

The Royal Hospital Donnybrook

Annual Report

Financial Year Ended 31 December 2019

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STATEMENT OF RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

The Board of Management is required to prepare financial statements for each financial year and have them audited. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the hospital will continue in operation.
- the Board of Management have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", subject to any material departures from those standards being disclosed and explained in the notes to the financial statements

The Board of Management is responsible for keeping proper books of account which enable it to ensure that the financial statements are prepared in accordance with accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Board of Management is also responsible for safeguarding the assets of the hospital and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditors' report to the Governors of The Royal Hospital Donnybrook

Report on the audit of the financial statements

Opinion

In our opinion, The Royal Hospital Donnybrook's financial statements:

- give a true and fair view of the state of the Hospital's affairs as at 31 December 2019 and of its surplus and cash flows for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

We have audited the financial statements, included within the Annual Report, which comprise:

- the balance sheet as at 31 December 2019;
 - the profit and loss account and statement of comprehensive income for the year then ended;
 - the cash flow statement for the year then ended;
 - the statement of changes in equity for the year then ended; and
 - the notes to the financial statements, which include a description of the significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"). Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Management have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Hospital'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Hospital's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Board of Management are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Board of Management for the financial statements

As explained more fully in the Statement of Responsibilities of the Board of Management set out on page 2, the Board of Management are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Board of Management are also responsible 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 Board of Management are responsible for assessing the Hospital'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 the Board of Management either intend to liquidate the Hospital or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

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

PricewaterhouseCoopers
Chartered Accountants
Dublin
7 August 2020

PROFIT AND LOSS ACCOUNT
Financial Year Ended 31 December 2019

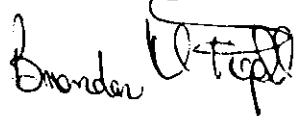
	Notes	2019 €	2018 €
Income			
Charitable activities	5	22,854,231	22,020,072
Voluntary Income	6	616,112	59,336
Total income and endowments		<u>23,470,343</u>	<u>22,079,408</u>
Expenditure			
Charitable activities	7	22,786,544	22,040,762
Other expenditure	8	143,355	15,169
Total expenditure		<u>22,929,899</u>	<u>22,055,931</u>
Net income for the year		<u>540,444</u>	<u>23,477</u>

STATEMENT OF COMPREHENSIVE INCOME
Financial Year Ended 31 December 2019

	2019 €	2018 €
Net income for the year	540,444	23,477
Total comprehensive income for the year	<u>540,444</u>	<u>23,477</u>

On behalf of the Board of Management

Brendan Pigott



30 July 2020

Conor O'Connor



30 July 2020

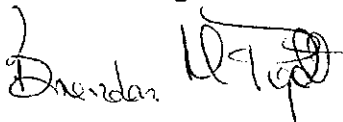
STATEMENT OF CHANGES IN EQUITY
Financial Year Ended 31 December 2019

	Unrestricted funds €	Restricted funds €	Total €
At 1 January 2018	181,563	76,088	257,651
Movement during 2018:			
Net income for the year	44,166	(20,689)	23,477
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>44,166</u>	<u>(20,689)</u>	<u>23,477</u>
Transfer to capital reserve	<u>-</u>	<u>-</u>	<u>-</u>
Release of other reserve	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2018	<u>225,729</u>	<u>55,399</u>	<u>281,128</u>
At 1 January 2019	225,729	55,399	281,128
Movement during 2019:			
Net income for the year	472,757	67,687	540,444
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>472,757</u>	<u>67,687</u>	<u>540,444</u>
Transfer to capital reserve	<u>-</u>	<u>-</u>	<u>-</u>
Release of other reserve	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>698,486</u>	<u>123,086</u>	<u>821,572</u>

