

The Royal Hospital Donnybrook
Annual Report and Financial Statements
Year Ended 31 December 2021

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Trustees / Board of Management

Brendan Pigott, Chairman

Conor O'Connor, Vice Chair

Colm Moloney, Hon. Treasurer (app. November 2021)

Caroline O'Shea

Tom Hayes

Cllr. Dermot Lacey

Cllr. Paddy McCartan

Dorothy MacCann

David Gunning

Michele McCormack

David Robinson

Oisín Quinn

Ruth Deasy

Alan Gough

Deirdre-Ann Barr

Chief Executive Officer

Conor Leonard

Independent Auditors

PKF O'Connor, Leddy & Holmes Limited,
Chartered Accountants and
Registered Auditor,
Century House,
Harolds Cross Road,
Harolds Cross,
Dublin D6W P993

Bankers

Aib Bank,
7-12 Dame Street,
Dublin D02 KX20

Bank of Ireland,
87/89 Pembroke Road,
Ballsbridge,
Dublin D04 X738

Solicitors

Mangan O'Beirne,
31 Morehampton Road
Ranelagh,
Dublin D04 F7H7

A&L Goodbody,
North Wall Quay,
North Wall,
Dublin D01 H104

Registered Charity Number

20001605

Royal Hospital Donnybrook

Year Ended 31 December 2021

Board of Management Report

The Board of Management ("Board") present their annual report and audited financial statements for the year ended 31 December 2021.

This is the first set of financial statements prepared by The Royal Hospital Donnybrook in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015. Previously the company applied FRS 102 but did not apply the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 Charities SORP). The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland, however it is considered best practice.

Reference and Administrative Details

The Royal Hospital Donnybrook ("RHD") was founded in 1743 and is one of the oldest charities in Ireland. It received its Royal Charter in 1800 and is consequently a charter corporation. The Bye-laws of RHD can only be changed by decision of the Governors with the consent of the Oireachtas.

The Governors of RHD are drawn from the local community. At AGMs, the Governors receive the annual report and financial statements and elect the Board of Management, on a rotational basis..

The Bye-laws permit the Governors to elect up to twenty five persons to the Board of Management. However, in line with current best practice, the Board has been reduced in recent years. Today, there are thirteen members elected by the Governors and two members nominated by Dublin City Council for election to the Board. The Board meets not less than five times per year, with meetings of its Executive Committee held, also five times annually, in each alternate month. There is a written statement of the Reserved Powers of the Board. All elected members of the Board are volunteers and do not receive any fees or expenses for attending Board meetings or undertaking other work on behalf of RHD. All Board and Committee Members sign an annual Conflict of Interests letter and must declare any conflict of interest or loyalty at the commencement of any meeting.

The Board regularly reviews its membership in the light of the experience and expertise of its current membership. New members are recruited having regard to their suitability in the light of RHD's requirements, approved nominations criteria and succession planning requirements. This process is overseen by the nominations and governance committee.

RHD has a Code of Governance Manual which has the following contents:

1. STATUTORY INSTRUMENTS AND BYE-LAWS FOR THE MANAGEMENT OF THE HOSPITAL
2. PRINCIPAL DUTIES OF BOARD MEMBERS
3. ETHICAL BEHAVIOUR
 - 3.1 Code of Conduct
 - 3.2 Protected Disclosure
4. BOARD OF MANAGEMENT
 - 4.1 Standing Orders of the Board
 - 4.2 Reserved Powers of the Board
 - 4.3 Terms of Reference of Committees of the Board
 - 4.4 Annual Conflict of Interest & Eligibility Letter
 - 4.5 SIPO Obligations
5. RISK MANAGEMENT
 - 5.1 Risk Management Overview
 - 5.1.1 Risk Management Policy
 - 5.1.2 Annual Report on Risk Management
 - 5.2 Clinical Governance
 - 5.2.1 Clinical Governance Overview

Royal Hospital Donnybrook

Year Ended 31 December 2021

Board of Management Report

The hospital has been granted charitable tax status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No CHY 982 and is registered with the Charities Regulatory Authority. Under Registered Charity Number 20001605.

The charity has a total of fifteen trustees who comprise the Board of Management.

The hospital is situated at and delivers its services to the local community at The Royal Hospital, Morehampton Road, Dublin D04 HX40.

Principal Activities and Objectives

The hospital is a public healthcare hospital and is principally financed by HSE funding under Section 38 of the Health Act 2004. The hospital provides a number of services, inpatient rehabilitation, residential care, day hospital services and respite care, provided by multidisciplinary healthcare professionals.

The Board of Management or its Executive Committee meet on a regular basis and are responsible for the strategic direction of the charity. The charity is run on a day to day basis by the chief executive officer, Mr Conor Leonard, who is responsible for ensuring that the charity meets its long and short term aims and the day to day operations run smoothly.

The public benefit of the Charity is the promotion of health, including the prevention or relief of sickness and human suffering based on clinical need. Services are provided under the public hospital model.

The Hospital is continually developing best practices and systems to enhance the quality of life for every person in our care. We have developed our quality and governance systems and processes to ensure their safety, wellbeing, and enjoyment while in the Hospital.

We continue to recognise the extraordinary work that Hospital Staff carry out on a daily basis and we commend in particular, the commitment and exceptional dedication that was shown during the year as staff went to extraordinary lengths to ensure that residents and patients continued to receive the high standard of care for which the hospital is renowned.

