

**The Adelaide & Meath Hospital, Dublin
Incorporating The National Children's Hospital
(Tallaght University Hospital)**

Annual Financial Statements

Year Ended 31 December 2022

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GENERAL INFORMATION

Address

Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght University Hospital)
Tallaght
Dublin 24

Telephone Number

01 414 2000

Charity Number

20037161

CHY Number

12587

Tallaght University Hospital Board

Board Members

Mr L Dowdall (Chairperson)
Mr M Beary (appointed January 2022)
Prof P Barker (resigned October 2022)
Prof AM Brady
Dr V Byers
Mr E Fleming
Mr J Hennessy
Dr D Ó Ciardha
Archdeacon D Pierpoint
Mrs M Shields (retired December 2022)
Mr M Varian
Dr M Lyes (appointed January 2023)
Ms D Barrett (appointed January 2023)

Executives in attendance

Ms L Nugent (CEO)
Mr D Carter
Prof T Coughlan
Ms B Egan
Mr J Kelly
Ms S Larkin
Prof P Lavin
Ms Á Lynch (resigned November 2022)
Mr S Russell (resigned August 2022)
Ms A Clayton-Lea (appointed October 2022)
Prof C Wall
Ms S McCarthy (appointed January 2023)

Solicitors

A & L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1

Bankers

Bank of Ireland
Tallaght
Dublin 24

Allied Irish Banks plc
Tallaght
Dublin 24

Auditors

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

**BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Tallaght University Hospital is a Voluntary Hospital underpinned by the legal status of a Chartered Corporation established under Statutory Instrument. It provides services to a catchment population of approximately 650,000 people (80% of which are located in South Dublin and parts of Kildare), and serves approximately 200 General Practitioners. The Hospital is part of the Dublin Midlands Hospital Group which serves a population of over 1.2 million across seven counties and has long-standing strategic and operational alliances with Naas General Hospital and Peamount Healthcare, among other healthcare providers within the region. In line with the Sláintecare strategy, the Hospital works closely with the community services to provide better services and enhanced integration between the Hospital and the community.

Tallaght University Hospital is one of two main teaching hospitals of Trinity College Dublin - specialising in the training and professional development of staff in areas such as nursing, health and social care professionals, emergency medicine and surgery, amongst many others.

Tallaght University Hospital is one of Ireland's largest acute teaching hospitals, providing adult, psychiatric and age-related healthcare on one site. With 619 adult beds, 16 theatres and 26 Critical Care beds in operation, the Hospital employs in excess of 3,200 staff. The Hospital provides access for patients to over 20 medical and surgical specialties, with comprehensive on-site Laboratory and Radiology support services. The Hospital is a provider of local, regional and national specialties. It is also a national urology centre, the second largest provider of dialysis services in the country and a designated orthopaedic trauma centre.

The Hospital also has 67 paediatric beds under the governance of Children's Health Ireland and 52 mental health beds under HSE governance.

The new satellite centre at TUH which is part of the National Children's Hospital project, is a key element of an integrated clinical network for paediatric services nationally and opened in November 2021.

With effect from 1 January 2019 the paediatric services provided by the Hospital associated with the National Children's Hospital, including certain employees, property, rights and liabilities of the Hospital were transferred to Children's Health Ireland (CHI) which was established by the Children's Health Act 2018. Tallaght University Hospital operates a Service Level Agreement with CHI for indirect pay, non-pay expenditure and non-exchequer income. The Hospital Charter has been updated and revised to reflect the demerger of Paediatric Services. Under these changes to the Hospital Charter the official name of the Hospital will change to The Adelaide & Meath Hospital, Dublin. A Ministerial Order to legislate for the changes is being drafted by the Office of the Parliamentary Counsel in conjunction with Officials from the Department of Health.

The Tallaght University Hospital Foundation (TUHF) was incorporated on 6 December 2017 and commenced operation in 2018 as an independent Foundation whose primary objective is to support, promote and enhance the services provided by Tallaght University Hospital. The TUHF is an autonomous charitable legal entity, entirely separate from the Hospital. In recognition that the TUHF will be more efficient and effective than the Hospital in raising funds for the benefit of the Hospital, both parties have signed a Relationship Agreement. Subject to consultation on business plans and budgets which prioritise capital projects in support of the Hospital's strategic goals, the Hospital may provide conditional donations, from non-exchequer funds, to be agreed in advance between the Hospital and TUHF. During 2022 €0.4m was provided by the Hospital to the TUHF under this arrangement. Successful fundraising by TUHF has resulted in funding of €0.08m (2021: €1.4m) being received by the Hospital towards non-pay costs.

ACHIEVEMENTS AND PERFORMANCE

Tallaght University Hospital is a model 4 academic teaching hospital based in South West Dublin. Its focus is on providing both emergency and elective care to its community and to the wider population.

The number of Adult Emergency Department (ED) attendances increased by 0.5% in 2022, bringing the total to 52,273. The strong revival of activity during 2021 continued into 2022 with ED attendances exceeding 52,000 two years running. The number of patients over 75 years of age presenting to ED increased in 2022, up 7% on 2021 presentations, while the number of patients in that age category being admitted increased by 4% with the admission rate for that patient category being 58%. The Gerontological Emergency department intervention (GEDI) team continues to work in the Emergency Department focusing on the needs of their patients.

BOARD MEMBERS' REPORT - continued

The Hospital continues to see an increase in demand for critical care beds. During 2020 that demand exponentially increased due to the COVID-19 pandemic with ICU continuing to use surge capacity for long periods of 2022. The new ICU extension opened in Q4 2022, with the additional 12 ICU beds planned to open on a phased basis between year-end and Q2 2023. This development will significantly improve access to critical care beds, bringing the total number to 26 beds.

The Hospital continues to work on reducing out-patient and in-patient waiting lists. This clearance work remained very active during 2022. As a result there were 272,765 adult outpatient attendances in 2022, up 10% from 2021. The outpatients department continues to use tele-medicine as well as face to face appointments. The Hospital worked closely with the National Treatment Purchase Fund (NTPF) to identify waiting lists initiatives, including the introduction of GP led clinics. The ring fencing of elective surgical beds and ongoing collaboration with the NTPF to contribute to a decrease in inpatient and day case waiting lists remains a priority for the Hospital.

Despite COVID-19, the development of new services remains a priority for the Hospital. Construction work on a new 12 bed critical care unit was completed in 2022. The Vartry Renal Unit which opened in late 2020 continued to increase the number of active dialysis stations significantly increasing the capacity of the dialysis service in TUH. The Reeves Day Surgery Centre at Tallaght Cross West opened at the end of 2020 with three new theatres commissioned upon opening and a fourth theatre commissioned during 2021. This facility has significantly reduced the long wait times for routine day surgery, with a 92% reduction in the number of patients waiting over 9mths, and has increased overall elective day surgery activity by 65% since opening. The Hospital continues to access the Tymon North 52 bed facility which is an extension of the medical ward base in the Hospital and provides the Hospital with additional capacity and better access to in-patient beds for which funding has been provided.

STRUCTURE, GOVERNANCE AND MANAGEMENT

In accordance with by-laws made in November 2014 under the Adelaide and Meath Hospital Dublin, Incorporating the National Children's Hospital (Tallaght University Hospital) Charter, the Board comprises 11 members appointed as follows:

- one member appointed by the Adelaide Health Foundation (Mr M Varian);
- one member appointed by the Meath Foundation (Mrs M Shields, retired December 2022);
- one member appointed by the National Children's Hospital (Mr E Fleming);
- four members appointed by the Minister for Health on the nomination of the Church of Ireland Archbishop of Dublin/President of the Hospital (Mr L Dowdall, Archdeacon D Pierpoint, Prof P Barker, resigned October 2022 and Dr V Byers);
- one member appointed by the Minister for Health on the nomination of Trinity College Dublin (Prof AM Brady);
- one member appointed by the Minister for Health on the nomination of the HSE (Mr J Hennessy); and
- two members appointed by the Minister for Health on the nomination of the Hospital Board (Prof K Monks resigned November 2021, Mr M Beary appointed January 2022 and Dr D Ó Ciardha).

