Caring, Learning, Working Together

RehabGroup

annual report 2018

Investing in People, Changing Perspectives


Caring
Learning
Working Together
RehabGroup
Investing in People, Changing Perspectives

The Rehab Group
Directors' Annual Report and Consolidated Financial Statements
Year Ended 31st December 2018

Contents

Our Vision:

We are a charity that champions the value of diversity and inclusion of 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 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:

Our values underpin all we do, shape who we are and how we work with one another, in our organisation and in the community.

- ## 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 changes, growth, trust in our organisation and in partnership with others, working together as one Rehab team

Directors & Other Information

Company Number	14800
Registered Charity Number	20006716
Charity Revenue Number	CHY4940
Registered Office	Roslyn Park, Sandymount, Dublin 4, D04 FH28

Board of Directors
Jimmy Tolan (Chairman)
Robert Barker
Ian Brady
Helen Bunbury
Ann Duffy
Conor Fottrell (resigned 06 July 2019)
Denise Lawler (resigned 01 October 2018)
Kevin Marshall
Stan McHugh
Henry McGarvey
Sean McMahon (resigned 06 July 2019)
Noreen O'Kelly
John F Smith
Steven Wrigley-Howe (resigned 17 August 2018)

Company Secretary
Connie Kelleher

External Member of the Audit & Risk Committee
Deirdre Reddan

Chief Executive Officer
Mo Flynn

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.

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

A Word from our Chairman

In order for The Rehab Group to be sustainable, it must be capable of delivering high quality services for the people who need them whilst at the same time achieving financial sustainability. This means that we must be properly funded by our funders and customers for the services and products which we provide on their behalf.

In 2017 and 2018, we incurred very significant financial losses in the delivery of our care services on behalf of the HSE, and consequently the Board concluded that if the care services which we provide were not adequately funded for 2019 that we would have no option but to issue a 12 month notice of termination in relation to our care services. We had been involved in protracted discussions with the HSE throughout 2017 and 2018 without making any meaningful progress and the Board concluded that it could not let The Rehab Group be in a position where there was a potential risk that it could find itself trading recklessly. In March 2019, the Board made a determination that it had no option but to issue a 12 month notice of termination in April 2019 and communicated this intention to key stakeholders.

After intensive engagement with the Minister for Health, Mr. Simon Harris TD, Minister for Disability, Mr. Finian McGrath TD, and the HSE a commitment of additional funding was forthcoming and this enabled the Board not to issue a notice of termination. The Board is appreciative of this promised additional funding and the commitment shown by the Ministers as it was recognised by all parties that the issue of notice would have profound consequences for the people who use the services and their families, as well as the dedicated employees who provide these very valuable services.

The serious situation which The Rehab Group faced is not unusual within the disability or charity sector. In November 2018, we published a piece of research entitled 'Who Cares? Building a new relationship between the not-for-profit sector and the State'. The report found that Section 39 organisations who participated in the research face funding challenges as well as increasing regulatory costs. The organisations also face an environment where command and control resides with the HSE which require a lot of micro management of issues. The report recognises that such an approach is unsustainable and it is our profound hope that the sector can move back towards a partnership model.

In relation to our learning services, an improving economy and increasing employment has created challenges and opportunities. As a group, we must innovate in order to meet a new set of needs from our students and from our funders. Developing and refreshing our learning services will be a very important focus for the Group in 2019. We will need to overcome a number of significant challenges in our UK services as well as ensuring that our Enterprises services are fit for purpose. All of our services are important but they also must be capable of being operationally and financially sustainable.

I would like to thank Steven Wrigley-Howe and Denise Lawler for their services as directors. I also extend my thanks to the management team and to all employees who, through their commitment and dedication, help improve lives. The services we provide are important and it is vital that we collectively ensure they are sustainable.

Jimmy Tolan
Chairman

2018: Caring, Learning, Working Together

The key theme of our work in 2018 was sustainability. Against the background of the considerable change which the organisation has experienced, both internally and externally, in recent years, it was considered opportune to take stock and measure how the different parts of the organisation are performing, and to map out the challenges we are likely to face in the near and medium term future.

Sustainability reviews were carried out in all parts of the organisation: Care, Learning and Enterprises, as well as a detailed look at our UK enterprises and contracts, particularly in light of the uncertain environment resulting from Brexit.

These reviews identified some key challenges. In RehabCare, the extent of the impact of underfunding of the new services we took on during the recessionary years, was revealed, and the urgent need to deal with it, if this part of the organisation was to be sustainable into the future. This led to an ongoing engagement with the HSE at senior level and some additional funding for 2019 but the issue continued to be an important one for the organisation right into the New Year.

The economic recovery has had an impact on our Learning services. Not surprisingly, more employment opportunities means that the demand for our niche services in our learning centres declined somewhat, creating a new challenge. The Sustainability Review for Learning has led to programme enhancements, as well as new marketing and stakeholder engagement initiatives. In parallel, we have expanded contracted training opportunities and are continuing to tender for Student Support Services in Third Level Colleges.

Rehab Enterprises is the largest employer of people with disabilities, but employment among people with disabilities generally is only 13%. Despite this, and despite commitments to enhance employment opportunities for people with disabilities, we have experienced a low commitment to the use of Article 20 of the Procurement Directive, which is specifically designed to create opportunities by reserving 10% of government contracts for people with disabilities. The Scottish experience has shown that, with political will, this Directive can be very effective. Despite our continuing efforts, the same will is not being demonstrated here.

Also, despite the support of IBEC, the Wage Subsidy Scheme payment, which is so important for employers in hiring people with disabilities, was not increased in the 2018 Budget. Again, this is a demonstration of the weakness of the government's commitment to ensuring that people with disabilities get the opportunity they deserve and need, to be part of the workforce.

In 2018, it became obvious that Brexit will inevitably impact our UK services. The relationship between the delivery of social care by the voluntary sector and the funding streams emanating from the European Social Fund means that in time, the exit of the UK from the European Union will have an impact on the range of services which we deliver there.

We achieved a lot in 2018: we invested in a valuable leadership development programme, we successfully prepared for GDPR, we moved our Head Office to Park West in Dublin and we strengthened our internal advocacy services.

Ultimately, we exist for the people who use our services, in every county in Ireland, in day services, residential, respite and in the many workplaces where we support a transition to work and independence. We are committed to continuing to meet the needs of the many thousands who use our services every day, and to do that, we will set about building a new relationship with our funders and with the state, to secure the future of the vital services we provide.

Mo Flynn
Chief Executive

The Rehab Group Board Members

Jimmy Tolan (Chairman of The Rehab Group) is currently the Chairman of Care Choice Group, a provider of residential services to older people. He has previously served as Head of Healthcare Advisory with PwC, as Chief Executive of VHI Healthcare and as Chief Executive Officer of Fyffes PLC.

Ann Duffy is a Chartered Accountant by profession and worked with Fyffes, a leading international producer, importer and distributor of tropical produce, for over 25 years. She is a member of the Institute of Directors having successfully completed the Chartered Director Programme with the award of a Certificate and Diploma in Company Direction. Ann recently completed her second term as an external member of the Trinity College Dublin Audit Committee.

Kevin Marshall is responsible for developing, designing and implementing education strategy for Microsoft Ireland. He has worked on public policy projects in technology curriculum design, and has served on the boards of a number of educational institutions. He has a strong personal interest in improving opportunities for people with a learning disability.

Stan McHugh has been involved in education and training all of his working life. He worked as a secondary school teacher until 1990, and since then as a senior educationalist in a number of Irish national agencies, including CERT, NCVA and FETAC, the Further Education and Training Awards Council, where he was chief executive for ten years, playing a central role in establishing and implementing the Irish National Framework of Qualifications. Since 2011 he has been operating as a consultant in qualifications and quality assurance in a variety of senior roles in Ireland and abroad.

Ian Brady is Head of the Institutional Advisory Group at Davy, where he advises institutions ranging from charities to corporations on how to preserve and grow their assets. A significant element of his work involves engaging with the non-profit entities he advises on financial strategies that can allow them to sustain and enhance their valuable mission. Ian has qualifications in business, finance, financial planning, law, corporate governance and non-profit financial stewardship. He has a relative with an acquired brain injury.

John F. Smith is a Chartered Surveyor, based in Galway. He has significant experience in commercial and residential property, together with property management. He is a former President of Connacht Rugby, a former member of the I.R.F.U Committee and a past Chairman of the I.R.F.U. Charitable Trust. He has finished a term as President of Galway Corinthians R.F.C. In the past eight years he has served as a member of The Rehab Group Board and as a member of the board of a number of its subsidiary companies.

Robert Barker was appointed in September 2017, having served on the Audit and Risk Committee as an external member for the previous year. He is a Fellow of the Association of Chartered Certified Accountants and an Associate of the Institute of Taxation of England and Wales. He was, until his retirement, a tax partner in KPMG, specialising in Financial Services. Since retirement, he has been involved with a number of charitable organisations apart from The Rehab Group. These include Howth Branch RNLI (where he is Treasurer), Sail Training Ireland (where he is a Director), Irish Cruising Club (where he is Honorary Treasurer) and he is Trustee and Honorary Treasurer of the Malawi Girls Education Fund.

Noreen O'Kelly, having qualified as a chartered accountant in KPMG, spent over eleven years in Independent News & Media plc, where she held a number of senior roles including group treasurer and company secretary. She then spent nine years in C&C Group plc as company secretary. She is now a consultant on corporate governance, and is a Non-Executive Director of a number of companies and not-for-profit organisations.

Henry McGarvey is the Secretary/Financial Controller in Letterkenny Institute of Technology and prior to that was the Head of the Department of Computing and Creative Practices in Sligo Institute of Technology. Before joining the public sector, Henry led Pramerica Systems Ireland Limited for 13 years, growing the organisation from a start-up to an organisation with more than 1,000 information technology professionals. Prior to returning to Ireland, Henry worked in Saudi Arabia as Head of Information Technology in Almarai. Henry also held senior management positions with Motorola and as an IT Consultant with Accenture. Henry chairs the Donegal Clinical Academy Trust, is a member of the boards of An Grianan Theatre in Letterkenny and Beaumont Hospital in Dublin, serves on the audit committee of Donegal County Council and is a member of the board of the Donegal Investment Group plc. Henry chaired the Governing Body of Letterkenny Institute of Technology. Henry has served on various boards including as a member of the boards of the IDA, the American Chamber of Commerce Ireland, Pramerica Systems Ireland Ltd and Ilex (Northern Ireland), as well as a Trustee of the Pramerica Pensions Fund. Henry completed an Executive

Diploma in Corporate Governance from UCD in 2012 and holds an MSc. in Transport and Distribution from Cranfield University. He completed his primary degree in Commerce in NUIG, as well as a Master's in Business Studies in NUIG.

Helen Bunbury has spent more than 25 years working in Financial Services, Legal, Public Services and NGO sectors. She has worked across the UK, Ireland, Europe, Asia, the Middle East, the Caribbean and the Americas in senior executive roles, including COO, Chief Internal Auditor and Change Director, with a focus on business transformations, creating new businesses, finance and governance.

Helen has completed the Chartered Director Programme and is currently a Non-Executive Director of a number of companies and not for profit organisations.

Table of membership of Board and Committees

(as at date of signing of Annual Report)

	Board	Committees				
	The Rehab Group Board	Audit & Risk	Finance	Quality & Safety	Nominations & Governance	Performance & Remuneration
Robert Barker	✔	✔				
Ian Brady	✔		©		✔	
Helen Bunbury	✔		✔			
Ann Duffy	✔	✔	✔			
Kevin Marshall	✔		✔			
Henry McGarvey	✔		✔			
Stan McHugh	✔			©		
Noreen O'Kelly	✔	©			✔	
John F Smith	✔				✔	✔
Jimmy Tolan	©		✔*	✔	©	©
Deirdre Reddan		✔				

© - Chair
* ex-officio member

The names of the persons, external to The Rehab Group board, who serve on the boards of our subsidiary companies are indicated below:

- Mary Doyle – Newgrove Housing Association
- Bernard Walsh – Newgrove Housing Association
- Michael Moriarty – Newgrove Housing Association
- Paulyn Marrinan Quinn – Newgrove Housing Association and Rehab Enterprises Limited
- Robert Cleary – Momentum Scotland, Momentum Care and Haven Products Ltd.

Senior Leadership Team






Left to right, top row to bottom row: ① Mo Flynn – Chief Executive, ② Connie Kelleher – Director of Finance and Corporate Support and Company Secretary, ③ Barry McGinn – Director of Business Development and Planning, ④ Kathleen O'Meara – Director of Communications, Public Affairs and Fundraising, ⑤ Martina Talbot – Director of People and Culture, ⑥ Linda Coone – Interim Director of Quality and Governance

Structure, Governance & Management

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 2018.

Legal Structure

The Rehab Group is a company limited by guarantee and not having a share capital. It is a public benefit entity. The Company was incorporated in 1953 and is a registered Charity. 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.

As a large Charity, the Company endeavours to have a governance structure that is fit for purpose and in 2018, the Group was in a position to state that they were compliant with the Governance Code for Community, Voluntary and Charitable Organisations. The continued compliance with the Code is monitored and evaluated annually.

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.

The Chair

The Chair is appointed by the Board and the term of office is three years, renewable for one term. The role of the Chair is integral to ensuring the effective functioning of the Board, including its role in:

- Agreeing strategy.
- Setting values and standards for the Company and ensuring that they are honoured in practice.
- Making decisions and ensuring that they are implemented.
- Maintaining financial viability and monitoring and managing risk.

Directors

The Directors are elected by the members of the Charity at the Annual General Meeting and serve for a three year term. The maximum number of terms that a Director can serve is two. 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.

The appointments to the Boards of all subsidiaries (with the exception of Newgrove Housing Association) are recommended by the Nominations and Governance Committee and are approved by the Board.

Representatives of The Rehab Group appointed to joint venture entities are approved by the Board, based on the recommendation of the Nominations and Governance Committee.

The Directors act in a voluntary capacity and receive no remuneration. In accordance with the Constitution of the Company, a Director is entitled to be reimbursed for out of pocket expenses incurred by them in relation to their role as Director.

The Role of the Board of Directors

Under The Rehab Group's Constitution, the Board holds the Company's power and authority.

The Board delegates the day to day running and conduct of the Company to the CEO and through the CEO to other employees. The Board has approved and adopted a Delegated Authority Matrix and any exceptions to this are set out in a Matters Reserved for the Board Policy which has been reviewed and adopted by the Board.

The Board of Directors ensures that the vision, mission and core values of The Rehab Group are upheld and is responsible for:

- The overall leadership of the Group and setting the values and standards.
- Approving the annual operating & capital expenditure budgets and any material changes to them.
- Approving the Group's strategic aims and objectives and review of performance in light of these strategic aims and objectives, business plans and budgets and

ensure that any necessary corrective action is taken when required.

- Ensuring the Company's prosperity by collectively directing the Company's affairs while meeting the appropriate interests of its relevant stakeholders.
- Ensuring high standards of governance, transparency and accountability and complying with all necessary legislation and regulation.

A statement of the role, responsibilities and duties of the Directors of The Rehab Group has been adopted by the Board and its implementation is reviewed periodically by the Board.

Board Induction and Renewal

The Nominations and Governance Committee regularly reviews the Board's skill mix, experience and tenure to ensure that the renewal process is orderly and planned. 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.

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. Further specific and relevant training is provided during their tenure to ensure that all members of the Board are fully aware of the responsibilities associated with the role.

Conflicts of Interest

The Board of Directors have approved and adopted a Conflicts of Interest Policy which is provided to Directors on appointment and is circulated annually.

A Director is required to identify and promptly declare any conflict of interest or potential conflict of interest. Such declarations to be made at the meeting at which the matter is discussed.

Board Meetings

The Board met seven times in 2018 (2017: seven meetings) to determine and review The Rehab Group's budgets, business plans, performance, objectives, strategic aims and to receive reports from senior managers.

In addition to the Board of Directors, the Board meetings are attended by the CEO and the Senior Leadership Team. The attendance record for the Board Meetings is set out in the Report.

Committees

The Board has five formal Committees and has set out formal terms of reference for each of these Committees, which include Nominations and Governance, Audit and Risk, Performance and Remuneration, Finance and Quality and Safety. The Chair of each Committee is a Director of the Board and reports back to the Board on each Committee Meeting. Further detail on each Committee is included in the specific Committee reports.

Quality & Safety Committee Annual Report

Terms of Reference

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

The Committee supports a culture of openness across The Rehab Group that actively encourages reporting on all aspects of quality and safety and associated risk management and seeks to maximize a culture of accountability using a systems analysis approach with focus on lessons learned and continuous improvement.

Overview of the Committee's Work in 2018

The Committee met four times in 2018 and received and considered quarterly reports to include Health, Safety Risk, Safeguarding, Quality and Assurance and Improvement Reports across the Care and Learning Divisions.

These reports allow the Committee to monitor the performance against regulatory standards and activity to ensure that the Group is operating within the provisions and standards which are material to the services and work being carried out by the Group. At each meeting, the Committee reviews and is updated on the results of HIQA inspections and outcomes and monitors progress and tracking against agreed actions. The Committee is annually provided with an overview of the thematic trend analysis and learning from the inspections which allows them to provide assurances to the Board that appropriate and robust policies, processes and practices exist to provide high quality and safe services.

During 2018, the Committee focussed on the development of quality intelligence around the Group's learning services, was updated on the Quality Improvement Plan and oversaw the successful re-engagement with Quality & Qualifications Ireland ("QQI").

In 2018, the Committee were provided with an overview and update on the Group's mandatory and elective quality assurance systems in order to allow them to make a recommendation to adopt an overall quality management framework across the Group's divisions.

Priorities and Key Tasks for 2019

- Continued oversight of the QQI Quality Improvement Plan (QIP)
- Review of specific Group Policies to include Whistleblowing Policies and Teaching and Learning Policies
- Review of quality indicators in Rehab Enterprises
- Continued monitoring of HIQA inspections, re-registrations and the implementation of agreed action.
- Continued oversight of the New Directions Standards in HSE funded training and day services.
- Implementation of IPLANIT (person centered planning tool) in Learning
- Continued oversight of key risk, health and safety areas

In conclusion

I would like to thank my fellow Committee members, past and present and the management team, for their contribution to the work of the Committee.

Stan McHugh
Chair Quality & Safety Committee

Nominations & Governance Committee Annual Report

Terms of Reference

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

Overview of the Committee's Work in 2018

The Committee met on two occasions during 2018. The Committee reviewed the structure, size and composition of the Group Board, Subsidiary Boards and Board Committee to ensure that they have the correct skills mix to carry out their functions.

The Rehab Group has been on a journey to compliance with the Governance Code for the Community, Voluntary and Charitable Sector in Ireland and the progression of this journey had been monitored and overseen by the Committee. During 2018, the Board was in a position to publicly declare its compliance with the Code.

Throughout 2018, the Committee kept under review any developments in corporate governance that may affect The Rehab Group with a view to ensuring that The Rehab Group's corporate governance policies and practices continue to be in line with best practice.

Priorities and Key Tasks for 2019

- Conduct a skills audit and evaluation of the Board composition
- Monitor and oversee the Group's preparedness for Compliance with the Charities Regulatory Authority Governance Code.
- Ensure continued compliance with all Regulatory and Corporate Governance requirements.
- Review the Corporate Governance Handbook and recommend necessary amendments and updates to The Rehab Group Board of Directors

In conclusion

I would like to thank my fellow Committee members for their valued input and collaboration during the year.

Jimmy Tolan

Chair Nominations and Governance Committee

Finance Committee Annual Report

Terms of Reference

The Finance Committee (the "Committee") assists the Group Board in making decisions on financial matters within its remit by advising, questioning and clarifying financial decisions prior to them being submitted to Group Board.

The Committee monitors the financial performance of the Group against plans, budgets and cashflows and reviews the annual budget for appropriateness prior to submission to the Group Board. In addition, the Committee reviews the financial impact of any new or revised activity, strategy or business policy before and during implementation and before it is submitted to the Group Board for approval.

The Committee reviews annually the scope of and terms of cover of the insurance policies taken on a Group wide basis.

Overview of the Committee's Work in 2018

The Committee met eight times in 2018. In tandem with the fulfilment of the Committee's criteria under its terms of reference, one of the key focus areas for the Committee during 2018 was ensuring the long term sustainability of the Group. This focus was a core part of the Committee's remit and contribution to the Board and drove much of the activity and task throughout 2018.

The Committee oversaw a number of project and priority areas that ensured that the pressing financial and long term sustainability issues facing the Group were brought to the forefront, to include sustainability reviews of key business units which allowed the Board and Executive to engage with our funders.

During 2018, the Committee monitored the Strategic Reporting Project which saw the development of a revised reporting suite of documentation which facilitates an enhanced understanding of business performance for both the Board and the Executive and supports the monitoring and oversight requirements of the Board.

Priorities and Key Tasks for 2019

- Continued oversight of the creation of a multi-year financial sustainability plan for The Group that links our strategy with our financial ability to sustainably deliver our mission.
- Reviewing a Group Property Assessment.
- Finalising the Group's Reserves Policy.

In conclusion

I would like to thank my fellow Committee members and the Executive, for their overall input and co-operation, as we focus on sustaining the valuable services of the Group into the future.

Ian Brady

Chair Finance Committee

Joseph from RehabCare in Cavan

I'll be 32 this year, and I've been coming to this centre for a few years and it's so great being active. The staff organise Job Shadow for us, it's a great way to enjoy yourself and we help out different companies and they appreciate that. The staff are great; Bernard is the manager and he's brilliant he is.

The staff bring us out on the running pitch every week, a big gang of us from the centre. It makes me feel good to get the exercise. It's a nice big building, I have a lot of friends – a lot of lads, actually, all the lads. They're different ages but we all stick together. If I wasn't coming here and seeing my friends, I think I would feel very left out.

Audit & Risk Committee Annual Report

Terms of Reference

The Audit and Risk Committee (the "Committee") is tasked with monitoring the integrity of the Financial Statements and the Financial Reporting Process. It is also required to oversee the work of, and relationship with, the External Auditor. The Committee supports the Board in carrying out their responsibilities for ensuring that risks are properly identified, assessed, reported and controlled and monitors the effectiveness of the Risk Management Framework for the Group.

In addition, the Committee monitors and reviews the Group's Internal Audit Function and reviews and assesses the internal audit work plan, and management's responsiveness, to internal audit recommendations

Overview of the Committee's Work in 2018

The Committee met on four occasions during 2018 and in accordance with best practice met with the External Auditors and Head of Internal Audit without any members of the Management team present, to provide them with the opportunity to raise any matters or concerns in confidence.

Throughout 2018, the Committee reviewed the results of the issued Internal Audit Reports, the implementation of the recommendations arising from the Internal Audit Reports and any Open Recommendations.

During 2018, the Committee continued its oversight of the Group's preparedness for the enforcement of GDPR and monitored and received reports on the implementation of the Action Plan with the Group Data Protection Officer presenting to the Committee in advance of the implementation date.

At the Committee meeting held in June 2018, the Committee reviewed the External Auditor's Post Audit Report, Financial Statements and Annual Report for the year ended 31 December 2017 and were satisfied that the Financial Statements and Annual Report could be recommended to the Group Board for approval.

The committee also had oversight of a tender process for the appointment of an External Auditor, and as a result, Mazars have been re-appointed for a further period of up to five years.

A key priority for the Committee during 2018 was monitoring the continued refinement and design of the Group's Risk Management Framework. Key elements of the Framework were upgraded in 2018, to include the adoption of a Risk Appetite Statement and implementation of an enhanced Risk Indicator Report.

Priorities and Key Tasks for 2019

- Oversight and monitoring of maintenance of compliance with GDPR.
- Continued development of the Risk Management Framework to include the development of Risk Appetite Performance Report and Risk Appetite Due Diligence appraisal methodology.
- Oversee the progression of the 2019 Internal Audit Plan and Internal Audit recommendations.
- Monitor and review the External Audit Process.

In conclusion

I wish to thank my fellow Committee members for their continued and valued insight, co-operation and oversight during the year. I would also like to thank management for their hard work and commitment.

Noreen O'Kelly

Chair Audit and Risk Committee

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. Reporting to the CEO, the SLT guides and directs more than 3,200 people to deliver our services in over 170 locations throughout Ireland, the UK and Poland. The SLT oversees the day to day activities of the organisation and ensures the strategic framework is implemented.

The SLT is made up of six directors, spanning six departments:

- Finance and Corporate Support
- People and Culture
- Business Development and Planning
- Quality and Governance
- Operations
- Communications, Public Affairs and Fundraising

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 Care and Day Activities of RehabCare have been transferred to The Rehab Group meaning. As at 31 December 2018, there were twelve trading entities in the Group. The intention is to reduce this further in the years ahead.

The appointments to the Boards of all subsidiaries, with the exception of Newgrove Housing Association, are 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 Rehab Group Risk Management Framework and associated processes continue to undergo ongoing design and refinement. Elements of the framework that have been upgraded in 2018 were the Risk Appetite Statement and an improved Risk Indicator Report, all of which allow the Board of Directors, SLT and Management Teams across the organisation to effectively and appropriately manage the risks that The Rehab Group and people who use our services face.

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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.

Responsibilities	Process
The Board has overall responsibility. Audit and Risk and Quality and Safety Committees have specific responsibility to review and adopt the Group Risk Register.	Review risk reporting. Review Group Risk Register. Maintain Risk Appetite Statement.
The SLT has oversight of the Group's Risk Register and risk processes, seeking to embed the agreed risk appetite into the organisational culture. Internal Audit ensures that the audit plan is appropriately risk based.	Review and endorse. Group Risk Register. Apply Risk Appetite Statement.
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.
All employees are responsible to act at all times honestly, with integrity and to safeguard the resources for which they are responsible.	The Rehab Group seeks to ensure that our employee policies are in line with legislation in order to provide a safe supportive working environment for our employees. The Rehab Group engages an externally facilitated protected disclosure (whistleblowing) service allowing all employees to safely and confidentially raise any concerns regarding inappropriate behaviour, malpractice or illegality.

Principal risks and uncertainties

The major risks to which The Rehab Group is exposed, as identified by the SLT and the Directors, are continuously monitored and systems and procedures 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 SLT and Quality & Safety Committees. • Effective Policy and Procedures.
Risk of Care or Learning services not being funded adequately.	• Financial oversight provided by the Board Finance Committee.
The Rehab Group, as a commercial and social enterprise, operates in competitive commercial markets where, in order to ensure long term future sustainability, the costs of providing its services must not exceed its funding levels.	• Engagement with funders to seek to address funding shortfalls. • Finance Directorate provides support and oversight to all operational units. • Monthly, Quarterly management accounts reported on. • An active cost limitation / reduction program including: > Procurement procedures & review. > Remuneration committee. > Setting annual cost reduction targets.
Employees 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 employees with system of audit. • Insurance cover is maintained at Group level for significant insurable risks. • A business continuity plan in place and maintained for all services / centres. • Serious Incident management policy in place detailing escalation and management process in place in the event of the most serious incidents.
Failure to recruit/ retain employees at a time of increasing labour market pressures.	• A continuous focus on workforce planning at both strategic and operational levels. • Engagement with wider workforce/ external stakeholders and union partners. • Dedicated Talent Acquisition Team.
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.
Risk of Care or Educational services not being funded adequately. Rehab as a commercial and social enterprise operates in competitive commercial markets where, in order to ensure long term future sustainability, the costs of providing its services must not exceed what it is gets funded for.	• Financial oversight provided by the Board Finance Committee. • Engagement with funders to seek to address funding shortfalls. • Finance Directorate provides support and oversight to all operational units. • Monthly, Quarterly management accounts reported on. • An active cost limitation / reduction program including: > Procurement procedures & review. > Remuneration committee. > Setting annual cost reduction targets.

Risk Appetite Statement

The risk appetite statement defines the parameters in which The Rehab Group Board of Directors sanctions the SLT to take risk in order to fulfil the Rehab Group's mission and to achieve its objectives. It is acknowledged that no business can thrive without taking on risks. A key benefit of deploying a risk appetite framework is that these risks are identified and quantified in a structured way.

The SLT and their teams are sanctioned to undertake services, projects, undertakings or activities that fall within the defined parameters below in order to achieve the organisations objectives and mission.

Performance on these undertakings is reported to the Board through risk and operational business metrics reporting frameworks.