Detailed procedures are maintained by the Hospital in relation to hiring, training, development, support, supervision, appraisal, remuneration and dismissal of staff. All procedures are in line with HSE regulations.

On signing the Annual Service Level Agreement, the Hospital undertakes to comply with the HSE's National Financial Regulations 17 Voluntary Donations, Gifts and Bequests and E guidelines which are set out in the Service Level Agreement and its supporting appendices.

The Hospital is a Public Body for the purposes of the Ethics Acts and related regulations and its Board members are made aware of this on induction together with possible disclosure requirements to the Standards in Public Office Commission.

Strategic Plans are reviewed by the Board from time to time. Any changes to operational policy arising from such reviews, are developed by the CEO and implemented through the Hospital Management Team, which comprises the following key management personnel:

Royal Hospital Donnybrook

Year Ended 31 December 2021

Board of Management Report

5.2.2 Annual Clinical Governance Report
5.3 Financial Procedures
5.3.1 Financial Procedures Overview
5.3.2 Financial Procedures Manual
5.4 Procurement Policy
5.5 Internal Audit
5.5.1 Internal Audit Charter
5.5.2 Internal Audit Programme Overview
5.5.3 Internal Audit Plan
6. NOMINATIONS & GOVERNANCE
6.1 Board Nominations Procedures
6.2 Nomination Criteria
6.3 Induction Programme
6.4 Re-election of Board Members
6.5 Procedure for Appointment of Governors
7. HEALTH SERVICES EXECUTIVE
7.1 Service Level Arrangement (SLA) – Introduction
7.2 SA Compliance Procedures
7.3 Annual Compliance Statement
7.4 S.13.1 Code of Practice for the Governance of State Bodies
8. GOVERNANCE CODE
8.1 Charities Regulator, Charities Governance Code

A copy of the Code of Governance Manual is given to all new members of the Board and Committees as part of their induction programme. All senior staff and Board Members are required to sign the Code of Conduct on appointment.

There is a comprehensive committee structure with the following Board committees in place.

- Executive Committee
- Nominations & Governance Committee
- Audit Committee
- Clinical Governance Committee
- Remuneration Committee
- Estates Committee

There are written Terms of Reference for each of these committees.

An externally facilitated evaluation of the Board of Management and Board Committees was undertaken in 2021. Recommendations arising from this review were accepted by the Board.

Risk Management is a standard item on the agenda for every Board meeting. The Board is satisfied it has appropriate risk management and other internal controls in place to ensure the safety of patients and the appropriate control of expenditure.

Royal Hospital Donnybrook

Year Ended 31 December 2021

Board of Management Report

When the outbreak was finally over in March, we had lost five patients and residents due to Covid19. That was one more death that we had in the same period the year before, prior to the pandemic arriving in Ireland. All during that outbreak, just one single patient was transferred back to an acute hospital. Many of those who were impacted by Covid were left frailer and weaker than before but over time, they made the best recovery possible through the care and attention that the hospital could provide.

That such an outcome was achieved, with all the limitations of our old building and its multi-occupancy wards, is an absolute testament to the care that The Royal Hospital Donnybrook provides. Key contributors were the high-quality nursing care, backed by on-site availability of consultant led medical teams. These were supported by seven-day respiratory care from chartered physiotherapists, with the continuous support of other health professionals on-site and essential input from St. Vincent's University Hospital.

The vast majority of staff who contracted Covid-19 recovered quickly, but there remain a very small number who are now suffering from long covid. We wish them all a speedy recovery.

Covid 19 continued to be a challenge throughout the year, but thankfully there were no further outbreaks, albeit admissions in some services were severely restricted. In addition, RHD's Covid and overall response was strengthened by the appointment of a dedicated infection control professional.

Other Operations

Essential fire safety works continued and were completed in May. We are delighted that these significant safety risks have now been addressed and we thank the HSE for their financial support.

Another key challenge was the restrictions on admissions imposed by HIQA, the residential care regulator. They suspended all long term care admissions until we improved two of the ten multi-occupancy rooms. These had to both be vacated during works, further reducing resident numbers. HIQA complemented us on the outcome but, whilst allowing admissions, decided not to restore resident numbers to previous levels, until the remaining eight rooms are improved. We are now permitted fifty residents, down from sixty six just two years ago. This loss of income presents the Hospital with significant financial challenges. While it is hoped to restore bed numbers by 2023, with HSE support, the coming year will be extremely challenging as a result.

During the year the Hospital had a number of visits from HIQA inspectors and the Board of Management continues to engage with the Health Services Executive to secure funding for capital projects and to ensure an adequate long-term allocation of operational funding for the hospital.

Unfortunately, our care Volunteer Service was unable to recommence in 2021. This service is very much missed by the patients, residents and staff. In December a temporary Volunteer Coordinator was appointed. The Volunteer Service is to be fully reconfigured with the aim of achieving the "Investing in Volunteers Quality Standard" from Volunteer Ireland. All volunteers who had worked with us were contacted, advising them of RHD's plans for the Volunteer Service into the future and to ascertain if they were in a position to continue to work with us after such a long break period. Overall, there was a very positive response and we look forward to welcoming most of them back. The Board would like to take this opportunity to thank all the volunteers that are no longer in a position to continue with us, many of whom have given years of dedicated and caring service to the hospital.

Work continued on our strategic plan. The Board remotely reviewed the overall strategy in November and reaffirmed their commitment to creating an entirely public, Integrated Care Campus on the RHD site, comprising rehabilitation, primary care, supported social housing and residential care, subject to an appropriate environment and funding.

Financial Results

The Statement of Financial Activities and Balance Sheet are set out on pages 17 and 18.

Royal Hospital Donnybrook

Year Ended 31 December 2021

Board of Management Report

Conor Leonard	CEO
Lisa Cogan	Medical Director
John Lavelle	Director of Nursing (appointed March 2021)
Kieran Farrell	Head of Finance
Jo Cannon	Occupational Therapy Manager
Sharon Lawlor	Human Resources Manager
Elaine Ross	Physiotherapy Manager
Aoife O'Neill	Principal Social Worker
Rosanne Staveley	Speech and Language Therapist Manager
Ghaleb El Farouki	Development Lead (appointed March 2021)

A Clinical Governance Committee has been established to ensure compliance with Health Regulations and to promote best practice.

An outsourced Internal Audit Function has been established to monitor compliance with approved policies and make recommendations as to their improvement. An Audit Committee has been established to monitor and provide oversight to the external and internal Audit programmes.

The Charity complies with the terms and conditions of its Annual Service Agreement with the Health Service Executive, which includes compliance with legislation and Public Sector Governance regulations.

In addition, certain activities are subject to regulation by the Health Information Quality Authority who carry out compliance visits on an ongoing basis.

The hospital has strict internal controls governing the receipt of bequests and donations. The Hospital's procedures are subject to periodical review and reporting to The Board, by the Hospital's internal auditors. The management of all the Hospital's assets is subject to audit by both the external and internal auditors to the Hospital.

The Hospital management team meets regularly and reviews the Hospital's Corporate Risk Register. All identifiable risks are recorded in the Corporate Risk Register. Risks are scored in terms of severity of impact, likelihood and possible frequency of occurrence. The Hospital Employs a Risk manager who maintains the Risk register.

Good practice standards as proposed by the HSE and other regulatory bodies are always considered and if appropriate, adopted. HPSC guidance has been followed throughout the Covid 19 pandemic.

Operations Review

Covid 19

The year began with an outbreak of Covid-19 in one rehabilitation area, which spread quickly to four wards, including two residential units. Nearly 40% of patients/residents and over one hundred staff and contractors subsequently became infected. Staffing levels became very stretched and contingency plans were activated, resulting in '9 to 5' staff helping on the wards. Medical and physiotherapy services were actively extended to a seven-day basis and additional weekly deliveries of Oxygen were required, as we aimed to care for as many patients and residents without transferring them to an acute hospital.

We are immensely grateful that we were prioritised by the HSE for the first round of vaccinations in the early days of January. That provided a tremendous boost to morale, albeit those infected had to wait until a later date.

Royal Hospital Donnybrook

Year Ended 31 December 2021

Board of Management Report

The statement highlights the results between restricted and unrestricted funds. Restricted funds relate to all HSE funded activity while unrestricted relates to funds from other sources e.g., Donations from the public. The Board of management has complete discretion over the allocation of these funds.

Overall income from charitable activities decreased by €83,738 compared to the 2020 outturn. The principal elements of this were an increase in the main HSE allocation of €988,188, a reduction in Fair Deal and related patient income, of €1,092,687, due to bed closures, with other charitable income reflecting a small increase of €20,761.

Restricted grant income increased by €40,260, to €595,422 which facilitated upgrading of ICT systems, telephone system upgrades, purchase of other equipment and a new adapted minibus to facilitate the transport needs of residents and patients.

Unrestricted income decreased by €160,025 but this is largely due to an exceptional receipt of €100,000 in the previous year.

Charitable expenditure increased by €211,368, to €22,826,752. This primarily represents a net reduction in staff costs of €249,705 offset by an increase in pensioner costs of €467,073. The former arose due to a significant reduction in Overtime and agency costs compared to 2020 levels while the latter resulted from an increased number of staff retirements. Non pay costs were at similar levels for both years.

Charitable activities costs for the year include €200,342 in respect of Covid costs, (2020- €216,188).

Unrestricted costs amounted to €122,927 compared to €225,359 in 2020. The reduction primarily relates to exceptional renovation expenditure in the prior year.

In summary the Hospital's results for 2021 show an operating deficit of €7,373 (2020: surplus, €324,831), while having net assets of €1,139,030 at 31 December 2021 (2020: €1,146,403).

Achievements and Performance

In spite of all the challenges that Covid presented in 2021 a number of clinical initiatives were progressed. A mobile on-site X- Ray service for frailer patients was introduced and we continue to work closely with (OPRAH) Older Person Rapid Assessment Hub in St Vincent's University Hospital. This provides access to urgent specialist opinion and investigations avoiding hospitalisation for many of our patients and residents. The appointment of a Rehabilitation Coordinator has been a great support in rebuilding our clinical activity.

The Activity Department was also expanded in 2021 to cater for the increased demand on activities for residents in light of Covid 19. This has been a huge success and very much to the benefit of the residents.

Having been closed for a period of time, the Day Hospital reopened its doors in early summer 2021. The majority of day services across the health service had ceased during Covid 19. This essential service was very much missed and staff were very keen to have it reopen. A multidisciplinary team approach was taken and all disciplines worked closely together to reopen. This also provided an opportunity to review the day to day working of the service and to enhance the service going forward.

As reported in previous years the Hospital has a long strategic aim of having an integrated Primary Care Centre (PCC) on the Campus which would complement our in-patient services. In July 2020, an agreement was signed with private developers to provide land for the construction of a PCC, subject to certain conditions, including successful planning permission. Planning permission was applied for by the developer in 2021 and at the time of writing this report the Hospital is awaiting on An Bord Pleanála to issue its decision.

Royal Hospital Donnybrook

Year Ended 31 December 2021

Board of Management Report

Future Developments

It is hoped that with HSE support, by 2023, the necessary renovations to facilitate reopening of the closed long term beds can be completed.

A significant investment has been made in ICT infrastructure in 2020 and 2021 with the objective of improving functionality and security. As part of this process, the Hospital's telephone system has been completely replaced this year.

The provision of healthcare from our ageing building stock continues to be challenging and whilst the HSE has approved projects to reconfigure part of our residential units and to upgrade our fire safety infrastructure, other longer-term projects remain on hold pending funding. Our focus, however, needs to ensure that we continue to meet the healthcare needs for the 21st century in addition to immediate challenges. We will continue to work towards our strategic objective to evolve into a community based integrated care campus. The Board will support our management and staff in their efforts to achieve this aim. Should permission for the PCC development be granted by An Bord Pleanála, it is anticipated that construction will commence on the site in the latter half of 2022.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by RHD are: Financial, Environmental, clinical and Infection control and regulatory compliance.

The hospital is dependant on the HSE for the funding of its services and the ongoing level of funding is fundamental to RHD's ability to continue its services as a going concern. In particular RHD is currently experiencing a reduction in its long term care income, coupled with increasing cost pressures due to current market conditions and expected health sector pay awards.

Environment risk arises due to the age and configuration of the hospital buildings against a background of increasing HIQA and other standards, related to facilities provided for residents and patients.

Due to the nature of RHD's activities clinical and infection control issues impacting on our residents and patients is ever present.

Because of the nature of its activities, its HSE funded and charitable status, RHD is subject to compliance with many laws and regulations in the conduct of its activities.

The steps taken by the board to mitigate these risks is set out below.

Risk Management

In general risk is mitigated by having appropriate management structures, qualified personnel and processes and procedures in place. The status of risks is regularly monitored by the Board of Management and senior management team who review the hospital's current risk register on a regular basis.

The financial risk is mitigated by continuing regular engagement with HSE, at an appropriate level, to promote continued support, alignment of objectives and investment in necessary infrastructure improvement on an ongoing basis. RHD has an audit committee and an outsourced Internal audit function in place. Ongoing financial performance is reviewed by the board and audit committee on a regular basis.

Royal Hospital Donnybrook

Year Ended 31 December 2021

Board of Management Report

There is a clinical governance committee in place which meets regularly and oversees RHD's response to these risks. In addition, a dedicated infection control professional is in place in conjunction with regular consulting with Public Health on infection control issues.

With regard to regulatory risk, the hospital has appropriate management structures in place to monitor compliance with HSE and other public regulations pertaining to provision of health services. A range of insurance covers has been put in place both with the State Claims Agency and the private insurance market

Events after the Balance Sheet date

There have been no significant or material subsequent events affecting the Hospital since the year end which would affect the carrying value of Assets or liabilities at the Balance Sheet date.

Payment of Creditors

The directors acknowledge their responsibility for ensuring compliance with the provisions of the EC (Late Payment in Commercial Transactions) Regulations 2012. It is the company's policy to agree payment terms with all suppliers and to adhere to those payment terms.

Going Concern

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. This is set out in more detail in Note 3 to the Financial Statements.

Disclosure of information to Auditors

In the case of each of the members of the Board of management at the time that the Board of Management Report and Financial Statements are approved:

- a) So far as the Board member is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) Each member has taken all steps that ought to have been taken by the member in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Accounting Records

The Board acknowledge their responsibilities to keep adequate accounting records for the Hospital. In order to comply, two full time accountants are employed. The accounting records of the company are kept at The Royal Hospital, Morehampton Road.

Royal Hospital Donnybrook

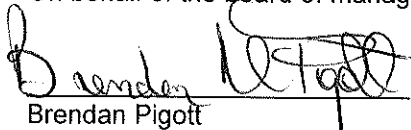
Year Ended 31 December 2021

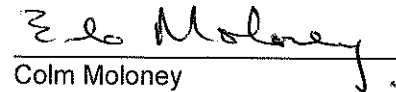
Board of Management Report

Auditors

The auditors, PKF O'Connor, Leddy and Holmes Limited, Registered Auditors, have been appointed and will continue in office.

On behalf of the board of management


Brendan Pigott


Colm Moloney

DATE: 30th June 2022

The Royal Hospital Donnybrook

Board of Management Statement of Responsibilities

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 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015. Previously the company applied FRS 102 but did not apply the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 Charities SORP).

In carrying out these responsibilities the Board is 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.

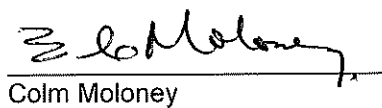
The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland however it is considered best practice.

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.

On behalf of the board of management



Brendan Pigott



Colm Moloney

DATE: 30th June 2022

Independent Auditor's Report to the Board of Management of The Royal Hospital Donnybrook



REPORT ON THE AUDIT OF THE NON-STATUTORY FINANCIAL STATEMENTS OPINION

We have audited the non-statutory financial statements (the "financial statements") of The Royal Hospital Donnybrook (the 'Hospital') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 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 Hospital's affairs as at 31 December 2021 and of its deficit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';

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 further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Hospital in accordance with the 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

In auditing the financial statements, we have concluded that the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Hospital's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Management's with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Board of Management of The Royal Hospital Donnybrook (continued)



OTHER INFORMATION

The Board of Management are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' 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.

RESPECTIVE RESPONSIBILITIES

RESPONSIBILITIES OF THE BOARD OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

As explained more fully in note 2, the Board of Management is 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 the Board of Management 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 is 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 management either intends to liquidate the Hospital or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Board of Management of The Royal Hospital Donnybrook (continued)



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's website at: [https://www.iaasa.ie/Publications/ISA 700](https://www.iaasa.ie/Publications/ISA_700) (Ireland). 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 Board of Management as a body, for management purposes in accordance with our engagement letter 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.

DocuSigned by:

Keith Doyle

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Keith Doyle

for and on behalf of

PKF O'Connor, Leddy & Holmes Limited

Statutory Audit Firm

Century House

Harold's Cross Road

Dublin 6W

Date: 30 June 2022

The Royal Hospital Donnybrook

Statement of Financial Activities incorporating the Income and Expenditure Account

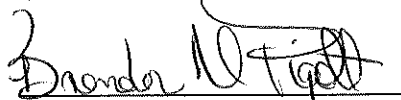
For the Year ended 31 December 2021

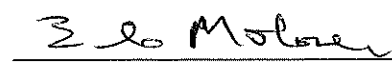
	Notes	Unrestricted Funds	Restricted Funds	2021 €	2020 €
Income from					
Charitable activities	4/5	-	22,854,631	22,854,631	22,938,369
Donations and legacies	6	38,148	-	38,148	124,682
Investment Income	7	29,032	-	29,032	102,523
Total income		67,180	22,854,631	22,921,811	23,165,574
Expenditure on:					
Charitable activities	8	-	22,826,752	22,826,752	22,615,384
Other expenditure	12	102,432	-	102,432	225,359
Total expenditure		102,432	22,826,752	22,929,184	22,840,743
Net gain on investments		-	-	-	-
Net income		(35,252)	27,879	(7,373)	324,831
Transfer between funds		-	-	-	-
Other recognised gains/ (losses):					
Other gains/ (losses)		-	-	-	-
Net movement in funds	13	(35,252)	27,879	(7,373)	324,831
Reconciliation of funds:					
Total funds brought forward		700,332	446,071	1,146,403	821,572
Total funds carried forward		665,080	473,950	1,139,030	1,146,403

All the activities relate to continuing activities.

There are no recognised gains and losses other than as stated above.

On behalf of the board of management


Brendan Pigott


Colm Moloney

DATE: 30th June, 2022

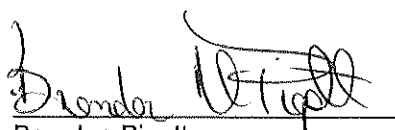
The notes on pages 21 - 38 form part of these financial statements.

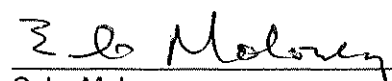
The Royal Hospital Donnybrook

Balance Sheet As at 31 December 2021

	Notes	2021 €	2020 €
Fixed assets			
Tangible assets	17	1,910,159	1,978,756
Current assets			
Funding Due - HSE	18	2,344,082	1,920,020
Receivables and Prepayments	19	263,008	228,850
Cash and cash equivalents - Patient funds	20	379,630	405,260
- Hospital funds	20	1,543,588	1,465,377
		4,530,308	4,019,507
Creditors: amounts falling due within one year Payables and accrued expenses	21	(3,348,314)	(2,816,600)
Patient funds		(379,630)	(405,260)
Deferred income – due within one year	22	(84,760)	(56,507)
		(3,812,704)	(3,278,367)
Net current assets		717,604	741,140
Total assets less current liabilities		2,627,763	2,719,896
Creditors: amounts falling due after more than one year		-	-
Deferred income – due after one year	22	(1,488,733)	(1,573,493)
Total net assets		1,139,030	1,146,403
The funds of the charity:			
Unrestricted funds	23	665,079	700,332
Restricted funds	23	473,951	446,071
Total charity funds		1,139,030	1,146,403

On behalf of the board of management


Brendan Pigott


Colm Moloney

DATE: 30th June 2022

The notes on pages 21 - 38 form part of these financial statements.

The Royal Hospital Donnybrook

Statement of Changes in Funds For the Year ended 31 December 2021

	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Balance at 1 January 2021	698,486	123,086	821,572
Net income for the year	<u>1,846</u>	<u>322,985</u>	<u>324,831</u>
Balance at 31 December 2020	<u>700,332</u>	<u>446,071</u>	<u>1,146,403</u>
Balance at 1 January 2021	700,332	446,071	1,146,403
Net income (deficit) for the year	(35,253)	27,880	(7,373)
Balance at 31 December 2021	<u>665,079</u>	<u>473,951</u>	<u>1,139,030</u>

The Royal Hospital Donnybrook

Statement of Cashflows For the Year ended 31 December 2021

	Notes	2021 €	2020 €
Net cash flows from operating activities	24	55,203	697,469
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(2,622)	(1,885,567)
Net cash flows from investing activities		(2,622)	(1,885,567)
Cash flows from financing activities			
Capital grant received		-	1,630,000
Net cash flow from financing activities		-	1,630,000
Net increase in cash and cash equivalents		52,581	441,902
Cash and cash equivalents at beginning of year		1,870,637	1,428,735
Cash and cash equivalents at end of year	20	1,923,218	1,870,637

NOTES TO THE FINANCIAL STATEMENTS - continued**1. Accounting Policies**

This is the first set of financial statements prepared by The Royal Hospital Donnybrook in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015. Previously the company applied FRS 102 but did not apply the Statement of Recommended Practice "Accounting and Reporting by Charities". The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland however it is considered best practice. As noted below, the board of management consider the adoption of the SORP requirements as the most appropriate accounting practice and presentation to properly reflect and disclose the activities of the organisation.

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 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 2.

The Hospital has adopted the SORP from 1 January 2020. There have been no adjustments as a result of applying the SORP.

Income

Income 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.

Income 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. Income 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.

NOTES TO THE FINANCIAL STATEMENTS - continued**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.

Major fixed assets, funded by Capital grants, are carried at cost less accumulated depreciation. Depreciation commences when the related asset is completed / commissioned and is capable of operating in the manner intended by management.

Fire Safety Infrastructure is depreciated on a straight line basis, at the rate of 4% in respect of the passive elements of the system and at the rate of 10% in respect of the active electronic element.

Capital grants which are subject to future performance related conditions are recognised in Income only when these conditions have been met. These grants are shown as deferred income, which is amortised over the depreciation period, applicable to the related asset.

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 the Profit and Loss account.

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 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

NOTES TO THE FINANCIAL STATEMENTS - continued

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS - continued

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

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.

2. 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.

(c) 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.

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a

NOTES TO THE FINANCIAL STATEMENTS - continued

significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) *Establishing useful economic lives for depreciation purposes of property, plant and equipment*

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

(b) *Providing for doubtful debts*

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an on-going basis. See note 22 for details of this provision.

3. Going Concern

The Hospital is dependent on the Health Service Executive ("HSE") to provide funding for its activities and ongoing development of RHD's services.

The Hospital continues to operate in an environment with significant funding constraints. The Hospital results for 2021 show a small operating surplus, with additional funding granted to offset Covid 19 and other costs incurred in the year.

In the previous year, significant work was undertaken to upgrade the Hospital's fire safety system with completion and commissioning occurring in May 2021. The successful funding and completion of the project are noted by management as positive developments.

Occupancy in RHD rehabilitation services continued to be significantly lower in 2021 than in the past. In addition, the number of available long stay beds has been reduced due to HIQA regulations and COVID-19 infection control requirements. A significant reduction in long stay charges has arisen as a result. The Hospital has made an application to the HSE for additional funding in order to meet ongoing expenditure requirements of the service and the Board believes that this will be forthcoming in the latter part of 2022.

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 2022 and 2023, including funding for additional costs incurred in mitigating possible COVID-19 and other impacts.

The Board of Management acknowledges that some uncertainties still exist, with regard to the COVID-19 emergency and its impact on the Hospital in addition, recent and continuing inflationary cost pressures may have negative financial impacts for the foreseeable future. Having considered these and after making enquiries and having reviewed 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."

It is considered that the above note sets out the principle uncertainties and conclusions regarding the question of Going Concern.

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

4. Income from charitable activities

	2021 €	2020 €
HSE allocation to net expenditure	16,866,325	15,878,137
HSE Fair Deal	3,556,205	4,330,952
Patient maintenance	876,059	1,193,999
Superannuation deductions	857,459	917,623
Staff restaurant income	46,437	62,496
Other grant income	595,422	555,162
Deferred income	56,507	-
Sundry income	217	-
	22,854,631	22,938,369

All income from charitable activities relate to restricted income in the current and prior year.

5. Other Grant Income

	2021 €	2020 €
HSE Payroll grant - HSE / CHO 6	168,000	-
Fire safety infrastructure Minor Capital grant - HSE	30,000	-
Action Van grant - HSE	198,247	181,552
ICT Minor Capital grant - HSE	55,594	198,525
Other Minor Capital grant – HSE	66,817	-
Friends of the Royal Hospital Donnybrook	76,764	175,085
	595,422	555,162

All income from other grant income relate to restricted income in the current and prior year.

6. Donations and Bequests

	2021 €	2020 €
Voluntary gifts and donations	16,939	64,064
Bequests	21,209	60,618
	38,148	124,682

All income from Donations and Bequests relate to unrestricted income in the current and prior year.

NOTES TO THE FINANCIAL STATEMENTS - continued**7. Investment Income**

	2021	2020
	€	€
Sale of land option	-	100,000
Dividend income from listed investments	2	2
Rent receivable	29,030	2,521
	29,032	102,523

All income from investment relate to unrestricted income in the current and prior year.

8. Expenditure on Charitable Activities

The table below analysis's direct and support costs. Direct costs are the delivery cost of an activity. Support costs and governance costs are analysed in note 11.

	Direct Costs	Support Costs	Total 2021
	€	€	€
Long term care	7,519,740	2,055,049	9,574,789
Rehabilitation services	10,352,258	2,899,705	13,251,963
	17,871,998	4,954,754	22,826,752

	Direct Costs	Support Costs	Total 2020
	€	€	€
Long term care	6,210,916	1,560,951	7,771,867
Rehabilitation services	11,916,937	2,926,580	14,843,517
	18,127,853	4,487,531	22,615,384

All expenditure on charitable activities relate to restricted expenditure in the current and prior year.

Direct pay costs are apportioned based on allocated proportions for the relevant staff category.

Indirect pay costs are apportioned in line with total proportion of Direct staff. Non pay costs where not directly allocated are apportioned based on beds available for occupancy for the relevant period.

Due to Covid impacts on operational capacity during 2020 and 2021, the above analysis may vary in future years.

NOTES TO THE FINANCIAL STATEMENTS - continued

9. Direct cost

	Long Term Care 2021 €	Rehabilitation Services 2021 €	Total 2021 €	Long Term Care 2020 €	Rehabilitation Services 2020 €	Total 2020 €
Direct staff costs	5,928,084	8,245,438	14,173,522	4,700,250	9,863,306	14,563,556
Drugs and medicines	134,102	182,408	316,510	165,700	155,474	321,174
Medical Gases	17,287	24,836	42,123	30,923	44,666	75,589
Medical and surgical supplies	194,943	146,568	341,512	209,260	111,240	320,500
Medical equipment	165,009	157,716	322,724	184,625	164,857	349,482
Food and catering	257,180	505,579	762,760	258,356	514,564	772,920
Furniture, crockery and hardware	11,119	16,471	27,590	15,439	19,849	35,288
Heat, light and power	160,219	230,191	390,410	127,956	180,293	308,249
Cleaning and washing	265,103	371,338	636,441	276,171	389,131	665,302
Maintenance and renovations	-	38	38	-	-	-
Bedding and clothing	4,199	6,416	10,615	3,411	4,830	8,241
Education and training	12,180	17,500	29,680	11,106	16,041	27,147
Transport of patients	13,540	19,323	32,864	8,035	18,997	27,032
Vehicle purchased	18,560	26,665	45,225	-	-	-
Bank Charges	1,095	1,574	2,669	967	1,396	2,363
Insurances	29,465	42,334	71,799	27,057	39,083	66,140
Other professional Services	29,471	7,368	36,838	25,885	6,673	32,558
Office expenses	20,432	30,507	50,939	22,466	31,952	54,418
Computer services and equipment	444	939	1,383	231	231	462
Security costs	78,078	112,176	190,254	77,658	112,174	189,832
Bad debts	-	-	-	-	696	696
Grants to outside agencies	-	161,060	161,060	-	142,898	142,898
Sundries	151,079	5,367	156,446	65,420	98,586	164,006
Depreciation	28,151	40,446	68,597	-	-	-
	7,519,740	10,352,258	17,871,998	6,210,916	11,916,937	18,127,853

NOTES TO THE FINANCIAL STATEMENTS - continued

10. Support Cost		Long Term		Rehabilitation		Total		Long Term		Rehabilitation		Total	
		Care		Services				Care		Services			
		2021	€	2021	€	2021	€	2020	€	2020	€	2020	€
Staff costs		698,505		932,254		1,630,759		340,851		1,149,579		1,490,430	
Pensioner Costs		857,854		1,232,503		2,090,357		664,070		959,213		1,623,283	
Medical and surgical supplies		6,431		29,450		35,881		5,032		7,268		12,300	
Food and catering		57,462		82,557		140,019		54,712		93,150		147,862	
Cleaning and washing		15,890		22,829		38,719		16,336		23,597		39,933	
Maintenance and renovations		161,071		231,415		392,486		209,871		303,147		513,018	
Transport and travelling		234		336		570		346		499		845	
Transport of patients		-		-		-		-		-		-	
Governance Costs (Note 11)		12,746		16,602		29,348		14,509		20,993		35,502	
Legal Costs		6,521		9,369		15,890		8,469		12,232		20,701	
Other professional Services		83,763		120,773		204,536		64,116		93,322		157,438	
Office expenses		46,636		67,003		113,639		53,804		77,717		131,521	
Computer services and equipment		92,924		133,045		225,969		115,270		166,270		281,540	
Sundries		15,012		21,569		36,581		13,565		19,593		33,158	
		2,055,049		2,899,705		4,954,754		1,560,951		2,926,580		4,487,531	

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

11. Governance Costs - Restricted Funds

	2021	2020
	€	€
External audit	22,345	23,985
Internal audit	3,373	11,517
Board governance review	3,630	-
	29,348	35,502

12. Other Expenditure - Unrestricted Funds

	2021	2020
	€	€
Primary Care Centre development	69,753	93,723
Renovation work	15,941	125,092
Sundry	16,738	8,544
	102,432	225,359

13. Net Movement in Funds is stated after charging (crediting):

	2021	2020
	€	€
Depreciation	68,597	-
Audit Fees	22,345	13,000
Capital Grant amortisation	(56,507)	-

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

14. Staff numbers and costs

The Royal Hospital Donnybrook employed an average of 286 people in 2021 (291 in 2020). 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	2021 Monthly Average Number	2021 Whole Time Equivalents	2020 Monthly Average Number	2020 Whole Time Equivalents
Management administration	24	20	21	18
Medical	3	2	2	2
Nursing	171	165	181	174
Health & social care professionals	52	44	49	42
Support services	32	29	33	29
Maintenance	4	4	5	5
Totals	286	264	291	274
			2021	2020
			€	€

(b) Total staff costs

Wages and salaries	14,342,336	14,586,582
Social welfare costs	1,461,945	1,467,404
Retired personnel – pensioner costs	2,090,356	1,623,283
Other compensation payments	-	-
	17,894,637	17,677,269

The above wages and salaries cost include €104,457 in respect of agency and locum staff in 2021 (€217,286 in 2020).

(c) Senior staff remuneration

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

	2021 Number	2020 Number
Band €60,000 - €69,999	22	21
Band €70,000 - €79,999	5	4
Band €80,000 - €89,999	2	2
Band €90,000 - €99,999	2	-
Band €100,000 - €109,999	-	-
Band €140,000 - €149,999	-	-
Band €150,000 - €159,999	-	-
Band €160,000 - €169,999	1	1
	32	28

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

Band €60,000 - €69,999	4	5
Band €70,000 - €79,999	1	-
Band €90,000 - €99,999	1	1
	6	6

The above bands are before deduction of the pension levy.

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

(d) Key management remuneration	2021	2020
	€	€
Wages and salaries	800,179	681,916
Social welfare costs	68,628	71,421
Pension costs	-	-
Other compensation payments	-	-
	<u>868,807</u>	<u>753,337</u>

The Chief Executive Officer received remuneration of €89,981 in 2021 (€87,852 in 2020).

The above salary is before deduction of the pension levy.

15. Board of Management Remuneration and transactions

No members of the board of management received any remuneration during the year (2020: Nil).

16. Tax on surplus on ordinary activities

No charge to current or deferred taxation arises as the charity has been granted charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997.

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

17. Tangible Assets : Fire Safety Infrastructure

	Total €
<u>Costs</u>	
At beginning of year	1,978,756
Additions in year	-
At end of year	<u>1,978,756</u>
<u>Depreciation</u>	
At beginning of year	-
Charge for Year	68,597
At end of year	<u>68,597</u>
<u>Net book value</u>	
At 31 December 2021	<u>1,910,159</u>
At 31 December 2020	<u>1,978,056</u>

18. Funding Due from HSE

	2021 €	2020 €
Block allocation and Fair Deal funding 2021	2,344,082	-
Block allocation and Fair Deal funding 2020	-	1,920,020
	<u>2,344,082</u>	<u>1,920,020</u>

19. Receivables and prepayments

	2021 €	2020 €
Patient receivables	85,444	63,287
Prepayments	158,069	143,976
Other receivables	19,495	21,587
	<u>263,008</u>	<u>228,850</u>

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

20. Cash and cash equivalents

	2021 €	2020 €
Short term deposits – restricted funds	340,882	340,780
Short term deposits – unrestricted funds	376	376
Bank balances – restricted funds	829,517	645,462
Bank balances – unrestricted funds	750,193	881,769
Petty cash – restricted funds	2,250	2,250
Petty cash – unrestricted funds	-	-
	1,923,218	1,870,637
Restricted funds total	1,252,102	1,107,255
Unrestricted funds total	671,116	763,382
	1,923,218	1,870,637

21. Creditors : Payables and accruals due within one year

	2021 €	2020 €
Payables and accruals	2,798,377	2,121,840
Payroll taxes	518,700	535,174
Other taxes	31,237	159,586
	3,348,314	2,816,600

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

22. Capital Grant – Deferred Income

	2021 €	2020 €
At 1 January	1,630,000	
Additions		1,630,000
Released to the SOFA in the period	(56,507)	(-)
At 31 December	<u>1,573,493</u>	<u>1,630,000</u>
Analysis of deferred income:		
Amounts falling due within one year	84,760	56,507
Amounts falling due after more than one year	<u>1,488,733</u>	<u>1,573,493</u>
At 31 December	<u>1,573,493</u>	<u>1,630,000</u>

The deferred income relates to grants received in connection with the installation of the fire safety infrastructure system. As security for this grant HSE will be granted a lien over land owned by the hospital.

23. Analysis Of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	At 31 December 2021
	€	€	€
Tangible fixed Assets	-	1,910,159	1,910,159
Current Assets	680,366	3,483,774	4,164,140
Current Liabilities	(15,287)	(3,431,518)	(3,446,805)
Long term Liabilities	-	(1,488,682)	(1,488,733)
	<u>665,079</u>	<u>473,951</u>	<u>1,139,030</u>

	Unrestricted Funds	Restricted Funds	At 31 December 2020
	€	€	€
Tangible fixed Assets	-	1,978,756	1,978,756
Current Assets	772,633	3,246,784	4,019,417
Current Liabilities	(72,301)	(3,206,066)	(3,278,367)
Long term Liabilities	-	(1,573,403)	(1,573,403)
	<u>700,332</u>	<u>446,071</u>	<u>1,146,483</u>

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

24. Net cash inflow from operating activities

	2021 €	2020 €
Net movement in funds for the year	(7,373)	324,831
Depreciation	68,597	-
Capital grant amortisation	(56,507)	-
Decrease (increase) in HSE allocation due	(424,062)	16,798
Decrease (increase) in other receivables and prepayments	(34,158)	68,748
Increase (decrease) in payables and accrued expenses	534,337	264,235
Increase (decrease) in patient funds	(25,631)	22,857
Net cash generated from operating activities	55,203	697,469

25. Premises

Certain 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.

26. 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.

The Royal Hospital Donnybrook

NOTES TO THE FINANCIAL STATEMENTS - continued

27. Related parties

Grants totalling €76,764 (2020 - €175,085) were received from Friends of the Royal Hospital Donnybrook CLG, a company related through common directorship.

There were no other related party transactions.

28. Events since the end of the financial year

The Board have considered the risks of the ongoing COVID-19 pandemic poses to the Hospital and the actions the Board are taking to mitigate the impact. There have been no other significant or material subsequent events affecting the Hospital since the year-end.

29. Approval of financial statements

The Board of Management approved the financial statements on 30th June 2022.