BALANCE SHEET
As at 31 December 2019

	Notes	2019 €	2018 €
Current assets			
Allocations due – Revenue	12	1,936,818	1,710,940
Receivables and prepayments	13	297,598	365,685
Cash and cash equivalents - Patient funds	14	382,403	481,201
- Hospital funds	14	1,046,332	478,147
		<u>3,663,151</u>	<u>3,035,973</u>
Creditors falling due within one year			
Payables and accrued expenses	15	(2,459,176)	(2,273,644)
Patient funds	14	(382,403)	(481,201)
		<u>(2,841,579)</u>	<u>(2,754,845)</u>
Net current assets		821,572	281,128
Creditors falling due after one year		-	-
Total net assets		<u>821,572</u>	<u>281,128</u>
Capital and reserves			
Unrestricted funds		698,486	225,729
Restricted funds	9	123,086	55,399
		<u>821,572</u>	<u>281,128</u>

On behalf of the Board of Management

Brendan Pigott  30 July 2020

Conor O'Connor  30 July 2020

CASH FLOW STATEMENT
Financial Year Ended 31 December 2019

	Notes	2019 €	€	2018 €	€
Net cash inflow from operating activities	16	469,387		73,421	
Cash flows from investing activities		-		-	
Net cash inflows from investing activities		-		-	
Net cash generated by financing activities		-		-	
Net increase/(decrease) in cash and cash equivalents		469,387		73,421	
Cash and cash equivalents at 1 January		959,348		885,927	
Cash and cash equivalents at 31 December		<u>1,428,735</u>		<u>959,348</u>	
Cash and cash equivalents consist of:					
Cash at bank	14	<u>1,428,735</u>		<u>959,348</u>	

NOTES TO THE FINANCIAL STATEMENTS - continued

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The hospital is a public healthcare hospital and is funded by HSE funding under Section 38 of the Health Act 2004. The hospital is incorporated under Royal Charter and is controlled by the Governors and run by the Board of Management.

The Royal Hospital Donnybrook is a charter corporation and in accordance with its Bye-Laws, prepares and presents its annual non-statutory financial statements.

The address of the hospital is Morehampton Road, Donnybrook, Dublin 4.

2 Statement of compliance

The non-statutory financial statements have been prepared on the going concern basis and in accordance with accounting standards issued by the Financial Reporting Council of the UK. The entity financial statements comply with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

Basis of preparation

The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss, and the measurement of freehold land and buildings at their deemed cost on transition to FRS 102.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

Going concern

The Hospital continues to operate in an environment with significant funding constraints. The Hospital results for 2019 show an operating surplus of €540,444 (2018: €23,477). In addition to the operating surplus, the Hospital has net current assets of €821,573 at 31 December 2019 (2018: €281,128).

For 2020 and 2021, the Hospital is facing a significant challenge to bring its fire safety infrastructure up to required standards. In 2019, RHD spent €200K on fire safety infrastructure. However, it is estimated that an additional €2.2 million will need to be spent over 2020/2021. Funding in principle has been approved by the HSE, with €1.6M allocated midyear for 2020 costs. It is anticipated that the balance will be provided in 2021.

Based on the 2020 allocation from the HSE (issued pre-COVID 19), the Hospital is expected to achieve a break-even position in 2020, although recent developments in relation to COVID 19 have greatly added to uncertainties. Additional expenses were incurred in preparing for a possible outbreak of infection across the Hospital. Fortunately, this has not occurred to date, but COVID 19 has resulted in a significant change in referral patterns. Acute Hospitals have fewer patients, which in turn has resulted in a decrease.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

in rehabilitation referrals. Occupancy in RHD rehabilitation services has dropped to very low levels, resulting in much lower running costs. The Hospital has updated its forecasts to reflect the impact of this change, based on its best estimates of the impact COVID 19 on operations at RHD. The Hospital is confident that HSE will provide enough funding in 2020, including funding for additional costs incurred in preparing for possible COVID 19 impacts.