Risk Impact Areas		Risk Appetite
Operational	Business Continuity	Risk Neutral
	Service Delivery	Risk Neutral
	Harm	Risk Averse
Strategic		Risk Neutral
Compliance		Risk Neutral
Reputational		Risk Neutral
Financial		Moderately Risk Averse

Risk Appetite Scale

Risk Seeking	Risk Accepting	Risk Neutral	Moderately Risk Averse	Risk Adverse
The Rehab Group believes aggressive risk taking is justified.	The Rehab Group is willing to take greater than normal risks	The Rehab Group takes a balanced approach to risk taking	The Rehab Group adopts a cautious approach towards taking risk	The Rehab Group takes caution and accepts as little risk as possible.

Our Objectives & Activities

The charitable objectives of The Rehab Group, as set out in the Constitution, 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.

The objectives of the Group are to do all things which 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 activities solely in support of its main objective.

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 Objectives and Activities in 2018

Employee Development and Engagement

In 2018, we rolled out the employee survey results across The Rehab Group and pursued action plans at team and department level, to create positive changes and a happier working environment for all employees. 2018 also saw the delivery of the comprehensive Leadership Development Programme for both level 1 and 2 roles.

Over a 10 month period, middle and senior leaders developed their skills, providing them with practical tools and methodologies that will enable them to develop more consistent approaches to their leadership and management and to influence and empower other individuals. We are happy that we have seen significant improvement across our dimension lines in our reported results and we strive every day to see continuous improvements. We believe our employees are central to what we do and how we support our services users.

We continue to invest in our employees to foster employee potential & development, helping them grow their skills and expertise in their personal and professional life so they can excel in their lives. Our overall success depends on the ability to attract, motivate and retain employees.

Diversity and Inclusion

All employees are treated with dignity, respect and equality of opportunity and not subject to discrimination. The Rehab Group implemented a new Diversity and Inclusion policy in 2018.

Career Development

The Rehab Group offers a suite of Learning and Development opportunities through continuous learning, educational support, mandatory and development training.

Integration

For those who live with a disability, who are marginalised and disadvantaged in society, the quality of The Rehab Group's service offering is grounded in the reassurance that we offer a flexible and individualised service which is meaningful over the course of an individual's life.

A strategic goal of the organisation is to use all of its capabilities to provide a personalised pathway to independence for the people who use our services. To this end, a number of integrated projects and service developments were initiated in 2018 across National Learning Network and RehabCare services, such as Soar and Links.

Business Development

A range of new business opportunities were developed and secured in 2018 (e.g. respite services in Sligo/Donegal, the mid-west and midlands; Individual Placement Service (IPS); school-leavers services). In Enterprises, we appointed a Head of Operations to help develop a productive and efficient operating model ensuring consistency with the organisational values.

GDPR

The EU General Data Protection Regulation (GDPR) replaces the Data Protection Directive 95/46/EC and is designed to harmonise data privacy laws across Europe, to protect and empower all EU citizens and to reshape the way organisations across the region approach data privacy. It had an enforcement date of 25 May 2018. In 2017, The Rehab Group took a number of steps to prepare and ensure prompt adoption of the regulation in 2018.

A Steering Group was set up in conjunction with an external provider to help with the understanding of the new requirements and the scale of the project. A gap analysis was performed to assess key areas of exposure and risk and an action plan was drawn up with a clear timeline for the completion of tasks. Data audits were completed across all functional areas to identify how data is used, where it is stored, what the retention period for the data is and the justification for processing the data.

We have designated a Group Data Protection Officer, supported by an Information Security & Data Protection Officer based in the UK. In the event of Brexit, The Rehab Group will have an independent representative for our UK service users and employees. GDPR awareness and key risk training for front line employees is a priority; a formal data protection training and awareness programme was developed and implemented across the Group; an online GDPR module will be available to employees in early 2019.

The Rehab Group's Data Protection policies were reviewed and updated to align with the GDPR, including the development of a Data Breach Plan. A Data Subject Rights policy was developed and implemented. A Privacy Policy was posted on our website, and all employees have received an individual privacy statement.

Corporate governance for data protection falls within the remit of the Director of Quality & Governance, with regular reporting to the SLT, the Audit & Risk Committee and The Rehab Group Board.

Our plan for 2019 is to build on the ground work completed and maintain operational policies and procedures consistent with data privacy policy, legal requirements, and operational risk management objectives thus ensuring compliance with the GDPR.

The Rehab Group places high importance on the correct, lawful, and fair handling of all personal data, respecting the legal rights, privacy, and trust of all individuals with whom it deals.

Social Media

A project to centralise and consolidate the Group's Facebook pages was continued across 2018, and has seen engagement with the Facebook page increase exponentially. This enhances our ability to showcase the work that we do to the wider world and the achievements of the people who use our services.

E-Learning

In 2018, we began the project of migrating our current College (NLN) IT infrastructure from an on-premise server solution (one in each college) to a new private cloud hosted solution.

This introduced new technology which significantly benefits every student and instructor across all NLN colleges nationwide while at the same time providing an environment that is centrally managed and controlled. This project is bringing our Learning IT system up to date with the very latest technology and future proofs the system for the future.

As it is a cloud based solution, it means that students will have the ability to access college materials outside the college on their personal devices for the first time. It is also based on the latest technology, which means we can deploy new functionality to students very easily, something which was impossible on the old environment.

Part of this project also included the purchase of 100 thin client devices which provide a cheaper alternative to full desktop PCs and laptops. These devices provide a secure environment and are all managed centrally giving us complete control over the environment. The plan over time will be to replace all PCs and laptops with a thin client variant which are cheaper, have a longer lifetime and are fully secure.

Katie from RehabCare Wexford

I'm grateful that I was introduced to RehabCare because I have matured a huge amount since I started here in 2017. I used to do things for attention but now I don't feel like I have to do that anymore. I am listened to, and I also feel very independent. I have a lot of friends and we go on outings together. I am learning to travel on public transport on my own.

My programme supervisor is helping me with money management and my I-Planit, and if there is ever a problem, I know I can talk to her about anything. I worry about lots of things but the supervisors here have found ways to help me reduce my anxiety. This place has really changed me. My dream is to do forensic science and I'm progressing here so much that I feel that someday I will be able to study it.

RehabCare

RehabCare is the health and social care division of The Rehab Group.

We provided care for **1,600 adults** in RehabCare day services throughout 2018

91 adults live in our residential services

RehabCare
Investing in People, Changing Perspectives

104 adults live in our supported accommodation services

85 adults access our home support services

Details of Significant Activities

National Learning Network

The Rehab Group's training and learning services are provided by National Learning Network (NLN) in Ireland. NLN specialises in the delivery of recognised and accredited programmes to people who need specialist support. We are the largest private provider of personalised education, training and employment services in Ireland, offering 51 Major Awards on the National Framework of Qualifications.

Each year, people come to learn and study with NLN and to develop the skills they need to move forward with their lives, including many who otherwise may have found it difficult to participate in further education and training or to gain employment.

NLN offers training, education and community-based rehabilitative training programmes focusing on wellness and employment preparation. Our training programmes span many disciplines including Art, Administration, Sports and Recreation, Graphic Design, Culinary Skills, Computing and Horticulture. The people who use NLN's services need specialist supports for a range of reasons. We work with people who experience health conditions, illness, disability, mental health difficulty, trauma, addiction, economic isolation or challenging life circumstances.

We support people to make successful transitions, whatever their stage in life. We can help with transition from school to the adult environment, with access to vocational training, support with getting a job, recovery and wellness, improving people's health, enhancing quality of life and achieving successful inclusion in the community. NLN's services are aligned to international best practice models of social and vocational rehabilitation.

Students who attend NLN receive their certificates at celebratory ceremonies throughout the year after completing courses designed to support people to get a job or to progress to further education. There is a very strong student advocacy network across NLN. Representatives from the National Regional Advocacy Committees address the Group's Board of Directors on an ongoing basis and communicate matters of importance to them.

At NLN, we pride ourselves on the flexibility of our courses, which are all designed to meet the individual needs of each student. We set ourselves apart from other training bodies by addressing all the factors that will affect a student's prospects of obtaining and retaining a job in their chosen field. Our unique system of training delivery enables students to reach their potential in a manner that takes account of personal, social and environmental requirements.

NLN provides Education Support Services (ESS) in a number of Colleges of Further Education, Universities and IT campuses in Ireland. This psychology led service, provides on-site assessment and intervention for students with diagnoses of learning, mental health, neurological, neuro-developmental, and physical difficulties. Students access a range of study, wellness, and social and organisational support sessions with a psychologist.

The service adopts a holistic approach and recognises that student well-being is intertwined with their academic experiences. It provides a disability support service to eight of the further education colleges within City of Dublin Education and Training Board. The service provides a range of supports to employees and students to the CDETB overall, to eight colleges in particular through an on campus presence and with the CDETB Head Office in terms of planning and review.

E-Learning is available as standard on all NLN programmes and services. NLN has a state-of-the-art and very user friendly e-learning system that contains thousands of learning and support resources including course notes, training videos, online quizzes, web-links, discussion forums and more.

The "Ag Obair le Chéile" initiative was created to support people with a disability, people who are long-term unemployed, early school leavers and refugees. Forty people took part in the year-long innovative programme, run by NLN in Phibsboro. In August 2018, the Minister for Finance and Public Expenditure, Paschal Donohoe TD, presented the participants with their certificates after they successfully completed the course.

Seventeen of the participants got jobs in a range of high-profile companies such as Ryanair, Sherry Fitzgerald and Facebook. Nine of the participants progressed to further education. Support for the programme came from multi-national investment bank and financial services company, J.P. Morgan.

Carelink

Carelink is the home support division of RehabCare. The highly trained home support staff enable people to live independently in their own homes. Our home support services are renowned for their flexibility, ensuring that a client's needs are taken into account at all times.

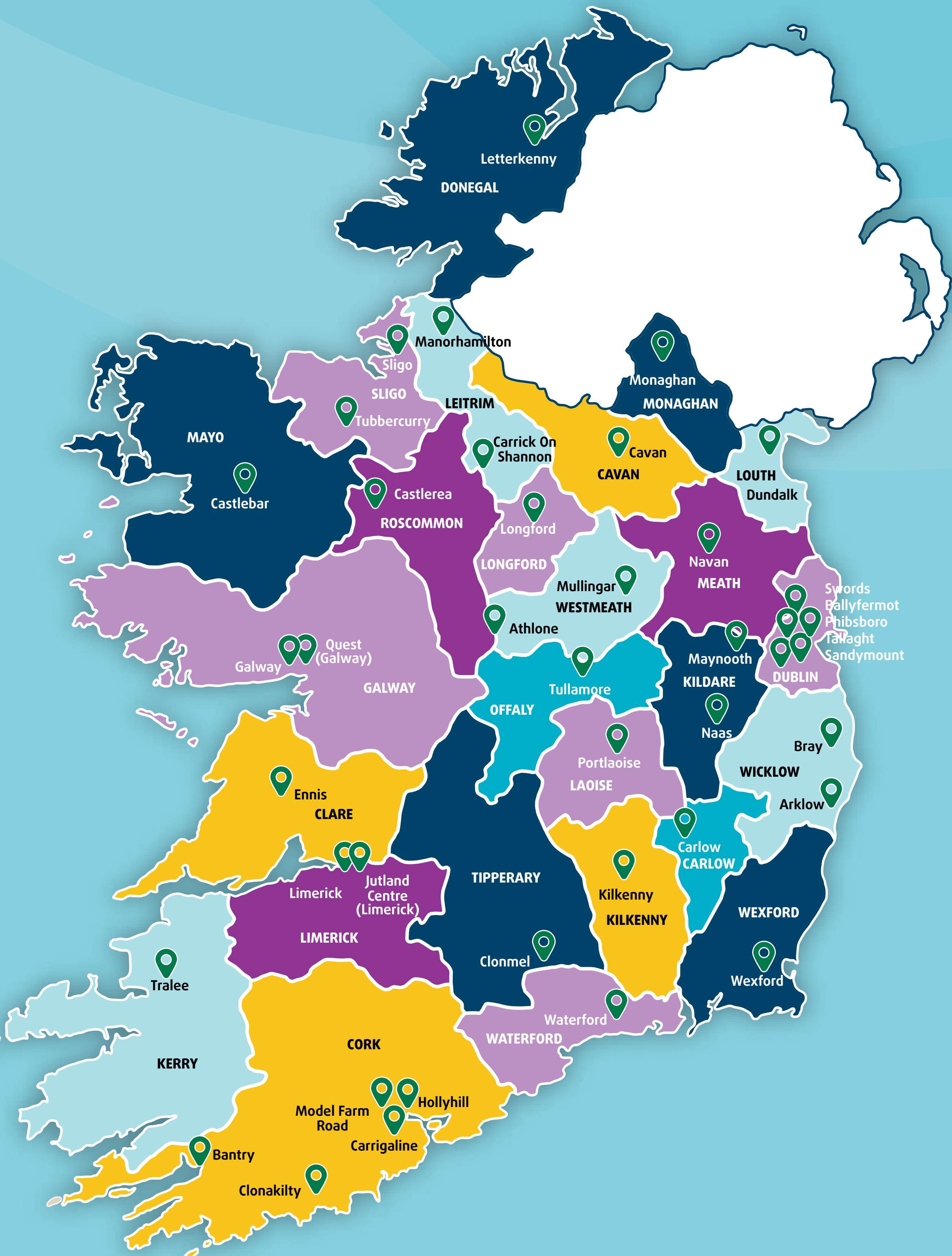
Sean Francis from NLN Wexford

I've been attending NLN Wexford for over a year, and I'm working very hard on my Computer and Office Administration courses. I love working on computers. The IT equipment is top notch, it's quick and all my work looks very bright and colourful on the screen. It's helping me to become very skilled and confident.

I like making cartoon characters and animation, I have lots of ideas for what I want to create. NLN will give me support so I can one day work in a creative studio. They have already arranged work experience for me on a shop floor and that's what I need to get ready for a working environment in the future.

The instructors help me in any way they can, they offer outstanding support to me. It's a quiet and sedate place, and when I'm studying on the computers, I feel I have the time and space to work at my own pace.

National Learning Network Centres across Ireland



RehabGroup
Investing in People, Changing Perspectives

Our Social Enterprises – Ireland

The Rehab Group's social enterprises, delivered in Ireland by Rehab Enterprises, is Ireland's largest non-governmental employer of people with disabilities. At the end of 2018, 50% of the workforce, some 150 people, were living with a disability and we take pride in providing a workplace where all employees are supported to maximise their potential and given a chance to thrive, achieve and shine. Fundamental to our success are our employees and our customers.