The Chairperson is elected from the Board from among the members appointed by the Minister. The Vice Chairperson is appointed by the Board from among its members. Prof. Anne-Marie Brady was appointed Vice Chair by the Hospital Board in March 2022

Amendments to the composition of the Board have been agreed under a revision to the Tallaght University Hospital Charter which will come into effect after a Ministerial Order which is awaited to legislate for changes to the Charter.

The Hospital Board approved the Hospital Strategy 2019-2024 at its meeting on 23rd October 2019. A key aim is to improve access to our services. The strategy includes a combination of care pathway redesign, digital enablement and capacity investment actions aimed specifically to improve wait times. This strategic approach will consolidate the Hospital's position as a leader in integrated care. Given our unique position within a vibrant community and the growing Tallaght health quarter we will strive to fulfil the potential truly to be a hospital without walls.

As an academic teaching hospital of Trinity College Dublin, the Hospital Board values the important role we play in educating and training future healthcare leaders. The Hospital Board wants to foster a culture of

BOARD MEMBERS' REPORT - continued

innovation and research as a means of ensuring that we provide the best care options possible in an environment that is fit for purpose and uses enablers such as developments in digital health technology.

The Hospital Board recognises the need to demonstrate value for money and a continuous quality improvement focus in everything we plan and do.

No remuneration is paid in respect of Board Membership. Board Members may be reimbursed for reasonable expenses incurred in accordance with the standard public service travel and subsistence rates. There was no such payment made in 2022.

In accordance with the HIQA report of 8 May 2012, no employee of the Hospital can be a member of the Board. However, the Chief Executive and appropriate members of the senior management team generally attend and participate in Board meetings. This is designed to ensure, on the one hand, that Board Members are fully aware of the practical impact on the Hospital of their decisions, and on the other hand, that the senior management team is fully aware of the governance and other requirements of the Board. The aim is to achieve a corporate approach by all concerned. Decisions are taken by consensus involving both the Board Members and the management team but, should a vote be required, voting is confined to Board Members

The Executives in the various directorates in the Hospital are responsible for developing and implementing internal controls, the purpose of which is to mitigate the effects of any risks or threats to the achievement of the objectives of those directorates. The Executives of these directorates have given reassurances to the Hospital Board as to the adequacy of these internal controls. Oversight of the internal financial controls is effected through the internal audit function, the Audit Committee and external audit review. The Audit Committee liaises very closely with the external auditor and also gains additional assurances on the adequacy of internal controls through them. Pre- and post-audit meetings are held every year during which relevant aspects of the audit are discussed.

The Internal Auditor produces an annual audit plan through examining the objectives of the Hospital, assessing the key risks which may prevent those objectives from being achieved and the relevant controls put in place to mitigate those risks. This effectively constitutes an independent review of the key controls in the Hospital. Consultations with the Executive Management Team of the Hospital are used by the Audit Committee to prioritise audits in particular areas. This plan is approved by the Audit Committee on an annual basis.

The Hospital Board has established the following committees: Audit Committee; Finance Committee; Staff & Organisation Development Committee; Quality, Safety & Risk Management Committee (QSRM), Research & Innovation Committee and Governance and Nominating Committee. Each committee has specific functions in assisting the Hospital Board to fulfil its oversight responsibilities.

The **Audit Committee** (AC) for the year ended 31 December 2022 comprised Ven David Pierpoint (Appointed Chairperson February 2022 and Board member) Mr Peter Dennehy, External Committee Member Ms. Laura Ryan External Committee Member (Appointed March 2022) and Ms Darina Barrett External Committee Member and in attendance was Mr Dermot Carter, Director of Finance. The Chairperson of the Hospital Board and the CEO attend meetings as required and at least once per year.

While all members of the Board have a duty to act in the interests of the Hospital, the AC has a particular role, acting independently from the Senior Management Team (SMT), to ensure that the interests of the stakeholders are properly protected in relation to the financial reporting oversight, internal financial control, external audit, financial risk management and corporate governance. The oversight of other matters of risk (i.e. all non-financial risks) is exercised by the Board's Quality, Safety and Risk Management Committee (QSRM).

The AC is governed by its terms of reference which was last amended and approved in December 2022.. The Committee held five meetings during 2022, one of which was held jointly with the QSRM.

The meetings of the Committee are designed to facilitate and encourage communication among the Committee, the Hospital, the Hospital's internal audit function and the external auditor. The Committee discussed with the internal auditor and external auditor the overall scope and plans for their respective audits. The Committee meets with the internal auditor and the external auditor, with and without management present, to discuss the results of their examinations; their evaluations of the internal control; and the overall quality of the financial reporting.

BOARD MEMBERS' REPORT - continued

Various members of the SMT met with the AC during the course of the year to inform the AC on their respective contributions to the Hospital's control and risk systems. They included the Director of ICT and the Principal Procurement Sourcing Contracts Manager. All meetings of the Committee in 2022 took place virtually.

The **Finance Committee** comprised of Mr Edward Fleming (Chairperson and member of the Board), Prof. Patricia Barker (Board Member and appointed February 2022, resigned from the Hospital Board October 2022) Mr Raymond Ryder External Committee Member, Mr Robert Henderson External Committee Member and Ms Aoife Duggan External Committee Member and in attendance was Mr Dermot Carter, Director of Finance. The Chairperson of the Hospital Board and the CEO attend meetings as required and at least once per year. The main function of Finance Committee is to oversee the processes for securing and applying Hospital revenue and capital funding including issues relating to budgetary management, value for money, immediate, medium and longer term financial planning, capital expenditure and income collection, as well as strategic issues affecting the Hospital's funding (such as activity based funding) or income. The Committee also deals with such other specific issues in relation to financial management that are referred to it by the Board and with any other related issues that it considers appropriate. During 2022 the Finance Committee met on six occasions and reviewed the financial projection for the Hospital, the financial allocation and the capital planning process.

The **Staff and Organisation Development Committee (SODC)** comprised of Mark Varian, Chair, Board Member, Mairead Shields, Board Member (retired December 2022), Brendan Mulligan, External Committee Member, Martin Leavy, External Committee Member, Claire Cusack, External Committee Member with Sharon Larkin, HR Director in attendance. The Chairperson of the Hospital Board and the CEO attend meetings as required and at least once per year.

The main function of the Staff & Organisation Development Committee is to a) oversee the development and implementation of the HR Strategy to recruit, retain, develop, motivate and equip hospital staff to continuously improve the services they provide to patients b) to ensure the remuneration and terms of service of the CEO and members of the Executive Management Team is overseen by a committee of the Board whose members have no personal financial interest in such matters and who, in making recommendations to the Board, will have due regard to the interests of the hospital, the HSE and taxpayers in general and will ensure compliance with the relevant legislation c) to undertake such other matters as are ancillary to the functions specified above, or as are delegated by the Board to the Committee from time to time.

The Committee met on five occasions in 2022 wherein they were updated on the HR Strategy 2020-2024 which was developed to support the implementation of the TUH Corporate Strategy and included key objectives under the following themes:

Collective Leadership: Leadership & Cultures, Service Design & Integration, Performance Accountability
Exceptional Talent: Employee Experience, Capability & Talent, Workforce Planning and Intelligence
Excellent Capability: Network & Partner, HR Digital Transformation, Professional HR Services

Senior members of the HR Team presented on HR Initiatives and Staff Engagement, Staff Learning and Development, TUH Healthy Ireland initiatives and Staff Health & Wellbeing.