The Board of Management are therefore satisfied the Hospital has adequate resources to continue in operational existence for the foreseeable future and to deal with the COVID 19 emergency and its impact on the Hospital. After making enquiries and having considered the Hospital's revised forecasts and planned actions, the Board of Management have a reasonable expectation that the Hospital has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

Turnover

Turnover is the amount of revenue derived from the provision of services falling within the hospital's ordinary activities after deduction of value-added tax, where applicable. For the hospital turnover primarily comprises income arising from the Health Service Executive (HSE) funding under Section 38 of the Health Act 2004, and invoiced value of patient and other services provided by the hospital.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts, rebates allowed by the hospital and value added taxes.

The Hospital recognises turnover when the specific criteria relating to each of the Hospital's services have been met, as described below.

Patient services

The hospital provides services to patients. Turnover is recognised in the financial year in which the services are rendered.

Health Service Executive (HSE) funding

The HSE funding is the excess of expenditure over the hospital's annual income and is receivable from the HSE (provided that the hospital operates within or exceeds the agreed Service Level Agreements) and is treated as income in the financial statements.

Interest income

Interest income is recognised using the effective interest rate method.

Tangible fixed assets

Tangible fixed assets, excluding land, are carried 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 the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

Repairs, maintenance and minor inspection costs and items funded by HSE Revenue grants are expensed as incurred.

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 profit or loss.

Leased assets

(i) Finance leases

Finance leases transfer substantially all the risks and rewards incidental to ownership to the lessor.

At the commencement of the finance lease term the hospital recognises its right of use and obligation under a finance lease as an asset and a liability at the amount equal to the fair value of the leased

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

asset, or if lower, at the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental and directly attributable costs incurred in negotiating and arranging a finance lease are included in the cost of the asset.

Assets under finance leases are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at the end of each financial year.

The minimum lease payments are apportioned between the outstanding liability and finance charges, using the effective interest method, to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) *Operating leases*

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessor. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Provisions and contingencies

(i) *Provisions*

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the hospital has a present legal or constructive obligation as a result of past events where it is probable that a transfer of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar expenses' in the financial year in which it arises.

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.

(ii) *Contingencies*

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the Hospital will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. 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.

Taxation

The Hospital has charitable status for taxation and therefore no provision is required for Corporation Tax or Deferred Tax.

Employee benefits

The Hospital provides a range of benefits to employees, including short term employee benefits and post-employment benefits (in the form of).

(i) *Short term employee benefits*

Short term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(ii) *Superannuation benefits*

The majority of the staff employed by the hospital, are members of either one of two State-funded Public Pension Schemes: Voluntary Hospitals Superannuation Scheme ('VHSS') or the Single Public Service Pension Scheme ('the Single Scheme'). The liabilities of both of these schemes are liabilities of the State.

The VHSS was established by the Minister for Health in 1969 and the Hospital has administered the scheme, on behalf of the state, in relation to VHSS members who are current or retired staff of the Hospital since this date.

The Hospital has been directed by the Department of Health/HSE to retain the VHSS contributions paid by current Hospital staff and this has been treated as income in line with this direction. On receipt of written authorisation and direction from the HSE, pension entitlements are paid to retired Hospital staff who are members of the VHSS. These pension payments are funded by the deductions retained from current staff and additional HSE revenue grant funding which is periodically adjusted by the HSE to reflect changes in the pension liabilities to be paid and the terms of the scheme.

On 1 January 2013, the VHSS was effectively closed to new members and was superseded by the Single Scheme in line with its introduction across the entire public service. Under the terms of this Scheme, the hospital is required to remit the pension deductions from current staff to the Exchequer and all future pension benefits paid under the scheme will be funded by the Exchequer.

These financial statements do not include pension liabilities and assets of those staff who are members of the VHSS or the Single Scheme as the liabilities of the scheme are liabilities of the State and not liabilities of the hospital.

Contributions from employees who are members of the Single Public Service pension scheme are remitted to the Exchequer in accordance with the terms of the scheme.

Contributions from employees who are members of the Voluntary Hospital Superannuation Scheme are credited to the Income and Expenditure account when received. Pension payments under the scheme are charged to the Income and Expenditure account when paid.

Foreign currency

(i) *Functional and presentation currency*

The hospital functional and presentation currency is the euro, denominated by the symbol "€".

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income' or 'interest payable and similar expenses' as appropriate. All other foreign exchange gains and losses are presented in the profit and loss account within 'other expenditure'.

Financial instruments

The hospital has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

Financial assets

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

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

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

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, 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.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and financing liabilities are classified as debt, 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 payments 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.

Cash and Cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgement in applying the entity's accounting policies

There were no judgements, apart from those involving estimates and the consideration of applying the going concern basis of preparation as set out in Note 3, made by the Board of Management which had significant effect on the amounts recognised in the entity financial statements;

(b) Critical accounting estimates and assumptions

The Board of Management make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The Board of Management make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the Board of Management consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor.

5 Income from charitable activities

	2019 €	2018 €
Allocation from HSE towards net expenditure for year	19,942,991	18,343,202
All other sources of income:		
Patient maintenance	1,448,963	1,430,786
Superannuation deductions	935,448	1,078,013
Staff restaurant income	66,005	66,105
Other grant income	460,824	1,101,966
	<u>22,854,231</u>	<u>22,020,072</u>

6 Voluntary Income

	2019 €	2018 €
Investment income	187	135
Rents receivable	292	(83)
Voluntary gifts and donations	266,608	33,967
Deposit interest	1	413
Bequests	349,024	24,904
	<u>616,112</u>	<u>59,336</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Charitable activities	2019 €	2018 €
Pay expenditure	18,086,622	17,575,511
Non pay expenditure	4,699,922	4,465,251
	<u>22,786,544</u>	<u>22,040,762</u>
8 Other expenditure	2019 €	2018 €
Other non-pay expenditure	<u>143,355</u>	<u>15,169</u>
9 Accumulated surpluses/(deficits) of restricted funds carried forward	2019 €	2018 €
2009 and Prior	106,800	106,800
2010	232,158	232,158
2011	336,365	336,365
2012	(90,917)	(90,917)
2013	(290,387)	(290,387)
2014	(19,972)	(19,972)
2015	(253,122)	(253,122)
2016	64,347	64,347
2017	(9,184)	(9,184)
2018	(20,689)	(20,689)
2019	67,687	-
	<u>123,086</u>	<u>55,399</u>

10 Employees and staff costs

The Royal Hospital Donnybrook employed an average of 292 people in 2019 (291 in 2018). Most staff work directly in frontline services. As an organisation funded under Section 38 of the Health Act 2004, salaries are paid in line with public sector pay scales and are subject to public sector pay agreements.

(a) Number of employees	2019 Monthly Average Number	2019 Whole Time Equivalents	2018 Monthly Average Number	2018 Whole Time Equivalents
Management administration	21	18	22	19
Medical	2	2	2	2
Nursing	183	177	181	174
Health & social care professional	48	43	48	41
Support services	34	30	34	31
Maintenance	4	4	4	4
Totals	<u>292</u>	<u>274</u>	<u>291</u>	<u>271</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

	2019 €	2018 €
(b) Total staff costs		
Wages and salaries	15,061,779	14,712,916
Social welfare costs	1,470,261	1,382,637
Retired personnel - pensioner costs	1,554,582	1,479,958
Other compensation payments	-	-
	<u>18,086,622</u>	<u>17,575,511</u>

The above wages and salaries cost include €662,319 in respect of agency and locum staff in 2019 (€720,239 in 2018).

(c) Senior staff remuneration

The number of fulltime staff earning salaries over €60,000 is:

	2019 Number	2018 Number
Band €60,000 - €69,999	14	12
Band €70,000 - €79,999	4	4
Band €80,000 - €89,999	2	2
Band €90,000 - €99,999	-	-
Band €100,000 - €109,999	-	-
Band €140,000 - €149,999	-	-
Band €150,000 - €159,999	1	1
	<u>21</u>	<u>19</u>

The following employees also work part-time (50%):

Band €60,000 - €69,999	8	5
Band €70,000 - €79,999	1	1
	<u>9</u>	<u>6</u>

The above bands are before deduction of the pension levy.

(d) Key management remuneration

	2019 €	2018 €
Wages and salaries	706,607	732,202
Social welfare costs	72,869	67,867
Pension costs	-	-
Other compensation payments	-	-
	<u>779,476</u>	<u>800,069</u>

The CEO received remuneration of €84,650 in 2019 (€73,028 in 2018).

The above salary is before deduction of the pension levy.

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Non-pay expenditure	Charitable activities 2019 €	Voluntary activities 2019 €	Charitable activities 2018 €	Voluntary activities 2018 €
Drugs and medicines	426,085		416,182	
Medical gases	43,794		39,072	
Medical and surgical supplies	412,841		446,773	
Medical equipment	344,614		262,334	
Food and catering fees	940,251		929,182	
Catering equipment	24,619		22,013	
Furniture crockery and hardware	26,362		23,238	
Heat, light and power	274,414		294,880	
Cleaning and washing	692,107		660,786	
Maintenance and renovations	273,198		134,437	
Bedding and clothing	6,608		15,569	
Education and training	49,295		52,584	
Grounds	27,615		25,626	
Transport and travelling	6,175		5,338	
Transport of patients	33,488		32,634	
Bank interest and charges	3,024		3,212	
Insurances, audit, legal	108,184		103,747	
Other professional services	260,564		216,699	
Office expenses	148,027		152,663	
Computer equipment	81,049		92,161	
Other services	141,596		161,605	
Office equipment	38,298		33,612	
Sundries	336,984		340,903	
Bad debts	730		1	
	<u>4,699,922</u>		<u>4,465,251</u>	
Primary care centre development		-		(3,295)
Renovation works		-		-
Estates planning		102,778		9,609
Sundries		<u>40,577</u>		<u>8,855</u>
		<u>143,355</u>		<u>15,169</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Non-pay expenditure – continued

	Charitable activities €	Voluntary activities €	2019 Total expenditure €	Charitable activities €	Voluntary activities €	2018 Total expenditure €
(a) Allocation of expenditure						
Pay expenditure	18,086,622	-	18,086,622	17,575,511	-	17,575,511
Non-pay expenditure	4,699,922	143,355	4,843,277	4,465,251	15,169	4,480,410
Total resources expended	<u>22,786,544</u>	<u>143,355</u>	<u>22,929,899</u>	<u>22,040,762</u>	<u>15,169</u>	<u>22,055,931</u>
(b) Governance costs						
Non-pay expenditure also includes governance costs as follows:						
Board governance review					15,129	3,690
External audit					24,600	21,568
Internal audit					18,188	15,206
					<u>57,917</u>	<u>40,464</u>

Members of the Board of Management do not receive remuneration for their services.

Governance costs relate to a review of Board governance procedures, the annual external audit and the external professional advisors engaged to carry out internal audit assignments in accordance with the Service Agreement with the HSE and adherence to the relevant code of governance.

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Allocation due – Revenue	2019 €	2018 €
Block allocation		
2016	-	(21,630)
2017	-	(52,323)
2018	-	1,798,820
2019	1,932,959	-
	<u>1,932,959</u>	<u>1,724,867</u>
Capital grant		
2018	-	(13,927)
2019	3,859	-
	<u>3,859</u>	<u>(13,927)</u>
Totals	<u>1,936,818</u>	<u>1,710,940</u>
13 Receivables and prepayments	2019 €	2018 €
Patient receivables	83,048	85,787
HSE receivables	33,945	132,832
Prepayments	142,126	109,413
Other receivables	38,479	37,653
	<u>297,598</u>	<u>365,685</u>
14 Cash and cash equivalents	2019 €	2018 €
Short term deposits - unrestricted funds	376	376
Short term deposits - restricted funds	375,604	400,218
Bank balances - unrestricted funds	765,866	291,908
Bank balances - restricted funds	284,639	264,246
Petty cash - unrestricted funds	-	-
Petty cash - restricted funds	2,250	2,600
	<u>1,428,735</u>	<u>959,348</u>
Unrestricted funds	766,242	292,284
Restricted funds	662,493	667,064
	<u>1,428,735</u>	<u>959,348</u>

Note:

In respect of Restricted Funds, a total of €382,403 in 2019 (€481,201 in 2018) represents Patients Funds. These funds are held in the Hospital's bank accounts on behalf of patients. The corresponding liability for these funds is highlighted on the Balance Sheet as Patients Funds.

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Payables and accrues expenses	2019	2018
	€	€
Payables and accruals	2,031,279	1,850,453
PAYE/PRSI payable	409,651	414,042
Other taxes	18,246	9,149
	<u>2,459,176</u>	<u>2,273,644</u>
16 Net cash inflow from operating activities	2019	2018
	€	€
Excess of income	540,444	23,477
(Increase)/decrease in HSE allocation due	(225,878)	16,974
Decrease/(increase) in other receivables and prepayments	68,087	(100,725)
Increase in payables and accrued expenses	185,532	131,399
(Decrease)/increase in patient funds	(98,798)	2,296
Net cash inflow from operating activities	<u>469,387</u>	<u>73,421</u>

17 Premises

As stated in the accounting policies in note 3, fixed assets for which capital grants have been received or which have been funded from the special fund account, are not reflected in the hospital's balance sheet. These fixed assets include the hospital premises, which were acquired in 1792 and have been developed over subsequent years from the special fund account and capital grants.

18 RHD retirement benefits

The majority of the staff employed by The Royal Hospital Donnybrook are members of either the Voluntary Hospitals Superannuation Scheme (VHSS) or the Single Public Service Pension Scheme ("the Single Scheme").

The VHSS was established by the Minister for Health in 1969 and the Hospital has administered the scheme, on behalf of the State, in relation to VHSS members who are current or retired staff of the Hospital since this date.

The Hospital has been directed by the Department of Health/HSE to retain the VHSS contributions paid by current Hospital staff and this has been treated as income in line with this direction. On receipt of written authorisation and direction from the HSE, pension entitlements are paid to retired Hospital staff who are members of the VHSS. These pension payments are funded by the deductions retained from current staff and additional HSE revenue grant funding which is periodically adjusted by the HSE to reflect changes in the pension liabilities to be paid and the terms of the scheme.

These financial statements do not include pension liabilities and assets of those staff who are members of the VHSS as, in line with the accounting policies, the funds required to pay current pension liabilities under both schemes, as they arise in the future, will continue to be provided by the State/Department of Health. The Board has arrived at this position having taken into account a range of factors including the precedent set on the closure of certain other healthcare facilities. This issue is similar to that applying in the majority of other publicly funded hospitals.

From 1 January 2013, the VHSS was effectively closed to new members and was superseded by the Single Scheme in line with its introduction across the entire public service. The single scheme is a multiemployer scheme as defined by FRS 102.

NOTES TO THE FINANCIAL STATEMENTS - continued

19 Related parties

During the year the hospital had no material transactions with the Royal Hospital Donnybrook Voluntary Housing Association or the Friends of the Royal Hospital.

20 Events since the end of the financial year

The Royal Hospital Donnybrook has considered the impact of COVID 19 within Note 3, taking all the factors into consideration The Board of Management do not consider there is any impact on the amounts recognised in the balance sheet at year end.

21 Approval of financial statements

The Board of Management approved the financial statements on 30th July 2020.