Rehab Enterprises offers dynamic business solutions to companies and commercial organisations in areas spanning logistics, information destruction, recycling, packaging and retail. Through competing and operating in the commercial arena, Rehab Enterprises provides a supported workplace for people with disabilities to work to remove barriers which people might face. This includes adapted working environments, facilitative supervision and management, and services to ease the transition to employment for people who have been out of work for considerable periods. Rehab Enterprises is committed to building sustainable businesses that provide appropriate and viable employment opportunities to people with disabilities.

Our philosophy of meaningful and sustainable work and our success in playing to individuals' strengths is borne out in the hardworking and collegial atmosphere on site, in the length of service of so many employees, and above all in the levels of customer satisfaction that we experience.

We deliver a wide range of high quality services to customers throughout Ireland, including SMEs, and to a range of blue-chip, large indigenous and multi-national companies.

Rehab Logistics provides cost-effective and robust outsourcing solutions, supply chain support and fulfilment operations as well as value-add activities, from our specialist sites across Ireland

Rehab Recycling consists of several businesses, including a kerbside collection of paper and cardboard business, an IT service that refurbishes computer equipment and undertakes data destruction of sensitive equipment, and is part of the chain that enables the recycling of metals.

Rehab Retail has been operating commercial retail stores in Ireland since 2004. The SMILES Newsagents branded stores offer a wide range of products and services and all retail units are operated as independent units within corporate sites. There are currently 11 SMILES Newsagents in operation in Dublin.

Following on from sustainability reviews of our Learning and Care services, and in the context of a challenging environment, we are embarking on a sustainability review of Rehab Enterprises, with a view to secure future viability of the entity.

Our UK Services

In the UK, The Rehab Group's services consist of three strands - Momentum Scotland, Momentum Care Services, and Haven Products Limited.

Our services empower people with disabilities and people who experience disadvantage throughout the UK to identify and achieve their goals and support them to live lives of their choosing. Our learning services provide vocational rehabilitation and training services which enable people to live independently and to gain access to employment. Our Care services pride themselves in putting the people we support at the centre of everything we do, offering a variety of flexible social care services for people with a wide range of needs, supporting people to be involved in decisions about their own health and wellbeing and to play an active role in their communities. Our social enterprises provide meaningful employment to people with disabilities.

Momentum Scotland

In 2018, Momentum Scotland supported some 3,586 people across a range of interventions, namely; vocational rehabilitation, health and social care, training, employment and personal development. In the same period we helped some 1,469 people gain and/or sustain employment through a combination of community-based service provision, national employability contracts and the National Access to Work Service in Scotland.

In April 2018, Momentum commenced delivery of a range of Fair Start Scotland employability contracts as commissioned by the Scottish Government, a key, voluntary programme that aims to engage with thousands of people over a three year period across the country. Momentum Scotland is the lead delivery provider supporting disabled and unemployed people in Aberdeen City and Aberdeenshire Council.

Momentum Scotland carried out over 1,000 Access to Work ergonomic and technical workstation assessments across Scotland for disabled people requiring support in the workplace. We delivered this contract in partnership with People Plus and RBLi.

Momentum Care Services

Momentum Care provides a range of vocational rehabilitation and social care support services for those with an acquired brain injury or those who are socially excluded across its operation in the Scottish Borders, Aberdeen, Newcastle, Blyth and Birmingham. Our team of experienced and friendly staff support people in their own localities, enabling them to live independently and safely in their own homes, to take part in community activities, and to undertake daily living tasks. Momentum Care also offers respite/short breaks.

Haven Products Limited

Haven Products Limited offers high quality services and solutions to businesses in the areas of contract packing, quality inspection and re-work, secure storage, signage production, textile manufacturing, printing and mailing. It also offers WEEE (Waste Electrical and Electronic Equipment) recycling services through Haven Recycle.

Haven Products Limited operates from a number of key sites across Scotland, delivering services to a client list ranging from international blue chip firms to local businesses.

Our customers can have confidence in our services which meet both their business needs and regulatory requirements, with operations being independently assessed and certified to ISO 9001:2008 quality assurance and ISO 14001:2004 environmental management standards.

While operating as a commercially viable and efficient business, Haven Products Limited is first and foremost a social enterprise; our unique attribute being that the majority of our highly skilled and comprehensively trained workforce comprises of people with disabilities or who are disadvantaged. They carry out ongoing programmes of training and integration to ensure that all their work is carried out to the highest possible standards demanded by the market, and their impressive client list is a testament to this.

Our Advocacy & Public Affairs Activities

United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)

On 7 March 2018, the Irish Government ratified the UNCRPD after years of campaigning by organisations representing people with disabilities, including The Rehab Group. The Convention is a human rights treaty adopted by the United Nations in 2006 and signed by Ireland in 2007. It contains 50 Articles which exist to protect and reaffirm the human rights of people with disabilities.

The Rehab Group shared a copy of the UNCRPD with everyone working within the organisation, including an 'easy read' version for some of the people who use our services. Our Advocacy Officers organised workshops for the Regional Advocacy Committees, to discuss the UNCRPD. Following the successful workshops, the members of each Advocacy Committee worked towards a set of Guidelines for Advocacy and Lobbying.

"Who Cares? Building a new relationship between the not-for-profit sector and the State"

During 2018, The Rehab Group commissioned and launched a research report on the current challenges in the relationship between the Section 39 sector and the State. Entitled "Who Cares? Building a new Relationship between the not-for-profit sector and the State", this report was researched and compiled by Dr. Chris McInerney of the University of Limerick. Eight different disability charities who were involved in the research strongly supported the report's recommendations.

The report was launched on 21 November 2018 when it was distributed widely to stakeholders in the sector and the media. The report was also presented to members of the Houses of the Oireachtas in Leinster House. Many of the members of the Oireachtas Health Committee, as well as TDs, were briefed by The Rehab Group's Public Affairs team.

Independent Review Group on the role of Voluntary Organisations

Following a meeting with the Independent Review Group on the role of Voluntary Organisations in delivering health and personal social services in 2018, The Rehab Group made an extensive submission to the research outlining how a new relationship is needed between the not-for-profit sector and the State.

Breaking down barriers to work for people with disabilities

Throughout the year, The Rehab Group continued to reduce the barriers to work for people with disabilities. Through internal surveys during the year, we identified that having a job was important to the people who use our services, with over 70% stating that they didn't have a job, but over 66% of those wanted to work.

We created and distributed a survey for employers about their perceived barriers to employment of people with disabilities so that we can help them to address these issues.

We built on our relations with employers through our relationship with IBEC. We worked with IBEC on their pre-budget submission in relation to the Wage Subsidy Scheme. The Rehab Group was represented at the IBEC Diversity and Inclusion Forum and we contributed an article about disability and work to the IBEC e-zine in December 2018. We also agreed to lobby with IBEC on improving the Wage Subsidy Scheme.

The Rehab Group continued to lobby Government to promote the benefits of Article 20 of the EU Public Procurement Directive 2014.

In May 2018, we met with the Minister of State at the Departments of Finance and Public Expenditure and Reform with special responsibility for Public Procurement, Open Government, and eGovernment, Patrick O'Donovan, TD.

A team from the Office of Government Procurement visited our Haven centre in Larbert, Scotland and met with employees from the organisation and witnessed first-hand the benefits of Article 20 for creating jobs for people with disabilities.

Our Pre-Budget Submission

As part of our pre-budget submission, we surveyed 328 people who use our services about what measures they would like to see the Government implementing in the 2019 budget. The survey revealed a level of poverty associated with disability.

Many revealed that they are skipping meals, going without medicine and are increasingly isolated because their disability payments are too small. Almost three quarters of those surveyed said they are dependent on others for their living arrangements, despite more than 63% of them stating that they would prefer to live independently. Money was the biggest obstacle to independence in 70% of cases, with 30% citing a lack of suitable accommodation and 13% blaming too few personal assistance hours.

In Budget 2019, additional funding of €150m for disability services was announced, most social welfare payments were increased by €5 per week and €300,000 was designated for a commission to research the cost of living with a disability.

National Advocacy Conference

The National Advocacy Conference took place at the Gibson Hotel in Dublin on 17 April 2018. 180 people from NLN and RehabCare centres attended and new Regional Advocacy Committee members were elected. Senator Lynn Ruane and Leigh Gath, the Confidential Recipient for Vulnerable People (HSE), addressed the conference. The Regional Advocacy Committees reported on their work and there was also an Open Forum for delegates to discuss topics which are important to them.

Transport Report

We undertook an extensive transport survey for people who use our services about their journeys to and from The Rehab Group's centres. Over 1,400 participants took part in the survey and the results were presented to the National Advocacy Conference in April. A wider transport survey was then conducted with people who use our services about their more general transport experiences. This was also extended to people with disabilities outside our services.

Pay Restoration

Following representations from The Rehab Group and other Section 39 organisations about the detrimental impact that staff attrition due to non-restoration of pay is having on people who use our services, Fianna Fáil dedicated its first private members' time of 2018 to discussion of a motion calling for the restoration of pay for Section 39 workers. Following negotiations at the Workplace Relations Commission in October 2018, the unions secured a deal which would see eligible employees get an extra €1,000 onto their base salary pay scales from April 2019.

Our Fundraising Activities

Ireland

The Care Trust

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 2018, The Care Trust contributed €940k to The Rehab Group which was applied to various projects.

A major spend in 2018 of The Care Trust funds (€662,000) centred on migrating current NLN IT infrastructure from an on-premises server solution (one in each of the 56 locations) to a new private cloud-hosted solution.

This will introduce new and exciting technology which will significantly benefit every student and instructor across all of our colleges nationwide. This project is bringing The Rehab Group's Learning IT system up to date, with the very latest technology and aims to future-proof the system.

Other areas supported by The Care Trust funds were IT equipment, equipment and fixtures, psychologist fees and quality and governance GDPR costs.

It has been agreed by the Chief Executive that a new process to determine spend areas of The Care Trust funds will be implemented in 2019 with the focus on a bottom-up application process, feeding in to a top-down decision-making process, overseen by a convened Steering Group.

Local Community Fundraising

The Rehab Group's self-organised fundraising through 2018 was specifically focused on Local Community Fundraising. These activities and donations are based within services nationwide with the Fundraising Department providing oversight and management of all processes and documentation. These activities follow the Charity Regulator's Guidelines on Fundraising from the Public. The majority of fundraising takes place within the Community Support services of the organisation.

The Rehab Group's Fundraising Manager attended at least one managers' meeting in each of the nine ISM areas throughout 2018. In total, €162k was raised nationally in 2018. Although this was against a central target of €200k, individual managers do not have centrally set targets. Under half of all services would undertake staff-managed fundraising activities.

100% of all funds raised locally, although centrally managed, are designated back to the local service to be spent locally. Managers and operational lines of command have discretion over how funds are utilised to benefit the local service. Fundraising is focused on providing additional funds for programme activities alongside capital items such as IT equipment, sensory rooms and gardens as well as buses and other vehicles.

Corporate Partnerships

The Rehab Group was chosen as the official Charity of the Year for the Jurys Inn hotel chain in Ireland on a two-year partnership in 2018. This saw hotel staff undertake various fundraising activities with funds designated to benefit The Rehab Group's new central Assistive Technology Fund.

To maximise business benefits of such corporate partnerships, the Fundraising Department linked in with colleagues in the Business Development Department. The Heads of Learning and Employability were introduced to senior executives within the hotel chain. The objective is to secure market expert knowledge to assist shaping our learning courses primarily in hospitality and catering, and to ensure qualifying students have the necessary skills to meet the needs of major employers.

Lottery Activities

All activities in relation to our fundraising activities across scratch cards and radio bingo ceased in 2017. The financial winding up of our joint venture with External Lottery Management Company (ElmCo) continued through 2018.

J.J. from RehabCare in Navan

It's good and hectic and fun here and, all in all, I find it easier to get myself up in the morning when I know I'm coming to RehabCare. I had never been to a gym before and now I'm getting very fit, the staff organise for us to go every week.

I do press ups, lift weights and use the bicycles. In a few weeks, I'm going to be living independently, and paying my rent, and the staff here have helped me prepare for all that and helped me to figure out the payments and all the paperwork. I've got butterflies about it but I am looking forward to it, it'll be great craic.

Building for the Future

The Rehab Group is focused on growing a solid and robust fundraising revenue income. While historically this has been based on lottery products, the organisation is now moving in line with other major national charities with a focus on the individual donor. This is a new departure for The Rehab Group and is a long term strategy

This will be built on a continued dedication to best in class donor care. The Rehab Group carried out its first donor acquisition campaign in December 2018 through the Facebook social media platform. This campaign generated 222 lead generations of support, with a focus in early 2019 of conversion to donors. This is tied to the Group's new website as it will provide the vehicle for donations and regular donation sign-ups.

This campaign provided the opportunity for us to test language tone and imagery of advertisements aligned with stories of success of the people who attend our services. This donor acquisition programme will continue to expand across 2019.

UK

Fundraising continues in the UK primarily in the area of donations, grants and donations from trusts. The total income across the UK in 2018 totalled £66,000.

The objective of fundraising in the UK is similar to Ireland, in terms of supporting programmes but not the funding of everyday running costs.

Parliamentary Pancake Race

This event has run for over 20 years, benefiting services across the UK. Members of Parliament, the House of Lords and the media compete in a traditional pancake race in the centre of London. The presence of a number of well-known people and by virtue of it being an exciting and lively event, it attracts massive media attention. In 2018, it was decided to conduct an independent sponsorship evaluation to assess the potential of sponsorship. Lyle's Golden Syrup sponsored the 2018 event with a sum of £12,000 and became the first mainstream consumer brand to sponsor the Pancake Race.

Reserves

The Directors have reviewed the financial position of the Group during the year and have reflected on the reserves required to successfully operate the services of a diverse and geographically dispersed charity.

The Directors are conscious of the need to regularly review the 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, the Directors 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, the Charity holds 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.

As at 31 December 2018, the total funds held on a consolidated basis are: €56 million and this includes:

- €28.4 m Unrestricted funds
- € 8.9 m Designated funds
- € 18.7 m Restricted funds

The Board has set a target of greater than €20m to be maintained in unrestricted general funds. As at 31 December 2018, unrestricted funds amounted to €28.4m (2017: €30.2m) which is in line with target.

The table below provides a summary guide of how unrestricted funds are allocated:

	€m
Provision for a downturn in unrestricted income	2.4
Financing of Fixed Assets (committed / budgeted)	7.8
Funding of Working Capital	3.4
Investment in property and other assets currently used for service delivery	14.8
Total	**28.4**

The level of unrestricted reserves across The Rehab Group has been determined based on maintaining sufficient reserves to cover fluctuations in the operating environment of each service and maintaining sufficient reserves in the event of a change in this operating environment so that the charity can meet its obligations as they fall due.

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.

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.

- **Education and Training Boards ("ETB's"):** represents specialist training grants received for the provision of training, education, employment and support services.
- **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.

The Directors have reviewed the expected future budgets and cash flows, and have discussed the opportunities for growth and efficiencies in service delivery that might arise in the future and are confident that they meet the "going concern" criteria.

Financial Review

This has been a financially challenging year for The Rehab Group. The year ending 31 December 2018 is our fourth-year reporting under SORP (FRS 102) for charities and showed an increase in operating deficits.

This year resulted in a net expenditure position before exceptional items of (€3.0m) (2017: (€0.3m)) which is an increase of €2.7m on 2017.

We continue to operate in a financially difficult trading environment with funding cuts experienced some years ago that have not been restored to date. We are also experiencing cost pressures across most areas of service delivery (e.g. annual wage increments with no corresponding funding increase), and this is in conjunction with increased regulation and pay restoration demands.

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

	€'000 2018	€'000 2017
Health Service Executive	73,800	68,878
Education and Training Boards	26,027	26,010
Department for Work and Pensions (UK)	3,493	8,139
Other (including Social Enterprises, Scottish Government, Care Services UK)	35,580	35,288
Income from charitable activities	**138,900**	**138,315**

Income	**2018 €'000**	**2017 €'000**
Fundraising and donations	420	2,197
Grant income	**1,409**	**1,925**
Fundraising, donations and grant income (sub-total)	**1,829**	**4,122**
Training support and employability	51,242	55,658
Day activity and care services	60,588	56,419
Social enterprises	27,070	26,238
Services (sub-total)	138,900	138,315
Total	**140,729**	**142,437**

Income above is reported before exceptional items and share of resources in associate.

Total income €140.7M decreased by 1% (€1.7M) with reductions in Training support, Fundraising and donations and Grant income. The fall in trading income was largely due to the reduced activity in England and Wales. Day activity and care services increased by 7% (€4.2M).

Running costs	2018 €'000	2017 €'000
Fundraising and donations	129	1,876
Training support and employability	51,719	53,316
Day activity and care services	64,534	60,326
Social enterprises	27,302	27,218
Total expenditure	**143,684**	**142,736**

Total running costs above are reported before exceptional items.

Total running costs of €144m increased by less than 1% or €1m compared with the same period last year. Cost reductions resulted from the exit of the lotteries and scratch card business in 2017, however cost pressures remain in all core services.

Financial Health

As at 31 December 2018, The Rehab Group had consolidated net assets of €56m, primarily representing its fixed assets of €41.2m, investments €0.3m and net current assets of €17.7m less provisions and creditors due after more than one year (€3.2m).

Capital expenditure amounted to €3.2m (2017: €2.4m).

There was an outflow of cash of €5.45m during the year (2017 outflow: €0.7m) including repayment of borrowings resulting in a net movement in cash of €5.35m (2017 €2.8m outflow).

Finally, foreign exchange losses of €20k meant the net decrease in funds was €2.8m versus a net increase of €0.7m in 2017.

Funds		
	€'000	€'000
Group		
Opening funds as at 1 January 2018		58,830
Foreign currency translation		(20)
Total income including associate	141,711	
Total expenditure	(144,503)	
Net expenditure		(2,792)
Closing funds as at 31 December 2018		**56,018**

Movement in funds is disclosed in note 24 to the accounts

John from RehabCare in Navan

The best thing I do here is the drawings, the relaxation time and we always play great games on Wednesdays. I was bullied in school but then I went to NLN and I learned all kinds of things there about how to look after yourself and live independently. After NLN, I came here to RehabCare and there is loads for me to do. The horse riding was very tricky and scary at first but the staff were great and gave me confidence.

If you believe in yourself, you can make it happen. I like trying new things that I've never done before. I learn how to not make mistakes but it can be difficult, especially traveling on my own. There's loads to think about – what time the bus will arrive, where to get off. It can feel overwhelming but when something's not going right for me, I can always talk to the staff here. You just have to have faith in yourself.

Our Key Future Organisational Priorities

2019 is the fourth year of The Rehab Group's Five Year Strategic Plan which set out objectives as follows:

CORPORATE EXCELLENCE
Rehab will build a sustainable model of services by maximising value, efficiency, transparency and governance across the Group

INTEGRATION
Rehab will use all of its capabilities to provide a personalised pathway to independence for the people how use our services

VOICE
Rehab will champion the rights, needs and the voice of the people we support by promoting inclusion and challenging exclusion

INNOVATION
Rehab will foster innovation, be at the forefront of evidence-based practice and will enable our people to be leaders in their fields

PEOPLE INNOVATION
Rehab will work together as one team building a strong unified culture, investing in the development of our employees and building a flexible skilset to deliver our services

In 2019, sustainability is a primary focus as we work to restore and guarantee the organisation's financial health to ensure we continue to provide the same level and quality of our care, learning and employability services everywhere that we operate. During 2018, we laid the groundwork through a number of sustainability reviews within our Care and Learning Divisions.

Addressing deficits in all areas of the business is a critical focus. We have engaged extensively with our funders, in particular with the HSE and the Department of Social Protection in Ireland, to address long-term inadequate funding and this continues into 2019. However, the Group's financial position remains challenging and an ongoing focus on cost containment and management applies across the Group. Budgetary decisions have been taken to ensure that The Rehab Group continues to progress its Strategic Goals during the year.

We will continue to work to strike a balance between the development of new business and the continued development of our existing activities across the organisation. In Kerry, we are nearing the conclusion of a long-term decongregation project from Cluain Fhionnáin with the one house in Goortacoosh already completed in

2019 and a second due to open in Tarbert shortly. 2019 will also see the development of a new nurse-led respite service in the Northwest, expanding the Group's services in this area.

An evidence-based approach to supported employment for people who have a severe and enduring mental health difficulty will also roll out in 2019 in a number of areas. The Individual Placement Service (IPS) supports people in their efforts to achieve steady employment in mainstream, competitive jobs. We will also continue work to consolidate service provision for school leavers across the Group.

The Rehab Group continues to provide high-quality, person-centred services across the jurisdictions in which it operates. We continue to forge ahead in implementing the highest standards and quality in all we do. During 2019, we will take new approaches in relation to assessing the satisfaction of the people using our services.

Our Licence of Approval from Quality and Qualifications Ireland (QQI) has now been granted and implementation has begun. The Quality Improvement Team are currently reviewing existing work practices in line with Awarding Body, Funding Body and Organisational requirements.

In 2019, we will include the roll out a new Programme Approval Process and an Annual Self Evaluation Questionnaire as well as new programme review processes. In line with the organisation's mission, vision and values, we continue to strive towards excellence focusing on quality measures, the quality of our programmes and learner and stakeholder experience.

Across RehabCare and NLN, staff are working hard to implement New Directions as the policy moves towards a national standard in the near future. The New Directions model aims to encourage each person with a disability to have a life of their own choosing in their own community. The focus is put on peoples' own needs and their own wishes. The project affords people who use our services to live a life which meets their own wishes, aspirations and needs. The success of New Directions is dependent on an individual's community – that all of the supports of the community are mobilised, so that people with a disability have the widest choice and options about how to live their lives and spend their time.

In Scotland, we are into the first full year of delivery for the Fair Start Scotland programme while the five-year Work Programme concludes in England and Wales.

Across our supported businesses in Ireland, Poland and Scotland, we continue to focus on delivering the highest standards for existing and new customers while providing meaningful employment opportunities for our employees.

In 2019, we are launching an Autism Awareness online course, as a key part of our overall Autism Strategy.

The goal of the Autism Strategy is to enable The Rehab Group to become leaders in our field and to foster supportive and person-driven services throughout all our centres. Approximately 25% of people who use The Rehab Group's services are on the autism spectrum and this is increasing every year.

The course ensures our employees have an overview of the characteristics of autism, and the social, communication and sensory challenges that these characteristics may present. The course looks at how autism is defined and diagnosed and it runs through a brief history of how ideas and knowledge about autism have progressed through the years. The course delves into the different ways that our employees can help to limit these challenges for people with a diagnosis of autism. Finally, it looks at various ways we can use to support the people that use our services and how to create an autism friendly environment.

In 2019, the move to a new head office building in Dublin will be completed and a broader strategic review of the Group's property portfolio is also being undertaken.

In the near future, we will launch a new high-quality mobile, responsive website for the Group, showcasing all of our services and providing a state-of-the art contemporary shop front which will engage potential learners, employers, stakeholders and donors.

Subsequent events

The Company concluded a preliminary investigation in 2019, which identified an alleged instance of fraud in one of its wholly own subsidiaries. The matter has been disclosed to the relevant authorities.

Related parties

Details of transactions with related parties and connected organisations can be found in note 33 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.

Directors

The names of the persons who were Directors at any time during the year ended 31 December 2018 are set out below.

The Rehab Group Board of Directors 2018 Attendance

	Feb 23rd	April 20th	May 25th	July 6th	Sept 21st	Oct 26th	Dec 14th	
Robert Barker								6
Ian Brady								6
Helen Bunbury								7
Ann Duffy								6
Conor Fottrell								4
Denise Lawler						*	*	2
Kevin Marshall								6
Henry McGarvey								6
Stan McHugh								6
Sean McMahon								6
Noreen O'Kelly								6
John F Smith								5
Jimmy Tolan								7
Steven Wrigley-Howe					*	*	*	4

*Resigned

Unless indicated otherwise, they served as Directors for the entire year.

Jimmy Tolan
Robert Barker
Ian Brady
Helen Bunbury
Ann Duffy
Conor Fottrell (resigned 08 July 2019)
Denise Lawler (resigned 01 October 2018)
Kevin Marshall
Stan McHugh
Henry McGarvey
Sean McMahon (resigned 08 July 2019)
Noreen O'Kelly
John F Smith
Steven Wrigley-Howe (resigned 17 August 2018)

Company secretary
Mr. Connie Kelleher acted as company secretary throughout the year.

Transactions with Directors

Details of transactions with Directors can be found in note 30 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 09 September 2019.

J Tolan
Director

N O'Kelly
Director

DATE: 26 September 2019

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 ("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 net income or expenditure 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 net income or expenditure 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

DATE: 26 September 2019

Joe from RehabCare Park House, Stillorgan

I worked all my life and was self-employed in the electrical industry. Through bowel disease and numerous hospitalisations, I developed a spinal abscess that left me paralysed with a pain. I didn't want to come out of the house. I was in a bad place. Somebody phoned me up in 2006 and said to come in to RehabCare.

To shut them up, I eventually came in. I've come here every week since. Everybody has a range of disabilities and I am able to relate to that. It's good to talk to people in the same situation as me. I like the people here. I've been through the mill, and so have the people I've met here. The glass is half full.

Independent auditor's report to the Members of the Rehab Group

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Rehab Group for the year ended 31 December 2018 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 notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- in our opinion, the information given in the Directors' report is consistent with the financial statements; and
- in our opinion, the Directors' report has been prepared in accordance with 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 financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 31, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at:

http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Descriptionofauditorsresponsibilitiesforaudit.pdf

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Tommy Doherty

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

DATE: 26 September 2019

Leanne from National Learning Network in Wexford

I'm doing the retail skills in National Learning Network in Wexford and I got my friends here so it's a good place to be. I would recommend NLN because of all the practical skills you learn, especially how to deal with money and how to deal with customers.

The instructors are really nice and I find them very easy to talk to and approach for anything.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including an income and expenditure account)

For the Year Ended 31 December 2018

	Notes	Unrestricted 2018 €'000	Restricted 2018 €'000	Total 2018 €'000	Total 2017 €'000
Group Income and endowments					
Income	3	113,079	27,650	140,729	142,437
Income: donations and legacies					
Fundraising and donations	4	380	40	420	2,197
Grant income	5	325	1,084	1,409	1,925
		705	1,124	1,829	4,122
Income from charitable activities					
Training, support and employability	6	25,877	25,365	51,242	55,658
Day activity and care services	7	59,427	1,161	60,588	56,419
Social enterprises	8	27,070	-	27,070	26,238
		112,374	26,526	138,900	138,315
Total income and endowments	3	**113,079**	**27,650**	**140,729**	**142,437**
Expenditure on:					
Raising funds					
Voluntary costs including fundraising, lotteries and donations		(129)	-	(129)	(1,876)
Charitable activities					
Training, support and employability		(26,504)	(25,215)	(51,719)	(53,316)
Day activities and care services		(63,250)	(1,284)	(64,534)	(60,326)
Social enterprises		(27,302)	-	(27,302)	(27,218)
		(117,056)	(26,499)	(143,555)	(140,860)
Total expenditure	9	**(117,185)**	**(26,499)**	**(143,684)**	**(142,736)**

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including an income and expenditure account)

For the Year Ended 31 December 2018

	Notes	Unrestricted 2018 €'000	Restricted 2018 €'000	Total 2018 €'000	Total 2017 €'000
Net (expenditure)/income for the year before exceptional item		(4,106)	1,151	(2,955)	(299)
Group share of resources in associate and joint venture undertakings		982	-	982	1,060
Exceptional items: Reorganisation costs		(819)	-	(819)	-
Net (expenditure)/income for the year after exceptional item and before transfers		(3,943)	1,151	(2,792)	761
Transfer between funds	24	1,347	(1,347)	-	-
Net (expenditure)/income before other recognised gains and losses		**(2,596)**	**(196)**	**(2,792)**	**761**
Other recognised gains and losses					
Exchange loss on foreign currency net assets	24	(7)	(13)	(20)	(61)
Net movement in funds		(2,603)	(209)	(2,812)	700
Fund **brought** forward 1 January	24	39,925	18,905	58,830	58,130
Fund balances carried forward 31 December	24	**37,322**	**18,696**	**56,018**	**58,830**

There were no recognised gains or losses other than those dealt with in the statement of financial activities.

All income is in respect of continuing operations.

The notes on pages 62 to 111 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

Year Ended 31 December 2018

	Notes	2018 €'000	2017 €'000
Fixed assets			
Tangible assets	16	41,202	41,074
Financial assets:	17		
Investment in associates		283	243
Total fixed assets		41,485	41,317
Current assets			
Stocks	18	1,144	1,165
Debtors	19	18,096	17,828
Cash at bank and in hand		14,633	20,244
		33,873	39,237
Creditors - amounts falling due within one year	20	(16,147)	(16,975)
Net current assets		17,726	22,262
Total assets less current liabilities		59,211	63,579
Creditors - amounts falling due after more than one year	21	(130)	(234)
Provisions for liabilities and charges	22	(3,063)	(4,515)
Net assets		56,018	58,830
Funds			
Restricted funds	24	18,696	18,905
Unrestricted funds	24	37,322	39,925
Total funds		56,018	58,830

The notes on pages 62 to 111 form part of these financial statements.

On behalf of the board

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

DATE: 26 September 2019

COMPANY BALANCE SHEET

31 December 2018

	Notes	2018 €'000	2017 €'000
Fixed assets			
Tangible assets	16	21,524	20,468
Financial assets	17	361	318
		21,885	20,786
Current assets			
Stocks	18	21	15
Debtors	19	15,562	12,024
Cash at bank and in hand		7,690	10,183
		23,273	22,222
Creditors - amounts falling due within one year	20	(11,512)	(6,636)
Net current assets		11,761	15,586
Debtors - amounts falling due after more than one year	19	3,136	2,611
Total assets less current liabilities		36,782	38,983
Provisions for liabilities and charges	22	(651)	(954)
Net assets		36,131	38,029
Funds			
Restricted funds	24	6,299	5,958
Unrestricted funds	24	29,832	32,071
Total funds		36,131	38,029

The notes on pages 62 to 111 form part of these financial statements.

On behalf of the board

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

DATE: 26 September 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2018

	Notes	2018 €'000	2017 €'000
Cashflows from operating activities:			
Net cash (used in) / provided by operating activities	26	(2,138)	4,700
Cashflows from investing activities:			
Purchase of property, plant and equipment	16	(3,179)	(2,389)
Proceeds from the sale of property, plant and equipment		-	605
Interest received	13	5	18
Interest paid	13	(35)	(105)
Proceeds from the sale of investments		-	-
Net cash provided by/(used in) investing activities		(3,209)	(1,871)
Net movement in cash before financing activities		(5,347)	2,829
Cashflows from financing activities:			
Repayments of borrowings		(62)	(3,469)
Finance lease repaid		(43)	(33)
Net cash used in financing activities		(105)	(3,502)
Change in cash and cash equivalents in the reporting period	28	(5,452)	(673)

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 2018.

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 8 to 30. The company is a public benefit entity and a registered charity.

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 and the Office of the Scottish Charity Regulator which are recognised by the UK Financial Reporting Council (FRC) 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. 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.

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 undertakings for the year ended 31 December 2018. 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**
  During the course of 2018 and 2019, the Directors reviewed the sustainability of the organisation and additional funding has been secured following intensive engagement with the Minister for Health and the HSE. Sustainability reviews were conducted in 2018 to review our care and learning services and corrective actions are being monitored as part of the monthly management review.

  A programme of asset disposals is being finalised to boost the cash reserves. Revised forecasts and cash flows projections have been prepared for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that the Company has the 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 could 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 €14,987k (2017: €15,365k).

- **Impairment of Stocks**
  The Group holds stocks amounting to €1,144k (2017: €1,165k) 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 land and buildings, plant and machinery, motor vehicles, computer equipment, and fixtures and fittings. The annual depreciation 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 €32m (2017: €32m).

- **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 2018 was €361k (2017: €318k).

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 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.

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.

Investment income

Interest income is recognised when receivable.

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 and donations;
- Training, support and employability;
- Day activities and care services; and
- Social enterprises.

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

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 is 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 of 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 offers a range of benefits from professional support, family benefits, discount schemes, long service awards to retirement planning and pension contribution.

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 income and expenditure account, except to the extent that it relates to items recognised in other comprehensive income or directly in funds. In this case tax is also recognised in other comprehensive income or directly in funds 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.

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:

	2018	2017
British Pound	€1=Stg£	€1=Stg£
Average	0.8849	0.8765
Year end	0.8945	0.8872

	2018	2017
Polish Zloty	€1=PLN	€1=PLN
Average	4.261	4.257
Year end	4.301	4.177

	2018	2017
Saudi Riyal	€1=SAR	€1=SAR
Average	4.29	4.31
Year end	4.30	4.49

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.

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.

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 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 Activities.

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 statement of financial activities 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 reserves 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 statement of financial activities except to the extent a previous impairment loss was recognised in reserves.

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.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 Statement of Financial Activities. 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 Statement of Financial Activities.

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 the statement of financial activities.

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 income and expenditure.

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.

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	2018 €'000
Ireland	122,364	122,364
UK	15,423	15,423
Other	2,942	2,942
	140,729	140,729

Total income by geographical location

Prior year	Total income €'000	2017 €'000
Ireland	119,025	119,025
UK	19,101	19,101
Other	4,311	4,311
	142,437	142,437

4 Fundraising and donations

Fundraising and donations Current year	Unrestricted €'000	Restricted €'000	2018 €'000
Local fundraising	250	40	290
Donations	130	-	130
	380	40	420

Fundraising and donations Prior year	Unrestricted €'000	Restricted €'000	2017 €'000
Local fundraising	229	-	229
Lottery activity	1,894	-	1,894
Donations	52	9	61
Other	13	-	13
	2,188	9	2,197

5 Grant income

Current year	Unrestricted €'000	Restricted €'000	2018 €'000
Capital grants	-	771	771
Other grants	325	313	638
	325	1,084	1,409

Grant income Prior year	Unrestricted €'000	Restricted €'000	2017 €'000
Capital grants	-	1,459	1,459
Other grants	338	128	466
	338	1,587	1,925

6 Training, support and employability

Current year	Unrestricted €'000	Restricted €'000	2018 €'000
HSE	14,956	-	14,956
Education and Training Boards (ETB's)	1,657	24,370	26,027
Department for Work and Pensions (UK)	3,493	-	3,493
Scottish Government	1,368	123	1,491
Department of Education	858	-	858
Glasgow City Council (UK)	44	317	361
Other	3,501	555	4,056
	25,877	25,365	51,242

Training, support and employability

Prior year	Unrestricted €'000	Restricted €'000	2017 €'000
HSE	13,985	-	13,985
Education and Training Boards (ETB's)	26010		26,010
Department for Work and Pensions (UK)	8,139	-	8,139
Scottish Government	1,112	-	1,112
Department of Education	674	-	674
Glasgow City Council (UK)	272	340	612
Other	4,357	769	5,126
	54,549	1,109	55,658

7 Day activity and care services

Current year	Unrestricted €'000	Restricted €'000	2018 €'000
HSE	57,683	1,161	58,844
Other	1,744	-	1,744
	59,427	1,161	60,588

Prior year	Unrestricted €'000	Restricted €'000	2017 €'000
HSE	54,893	156	55,049
Other	1,370	-	1,370
	—	—	—
	56,263	156	56,419

8 Social enterprises

Current year	Unrestricted €'000	Restricted €'000	2018 €'000
Department of Work and Pensions (UK)	1,072	-	1,072
Wages Subsidy Scheme - Department of Social Protection	2,477	-	2,477
Income from trading activities	23,521	-	23,521
	27,070	-	27,070

Social enterprises

Prior year	Unrestricted €'000	Restricted €'000	2017 €'000
Department for Work and Pensions (UK)	1,446	-	1,446
Wages Subsidy Scheme - Department of Social Protection	2,494	-	2,494
Income from trading activities	22,298	-	22,298
	26,238	-	26,238

9 Analysis of expenditure Current year

	Fundraising €'000	Training support and employability €'000	Day activity and care services €'000	Social enterprises €'000	2018 Total €'000
Staff costs (note 12)	76	36,352	48,443	11,288	96,159
Depreciation (note 16)	4	956	1,503	564	3,027
Other operating costs	49	14,363	14,590	3,452	32,454
Prizes and retailer commission	-	-	-	-	-
Raw materials and freight	-	34	-	11,934	11,968
Net finance charge (note 13)	-	18	(2)	14	30
Taxation (note 14)	-	2	-	23	25
(Decrease) / Increase in stock and WIP (note 18)	-	(6)	-	27	21
	129	51,719	64,534	27,302	143,684

Analysis of expenditure Prior year

	Fundraising €'000	Training support and employability €'000	Day activity and care services €'000	Social enterprises €'000	2017 Total €'000
Staff costs (note 12)	65	36,034	45,433	11,419	92,951
Depreciation (note 16)	4	868	1,493	617	2,982
Other operating costs	51	15,876	13,386	4,042	33,355
Prizes and retailer commission	1,756	50	-	-	1,806
Raw materials and freight	-	-	-	11,087	11,087
Net finance charge (note 13)	-	23	14	50	87
Taxation (note 14)	-	477	-	16	493
Decrease in stock and WIP (note 18)	-	(12)	-	(13)	(25)
	1,876	53,316	60,326	27,218	142,736

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	2018 Total €'000
Staff costs	349	2,258	299	2,426	1,804	7,136
Other operating costs	324	841	2,021	414	577	4,177
	673	3,099	2,320	2,840	2,381	11,313

Analysis of support costs Prior year	Governance €'000	Human resources €'000	Information technology €'000	Finance and administration €'000	Policy Compliance & communication €'000	2018 Total €'000
Staff costs	319	1,936	373	2,252	1,866	6,746
Other operating costs	346	663	2,195	428	742	4,374
	665	2,599	2,568	2,680	2,608	11,120

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.

9	Analysis of expenditure - continued Analysis of governance costs	2018 €'000	2017 €'000
	Board and committee meeting costs	18	21
	Company secretarial costs	108	78
	Legal, strategy and other costs	53	59
	External audit fees		
	- Group Statutory Audit Fees	176	194
	- Other External Audit Fees	20	16
	Internal Audit	298	297
		673	665

10 Net income

	2018 €'000	2017 €'000
Net income for the year has been arrived at after charging:		
Auditors' remuneration - group		
- Statutory audit of group and subsidiaries' accounts	176	194
- Other assurance services	-	-
- Tax advisory and compliance services		-
	176	194
Depreciation of tangible fixed assets owned	3,027	2,982
Operating lease rentals:		
- Property	3,654	3,715
- Other	728	625
Realised loss on foreign currency transactions	(11)	(195)
Cost of stock recognised as an expense	-	-

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

	2018 €'000	2017 €'000
Reorganisation costs - Ireland	819	-
	819	-

The above items are considered to be exceptional by virtue of its once off nature

12 Staff costs

The average monthly number of persons employed by the Group during 2018 analysed by category was as follows: 3,069 (2017: 3,026). All Directors of the Company are non-executive and receive no remuneration.

	2018 Number	2017 Number
Management	180	215
Administration / support	203	197
Service delivery	2,686	2,614
	3,069	3,026

	2018 €'000	2017 €'000
Their aggregate remuneration comprised:		
Staff costs:		
- Wages and salaries	81,504	79,197
- Social welfare costs	8,466	7,926
- Retirement benefit costs	6,189	5,807
	96,159	92,930
- Other compensation costs – termination benefits	740	21
	96,899	92,951

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 2018, as shown below:

	2018 Number	2017 Number
The remuneration of higher paid employees excluding redundancy		
€60,000 - €70,000	46	48
€70,001 - €80,000	29	26
€80,001 - €90,000	10	10
€90,001 - €100,000	7	4
€100,001 - €110,000	3	4
€110,001 - €120,000	3	5
€120,001 - €130,000	-	1
€130,001 - €140,000	3	2
€140,001 - €150,000	1	1
	102	101

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

	2018 Number	2017 Number
The remuneration of higher paid employees including redundancy		
€60,000 - €70,000	44	49
€70,001 - €80,000	29	26
€80,001 - €90,000	11	10
€90,001 - €100,000	7	4
€100,001 - €110,000	3	4
€110,001 - €120,000	3	5
€120,001 - €130,000	-	1
€130,001 - €140,000	3	2
€140,001 - €150,000	1	1
€170,001 - €180,000	2	-
€190,001 - €200,000	2	-
€230,001 - €240,000	1	-
	106	102

Employer pension contributions made to defined contribution schemes for these 106 employees amounted to €578,748 during the year.

Included in the salary bands above are amounts paid in respect of redundancy to 6 individuals. These redundancies came about due to the reorganisation of management roles in recent years. These employees had been employed by The Rehab Group entities since the 1980s, 1990s and 2000s and, as a consequence, were entitled to redundancy payments in line with company policy. The anticipated cost saving arising from these redundancies is €489k per annum

12 Staff costs - continued

Included in the remuneration figures used to complete this table are redundancy costs totalling €720,491 and benefit in kind totalling €182,975. Total remuneration including redundancy costs paid to the Senior Leadership Team (SLT) in 2018 amounted to €1,018,119 (2017: €1,123,478).

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.

13	Finance costs	2018 €'000	2017 €'000
	This interest was in respect of:		
	Interest receivable	(5)	(18)
	Interest payable:		
	Borrowings wholly repayable within five years	35	105
	Borrowings not wholly repayable within five years	-	-
	Total charge	30	87

14	Taxation	2018 €'000	2017 €'000
	Corporation tax:		
	Overseas corporation tax on profit in the current year	25	493

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. .

15 Company surplus/deficit 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 income and expenditure account to the Annual General Meeting and from filing it with the Registrar of Companies. The Company's deficit for the year is €2.26m (2017: surplus of €0.2m).

16 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 2018	47,386	13,284	9,027	10,228	4,682	84,607
Reclassification / transfers	-	(9)	(3)	(2)	(1)	(15)
Translation adjustment	(25)	(13)	(6)	(9)	(1)	(54)
Additions	1,500	155	262	1,196	66	3,179
Disposals	-	(27)	(40)	(241)	(27)	(335)
At 31 December 2018	48,861	13,390	9,240	11,172	4,719	87,382
Accumulated depreciation						
At 1 January 2018	9,237	12,552	8,696	9,229	3,819	43,533
Reclassification / transfers	-	24	(36)	(2)	(1)	(15)
Translation adjustment	(9)	(9)	(5)	(7)	-	(30)
Charge for the year (note 9)	1,393	266	179	797	392	3,027
Disposals	-	(27)	(40)	(241)	(27)	(335)
At 31 December 2018	10,621	12,806	8,794	9,776	4,183	46,180
Net book amounts						
At 1 January 2018	38,149	732	331	999	863	41,074
At 31 December 2018	38,240	584	446	1,396	536	41,202

16 Tangible assets - continued

Group - continued

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

	2018 €'000	2017 €'000
Net book amount	119	162
Depreciation charge for year	43	43

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 Stephen's Green, Dublin 2, an independent valuer, at 1 January 2014 on a fair value basis. The valuations at 1 January 2014 were taken to be the deemed cost on conversion to FRS 102. These valuations are included above.

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 €8.87m (2017: €8.87m) which is not depreciated.

16 Tangible assets – continued

Current year	Land and building €'000	Plant and machinery €'000	Fixtures and fittings €'000	Computer equipment €'000	Motor Vehicles €'000	Total €'000
Company						
Cost						
At 1 January 2018	25,746	2,508	7,470	6,175	530	42,429
Additions	315	51	262	1,180	66	1,874
Transfers	354	5,394	(451)	1,684	3,597	10,578
Disposals	-	-	-	-	-	-
At 31 December 2018	26,415	7,953	7,281	9,039	4,193	54,881
Accumulated depreciation						
At 1 January 2018	6,080	2,404	7,365	5,627	485	21,961
Charge for the year	704	38	118	662	304	1,826
Disposals	-	-	-	-	-	-
Transfer	165	5,379	(581)	1,556	3,051	9,570
At 31 December 2018	6,949	7,821	6,902	7,845	3,840	33,357
Net book amounts						
At 1 January 2018	19,666	104	105	548	45	20,468
At 31 December 2018	19,466	132	379	1,194	353	21,524

16 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
Unit 2, Parkmore Business Park, Galway	468	* note	Bank of Ireland	Deed of mortgage	18-Sep-98
Clash, Co. Kerry	275	59	Kerry County Council	Indenture of mortgage	02-Apr-98
Roseville, Clonmel, Tipperary & Faythe, Wexford	628	1,132	South Eastern Health Board	Mortgage	22-Dec-98
The Ramparts, Dundalk, Co. Louth	103	520	North Eastern Health Board	Mortgage	29-Sep-99
Raheen Industrial Estate, Limerick	516	668	Mid Western Health Board	Mortgage and charge	22-Dec-99
Liosbaun, Galway	215	1,270	Western Health Board	Charge	13-Nov-01
Cootehill Road, Drumlee, Cavan	275	546	North Eastern Health Board	Charge	14-Feb-03
Kylemore Road, Ballyfermot, Dublin 10	860	2,729	Eastern Regional Health Authority	Charge	31-Dec-04
St. Anne's, Charleville Road, Tullamore, Co. Offaly	242	349	Midland Health Board	Mortgage	21-Feb-02
Model Farm Road, Cork	602	1,570	Southern Health Board	Mortgage and charge	06-Nov-00
Blennerville, Tralee, Kerry	86	311	Southern Health Board	Mortgage and charge	06-Nov-00
Clash, Tralee, Kerry	275	381	Southern Health Board	Mortgage and charge	10-Nov-99
Grafton Court, Longford	86	549	Midland Health Board	Mortgage and charge	21-Sep-00
Mullaghboy Industrial Estate, Navan, Co. Meath	602	265	North Eastern Health Board	Mortgage	25-Jun-99

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

16 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 date
16 Glenina Heights, Dublin Road, Galway	223	267	The Mayor Alderman and Burgesses of the County Borough of Galway	Mortgage	28-Jun-01
No. 76 Kill Abbey, Deansgrange, Co. Dublin	420	634	Dun Laoghaire Rathdown County Council	Mortgage	01-May-02
Apts 1,2&3, Cootehill Rd, Drumalee, Cavan	109	600	Cavan County Council	Mortgage	30-Apr-03
Graifen, Leopardstown Road, Foxrock, Dublin 18	655	977	Dun Laoghaire Rathdown County Council	Mortgage	05-Aug-03
Highfield House, Knockloughlin, Co. Longford	282	444	Longford County Council	Mortgage	13-Oct-03
Property at Folio 7276F, Knocklofty, Waterford	850	1,799	Waterford County Council	Mortgage	20-Mar-07
24 Heathergrove, Mervue, Galway	342	1,256	Galway City Council	Mortgage	18-Feb-08
No. 31 Ard na Gaoithe, Townland of Clybaun, Galway, Folio 2837	260	398	Galway County Council	Mortgage	09-Nov-04
74-76 Wingfield, Enniskerry Rd, Stepaside, Co. Dublin	290	425	Dun Laoghaire Rathdown County Council	Mortgage	15-Jun-05
Lands of Townland of Kilnamack West, Folio 7176F	-	140	Health Service Executive (South East)	Mortgage	18-Aug-08
No 22 The Willows, Oakleigh Wood, Tulla Rd, Ennis, Co. Clare	214	611	Clare County Council	Mortgage	04-Feb-09
Apts 10,22,37& 51 St Johns Well, Old Kilmainham Rd, Dublin 8	538	694	Dublin City Council	Mortgage	21-Apr-10
No. 1 The Boulevard, Grangerath, Drogheda	319	899	Meath County Council	Mortgage	22-Apr-10
No. 12 & 14 Clonleigh Park, Lifford, Co. Donegal	218	347	Donegal County Council	Mortgage	13-May-03
20 Balreask Manor, Navan, Co. Meath	265	673	Meath County Council	Mortgage	16-Oct-06
19 Oaklands Green, Ardnacassagh, Longford	181	382	Longford County Council	Mortgage	08-Nov-06
Folio 14861F Register County Monaghan	333	374	Monaghan County Council	Mortgage	09-Jan-15

16 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 €'ooo	Amount secured €'ooo	Person entitled	Nature of charge	Effective date
No. 4 & 5 Claragh Glen, Tonnaphubble, Sligo	302	376	The Mayor Alderman and Burgesses of the County Borough of Sligo	Mortgage	28-Feb-02
No. 15 Rosog, Ballinamore, Co. Leitrim	92	177	Leitrim County Council	Mortgage	19-Sep-02
No. 13 Ripley Hills, Killarney Road, Bray, Co. Wicklow	231	446	Wicklow County Council	Mortgage	30-Apr-02
No.2 Castle Oaks, Dark Road, Nenagh, Co. Tipperary	252	397	North Tipperary County Council	Mortgage/Charge	06-Dec-10
Stradavoher, Co. Tipperary	378	1397	North Tipperary County Council	Mortgage/Charge	09-Dec-10
No. 57 The Oaks, Turlough Rd, Castlebar, Mayo	176	392	Mayo County Council	Mortgage	29-May-12
Sexton Street, Limerick	1000	3302	Limerick City Council	Mortgage/Charge	15-Feb-12
No. 13 Rosog, Ballinamore Co. Leitrim	92	251	Leitrim County Council	Mortgage	31-May-06
No. 5 Belfry Grove, Avenue Road, Dundalk, Co. Louth	214	482	Louth County Council	Mortgage	25-May-09
Ballard House, Clara Road, Tullamore, Co. Offaly	230	511	Offaly County Council	Mortgage	06-Feb-08
No. 1 Cluain Mhuillean, Tyone, Nenagh, Co Tipperary	231	342	North Tipperary County Council	Mortgage	18-Jul-05
Larissa, Strandhill Road, Sligo	256	564	Sligo Borough Council	Mortgage/Charge	04-Feb-13
Regent House Apts, William Street, Kilkenny	638	2869	Kilkenny County Council	Mortgage/Charge	22-Mar-13
No. 3 the Cedars, Breaffy Road, Castlebar, Co. Mayo	252	559	Mayo County Council	Mortgage/Charge	December 2017
Cloogh, Doon, Tralee, Co. Kerry	409	436	Kerry County Council	Mortgage/Charge	June 2019
Clonlara, 6 Monaskeha Heights, Co. Clare	415	445	Clare County Council	Mortgage	December 2017
Killeigh, Aghanrush, Co. Offaly	221	240	Offaly County Council	Mortgage/Charge	December 2017

Boulia, Firies, Killarney, Co. Kerry	265	288	Kerry County Council	Mortgage/Charge	December 2017
Kilmurray, Kenmare, Co. Kerry	11	54	Kerry County Council	Charge	December 2017
Gortrooskagh, Kenmare, Co. Kerry	31	75	Kerry County Council	Charge	December 2017
Kilcummin, Killarney, Co. Kerry	16	77	Kerry HSE	Charge	December 2017
Gortacoosh, Killarney, Co. Kerry	495	503	Kerry HSE	Mortgage/Charge	June 2019
Carton, Strandhill, Co. Sligo	345	345	Sligo County Council	Mortgage/Charge	August 2018

16 Tangible assets - continued

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

Property	Carrying amount STG`£ 'ooo	Amount secured STG`£'ooo	Person entitled	Nature of charge	Effective date
Pavilion 7, Watermark Park, 325 Govan Road, Glasgow	68	737	R.B.S.	1st standard security	28 October 2008

17 Financial assets Current year	Investment in associates €'ooo	Other investments €'ooo	2018 Total €'ooo
Group			
Balance at beginning of year	243	-	243
Net share of profits and losses	982	-	982
Disposal proceeds/ Adjustments	(3)	-	(3)
Distributions received	(939)	-	(939)
Balance at end of year	283	-	283

The investment in associates' value represents the Group's shares of assets and liabilities in The Care Trust Limited. The primary activity of The Care Trust Limited is charitable fundraising for which The Rehab Group is a beneficiary.

At 31 December 2018	The CareTrust Limited €'000	Group share 50% €'000
Tangible assets	26	13
Debtors	40	20
Cash	926	463
Total assets	992	496
Creditors< 1 year	(420)	(210)
Total liabilities	(420)	(210)
Total reserves	572	286

At 31 December 2017	The CareTrust Limited €'000	Group share 50% €'000
Tangible assets	29	14
Debtors	44	22
Cash	819	410
Total assets	892	446
Creditors< 1 year	(410)	(205)
Total liabilities	(410)	(205)
Total reserves	482	241

17 Financial assets – continued

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

	2018 €'000	2017 €'000
Balance at beginning of year	318	316
Net share of profits and losses	982	1,060
Additions	-	-
Distribution received	(939)	(1,058)
Balance at end of year	361	318

The information in respect of subsidiary and associate companies is given in note 34.

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

18 Stocks

	2018 €'000	2017 €'000
Group		
Raw materials and consumables	730	761
Work in progress	37	42
Finished goods	377	362
	1,144	1,165
Decrease during the year	(21)	(25)

Stocks considered obsolete are written down to net realisable value. The amount of the write down is €nil (2017: €nil). There are no stocks pledged as security.

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

	2018 €'000	2017 €'000
Company		
Finished goods	21	15
	21	15
Increase during the year	6	15

19	Debtors	2018 €'000	2017 €'000
	(a) Amounts falling due within one year		
	Group		
	Trade and public authority debtors	14,987	15,365
	Prepayments and accrued income	2,398	1,893
	VAT	322	232
	Other debtors	389	338
		18,096	17,828
	Company		
	Trade debtors	11,448	5,793
	Amounts owed by subsidiary companies	3,169	5,628
	Prepayments and accrued income	934	592
	VAT	11	11
		15,562	12,024

		2018 €'000	2017 €'000
	(b) Amounts falling due after more than one year		
	Company		
	Amounts owed by subsidiary companies	3,136	2,611

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.

20	Creditors - Amounts falling due within one year	2018 €'000	2017 €'000
	Group		
	Bank loan (note 23) (secured)	65	65
	Bank overdrafts (note 23) (secured)	210	369
	Trade creditors	3,012	3,580
	VAT	267	319
	PAYE/Social insurance	2,046	2,251
	Accruals	10,547	10,391
		16,147	16,975
	Creditors for taxation and social welfare included above	2,313	2,570
	Company		
	Bank overdraft	-	-
	Bank loan (secured) (note 23)	-	-
	Trade and other creditors	3,567	777
	PAYE/social insurance	1,734	920
	Amounts owed to group companies	22	441
	Accruals	4,689	2,998
	Float provided by the ETB	1,500	1,500
		11,512	6,636
	Creditors for taxation and social welfare included above	1,734	920

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.

21	Creditors - Amounts falling due after more than one year	2018 €'000	2017 €'000
	Group		
	Bank loan (secured) (note 23)	11	72
	Finance Leases	119	162
		130	234
	Company		
	Accruals	-	-
		-	-

Accruals
The terms of accruals are based on the underlying contracts.

22	Provisions for liabilities and charges Current year	Onerous leases €'000	Other €'000	2018 €'000
	Group			
	As at 1 January 2018	954	3,561	4,515
	Foreign currency	-	(10)	(10)
	Released/charged to Statement of Financial Activities	-	(249)	(249)
	Utilised during year	(303)	(890)	(1,193)
	As at 31 December 2018	651	2,412	3,063

Provisions for liabilities and charges Prior year	Onerous leases €'000	Other €'000	2017 €'000
Group			
As at 1 January 2017	1,184	5,465	6,649
Foreign currency	-	(13)	(13)
Released/charged to Statement of Financial Activities	39	(1,827)	(1,788)
Utilised during year	(269)	(64)	(333)
As at 31 December 2017	954	3,561	4,515

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 Housing Agency Regulation Office.

Provision has been made in respect of five onerous contracts arising on leases. Such leases are due to expire between 2019 and 2027.

22 Provisions for liabilities and charges - continued Current year	Onerous leases €'000	2018 €'000
Company		
As at 1 January 2018	954	954
Transfer	-	-
Released/charged to Statement of Financial Activities	-	-
Utilised during year	(303)	(303)
As at 31 December 2018	651	651

Provisions for liabilities and charges Prior year	Onerous leases €'000	2017 €'000
Company		
As at 1 January 2017	1,090	1,090
Transfer	86	86
Charged to Statement of Financial Activities	39	39
Utilised during year	(261)	(261)
As at 31 December 2017	954	954

23	Details of borrowings	2018 €'000	2017 €'000
	Bank loans and overdrafts		
	Group		
	Current		
	Overdraft	210	369
	Bank loan	65	65
		275	434
	Non-current		
	Bank loan	11	72
		286	506

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	210	-	-	210
Indebtedness repayable by instalments				
Bank loans	65	11	-	76
Total	275	11	-	286

23 Details of borrowings – continued

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	369	-	-	369
Indebtedness repayable by instalments				
Bank loans	65	72	-	137
Total	434	72	-	506

Security

Group
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.Momentum Scotland has one term loan with RBS with balances outstanding at year end totalling Stg £68k. 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% (2017: 3.5%). They are repayable over the next two years by instalments.

The Group has net cash including cash at bank and overdrafts of €14.2m (2017: net cash €19.6m). 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 Housing Agency Regulation Office.

Company
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.

24	Movement in funds	Balance at 1 January 2018 €'000	Foreign currency €'000	Income €'000	Expendi-ture €'000	Trans-fers €'000	Balance at 31 December 2018 €'000
	Current Year						
	Group						
	Restricted						
	HSE and other capital grants	2,208	-	1,197	(1,285)	(164)	1,956
	JP McManus grants	3,458	-	-	-	(66)	3,392
	Local Authority / Housing grants	10,900	-	771	-	(928)	10,743
	Educational and Training Boards (ETB's)	-	-	24,370	(24,022)	-	348
	The Great Book	228	-	-	-	-	228
	Department of Education	564	-	-	-	(189)	375
	Other	1,547	(13)	1,312	(1,192)	-	1,654
	Total restricted funds	18,905	(13)	27,650	(26,499)	(1,347)	18,696

	Unrestricted						
	General:						
	Donated asset reserve	330	-	-	-	-	330
	Other general funds	29,867	(7)	112,972	(116,874)	2,105	28,063
	Total general funds	30,197	(7)	112,972	(116,874)	2,105	28,393

	Designated						
	Fixed asset fund	9,728	-	107	(148)	(758)	8,929
	Total unrestricted funds	39,925	(7)	113,079	(117,022)	1,347	37,322
	Total funds	58,830	(20)	140,729	(143,521)	-	56,018

24	Movement in funds - continued	Balance at 1 January 2018 €'000	Income €'000	Expenditure €'000	Rehab Care €'000	Transfers €'000	Balance at 31 December 2018 €'000
	Current year						
	Company						
	Restricted						
	HSE capital grants	1,708	1,197	(1,285)	499	(163)	1,956
	Educational Training Boards (ETB)	-	24,370	(24,022)	-	-	348
	JP McManus grants	3,458	-	-	-	(66)	3,392
	The Great Book	228	-	-	-	-	228
	Department of Education	564	-	-	-	(189)	375
	Total restricted funds	5,958	25,567	(25,307)	499	(418)	6,299
	Unrestricted						
	General:						
	Donated asset reserve	330	-	-	-	-	
	Unrealised gain on revaluation of property	3,907	-	-	-	-	3,907
	Other general funds	23,302	77,822	(80,302)	(698)	1,144	21,268
	Total general funds	27,539	77,822	(80,302)	(698)	1,144	25,505
	Designated						
	Fixed asset fund	4,532	107	(148)	562	(726)	4,327
	Total unrestricted funds	32,071	77,929	(80,450)	(136)	418	29,832
	Total funds	38,029	103,496	(105,757)	363	-	36,131

24	Movement in funds - continued	Balance at 1 January 2018 €'000	Foreign currency €'000	Income €'000	Expenditure €'000	Transfers €'000	Balance at 31 December 2017 €'000
	Prior year						
	Group						
	Restricted						
	HSE capital grants	2,585	-	252	(95)	(534)	2,208
	JP McManus grants	3,524	-	-	-	(66)	3,458
	Housing grants	9,805	-	1,364	-	(269)	10,900
	The Great Book	228	-	-	-	-	228
	Department of Education	753	-	-	-	(189)	564
	Other	1,435	(52)	1,245	(1,078)	(3)	1,547
	Total restricted funds	18,330	(52)	2,861	(1,173)	(1,061)	18,905
	Unrestricted						
	General:						
	Donated asset reserve	330	-	-	-	-	330
	Other general funds	29,066	(9)	139,542	(140,399)	1,667	29,867
	Total general funds	29,396	(9)	139,542	(140,399)	1,667	30,197
	Designated						
	Fixed asset fund	10,404	-	34	(104)	(606)	9,728
	Total unrestricted funds	39,800	(9)	139,576	(140,503)	1,061	39,925
	Total funds	58,130	(61)	142,437	(141,676)	-	58,830

24	Movement in funds - continued	Balance at 1 January 2017 €'000	Income €'000	Expenditure €'000	NLN €'000	Transfers €'000	Balance at 31 December 2017 €'000
	Prior year						
	Company						
	Restricted						
	HSE capital grants	2,086	156	-	-	(534)	1,708
	JP McManus grants	3,524	-	-	-	(66)	3,458
	The Great Book	228	-	-	-	-	228
	Department of Education	753	-	-	-	(189)	564
	Total restricted funds	6,591	156	-	-	(789)	5,958
	Unrestricted						
	General:						
	Donated asset reserve	330	-	-	-	-	330
	Unrealised gain on revaluation of property	3,907	-	-	-	-	3,907
	Other general funds	6,121	45,428	(45,377)	16,010	1,120	23,302
	Total general funds	10,358	45,428	(45,377)	16,010	1,120	27,539
	Designated						
	Fixed asset fund	4,863	-	-	-	(331)	4,532
	Total unrestricted funds	15,221	45,428	(45,377)	16,010	789-	32,071
	Total funds	21,812	45,584	(45,377)		-	38,029

24 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.

Education and Training Boards ("ETB's"): represents specialist training grants received for the provision of training, education, employment and support services.

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.

25 Operating leases

Group

Operating leases charged in arriving at the surplus attributable to the Group amounted to €4.701m (2017: €4.2m). Obligations payable at 31 December 2018 on operating lease agreements in place at 31 December 2018, amounted to €11.027m (2017: €7.2m) analysed as follows:

	2018 €'000	2017 €'000
Leases expiring less than 1 year	2,792	1,570
Leases expiring two to five years	5,062	2,350
Leases expiring after five years	3,173	3,325
	11,027	7,245

26	Net cash provided by/(used in) operating activities	2018 €'000	2017 €'000
	Net income for the year - parent and subsidiary undertakings	(2,792)	761
	Share of resources in associate and joint venture undertakings	(982)	(1,060)
	Profit on disposal of fixed assets	-	(215)
	Net interest costs	30	87
	Taxation charge	25	493
	Taxation paid	(25)	(918)
	Depreciation charge	3,027	2,982
	Distributions received from associate company	939	1,058
	Decrease in provision for liabilities and charges	(1,442)	(1,487)
	Decrease in stocks	21	22
	(Decrease) / Increase in debtors	(268)	3,965
	Decrease in creditors	(666)	(1,032)
	Non cash foreign exchange	(5)	44
	Net cash used in operating activities	(2,138)	4,700

27	Analysis of cash and cash equivalents	31 December 2018 €'000	31 December 2017 €'000
	Cash at bank and in hand	14,633	20,244
	Overdraft facility repayable on demand	(210)	(369)
	Total cash and cash equivalents	14,423	19,875

	Debt		
	Loans due within one year	(65)	(65)
	Loans due after one year	(11)	(72)
	Finance leases	(119)	(162)
		(195)	(299)
	Net cash	14,228	19,576

28	Reconciliation of net cash and cash equivalents to movement in net funds	31 December 2018 €'000	31 December 2017 €'000
	Decrease in cash during period	(5,452)	(673)
	Repayment of borrowings	104	3,502
	Movement in net cash for period	(5,348)	2,829
	Net cash at start of year	19,576	16,747
	Net cash at end of year	14,228	19,576

29 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 2018 would have been €12.7m (2017: €13.1m).

30 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. An amount of €12,177 (2017: €7,653) 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.

	2018	2017
	€	€
J. Smith	2,360	2,706
S. Wrigley-Howe (UK)	3,536	859
P. Salmon (UK)	-	3,440
A. Kelly	-	531
H. Mc Garvey	1,975	-
S. McMahon	4,306	-
Total	12,177	7,536

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.

31 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 2018 and ending on 31 December 2018.

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 guarantees to the Bank Ireland of €0.8m (2017: €0.8m) on behalf of its subsidiary company Rehab Enterprises 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 DAC, 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 December 2019.

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.

Guarantee to The Care Trust DAC - On an annual basis the shareholders of The Care Trust DAC (The Care Trust) are asked to enter into a joint agreement to provide for all the losses of The Care Trust. On 1 February 2019, The Rehab Group provided a letter of support in which it agreed equally with the CRC to provide adequate funds to The Care Trust to meet the liabilities of that company as they fall due. The Rehab Group has the power to appoint half of the Directors of The Care Trust and has access to the monthly management accounts of the company.

32 Capital commitments

Capital expenditure approved at 31 December 2018 and not provided in these financial statements is estimated at €468,584 (2017: €0.3m), of which €373,783 (2017: €0.3m) had been contracted at the balance sheet date and for which capital grants and bequests of nil (2017: €0.3m) have been assigned.

33 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 30.
Details in respect of transactions with associates are discussed in note 17.
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 £211k (2017: £473k) was recorded as revenue by TBG Learning Limited in the year. Amounts due from Rehab Jobfit LLP at 31 December 2018 were £7.5k (2017: £63k).

33 Related party transactions (continued)

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 £119,215 (2017: £160,076).

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
C. Kelleher
C. Whelan
P. Newnham
K. O'Meara
M. Talbot
B. McGinn
K. Nolan

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 17.

34 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 transferred to The Rehab Group in 2017
Rehab Enterprises Limited	100	-	216680	Logistics, recycling and manufacturing services
RehabCare*	100	-	282889	Dormant, services transferred to The Rehab Group on 1 January 2018
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	Services

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

34 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
Protective Technology Solutions Limited	-	100	SC455458 / SC044325	Stuck Off in 2019
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. The Rehab Group 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 2017/2018

2017
Redrock (dissolved 10 February 2017)

2018
Protective Technology Solutions Limited (Struck off) in 2019.

34 Investment in group undertakings – continued

	Income	Expenditure	Surplus / (Deficit)
		Performance	
	€'000	€'000	€'000
Incorporated in the Republic of Ireland			
National Learning Network Limited	106	(10)	96
Rehab Enterprises Limited	21,203	(22,069)	(866)
RehabCare	-	-	-
Newgrove Housing Association Limited	1,402	(1,151)	251
The Polio Fellowship of Ireland	50	(126)	(76)

	Income	Expenditure	Surplus / (Deficit)
		Performance	
	£'000	£'000	£'000
Incorporated in the UK			
Momentum Scotland	5,052	(5,082)	(30)
Haven Products Limited	5,325	(5,274)	51
Momentum Care Services	831	(919)	(88)
Rehab	235	(372)	(137)
Rehab Group Services Limited	86	(86)	-
TBG Learning Limited	2,498	(2,225)	273

	SAR'000	SAR'000	SAR'000
Incorporated in the Kingdom of Saudi Arabia			
Saudi Rehab Group Services Co. LLC (SAR)	95	(3,024)	(2,929)

34 Investment in group undertakings – continued

		Position	
	Assets	Liabilities	Funds
	€'000	€'000	€'000
Incorporated in the Republic of Ireland			
National Learning Network Limited	948	(274)	674
Rehab Enterprises Limited	4,163	(5,118)	(955)
RehabCare	1,888	(1,888)	-
Newgrove Housing Association Limited	13,673	(1,251)	12,422
The Polio Fellowship of Ireland	6,078	(60)	6,018

		Position	
	Assets	Liabilities	Funds
	£'000	£'000	£000
Incorporated in the UK			
Momentum Scotland	3,731	(1,520)	2,211
Haven Products Limited	2,481	(2,657)	(176)
Momentum Care Services	320	(896)	(576)
Rehab Group Services Limited	1,538	(548)	990
Rehab	1,636	(127)	1,509
TBG Learning Limited	1,580	(2,163)	(583)

	SAR'000	SAR'000	SAR'000
Incorporated in the Kingdom of Saudi Arabia			
Saudi Rehab Group Services Co. LLC (SAR)	1,966	(231)	1,735

34 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	Unit 11, 137 Newhall Street, Birmingham, B3 1SF
TBG Learning Limited	Unit 11, 137 Newhall Street, Birmingham, B3 1SF
Rehab UK	Unit 11, 137 Newhall Street, Birmingham, B3 1SF
Rehab	Unit 11, 137 Newhall Street, Birmingham, B3 1SF
Rehab JobFit LLP	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU
Saudi Rehab Group Services Co. LLC	Riyadh, Kingdom of Saudi Arabia

35 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 €6.2m (2017: €5.8m). Contributions payable at the year-end amounted to €363k (2017: €520k).

36 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:

	2018 €'000	2017 €'000
Group		
Financial assets that are equity instruments measured at cost less impairment		
Unlisted fixed asset investments	283	243
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	14,987	15,365
Cash at bank and in hand	14,633	20,244
Financial liabilities measured at amortised cost		
Trade creditors	3,012	3,580
Bank loans and overdrafts	286	506

	2018 €'000	2017 €'000
Company		
Financial assets that are equity instruments measured at cost less impairment		
Unlisted fixed asset investments	361	318
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	11,448	5,793
Amounts owed by subsidiary companies	3,169	8,239
Cash at bank and in hand	7,690	10,183
Financial liabilities measured at amortised cost		
Trade and other creditors	3,567	2,617
Bank loans and overdrafts	-	-

37 Transfer to The Rehab Group Company

On 1 January 2018 specified assets and liabilities were transferred to The Rehab Group from Rehab Care.

The Group paid €1 as consideration for the transfer of assets and liabilities. The assets and liabilities transferred were valued at net book value on the date of transfer. In line with FRS 102, the Directors believe the market value did not materially differ from the net book value. The following table summarises the value of the assets and liabilities arising on the transfer at 1 January 2018.

37 Transfer to The Rehab Group (Continued)

Net assets arising on the transfer:

	€'000
Tangible fixed assets	1,007
Debtors	5,708
Cash at bank	1,820
Creditors (amounts falling due within one year)	(8,172)
Net assets transferred	363

At 31 December 2018 all the specified net assets were transferred with the exception of:

	€'000
Property (at net book value)	260
Cash at bank and in hand	1,628
Net assets transferred	1,888

These assets were transferred post year end or are in the process of being assigned / transferred.

38 Comparatives

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

39 Subsequent events

The Company concluded a preliminary investigation in 2019, which identified an alleged instance of fraud in one of its wholly own subsidiaries. The matter has been disclosed to the relevant authorities.

40 Approval of financial statements

The members of the Board of Directors approved the financial statements on 09 September 2019.

Notes

Notes

Notes

Caring
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