The Committee were also provided with updates on any on-going legal cases, compliance with the European Working Time Directive and Consultant Contract Compliance.

The **Quality, Safety and Risk Management Committee (QSRM)** comprises of Prof. Anne Marie Brady (Chairperson and member of Board), Dr Darach Ó Ciardha (Board Member), Dr Gerard O'Connor, (External Committee Member), Dr Declan Daly (External Committee Member), Dr Mary Davin-Power (External Committee Member, appointed December 2022) and in attendance is Prof. Catherine Wall, Director of Quality, Safety & Risk Management and Sandra McCarthy, Interim Director of Nursing & Integrated Care. The Chairperson of the Hospital Board and the CEO attend meetings as required and at least once per year. The QSRM Committee provides oversight on behalf of the Hospital Board of non-financial risks and the risk management process The QSRM Committee is responsible for overall policies, systems and structures for risk management across the Hospital.

The main functions of the QSRM Board Committee are to oversee the development by the Executive of a QSRM programme for the Hospital and any subsequent amendments deemed necessary; recommend to the Board a QSRM programme and organisation structure that clearly articulates roles and responsibility, reporting lines,

BOARD MEMBERS' REPORT - continued

authority and accountability for quality, safety and risk management across the organisation; ensure that the Executive is implementing the QSRM programme and that its outcomes are monitored and assessed through regular reporting; with a focus on the key performance indicators; review annually the risk information reported to the Committee and to the Board to ensure it is fit for purpose, seek documentary evidence and assurance from the Executive that the Hospital is conforming with all regulatory and legal requirements to assure quality, safety and risk management; act as advocates at Hospital Board level for QSRM issues which cannot be resolved by the Executive Management Team and provide oversight on behalf of the Hospital Board of non-financial risks and the risk management process.

The Committee met on five occasions in 2022, one of which was a joint meeting with the Audit Committee and kept to the same structure throughout the year maintaining the following core standing items: Risk Management / Risk Register, Serious Incident Update, HIQA/ National Standards for Safer Better Health Care, Patient and Community Advisory Council Update, Patient Advocacy Update, Internal Audit Report and Hospital Briefings. The other items selected for the agenda would be routinely decided at a pre-meeting with the Chair of the QSRM Board Committee, Director of QSRM and QSRM Programme Co-ordinator based on topics selected by the Non-Executive Directors, topics recommended by the Director of QSRM/Chair of the QSRM Executive Committee and matters arising from previous QSRM Board Committee meetings.

The **Governance and Nominating Committee** for the year ended 31 December 2022 comprised Mr Liam Dowdall (Chairperson and Chairperson of the Hospital Board), Mr John Hennessy (Board Member), Mr Sean McGlynn (External member) and Ms Gabrielle Ryan (External member) and in attendance were the CEO and Board Secretary.

The main function of the Governance and Nominating Committee is to ensure that the Hospital has the appropriate governance structures and supporting processes and a fit for purpose board to support the future direction of the Hospital. The Nominating Duties of the Committee include reviewing annually the size, roles, responsibilities, composition, diversity and structure of the Board and its committees with regard to competencies and skills of its members as related to the current and future needs of TUH and making recommendations to the Board as appropriate with regard to any changes.

The Committee shall:

- give full consideration to succession planning for Board and Committee members, the CEO and other senior executives in the course of its work, taking into account the challenges and opportunities facing TUH, and the skills and expertise needed on the Board to support its future direction.
- keep under review the leadership needs of the organisation, at Board, committee and executive level with a view to ensuring the continued sustainability of the organisation.
- keep up to date and fully informed about strategic issues and commercial changes affecting TUH and the environment in which it operates
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board and Committee vacancies (including Externs to Board Committees) as and when they arise
- before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and its Committees, the results of the previous Board performance evaluation process that relates to the composition of the Board and, in the light of this evaluation, prepare a description of the role, capabilities and profile required for a particular appointment.

The Committee shall also make recommendations to the Board concerning:

- formulating succession plans for members of the Board and in particular for the key roles of the Board Chair, Committee Chairs and CEO.
- suitable candidates for the role of Vice Chair.
- membership of all Committees in consultation with the Chairs of those committees.
- the re-appointment of any Board member at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required
- any matters relating to the continuation in office of any Board member at any time including the suspension or termination of service of a Senior Executive of TUH subject to the provisions of the law and their service contract.
- the appointment of any Board member.

The Governance and Nominating Committee met four times during the year 2022.

BOARD MEMBERS' REPORT - continued

The **TUH Research and Innovation Board Committee** comprises of Dr Vivienne Byers (Chairperson and member of Board), Mr Michael Beary (Board Member), Mr Martin Lyes, (External Committee Member), Prof Richard Reilly (External Committee Member), Ms Lorna Ross (External Committee Member) and in attendance is Mr John Kelly, Deputy CEO/ Executive Director with responsibility for Research and Innovation, Dr Sadhbh O'Neill, Head of Research, Dr Natalie Cole, Head of Innovation and Ms Anne McKenna, Board Secretary. The Chairperson of the Hospital Board and the CEO attend meetings as required and at least once per year. The Research and Innovation Board Committee is responsible for the overall policies, systems and structures for research and innovation management across the hospital.

The Main functions of the Research and Innovation Board Committee are to oversee the development of a research and innovation programme for the Hospital; recommend to the Board a research and innovation programme and organisation structure that clearly articulates roles and responsibilities, reporting lines, authority and accountability for research and innovation management across the organisation; to advise the Board on issues relating to research and innovation in support of the Hospitals strategic priorities, with a focus on research and innovation excellence and integrity in line with the Hospital Strategy; to promote a vibrant research and innovation culture across all departments and ensure the Hospital delivers good practice in research that meets the standards and governance requirements of funders and regulators; to oversee the development of the Hospitals policy and strategy regarding impact and commercialisation; to ensure that the Hospital has a clear understanding of research horizons, needs and strategy, and to oversee the deployment of strategic funding made available by the Hospital to realise its vision for growth in research and innovation and its commercial applications; to identify strategic and organisational issues resulting from interdisciplinary and multidisciplinary research; to promote synergies and funding opportunities at the institutional level, and to recommend appropriate organisational structures to capitalise on these opportunities; to recommend to the Board the establishment of the Hospitals Research and Innovation Centre, and to recommend appropriate structures through which the performance of the centre can be assessed; to receive reports and minutes from the Research and Innovation Governance Committees, and to consider strategic and policy issues relating to research and innovation and where appropriate to make recommendations to the Board arising from the operations of these committees; to ensure that the Research and Innovation Committees are implementing the research and innovation programme and that the outcomes are monitored and assessed through regular reporting; with a focus on the key performance indicators; review annually the research and innovation activity that is being reported to the Committee and to the Board and to ensure it is fit for purpose and as advocates at Hospital Board level for research and innovation issues which cannot be resolved by the Research or Innovation Governance Committees; to ensure that policies and procedures introduced by the Hospitals central structures contribute to the research and innovation agenda.

The Committee met on two occasions in 2022, one meeting was a preparatory meeting for the establishment of the Committee and one was a full Committee meeting. The Terms of Reference for the Committee were agreed and a structure for the meetings for 2023 was agreed. These standing items included: 2023 work plan, Innovation update, Research update and Research Strategy Implementation Plan Review. The other items selected for the agenda would be routinely decided at a pre-meeting with the Chair of the Research and Innovation Board Committee, Deputy CEO, Head of Research and Head of Innovation based on topics selected by the Non-Executive Directors, topics recommended by the Deputy CEO/Chair of the Research and Innovation Governance Committees and matters arising from previous Research and Innovation Board Committee meetings.

The requirement for the HSE Annual Compliance Statement (ACS) came into effect on 1 January 2014 and applies to the Hospital's 2022 financial statements. The purpose of the HSE compliance statement is to strengthen the overall governance arrangements in place within funded agencies. The ACS requires the Chairperson and a member of the Board to sign the ACS which sets out requirements for compliance in eight key areas including Government pay policy.

Following a review by the Audit Committee at which no areas of non-compliance were identified, Tallaght University Hospital signed and submitted the HSE ACS in May 2022 (re 2021). The Hospital will submit the ACS in May 2023 (re 2022).

FINANCIAL REVIEW

The below table summarises the financial outturn for 2022.

BOARD MEMBERS' REPORT - continued

| Total | 2022 | 2021 | Movement | |
|---|----------------------|----------------------|----------|------|
| | Total €'000 | Total €'000 | €'000 | % |
| HSE Allocation notified | 300,264 | 276,233 | 24,031 | 8.7% |
| Income deferred from 2020 | - | 3,437 | | |
| HSE Allocation excluding once-off income for PPE not yet utilised | <u>300,264</u> | <u>279,670</u> | 20,594 | 7.4% |
| Net expenditure in year | 301,163 | 280,336 | 20,827 | 7.4% |
| Current year PPE costs funded in previous year | - | (1,923) | | |
| | <u>301,163</u> | <u>278,413</u> | | |
| HSE Allocation excluding once-off allocations | <u>(300,264)</u> | <u>(279,670)</u> | | |
| Net (surplus)/deficit before PPE funding | 900 | (1,257) | | |
| Current year PPE costs funded in previous year | - | 1,923 | | |
| Net deficit/(surplus) in year | <u>900</u> | <u>666</u> | | |
| Cumulative deficit | <u>17,060</u> | <u>16,160</u> | | |

The financial performance of the Hospital in 2022 showed a deficit of €0.9m against the comparable HSE allocation, leading to an accumulated deficit of €17m at 31 December 2022. In 2022, the Hospital received an allocation of €300.2m which was an increase of €24m (8.7%) on the final allocation for 2021 (€276.2m).

In 2022 the Hospital saw the net expenditure increase by €20.8m (7%) when compared with 2021.

| Expenditure | 2022 | 2021 | Movement | |
|-------------------|-----------------------|-----------------------|----------------------|-------|
| | €'000 | €'000 | €'000 | % |
| Pay | 255,016 | 228,265 | 26,751 | 11.7% |
| Non-pay | <u>108,469</u> | <u>107,139</u> | <u>1,330</u> | 1.2% |
| Gross expenditure | 363,485 | 335,404 | 28,081 | 8.4% |
| Income | <u>(62,322)</u> | <u>(55,068)</u> | <u>(7,254)</u> | 13.2% |
| Net expenditure | <u><u>301,163</u></u> | <u><u>280,336</u></u> | <u><u>20,827</u></u> | 7.4% |

Total pay costs in 2022 increased by €26.7m (11.7%) compared to 2021. An increase in whole time equivalents of 233 staff contributed to €8m of the increase relating to approved posts for new service developments. A total of €3.5m related to COVID-19 allowances. €2.8m relates to an increase in lump sum payments paid in 2022. Increased pay scales amounted to €11.4m of the variance. The balance of €1m relates to in year overtime and increments.

Non-pay expenditure increased by €1.3m (1.2%) in 2022. This increase can be primarily attributed to drugs spend increasing by €3.2m, a reduction in costs of (€3.55m) due to a reduction the purchase of required PPE for staff such as gloves and FFP2 masks, and increase in Laboratory supplies of €1.1m due to increased activity, and lastly an increase of €0.55m in Renal transport due to the expansion of the Renal capacity.

Income year on year has increased by €7.2m in 2022 primarily due to an increase in private patient billing charges. Income in 2020 & 2021 were heavily affected by COVID-19, however in 2022 we can see income returning to annual figures comparable with 2018 & 2019.

BOARD MEMBERS' REPORT - continued

| Income | 2022 | 2021 | Movement | |
|---------------------------------|---------------|---------------|--------------|-------|
| | €'000 | €'000 | €'000 | % |
| Patient income | 30,509 | 25,007 | 5,502 | 22.0% |
| Superannuation and Pension Levy | 10,482 | 10,188 | 294 | 2.9% |
| Income from external agencies | 9,692 | 9,989 | (297) | -3.0% |
| Miscellaneous Income | <u>11,638</u> | <u>9,884</u> | <u>1,754</u> | 17.8% |
| | <u>62,321</u> | <u>55,068</u> | <u>7,253</u> | 13.2% |

Private Income in 2022 increased by €5.5m due to more private beds available and reduced isolation requirements. We also received an increase of €1.9m in income from PCRS (Drug Reimbursement Scheme) which increases income in year. Other non-material matters of (€0.1m) make up the balance of the year on year increase.

Capital projects in 2022 reflect campus developments including the completion of the new ICU extension. We also expanded the Endoscopy Suite that is due to open in May 2023. During the year the Hospital continued to acquire significant additional equipment through medical equipment replacement.

Throughout 2022, the Hospital continued the extension of our 'Scan4Safety' project. At the end of the year we had complete traceability of items used during surgical procedures in an additional 4 Orthopaedic (trauma & elective) Theatres. In December 2022, scan for safety was fully implemented in 10 of the 12 onsite Theatres. Scan for safety is a quality and safety led project with the added focus of value improvement in the areas of supply chain which has improved patient safety and operational efficiency and reduced costs.

The Hospital continues to work with St. James's Hospital in relation to the shared development and enhancement of the SAP financial management system.

GOING CONCERN

The Hospital is funded by means of an annual revenue allocation from the Health Service Executive ("HSE"). The deficit of €0.900m for 2022 has resulted in net current liabilities of €11.5m and an accumulated deficit on the Hospital's non-capital income and expenditure account of €17m at 31 December 2022.

The Hospital's current revenue allocation from the HSE for 2023 is €303.7 million, which represents a reduction of €3.6 million (1.2%) when compared to the outturn of €301.2m for 2022. As a result of the COVID-19 pandemic the Hospital continues to incur significant costs which were funded in full in the HSE allocation. While the incidence of COVID-19 has improved, in its continuing occurrence, it is expected to give rise to continued additional costs in 2023 and presents a challenge to management to restore normal activity levels. The Hospital remains dependent on the ongoing support of the HSE to provide adequate funding to enable it to continue to provide services. The Hospital continues to proactively engage with the HSE in respect of the revenue allocation for 2023 and dealing with the accumulated deficit.

The bank-overdraft facility is authorised by the HSE.

These conditions indicate the existence of a material uncertainty relating to the events or conditions that may cast significant doubt upon the Hospital's ability to continue as a going concern. The Board have considered the history of how HSE funds have been allocated to the Hospital and the fact the HSE has not given any indication that it will withdraw its financial support from the Hospital. The Board are confident that the HSE will continue to provide funding to the hospital and consider the likelihood of the uncertainty eventuating to be unlikely.

The Board has also identified and considered risks and the mitigations associated with removal of the statutory inpatient charge, reduction in private health insurance income as a result of the public only Consultant contract COVID-19, cyber-attack and war which might impact on the going concern of the Hospital. The Board concludes that, in spite of the risks and uncertainties identified in the Hospital's normally tight operating position, the accumulated deficit, the uncertainty surrounding the provision of future funding, and the additional threats to going concern arising from loss of income, COVID-19, cyber-attack and war, the Hospital

BOARD MEMBERS' REPORT - continued

is most likely to have adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements.

Hence, the Board is of the opinion that it remains appropriate to present the financial statements on a going concern basis and that there is a reasonable expectation that the Hospital will continue to operate for a period of at least 12 months from the date of approval of these financial statements. The financial statements do not include any adjustments that would result if the Hospital was unable to continue as a going concern.

On this basis, these financial statements have been prepared on the going concern basis.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a Board Member at the date of approval of this report confirms that:

- (i) so far as the Board Member is aware, there is no relevant audit information of which the Hospital's auditors are unaware; and
- (ii) the Board Member has taken all the steps that he/she ought to have taken as a Board Member in order to make himself/herself aware of any relevant audit information and to establish that the Hospital's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, Deloitte Ireland LLP, who are currently under contract to the Hospital, have indicated their willingness to continue in office. A proposal concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 29.05.2023

Signed: David Pierpoint, Board Member

Date: 29.05.2023

**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2022**

The Members of the Board are to prepare financial statements for each financial year which properly show the state of affairs of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght University Hospital) and its income and expenditure for that period.

In preparing those statements, the Members of the Board are required to:

- select suitable accounting policies for the Hospital financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght University Hospital) will not continue in existence for a period of at least 12 months from the date of signing of the financial statements.

The Members of the Board are responsible for the maintenance and integrity of the corporate and financial information included on the Hospital's website, for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght University Hospital) and to enable the Board to ensure that the financial statements comply with the Accounting Standards for Voluntary Hospitals issued by the Department of Health and Children. The Board is also responsible for safeguarding the assets of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght University Hospital) and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 29.05.2023

Signed: David Pierpoint, Board Member

Date: 29.05.2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ADELAIDE & MEATH HOSPITAL, DUBLIN
INCORPORATING THE NATIONAL CHILDREN'S HOSPITAL (TALLAGHT UNIVERSITY HOSPITAL)**

Report on the audit of the financial statements

Opinion on the financial statements of The Adelaide & Meath Hospital, Dublin Incorporating The National Children's Hospital (Tallaght University Hospital) (the 'hospital')

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the hospital as at 31 December 2022 and of its income and expenditure and cash flow for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.

The financial statements we have audited comprise:

- the Non-Capital Income and Expenditure Account;
- the Capital Income and Expenditure Account;
- the Balance Sheet;
- the Cash Flow Statement; and
- the related notes 1 to 27, and a summary of significant accounting policies set out in the Statement of Accounting Policies.

The relevant financial reporting framework that has been applied in their preparation is the Accounting Standards and the Format of Accounts for Voluntary Hospitals issued by the Department of Health and Children in Ireland ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's 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 the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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.

Material uncertainty related to going concern

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

We draw attention to Note 24 in the financial statements, which indicates that at 31 December 2022 the Hospital had net current liabilities of €11,511,095 and the Hospital's non-capital income and expenditure account accumulated deficit is €17,059,974. As stated in Note 24, these events or conditions, along with other matters as set forth in Note 24, indicate that a material uncertainty exists that may cast significant doubt on the hospital's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the board members with respect to going concern are described in the relevant sections of this report.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ADELAIDE & MEATH HOSPITAL, DUBLIN
INCORPORATING THE NATIONAL CHILDREN'S HOSPITAL (TALLAGHT UNIVERSITY HOSPITAL)**

Other information

The other information comprises the information included in the financial statements, other than the financial statements and our auditor's report thereon. The board members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 expected 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 expected to report that fact.

We have nothing to report in this regard.

Responsibilities of the board members

As explained more fully in the Statement of Board Member's Responsibilities, the board members are responsible for the preparation of the financial statements that give a true and fair view, and for such internal control as the board members 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 members 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 members either intend to liquidate the hospital or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>.

This description forms part of our auditor's report.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ADELAIDE & MEATH HOSPITAL, DUBLIN
INCORPORATING THE NATIONAL CHILDREN'S HOSPITAL (TALLAGHT UNIVERSITY HOSPITAL)**

Use of our report

This report is made solely to the hospital's board members, as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the hospital's board members those matters we are expected to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the hospital and the hospital's board members as a body, for our audit work, for this report, or for the opinions we have formed.



David Boyle
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

29 May 2023

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON
FOR THE YEAR ENDED 31 DECEMBER 2022**

We certify that the financial statements of The Adelaide & Meath Hospital, Dublin, Incorporating The National Children's Hospital (Tallaght University Hospital) for the year ended 31 December 2022 as set out herein are in agreement with the books of account and have been drawn up in accordance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health and Children.

The financial statements on pages 17 to 38, which have been prepared under the statement of accounting policies set out on pages 17 and 18 properly show the state of affairs of the Hospital at 31 December 2022 and its income and expenditure and cash flow for the year then ended.

Signed: Liam Dowdall, Chairperson

Date: 29.05.2023

Signed: Lucy Nugent, Chief Executive Officer

Date: 29.05.2023

STATEMENT OF ACCOUNTING POLICIES

The financial statements which include the accounting policies and notes, were drawn up in compliance with the Accounting Standards for Voluntary Hospitals and GAAP, issued by the Department of Health and Children in August 2000 and effective from 1st January 1999. The standards have not been updated to reflect any accounting standards issued after that date.

The significant accounting policies adopted by the Hospital are as follows:

Historical cost convention and presentation of Form 1

The financial statements are prepared under the historical cost convention. The Board amended the format of Form 1 to show a specific current year out-turn and moved the 'Cumulative non-capital deficit brought forward from previous year', normally at the beginning of the report, to now follow the 'Surplus/Deficit in year'. The Board are of the opinion this more clearly reflects the financial position for the year.

Basis of consolidation

The Hospital was established under a Charter as amended by an Order passed by both Houses of the Oireachtas in July 1996 and came into being on 1 August 1996.

These financial statements do not include the accounts of The Adelaide Health Foundation CLG, The Meath Foundation CLG, The National Children's Hospital CLG or the Tallaght University Hospital Foundation CLG, all of which are separate legal entities over which the Hospital has no control. Details of these entities are included in note 22 to the financial statements.

Health Service Executive funding

The Health Service Executive (HSE) provides funding towards the annual running costs of the Hospital in accordance with the Service Level Agreement. These grants / funding are accounted for on an accruals basis to the extent that they have been approved by the HSE. All exchequer funding received is from the HSE.

Income from patients

Income is accounted for on a receivables basis except for the following categories of income which are accounted for on a cash receipts basis, due to inherent uncertainty as to their collectability:

- (i) Income arising under the Health (Amendment) Act 1986 which provides for the imposition of charges in respect of hospital in-patient and out-patient services on persons for the treatment of injuries received in certain road traffic accidents.
- (ii) Income receivable in accordance with the provisions of the Health (Out-patient charges) Regulations 1987.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises cost of purchase including charges such as freight and duty where appropriate. Net realisable value comprises the actual or estimated disposal price (normally a return price to the supplier).

Pensions

(i) Voluntary Hospitals Superannuation Scheme 1969

The Voluntary Hospitals Superannuation Scheme applies to all employees who joined the public sector prior to January 2013. The liability in respect of pensions payable to employees who are members of this scheme has been underwritten by the Minister for Health. Contributions from employees who are members of the scheme are treated as income in accordance with the Department of Health guidelines. Pension payments under the scheme are charged to the non-capital income and expenditure account when paid.

(ii) Single Public Service Pension Scheme

The Single Public Service Pension Scheme (SPSPS) applies to all employees who join the public sector as new entrants after January 2013. In line with the guidance of this scheme, all employee contributions are paid over to the state pension account and not included in the non-capital or capital income and expenditure account. The Department of Public Expenditure and Reform ('DPER') is responsible for the SPSPS and under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 44(1) (b), payments arising under this Single Scheme to retiring employees shall be paid from funds provided by the Oireachtas for that purpose.

Fixed assets

- (i) Fixed assets acquisitions including revenue funded maintenance projects, regardless of the source of funds (except if it is less than €3,809 per non-computer item and €1,270 per computer item out of non-capital funds), in accordance with the accounting standards laid down by the Department of Health and Children, are capitalised.

STATEMENT OF ACCOUNTING POLICIES - continued

Fixed Assets- continued

(ii) The basis of carrying value of the Hospital's fixed assets is as follows:

| | |
|---|--|
| <u>Land</u> Cost with no depreciation | <u>Buildings</u> Cost less accumulated depreciation |
| <u>Fixtures, Fittings and Equipment</u> Cost less accumulated depreciation | <u>Work-in-progress</u> Cost with no depreciation |

Depreciation

Fixed assets are depreciated in compliance with Department of Health and Children accounting standards. The depreciation, which is matched by an equivalent amortisation of the capitalisation account, is not charged against the non-capital or capital income and expenditure account. Depreciation is charged to the capitalisation account (see note 18) and is calculated at the following rates:

| | |
|--|--|
| <u>Land</u> Depreciation is not charged on land | <u>Buildings</u> 2.5% reducing balance. |
|--|--|

Fixtures, Fittings and Equipment

Computer Equipment -straight line over expected useful life of 3 years
All other Equipment – straight line over expected useful life of 7 years.

Work-in-progress

Depreciation is not charged on work-in-progress assets until they are brought into use.

Capitalisation account

The capitalisation account represents the unamortised value of funds for fixed assets.

Capital Income and Expenditure Account

The capital income and expenditure account represents the value of capital grants (HSE and other sources) received not yet spent.

Capital developments reserve

Surplus income received from the operation of the car park is transferred to capital developments reserve in the capital income and expenditure account, to be utilised for capital purposes.

Designated funds

Income received for specific projects and expenditure from external bodies is recognised in the non-capital or capital income and expenditure account (dependant on the type of expenditure) to the extent of the expenditure being incurred, with income received in excess of this level being treated as deferred income in the balance sheet.

Foreign currencies

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

Surpluses and deficits arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the non-capital income and expenditure account.

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

Leases

The Hospital occupies certain leased premises adjacent to the Hospital site.

Assets held under finance leases which confer rights and obligations similar to those attached to owned assets, are capitalised as fixed assets at the fair value of the leased asset and are depreciated at the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and together with the interest elements are charged to the non-capital income and expenditure account over the period of the leases.

Rentals under operating leases are charged on a straight-line basis over the lease term.

NON-CAPITAL INCOME AND EXPENDITURE ACCOUNT
Year Ended 31 December 2022
Form 1

| | Notes | 2022 € | 2021 € |
|---|-------|---------------------------------|--------------------------|
| Pay | | | |
| Salaries | 1 | 237,797,703 | 213,837,650 |
| Superannuation and gratuities | 1 | 17,218,728 | 14,426,993 |
| | | <u>255,016,431</u> | <u>228,264,643</u> |
| Non-Pay | | | |
| Direct Patient Care | 1 | 53,857,387 | 51,314,082 |
| Support Services | 1 | 29,978,809 | 31,154,819 |
| Financial and Administrative | 1 | 24,632,527 | 24,669,764 |
| | | <u>108,468,723</u> | <u>107,138,665</u> |
| Gross expenditure for the year | | 363,485,154 | 335,403,308 |
| Income | 1 | <u>(62,321,657)</u> | <u>(55,067,520)</u> |
| Net expenditure for the year | | <u>301,163,497</u> | <u>280,335,788</u> |
| Non-capital funding – HSE notified for the year | 11 | (300,263,886) | (276,232,607) |
| Non-capital funding deferred | 1(a) | <u>-</u> | <u>(3,437,000)</u> |
| Non-capital funding for the year | | <u>(300,263,886)</u> | <u>(279,669,607)</u> |
| Deficit/(surplus) in year | 1(a) | 899,611 | 666,181 |
| Cumulative non-capital deficit brought forward from previous year | | <u>16,160,364</u> | <u>15,494,183</u> |
| Cumulative deficit of funding over net expenditure carried forward to following year | 1(a) | <u><u>17,059,975</u></u> | <u><u>16,160,364</u></u> |

With the exception of fixed asset depreciation which is dealt with through the capitalisation account, all recognised gains and losses for the year ended 31 December 2022 have been included in the non-capital income and expenditure account.

The net deficit in the current year and in the prior year arise from continuing activities.

The financial statements which include the accounting policies and notes, which were drawn up in compliance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health and Children, were approved by the Board on

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 29.05.2023

Signed: Lucy Nugent, Chief Executive Officer

Date: 29.05.2023

CAPITAL INCOME AND EXPENDITURE ACCOUNT
Year Ended 31 December 2022
Form 2

| | Notes | 2022 € | 2021 € |
|--|-------|----------------------------|----------------------------|
| Capital Income Sources | | | |
| HSE – Capital Grant | 11 | (17,664,014) | (12,041,671) |
| HSE – Capital equipment transferred | 11 | - | (588,882) |
| HSE – Non-Capital repayment of finance leases | 1 | (2,388,801) | (2,384,604) |
| HSE – Non-Capital expenditure on capital projects | 1 | - | (697,290) |
| Capital developments income | 17 | (746,177) | (337,179) |
| Grants from other sources | | (109,967) | (68,492) |
| Total capital income | | <u>(20,908,959)</u> | <u>(16,118,118)</u> |
| Capital expenditure | | | |
| Land and buildings | 13 | 11,036,489 | 697,290 |
| Work in progress | 13 | 1,383,176 | 8,145,006 |
| Non-computer equipment | 13 | 5,373,424 | 3,794,752 |
| Computer equipment | 13 | 540,668 | 1,475,918 |
| Capital Expenditure - Capitalised | | <u>18,333,757</u> | <u>14,112,966</u> |
| Capital Expenditure - Not Capitalised | | <u>-</u> | <u>184,832</u> |
| Total capital expenditure | | <u>18,333,757</u> | <u>14,297,798</u> |
| (Surplus)/deficit in year | | (2,575,202) | (1,820,320) |
| Deficit/(surplus) brought forward from previous year | | 4,781,758 | 6,602,078 |
| Closing capital deficit carried forward to the following year | | <u>2,206,556</u> | <u>4,781,758</u> |

With the exception of fixed asset depreciation which is dealt with through the capitalisation account, all recognised gains and losses for the year ended 31 December 2022 have been included in the non-capital income and expenditure account.

There was a net deficit in 2020 arising from the capitalisation of €15,329,738 of assets funded from finance leases where the income source will be recognised over the term of the lease by way of a charge on the non-capital income and expenditure account. The related lease liability at the 31 December 2022 was €10,144,234 (2021: €12,533,035).

The net surplus in the current year and in the prior year arise from continuing activities.

The financial statements which include the accounting policies and notes, which were drawn up in compliance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health and Children, were approved by the Board on

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 29.05.2023

Signed: Lucy Nugent, Chief Executive Officer

Date: 29.05.2023

BALANCE SHEET
As at 31 December 2022
Form 3

| | Notes | 2022 € | 2021 € |
|--|-------|---------------------|--------------|
| Fixed assets | | | |
| Tangible assets | 13 | 97,396,338 | 84,626,873 |
| Current assets | | | |
| Debtors | 14 | 61,900,850 | 53,325,231 |
| Stocks | 15 | 5,802,626 | 7,120,946 |
| Cash in hand and bank balances | | 14,803,189 | 13,326,769 |
| | | 82,506,665 | 73,772,946 |
| Creditors - amounts falling due within one year: | | | |
| Creditors | 16 | (83,584,728) | (77,253,794) |
| Bank overdraft | | (8,044,232) | (4,928,239) |
| Obligations under finance leases | 20 | (2,388,801) | (2,388,801) |
| | | (94,017,761) | (84,570,834) |
| Net current liabilities | | | |
| | | (11,511,096) | (10,797,888) |
| Total assets less current liabilities | | | |
| | | 85,885,242 | 73,828,985 |
| Creditors - amounts falling due in more than one year | | | |
| Obligations under finance leases | | (7,755,435) | (10,144,234) |
| | | 78,129,807 | 63,684,751 |
| Capital and reserves | | | |
| Non-capital income and expenditure account - deficit | | (17,059,975) | (16,160,364) |
| Capital income and expenditure account | | (2,206,556) | (4,781,758) |
| Capitalisation account | 18 | 97,396,338 | 84,626,873 |
| | | 78,129,807 | 63,684,751 |

The financial statements which include the accounting policies and notes, which were drawn up in compliance with the Accounting Standards for Voluntary Hospitals issued by the Department of Health and Children, were approved by the Board on

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 29.05.2023

Signed: Lucy Nugent, Chief Executive Officer

Date: 29.05.2023

CASH FLOW STATEMENT
 For the year ended 31 December 2022
 Form 4

| | Notes | 2022 € | 2021 € |
|--|-------|---------------------------|---------------------|
| Net cash (outflow)/inflow from operating activities | 19(a) | 3,969,803 | (9,400,858) |
| Returns on investment and servicing of finance | | | |
| Interest paid on bank balances | | <u>(88,110)</u> | <u>(149,983)</u> |
| Net cash outflow from servicing of finance | | <u>(88,110)</u> | <u>(149,983)</u> |
| Capital expenditure | | | |
| Fixed asset additions from capital | 19(b) | (20,778,447) | (16,681,877) |
| Capital expenditure not capitalised | | - | (184,832) |
| Fixed asset additions from non-capital | | (3,262,977) | (2,346,031) |
| Net cash outflow from capital expenditure | | <u>(24,041,424)</u> | <u>(19,212,740)</u> |
| Net cash outflow before financing | | (20,159,731) | (28,763,581) |
| Financing | | | |
| HSE capital grant received | | 17,664,014 | 12,041,671 |
| Receipts from other sources | | 856,144 | 405,671 |
| Net cash inflow from financing | | <u>18,520,158</u> | <u>12,447,342</u> |
| Net cash (outflow)/inflow | | <u>(1,639,573)</u> | <u>(16,316,239)</u> |
| (Decrease)/increase in cash in hand and bank balances | 20 | 1,476,420 | (11,388,000) |
| (Increase)/decrease in bank overdrafts | 20 | (3,115,993) | (4,928,239) |
| Changes in net debt resulting from cash flow | 20/21 | <u>(1,639,573)</u> | <u>(16,316,239)</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 1 - Non-capital income and expenditure - details

| | Notes | 2022 € | 2021 € |
|----------------------------------|-------|--------------------|--------------------|
| Pay | | | |
| Management and administration | | 31,534,064 | 27,999,468 |
| Medical and dental (NCHD) | | 32,733,891 | 29,395,735 |
| Medical and dental (consultants) | | 34,062,888 | 30,901,369 |
| Nursing | | 78,204,179 | 68,379,419 |
| Paramedical | | 33,923,319 | 31,154,170 |
| Support services | | 24,015,826 | 22,907,962 |
| Maintenance and technical | | 3,323,536 | 3,099,527 |
| | 8 | <u>237,797,703</u> | <u>213,837,650</u> |
| Pension payments | | 12,928,728 | 11,967,707 |
| Retirement lump sums | | 4,290,000 | 2,459,286 |
| | | <u>17,218,728</u> | <u>14,426,993</u> |
| Total pay | | 255,016,431 | 228,264,643 |
| Non-pay | | | |
| Direct patient care | | | |
| Drugs and medicine | | 26,014,244 | 22,842,633 |
| Blood | | 2,435,886 | 2,413,198 |
| Medical gases | | 219,294 | 143,540 |
| Medical and surgical supplies | | 21,932,952 | 21,525,473 |
| Medical equipment | 12 | 2,155,944 | 1,374,665 |
| Medical equipment supplies | | 1,099,067 | 3,014,573 |
| | | <u>53,857,387</u> | <u>51,314,082</u> |
| Support services | | | |
| X-Ray imaging equipment | 12 | 21,943 | 426,534 |
| X-Ray imaging | | 2,329,262 | 2,102,702 |
| Laboratory equipment | 12 | 268,278 | 186,461 |
| Laboratory supplies | | 8,070,310 | 6,961,418 |
| Catering equipment | | - | 15,205 |
| Catering | | 2,500,068 | 1,993,147 |
| Light and heat | | 2,395,438 | 2,132,508 |
| Cleaning and laundry | | 5,873,134 | 5,800,496 |
| Furniture and hardware | | 500,921 | 341,266 |
| Bedding and clothing | | 944,610 | 4,501,097 |
| Maintenance | | 4,981,679 | 5,118,347 |
| Travel and subsistence | | 314,262 | 340,959 |
| Transport of patients | | 1,778,904 | 1,234,679 |
| | | <u>29,978,809</u> | <u>31,154,819</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 1 - Non-capital income and expenditure - details - continued | Notes | 2022 € | 2021 € |
|---|-------|--------------------|--------------------|
| Financial and administrative | | | |
| Finance lease repayments | 20 | 2,388,801 | 2,384,603 |
| Bank interest | | 88,110 | 149,983 |
| Bank charges | | 53,121 | 44,114 |
| Insurance | 2 | 398,974 | 384,091 |
| Audit | | 67,180 | 66,912 |
| Legal | | 98,427 | 33,040 |
| Office expenses | | 3,567,220 | 3,507,635 |
| Office contracts | | 291,744 | 278,734 |
| Computer and office equipment | 12 | 811,875 | 343,167 |
| Computer supplies | | 5,913,166 | 6,034,049 |
| Professional services | | 2,827,117 | 1,562,516 |
| Adjustment to Doubtful Debts Provision | | 2,481,888 | 3,826,151 |
| Miscellaneous non-capital expenditure on capital projects | 3 | - | 697,290 |
| Miscellaneous | 4 | 5,644,904 | 5,357,479 |
| | | <u>24,632,527</u> | <u>24,669,764</u> |
| Total non-pay | | <u>108,468,723</u> | <u>107,138,665</u> |
| Total gross expenditure | | <u>363,485,154</u> | <u>335,403,308</u> |
| Income | | | |
| Patient income | | | |
| In-patient | 5 | 29,469,013 | 24,126,738 |
| Out-patient | 5 | 1,040,072 | 879,768 |
| | | <u>30,509,085</u> | <u>25,006,506</u> |
| Other income | | | |
| Superannuation | | 5,045,438 | 5,224,223 |
| Pension Levy | | 5,436,353 | 4,963,799 |
| Car park income and other payroll deductions | | 557,811 | 592,541 |
| Road Traffic Accident (RTA) Receipts | 10 | 1,088,017 | 368,956 |
| Income from external agencies | 6 | 9,692,351 | 9,989,190 |
| Canteen Receipts | | 957,561 | 885,073 |
| Other income | 7 | 9,035,041 | 8,037,232 |
| | | <u>31,812,572</u> | <u>30,061,014</u> |
| Total income | | <u>62,321,657</u> | <u>55,067,520</u> |
| Net expenditure | 9 | <u>301,163,497</u> | <u>280,335,788</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 1(a) | Notes | 2022 € | 2021 € |
|---|-------|----------------------|--------------------|
| Allocation notified before once-off allocation | 11 | (300,263,886) | (276,232,607) |
| Allocation income deferred from 2020 to 2021 | | - | <u>(3,437,000)</u> |
| Allocation in year before once-off allocation | | (300,263,886) | (279,669,607) |
| Net expenditure in year | 1 | 301,163,497 | <u>280,335,788</u> |
| Deficit/(surplus) in year | | 899,611 | 666,181 |
| Cumulative deficit brought forward from previous year | | 16,160,364 | 15,494,183 |
| Cumulative deficit carried forward to following year | | 17,059,975 | <u>16,160,364</u> |

HSE income of €3,437,000 notified in 2020 was deferred to 2021 as the related expenditure was not incurred prior to the year end.

| Note 2 – Insurance | 2022 € | 2021 € |
|--|----------------|----------------|
| Public liability | 16,818 | 17,233 |
| Property | 205,058 | 202,478 |
| Board Members' and officers' liability | 85,009 | 78,529 |
| Other | 45,179 | 39,391 |
| Broker Fee | 46,910 | 46,460 |
| | 398,974 | <u>384,091</u> |

| Note 3 – Miscellaneous non-capital expenditure on capital projects | 2022 € | 2021 € |
|--|-----------|----------------|
| Building works to extend day surgery capacity | - | <u>697,290</u> |

| Note 4 – Miscellaneous expenses | 2022 € | 2021 € |
|---|------------------|------------------|
| Security and traffic management | 1,725,242 | 2,669,138 |
| Subscriptions | 332,187 | 295,450 |
| Education/training | 842,686 | 748,297 |
| Donation to Tallaght University Hospital Foundation | 400,000 | 445,000 |
| Other | 2,344,789 | 1,199,594 |
| | 5,644,904 | <u>5,357,479</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 5 – Analysis of patient income | 2022 | 2021 |
|--|--------------------|--------------------|
| | € | € |
| In-Patient | | |
| Statutory in-patient charges | 1,617,002 | 1,680,417 |
| Private/semi-private | 27,813,683 | 22,352,911 |
| Other in-patient charges | 38,328 | 93,410 |
| | <u>29,469,013</u> | <u>24,126,738</u> |
| Out-patient | | |
| Statutory accident and emergency charge | 1,040,072 | 879,768 |
| | <u>1,040,072</u> | <u>879,768</u> |
| Total patient income | <u>30,509,085</u> | <u>25,006,506</u> |
| | | |
| Note 6 – Income from external agencies | 2022 | 2021 |
| | € | € |
| Children's Health Ireland | 7,917,000 | 7,917,000 |
| HSE psychiatric and other services | 1,775,351 | 2,072,190 |
| | <u>9,692,351</u> | <u>9,989,190</u> |
| | | |
| Note 7 – Other income | 2022 | 2021 |
| | € | € |
| Primary Care Reimbursement Service – drug cost re-imbursed | 8,257,626 | 6,294,405 |
| Rents/licences | 496,165 | 913,464 |
| Other income | 281,250 | 829,373 |
| | <u>9,035,041</u> | <u>8,037,242</u> |
| | | |
| Note 8 – Summary pay analysis | 2022 | 2021 |
| | € | € |
| Basic pay | 177,768,959 | 162,230,085 |
| Overtime | 12,752,265 | 11,416,708 |
| Premium pay | 9,522,142 | 8,758,118 |
| Shift allowance | 214,191 | 215,966 |
| Holiday/public holiday premiums | 2,978,787 | 2,409,529 |
| Higher degree | 41,005 | 50,255 |
| On call/standby | 4,787,630 | 4,911,829 |
| PRSI employer | 21,075,187 | 19,185,969 |
| Travel allowances | 933,019 | 764,609 |
| Other | 7,724,518 | 3,804,583 |
| | <u>237,797,703</u> | <u>213,747,651</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 8(a) - Additional Analysis – Department of Expenditure and Reform Circular 13/2014 requirement

The number of Hospital employees whose total employee benefits (including basic pay, allowances, overtime, night duty, weekends, on-call, arrears and excluding employer PRSI, employer pension costs) for the reporting period fell within each band of €10,000 from €60,000 upwards are as follows:

| Pay Band | 2022 Number of Employees | 2021 Number of Employees |
|------------------------|---|--------------------------------|
| 60,000-69,999 | 487 | 437 |
| 70,000-79,999 | 257 | 179 |
| 80,000-89,999 | 115 | 92 |
| 90,000-99,999 | 66 | 46 |
| 100,000-109,999 | 37 | 28 |
| 110,000-119,999 | 31 | 25 |
| 120,000-129,999 | 18 | 13 |
| 130,000-139,999 | 19 | 10 |
| 140,000-149,999 | 18 | 12 |
| 150,000-159,999 | 5 | 10 |
| 160,000-169,999 | 12 | 9 |
| 170,000-179,999 | 6 | 9 |
| 180,000-189,999 | 17 | 11 |
| 190,000-199,999 | 13 | 14 |
| 200,000-209,999 | 8 | 10 |
| 210,000-219,999 | 6 | 10 |
| 220,000-229,999 | 13 | 17 |
| 230,000-239,999 | 13 | 6 |
| 240,000-249,999 | 7 | 8 |
| 250,000-269,999 | 5 | 4 |
| 260,000-259,999 | 4 | 4 |
| 270,000-279,999 | 2 | 2 |
| 280,000-289,999 | 3 | 1 |
| 290,000-299,999 | 0 | 1 |
| 300,000-309,999 | 2 | - |
| 310,000-319,999 | 0 | 1 |
| Total Employees | 1,164 | 959 |

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 9 - Reconciliation of expenditure to cost of services | Notes | 2022 € | 2021 € |
|---|-------|---------------------------|--------------------|
| Net expenditure - current year | 1 | 301,163,497 | 280,335,788 |
| Deduct: | | | |
| Purchase of equipment from non-capital | 12 | (3,262,977) | (2,346,031) |
| Funding of capital project from non-capital | 3 | - | (697,290) |
| Finance lease repayments - principal | 20 | (2,388,801) | (2,384,603) |
| Total deductions | | <u>(5,651,778)</u> | <u>(5,427,924)</u> |
| Sub-total | | 295,511,719 | 274,907,864 |
| Add back: | | | |
| Depreciation charge for the year | 13 | <u>8,827,269</u> | <u>9,709,169</u> |
| Net running cost of service | | <u>304,338,988</u> | <u>284,617,033</u> |
| | | | |
| Note 10 – Road traffic accident memo account | | 2022 € | 2021 € |
| Balance at 1 January | | 8,171,854 | 7,952,035 |
| Bills issued in respect of the year | | 1,081,469 | 610,204 |
| Less cash received during the year | | (1,088,017) | (368,956) |
| Less cash received re paediatric balances | | <u>(53,690)</u> | <u>(21,429)</u> |
| Balance at 31 December | | <u>8,111,616</u> | <u>8,171,854</u> |

The Hospital continues to administer and collect paediatric road traffic accident balances on behalf of Children's Health Ireland.

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 11 – Statement of advances and balances due from Health Service Executive Non-Capital and Capital | Notes | 2022 € | 2021 € |
|---|-------|----------------------|---------------|
| Non-capital | | | |
| Allocation in year | 1(a) | 300,263,886 | 276,232,607 |
| Less remittances from HSE Non-Capital | | (260,418,307) | (239,941,011) |
| Balance due from HSE in respect of the year | | 39,845,579 | 36,291,596 |
| Balance due from HSE re previous years as at 1 January | | 36,291,596 | 16,515,029 |
| Less remittances from HSE in year re previous years | | (36,291,596) | (16,515,029) |
| Balance due from HSE re previous years as at 31 December | | - | - |
| Total balance of non-capital funding due from HSE | 14 | 39,845,579 | 36,291,596 |
| Capital | | | |
| Total capital grants notified by HSE for the year | | 17,664,014 | 12,630,553 |
| Less remittances from HSE Capital in the year | | (17,664,014) | (12,041,671) |
| Less capital equipment transferred in the year | | - | (588,882) |
| Balance due from HSE in respect of the year | | - | - |
| Balance due from HSE re previous years as at 1 January | | 30,522 | 30,522 |
| Less remittances from HSE in year re previous years | | (19,408) | - |
| