9 December 2010
No. 57 The Oaks, Turlough Rd, Castlebar, Mayo	190	392	Mayo County Council	Mortgage	29 May 2012
Sexton Street, Limerick	1,080	3,302	Limerick City Council	Mortgage/ charge	15 February 2012
No 13 Rosog, Ballinamore Co Leitrim	99	251	Leitrim County Council	Mortgage	31 May 2006
No 5 Belfry Grove, Avenue Road, Dundalk, Co Louth	231	482	Louth County Council	Mortgage	25 May 2009
Ballard House, Clara Road, Tullamore, Co Offaly	246	511	Offaly County Council	Mortgage	6 February 2008
No 1 Cluain Mhuillean, Tyone, Nenagh, Co Tipperary	249	342	North Tipperary County Council	Mortgage	18 July 2005
Larissa, Trandhill Road, Sligo	275	564	Sligo Borough Council	Mortgage/ charge	4 February 2013
Regent House Apts, William Street, Kilkenny	687	2,869	Kilkenny County Council	Mortgage/ charge	22 March 2013
No. 3 the Cedars, Breaffy Road, Castlebar, Co. Mayo	271	559	Mayo County Council	Mortgage/ charge	

In the UK legal charges are in place over the properties noted below:

Property	Carrying amount Stg £'000	Amount secured Stg £'000	Person entitled	Nature of charge	Effective date
Pavillion 7, Watermark Park, 325 Gowan Road, Glasgow	737	227	R.B.S.	1st standard security	28 October 2008

18 Financial assets

Current year	Investment in joint venture €'000	Investment in associates €'000	Other investments €'000	2016 Total €'000
Group				
Balance at beginning of year	2,701	134	208	**3,043**
Transfer due to full consolidation of Saudi Rehab Group Services Co. LLP	-	-	(208)	**(208)**
Loss on disposal of shares	(1,362)	-	-	**(1,362)**
Net share of profits and losses	361	1,200	-	**1,561**
Disposal proceeds	(1,700)	-	-	**(1,700)**
Distributions received	-	(1,093)	-	**(2,793)**
Balance at end of year	-	241	-	**241**

Financial assets Prior year	Investment in joint venture €'000	Investment in associates €'000	Other investments €'000	2015 Total €'000
Group				
Balance at beginning of year	2,420	113	189	2,722
Transfer due to full consolidation of Saudi Rehab Group Services Co LLP	-	-	19	19
Net share of profits and losses	281	1,288	-	1,569
Distributions received	-	(1,267)	-	(1,267)
Balance at end of year	2,701	134	208	3,043

In December 2016, The Rehab Group sold its shares in RG Recycle Holdings Limited. This holding represented the Group's share in Rehab Glassco.

Notes to the Financial Statements (continued)

18 Financial assets - continued

At 31 December 2015	RG Recycle Holdings €'000	Rehab Glassco €'000	Total €'000	Group share 50% €'000
Financial assets	160	-	160	80
Tangible assets	-	9,452	9,452	4,726
Debtors	-	2,160	2,160	1,080
Stocks	-	353	353	176
Cash	-	479	479	240
Total assets	160	12,444	12,604	6,302
Creditors< 1 year	-	(3,912)	(3,912)	(1,956)
Creditors> 1 year	-	(3,105)	(3,105)	(1,553)
Deferred tax	-	(185)	(185)	(92)
Total liabilities	-	(7,202)	(7,202)	(3,601)
Total reserves	160	5,242	5,402	2,701

The Care Trust Limited is an associate of the Group. The primary activity of the Care Trust Limited is charitable fundraising for which The Rehab Group is a beneficiary.

The investment in associates' value represents the Group's shares of assets and liabilities in the Care Trust Limited.

At 31 December 2016	The Care Trust Limited €'000	Group share 50% €'000
Tangible assets	54	27
Debtors	22	11
Cash	806	403
Total assets	882	441
Creditors< 1 year	(400)	(200)
Creditors> 1 year		
Total liabilities	(400)	200)
Total reserves	482	241

18 Financial assets - continued

At 31 December 2015	The Care Trust Limited €'000	Group share 50% €'000
Tangible assets	84	42
Debtors	67	33
Cash	595	298
Total assets	746	373
Creditors< 1 year	(478)	(239)
Creditors> 1 year	-	-
Total liabilities	(478)	(239)
Total reserves	268	134

During 2011, The Rehab Group entered into a limited liability partnership with Interserve plc. This led to the formation of Rehab Jobfit LLP. The Rehab Group owns 51% of the shares in Rehab Jobfit LLP and the Group's share of results and assets and liabilities are reported through TBG Learning Limited, who are also party to the partnership agreement. There were no capital costs incurred.

Company	**2016 €'000**	**2015 €'000**
Balance at beginning of year	**210**	189
Net share of profits and losses	**1,200**	1,288
Additions	**-**	-
Distribution received	**(1,094)**	(1,267)
Balance at end of year	**316**	210

The information in respect of subsidiary and associate companies is given in note 35.

Unlisted investments are carried at cost less impairment because their fair value cannot be measured reliably.

19 Stocks

	2016 €'000	**2015 €'000**
Group		
Raw materials and consumables	**767**	697
Work in progress	**43**	37
Finished goods	**380**	325
	1,190	1,059
Increase during the year	**131**	79

Stocks considered obsolete are written down to net realisable value. The amount of the write down is €9k (2015: €11k). There are no stocks pledged as security.

Replacement cost of stocks does not significantly differ from the amounts included above.

Notes to the Financial Statements (continued)

20 Debtors

	2016 €'000	2015 €'000
(a) Amounts falling due within one year		
Group		
Trade and public authority debtors	**12,837**	11,336
Prepayments and accrued income	**8,176**	2,725
European Social Fund grants due	**-**	152
Amounts owed by related parties	**-**	79
VAT	**349**	189
Other debtors	**431**	491
	21,793	14,972
Company		
Trade debtors	**156**	127
Amounts owed by subsidiary companies	**1,600**	4,863
Prepayments and accrued income	**6,711**	111
VAT	**29**	9
	8,496	5,110
(b) Amounts falling due after more than one year		
Company		
Amounts owed by subsidiary companies	**2,474**	6,173

Other than as indicated all debtors are due within one year. All trade debtors are due within the company's normal terms. Trade debtors are shown net of impairment in respect of doubtful debts.

The amounts owed by subsidiary companies after more than one year are unsecured, interest free and repayable on demand. However, The Rehab Group has confirmed by way of letter of support that it will not demand payment of such balances as long as the subsidiary companies require financial support, hence the balances owed by subsidiary companies have been classified as being due after one year.

21 Creditors - Amounts falling due within one year

	2016 €'000	2015 €'000
Group		
Bank loan (note 24) (secured)	**3,468**	870
Bank overdrafts (note 24) (secured)	**968**	252
Trade creditors	**3,797**	4,902
Corporation tax	**425**	383
VAT	**330**	580
PAYE/Social insurance	**2,352**	2,405
Payment on account	**-**	-
Accruals	**11,371**	10,881
	22,711	20,273
Creditors for taxation and social welfare included above	**3,107**	3,368
Company		
Bank overdraft	**9,765**	3,173
Bank loan (secured) (note 24)	**3,400**	500
Trade and other creditors	**420**	496
PAYE/social insurance	**130**	129
Amounts owed to group companies	**346**	1,134
Accruals	**1,578**	2,256
	15,639	7,688
Creditors for taxation and social welfare included above	**130**	129

Trade Creditors

The carrying amounts of trade and other payables approximate to their fair values largely due to the short-term maturities and nature of these instruments. The repayment terms of trade creditors vary between on demand and 90 days. No interest is payable on trade creditors.

Taxes and social security costs

Taxes and social security costs are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end date.

Amounts owed to group companies

The amounts due to group companies are unsecured, interest free and repayable on demand.

Others

The terms of accruals are based on the underlying contracts.

Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

The Rehab Group has utilised its right of offset for cash and overdrafts.

Notes to the Financial Statements (continued)

22 Creditors - Amounts falling due after more than one year

	2016 €'000	2015 €'000
Group		
Bank loan (secured) (note 24)	**138**	14,771
Finance Leases	**205**	-
Accruals	**748**	1,609
	1,091	16,380
Company		
Bank loan (secured) (note 24)	**-**	13,400
Accruals	**758**	1,608
	758	15,008

Accruals

The terms of accruals are based on the underlying contracts.

23 Provisions for liabilities and charges

Current year	Onerous leases €'000	Other €'000	2016 €'000
Group			
As at 1 January 2016	1,481	3,724	**5,205**
Foreign currency	-	(123)	**(123)**
Released/charged to Statement of Financial Activities	-	683	**683**
Utilised during year	(297)	(490)	**(787)**
As at 31 December 2016	1,184	3,794	**4,978**

Provisions for liabilities and charges **Prior year**	Onerous leases €'000	Other €'000	2015 €'000
Group			
As at 1 January 2015	2,808	2,823	5,631
Foreign currency	-	10	10
Released/charged to Statement of Financial Activities	(348)	1,120	772
Utilised during year	(979)	(229)	(1,208)
As at 31 December 2015	1,481	3,724	5,205

Under the terms of grant agreements with local authorities, the company is obliged to maintain the properties and has made provision for this obligation in line with recommended practice of the Irish Council for Social Housing.

Provision has been made in respect of unremitted earnings from a subsidiary company due to uncertainty surrounding the receipt of same. The timing of any loss materialising is uncertain. Provision has been made in respect of five onerous contracts arising on leases. Such leases are due to expire between 2017 and 2027.

23 Provisions for liabilities and charges – continued

	Onerous leases €'000	Other €'000	2016 €'000
Current year			
Company			
As at 1 January 2016	1,303	-	**1,303**
Released/charged to Statement of Financial Activities	-	-	**-**
Utilised during year	(213)	-	**(213)**
As at 31 December 2016	1,090	-	**1,090**

	Onerous leases €'000	Other €'000	2015 €'000
Provisions for liabilities and charges			
Prior year			
Company			
As at 1 January 2015	2,178	-	2,178
Released/charged to Statement of Financial Activities	(171)	-	(171)
Utilised during year	(704)	-	(704)
As at 31 December 2015	1,303	-	1,303

Notes to the Financial Statements (continued)

24 Details of borrowings

	2016 €'000	2015 €'000
Bank loans and overdrafts		
Group		
Current		
Overdraft	**968**	252
Bank loan	**3,468**	870
	4,436	1,122
Non-current		
Bank loan	**138**	14,771
	4,574	15,893

Maturity analysis **Current year**	Within one year €'000	Between one & five years €'000	After five years €'000	Total €'000
Group				
Indebtedness repayable other than by instalments				
Bank overdraft	968	-	-	968
Indebtedness repayable by instalments				
Bank loans	3,468	138	-	3,606
Total	4,436	138	-	4,574

Maturity analysis **Prior year**	Within one year €'000	Between one & five years €'000	After five years €'000	Total €'000
Indebtedness repayable other than by instalments				
Bank overdraft	252	-	-	252
Indebtedness repayable by instalments				
Bank loans	870	14,771	-	15,641
Total	1,122	14,771	-	15,893

24 Details of borrowings - continued

	2016 €'000	2015 €'000
Bank loans and overdrafts		
Company		
Current		
Overdraft	**9,765**	3,173
Bank loan	**3,400**	500
	13,165	3,673
Non-current		
Bank loan	**-**	13,400
	13,165	17,073

Maturity analysis Current year	Within one year €'000	Between one & five years €'000	After five years €'000	Total €'000
Company				
Indebtedness repayable other than by instalments				
Bank overdraft	9,765	-	-	9,765
Indebtedness repayable by instalments				
Bank loans	3,400	-	-	3,400
Total	13,165	-	-	13,165

Maturity analysis Prior year	Within one year €'000	Between one & five years €'000	After five years €'000	Total €'000
Indebtedness repayable other than by instalments				
Bank overdraft	3,173	-	-	3,173
Indebtedness repayable by instalments				
Bank loans	500	13,400	-	13,900
Total	3,673	13,400	-	17,073

Notes to the Financial Statements (continued)

24 Details of borrowings - continued

Security

Group

At the year end, the overdraft facilities and term loan with Allied Irish Banks plc of €6.4m, of which €3.4m was drawn down and outstanding at year end, were secured by a debenture creating a fixed charge over the premises at Park House, Stillorgan, County Dublin. Bank overdrafts are repayable on demand. The term loan carries an interest rate of 4% (2015: 3.865%). This term loan was repaid in full in February 2017.

Overdraft facilities with Bank of Ireland in the amount of €0.8m are secured by way of a first legal charge over Unit 2, Parkmore Business Park, Galway.

An overdraft facility of Stg £250k with Royal Bank of Scotland (RBS) is secured by a bond and floating charge over the assets of Momentum Scotland Limited and its direct subsidiaries Momentum Care Limited and Haven Products Limited.

Momentum Scotland has one term loan with RBS with balances outstanding at year end totalling Stg £176k. These were used to purchase the Momentum Scotland head office at Pavilion 7, Watermark Park, 325 Govan Road, Glasgow G51 2SE and are secured by way of a floating charge over the assets of Momentum Scotland and its subsidiaries and a standard charge on the head office. The term loans carry an interest rate of 3.5% (2015: 4.26%). They are repayable over the next three years by instalments.

The Group has net cash including cash at bank and overdrafts of €16.7m (2015: net cash €3.6m). The Group›s practice is to match the maturity profile of debt used to finance significant capital projects with the inflows from those projects. In addition, the Group normally fixes a portion of debt at fixed rates for periods of up to one year thus securing a stable borrowing cost for each financial year.

The main foreign exchange risk arises from the management of the Group's results and net investments in the United Kingdom. This is managed on a non speculative basis. The Group does not hedge currency translation exposures. The Group did not enter into foreign exchange contracts during the year.

Under the terms of grant agreements with local authorities, the company's subsidiary, Newgrove Housing Association, an approved housing body, is obliged to maintain the properties and has made provision for this obligation in line with recommended practice of the Irish Council for Social Housing.

Company

The overdraft facilities and term loan with Allied Irish Banks plc of €6.4m of The Rehab Group of which €3.4m was drawn down and outstanding at year end, are secured by a legal charge over premises at Park House, Stillorgan, Co. Dublin.

The Company has given guarantees in relation to the €0.8m overdraft facility with Bank of Ireland and €3m overdraft with Allied Irish Banks plc. Bank overdrafts are repayable on demand. This term loan was repaid in full in February 2017.

25 Movement in funds

	Balance at 1 January 2016 €'000	Foreign currency €'000	Incoming resources €'000	Outgoing resources €'000	Transfers €'000	Balance at 31 December 2016 €'000
Current Year						
Group						
Restricted						
HSE capital grants	2,789	-	441	(123)	(522)	**2,585**
JP McManus grants	-	-	-	-	(65)	**3,524**
Housing grants	10,164	-	186	-	(545)	**9,805**
The Chaseley Trust	2,483	(340)	28	(40)	(2,131)	**-**
The Great Book	228	-	-	-	-	**228**
Department of Education	942	-	-	-	(189)	**753**
Other	1,599	(201)	1,288	(1,195)	(56)	**1,435**
Total restricted funds	21,794	(541)	1,943	(1,358)	(3,508)	**18,330**
Unrestricted						
General:						
Donated asset reserve	330	-			-	**330**
Unrealised gain on revaluation of property	8	(34)	91	-	(65)	**-**
Other general funds	21,475	725	156,992	(154,307)	4,181	**29,066**
Total general funds	21,813	691	157,083	(154,307)	4,116	**29,396**
Designated						
Fixed asset fund	11,081	-	34	(103)	(608)	**10,404**
Total unrestricted funds	32,894	691	157,117	(154,410)	3,508	**39,800**
Total funds	54,688	150	159,060	(155,768)	-	**58,130**

Notes to the Financial Statements (continued)

25 Movement in funds - continued

	Balance at 1 January 2016 €'000	Incoming resources €'000	Outgoing resources €'000	Transfers €'000	Balance at 31 December 2016 €'000
Current year					
Company					
Restricted					
HSE capital grants	2,383	225	-	(522)	**2,086**
JP McManus grants	3,589	-	-	(65)	**3,524**
The Great Book	228	-	-	-	**228**
Department of Education	942	-	-	(189)	**753**
Total restricted funds	7,142	225	-	(776)	**6,591**
Unrestricted					
General:					
Donated asset reserve	330	-	-	-	**330**
Unrealised gain on revaluation of property	3,907	-	-	-	**3,907**
Other general funds	5,852	11,807	(12,645)	1,107	**6,121**
Total general funds	10,089	11,807	(12,645)	1,107	**10,358**
Designated					
Fixed asset fund	5,194	-	-	(331)	**4,863**
Total unrestricted funds	15,283	11,807	(12,645)	776	**15,221**
Total funds	22,425	12,032	(12,645)	-	**21,812**

25 Movement in funds - continued

	Balance at 1 January 2015 €'000	Foreign currency €'000	Incoming resources €'000	Outgoing resources €'000	Transfers €'000	Balance at 31 December 2015 €'000
Prior year						
Group						
Restricted						
HSE capital grants	3,385	-	86	(111)	(571)	2,789
JP McManus grants	3,655	-	-	-	(66)	3,589
Housing grants	10,853	-	643	-	(1,332)	10,164
The Chaseley Trust	2,425	95	83	(120)	-	2,483
The Great Book	228	-	-	-	-	228
Department of Education	1,131	-	-	-	(189)	942
Other	977	66	2,717	(2,104)	(57)	1,599
Total restricted funds	22,654	161	3,529	(2,335)	(2,215)	21,794
Unrestricted						
General:						
Donated asset reserve	330	-	-	-	-	330
Unrealised gain on revaluation of property	-	8	-	-	-	8
Other general funds	19,766	(31)	158,231	(159,544)	3,053	21,475
Total general funds	20,096	(23)	158,231	(159,544)	3,053	21,813
Designated						
Fixed asset fund	11,906	-	121	(108)	(838)	11,081
Total unrestricted funds	32,002	(23)	158,352	(159,652)	2,215	32,894
Total funds	54,656	138	161,881	(161,987)	-	54,688

Notes to the Financial Statements (continued)

25 Movement in funds - continued

	Balance at 1 January 2015 €'000	Incoming resources €'000	Outgoing resources €'000	Transfers €'000	Balance at 31 December 2015 €'000
Prior year					
Company					
Restricted					
HSE capital grants	2,954	-	-	(571)	2,383
JP McManus grants	3,655	-	-	(66)	3,589
The Great Book	228	-	-	-	228
Department of Education	1,131	-	-	(189)	942
Total restricted funds	7,968	-	-	(862)	7,142
Unrestricted					
General:					
Donated asset reserve	330	-	-	-	330
Unrealised gain on revaluation of property	3,907	-	-	-	3,907
Other general funds	11,162	5,495	(11,963)	1,158	5,852
Total general funds	15,399	5,495	(11,963)	1,158	10,089
Designated					
Fixed asset fund	5,526	-	-	(332)	5,194
Total unrestricted funds	20,925	5,495	(11,963)	826	15,283
Total funds	28,893	5,495	(11,963)	-	22,425

25 Movement in funds - continued

Restricted funds

HSE capital grants: Represents capital grants received from the HSE for capital projects where specific grant agreements exist. Transfers are made from this fund to the general fund in line with the terms of the grant agreement.

JP McManus grants: Represents monies received for two specific capital projects in Limerick and transfers are made to the general fund which equate to the annual depreciation charge incurred on those assets.

Housing grants: represents funds received under the Capital Assistance Scheme for social housing in Ireland and transfers are made to the general fund in accordance with the terms of the mortgage agreements attaching to the specific properties.

The Great Book: Represents the funds received from the sale of the Great Book and is restricted for use in the development of a lasting legacy for people with a disability in the arts.

Department of Education: Represents a capital grant received for the building Redhill School in Limerick and transfers are made to the general fund which equate to the annual depreciation charge incurred on the asset

Other: Represents various other restricted grants or donations given for a specific purpose.

Donated asset reserve: Represents a residential property in Cork bequeathed to the organisation for use by service users.

Designated Funds

This represents capital grants received by the organisation towards the development of specific assets. Transfers to the general fund are made which equate to the annual depreciation charge incurred on those assets.

26 Operating leases

Group

Operating leases charged in arriving at the surplus attributable to the Group amounted to €4.3m (2015: €4.9 million).

Obligations payable at 31 December 2016 on operating lease agreements in place at 31 December 2016, amounted to €7m (2015: €8.6 million) analysed as follows:

	2016 €'000	2015 €'000
Leases expiring less than 1 year	**1,428**	2,816
Leases expiring two to five years	**2,717**	3,294
Leases expiring after five years	**2,816**	2,537
	6,961	8,647

Notes to the Financial Statements (continued)

27 Net cash provided by/(used in) operating activities

	2016 €'000	2015 €'000
Net expenditure for the year - parent and subsidiary undertakings	**3,201**	(106)
Share of resources in associate and joint venture undertakings	**(1,561)**	(1,569)
(Profit)/loss on disposal of fixed assets	**(5,371)**	-
Net interest costs	**566**	652
Taxation charge	**425**	439
Taxation paid	**(383)**	(216)
Depreciation charge	**3,200**	3,697
Distributions received from associate company	**1,093**	1,267
(Decrease)/increase in provision for liabilities and charges	**(227)**	(426)
Amortisation of goodwill	**(347)**	70
(Profit)/loss on disposal of investments	**1,337**	670
(Increase)/decrease in stocks	**(131)**	(79)
Increase/(decrease) in debtors	**(6,821)**	3,857
Decrease in creditors	**(1,770)**	(8,308)
Non cash foreign exchange	**1,179**	(333)
Net cash used in operating activities	**(5,610)**	(385)

28 Analysis of cash and cash equivalents

	31 December 2016 €'000	31 December 2015 €'000
Cash at bank and in hand	**21,516**	19,523
Overdraft facility repayable on demand	**(968)**	(252)
Total cash and cash equivalents	**20,548**	19,271

Debt	31 December 2016 €'000	31 December 2015 €'000
Loans due within one year	**(3,468)**	(870)
Loans due after one year	**(138)**	(14,771)
Finance leases	**(195)**	-
	(3,801)	(15,641)
Net cash	**16,747**	3,630

29 Reconciliation of net cash and cash equivalents to movement in net funds

	31 December 2016 €'000	31 December 2015 €'000
Increase/(Decrease) in cash during period	**1,277**	(4,530)
Repayment of borrowings	**11,840**	948
Movement in net cash for period	**13,117**	(3,582)
Net cash at start of year	**3,630**	7,212
Net cash at end of year	**16,747**	3,630

30 Contingent liabilities

Capital grants

The Group receives grants towards capital expenditure. Such grants are credited to the Statement of Financial Activities in the year they are received in either restricted or unrestricted funds in accordance with the grant agreement.

If certain circumstances occur (the most significant of which is that the Group company which received the grants ceases to use the assets to which the grants relate), a certain proportion of these grants could be repayable. The amount repayable should these circumstances have arisen at 31 December 2016 would have been €11.1m (2015: €21.8m).

Notes to the Financial Statements (continued)

31 Directors' remuneration, loans and shareholdings

The Directors did not receive any emoluments or compensation either from The Rehab Group or any subsidiary or associate undertakings during the current or previous year. Neither the Group nor any subsidiary or associate company made any contributions to retirement benefit schemes on behalf of the Directors during the current or previous year.

No fees were paid to any Director either by The Rehab Group or any subsidiary or associate company during the year.

€19,124 (2015: €34,011) has been incurred by the Directors during the year as vouched expenses. No other transactions took place between the Directors and the Group or any subsidiary, associate or joint venture. No Directors hold shares in any of the Group companies. No loans have been granted by the Group to any of the Directors. Neither The Rehab Group nor any of its subsidiary or associate companies made payments direct to a third party on behalf of Directors. The table below summarises vouched expenses incurred by the Directors which were incurred on travel, subsistence and accommodation.

	2016 €	**2015 €**
J. Tolan	**-**	-
J. Brereton	**-**	-
S. Egan (UK)	**-**	5,718
N. Hyland	**-**	-
J. Smith	**6,422**	3,998
S. Wrigley-Howe (UK)	**2,627**	10,436
M. Williams	**-**	-
N. O'Kelly	**-**	-
P. Salmon (UK)	**8,389**	10,373
K. Marshall	**-**	-
M. Martin	**1,196**	1,161
S. McHugh	**-**	-
B. Nevin	**-**	-
F. Ross	**117**	609
K. O'Higgins	**-**	66
A. Kelly	**373**	1,650
Total	**19,124**	34,011

The Rehab Group has arranged Directors and Officers Liability Insurance for the Directors of the Company and all subsidiary companies.

Other than as shown above, any further required disclosures in Sections 305 and 306 of the Companies Act 2014 are nil for both financial years.

32 Guarantees

Group and Company

The Company has granted an irrevocable guarantee to Rehab Foundation Limited in respect of liabilities and losses referred to in Section 357(1)(b) of the Companies Act 2014 which may arise or are likely to arise in respect of the financial year of Rehab Foundation Limited commencing on 1 January 2016 and ending on 31 December 2016.

Rehab Foundation Limited is consolidated in these financial statements and is availing of the exemptions granted under Section 357 of the Companies Act 2014.

The Rehab Group has given a guarantee to Allied Irish Banks plc in respect of a global overdraft facility of €3.0m on behalf of certain Irish subsidiary companies.

The Rehab Group has given guarantees to the Bank Ireland of €0.8m (2015: €0.8m) on behalf of its subsidiary company Rehab Enterprises Limited.

The Rehab Group has given a guarantee to The Secretary of State for Work and Pensions in the United Kingdom guaranteeing due performance of a contract engaging its subsidiary Momentum Scotland as a prime contractor to deliver a Work Choice Contract CPA1, Highlands, Islands, Clyde Coast and Grampian.

The Rehab Group has given a guarantee to the Chief Executive of Skills Funding and The Secretary of State for Education Funding in respect of delivery of education and training services by its subsidiary Acorn Training Consultants Limited.

The Rehab Group is a joint guarantor with the Central Remedial Clinic on a lease relating to the offices of its associate company, The Care Trust, comprising part of a premises at College Road, Blackrock, Co. Dublin. The annual rent is €48,000 and the lease term is due to expire on 31 May 2017.

Rehab Jobfit LLP is jointly owned by The Rehab Group and Interserve plc. and is a prime contractor with the Secretary of State for Work and Pensions in the United Kingdom. As a part of the contract, Interserve plc has entered into a deed of guarantee under which Interserve guarantees certain obligations of the prime contractor. In support of this guarantee, The Rehab Group has indemnified Interserve plc in respect of 50% of any losses arising under this guarantee.

The Rehab Group has given a guarantee to Scottish Enterprise to pay all rents and other sums and to perform and fulfill all other obligations that may become due in the event that the subsidiary company Haven Products Limited is unable to fulfil the terms of a lease for the property at Block 6, Central Park, Larbert, Scotland.

The Rehab Group has given a guarantee to Scottish Enterprise pursuant to a grant in the amount of Stg£100,000 awarded to Protective Technology Solutions Limited and Haven Products Limited in the event that Scottish Enterprise seek repayment of said grant.

33 Capital commitments

Capital expenditure approved at 31 December 2016 and not provided in these financial statements is estimated at €0.44m (2015: €0.9m), of which €0.44m (2015: €0.3m) had been contracted at the balance sheet date and for which capital grants and bequests of €0.26m (2015: €0.3m) have been assigned.

Notes to the Financial Statements (continued)

34 Related party transactions

Group

The Directors have availed of the exemption under FRS 102 Section 33 "Related Party Disclosures" which permits qualifying subsidiaries of an undertaking not to disclose details of transactions between Group entities that are eliminated on consolidation. Transactions with Directors are disclosed in note 31.

Details in respect of transactions with associates are discussed in note 18.

The Rehab Group has a limited liability partnership with Interserve plc which is operated through Rehab Jobfit LLP. During the year, TBG Learning Limited entered into a number of transactions with Rehab Jobfit LLP. TBG Learning Limited is a 100% subsidiary of The Rehab Group and it acts as a sub-contractor in respect of services provided by Rehab Jobfit LLP. In respect of these sub-contracts £621k (2015: £932k) was recorded as revenue by TBG Learning Limited in the year. In addition, TBG Learning Limited operate a management services agreement with Rehab Jobfit LLP in respect of the provision of specified services to Rehab Jobfit LLP, including finance, premises, quality, health and safety services. Amounts charged by TBG Learning Limited under this agreement during the year amounted to £232,638 (2015: £356,353). Amounts due from Rehab Jobfit LLP at 31 December 2016 were £96,090 (2015: £221,696).

There were no related party transactions (other than remuneration – note 12) with key management personnel (defined as the Directors and the SLT). The Directors who served during the period are listed in the Directors' Report. Those staff who were members of the SLT during the year are listed below:

M. Flynn	K. O'Meara
L. Bayfield	N. O'Reilly
P. Brammall	K. Poole
M. Cronin	M. Rogan
C. Kelleher	C. Whelan
P. Newnham	

Company

The directors have availed of the exemption under Section 33.1A of FRS102 in respect of transactions entered into between two or more members of a group as all parties to such transactions are wholly owned members of that group.

Details in respect of transactions with associates are discussed in note 18.

35 Investment in group undertakings

	Shareholdings/ Ownership Direct %	Through subsidiary %	Company/ Charity Number	Principal activity
Incorporated in the Republic of Ireland				
National Learning Network Limited	100	-	248453	Services
Rehab Enterprises Limited	100	-	216680	Manufacturing/services
RG Recycle Holdings Limited (sold 22 December 2016)	-	-	477078	Holding
Rehab Glassco Limited (sold 22 December 2016)	-	-	365472	Glass recycling
RehabCare*	100	-	282889	Services
Newgrove Housing Association *	100	-	308429	Housing association
Rehab Foundation Limited	100	-	17662	Dormant
The Care Trust Limited	50	-	45561	Lottery promotions/fund-raising
The Polio Fellowship of Ireland*	100	-	24172	Services
Stepping Out (Athlone) Limited^ Company limited by guarantee	100	-	353820	Listed for voluntary strike off
Incorporated in the UK				
Momentum Scotland*	100	-	SC127950/SC004328	Services
Haven Products Limited	-	100	SC023852/SC018094	Manufacturing/services
Momentum Care Services^	-	100	SC182092/SC029767	Services
Rehab Group Services Limited	100	-	2989817	Holding
Rehab UK*	100	-	3005672/1043839	Dormant
Rehab^	100	-	2725214	Fund-raising
TBG Learning Limited	-	100	2236017	Training

Notes to the Financial Statements (continued)

35 Investment in group undertakings – continued

	Shareholdings Direct %	Through subsidiary %	Company/ Charity Number	Principal activity
Incorporated in the UK				
Rehab JobFit LLP	51	-	OC361645	Training and employment service
Acorn Training Consultants Limited – sold 1/02/2017	-	-	03182459	Training and employment service
Protective Technology Solutions Limited	-	100	SC455458/SC044325	Strike off Listed
Redrock Document Processing Services Limited	-	100	08174293/SC044839	Dissolved 10/01/2017
Incorporated in the Kingdom of Saudi Arabia				
Saudi Rehab Group Services Co. LLC	-	100		Services

*A company limited by guarantee and not having a share capital. Rehab controls the composition of the majority of its board

^A company limited by guarantee and not having a share capital

The following companies which were formerly subsidiaries have completed a voluntary strike off during 2016/2017

2016

- Rehab Net Games (dissolved 10 February 2016)
- Conquer and Care Lotteries Limited (dissolved 4 May 2016)
- Conquer and Care (N.I.) Limited (dissolved 5 April 2016)
- Rehab Lotteries Limited (dissolved 7 December 2016)
- Clashganna Mills Trust Limited (dissolved 20 July 2016)

2017

- Redrock (dissolved 10 February 2017)

35 Investment in group undertakings – continued

	Performance		Operating
	Income	Expenditure	Surplus/ (Deficit)
	€'000	€'000	€'000
Incorporated in the Republic of Ireland			
National Learning Network Limited	45,206	41,462	3,744
Rehab Enterprises Limited	20,991	22,168	(1,177)
RehabCare	51,245	51,318	(73)
Newgrove Housing Association Limited	734	933	(199)
The Polio Fellowship of Ireland	404	474	(70)

	Performance		Operating
	Income	Expenditure	Surplus/ (Deficit)
	£'000	£'000	£'000
Incorporated in the UK			
Momentum Scotland (£)	4,845	4,664	181
Haven Products Limited	5,531	5,727	(196)
Momentum Care Services	1,082	1,331	(249)
Rehab	264	327	(63)
Rehab Group Services Limited	874	1	873
TBG Learning Limited	7,764	10,424	(2,660)
Acorn Training Consultants Limited	1,090	1,351	(261)

	SAR'000	SAR'000	SAR'000
Incorporated in the Kingdom of Saudi Arabia			
Saudi Rehab Group Services Co. LLC (SAR)	15,395	15,392	3

Notes to the Financial Statements (continued)

35 Investment in group undertakings – continued

	Position		
	Assets	Liabilities	Funds
	€'000	€'000	€'000
Incorporated in the Republic of Ireland			
National Learning Network Limited	20,469	4,406	16,063
Rehab Enterprises Limited	4,914	4,880	34
RehabCare	7,769	6,280	1,489
Newgrove Housing Association Limited	12,606	1,305	11,301
The Polio Fellowship of Ireland	6,208	60	6,148

	Position		
	Assets	Liabilities	Funds
	£'000	£'000	£000
Incorporated in the UK			
Momentum Scotland	3,133	1,332	1,801
Haven Products Limited	2,882	2,668	214
Momentum Care Services	373	721	(348)
Rehab Group Services Limited	1,538	592	946
Rehab	1,660	180	1,480
TBG Learning Limited	2,409	3,571	(1,162)
Acorn Training Consultants Limited	16	23	(7)
	SAR'000	**SAR'000**	**SAR'000**
Incorporated in the Kingdom of Saudi Arabia			
Saudi Rehab Group Services Co. LLC (SAR)	12,258	3,188	9,070

35 Investment in group undertakings – continued

The registered office of the subsidiaries and related companies in the Republic of Ireland is Roslyn Park, Sandymount, Dublin, except as noted below and the registered offices of UK subsidiaries are noted below:

The Care Trust Limited	71-73 College House, Rock Road, Blackrock, Co Dublin
Momentum Scotland	Pavilion 7, Watermark Park, 325 Govan Road, Glasgow, G51 2SE
Haven Products Limited	Pavilion 7, Watermark Park, 325 Govan Road, Glasgow, G51 2SE
Momentum Care Services	Pavilion 7, Watermark Park, 325 Govan Road, Glasgow, G51 2SE
Rehab Group Services Limited	145 Great Charles Street, Birmingham B3 3LP
TBG Learning Limited	145 Great Charles Street, Birmingham B3 3LP
Rehab UK	145 Great Charles Street, Birmingham B3 3LP
Rehab	145 Great Charles Street, Birmingham B3 3LP
Rehab JobFit LLP	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU
Saudi Rehab Group Services Co. LLC	Riyadh, Kingdom of Saudi Arabia

36 Retirement benefit cost

The Rehab Group operates defined contribution pension schemes for employees.

The retirement benefit costs in the financial statements represent the contribution payable by the Group during the year.

The regular cost of providing retirement pensions and related benefits is charged to the Statement of Financial Activities over the employees' service lives on the basis of a constant percentage of earnings. The Group's contributions to the scheme amounted to €5,872,000 (2015: €5,916,000). Contributions payable at the year end amounted to €517k (2015: €525k).

Notes to the Financial Statements (continued)

37 Financial instruments

The analysis of the carrying amounts of the financial instruments of the group required under Section 11 of FRS 102 is as follows:

	2016 €'000	2015 €'000
Group		
Financial assets that are equity instruments measured at cost less impairment		
Unlisted fixed asset investments	**241**	342
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	**12,837**	11,336
Amounts owed by related parties	**-**	79
Cash at bank and in hand	**21,516**	19,523
Financial liabilities measured at amortised cost		
Trade creditors	**3,797**	4,902
Bank loans and overdrafts	**4,574**	15,893

	2016 €'000	2015 €'000
Company		
Financial assets that are equity instruments measured at cost less impairment		
Unlisted fixed asset investments	**316**	210
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	**156**	127
Amounts owed by subsidiary companies	**11,182**	11,036
Cash at bank and in hand	**7,411**	2,618
Financial liabilities measured at amortised cost		
Trade and other creditors	**420**	496
Bank loans and overdrafts	**13,165**	17,073

38 Comparatives

Certain comparatives have been re-grouped and re-stated where necessary for classification and comparative purposes.

39 Subsequent events

Subsequent to the year end, The Rehab Group made the decision to sell Acorn Training Consultants Limited. The sale was effective 1 February 2017. There were no other significant events affecting the company since the year end.

40 Approval of financial statements

The members of the Board of Directors approved the financial statements on 8 May 2017.

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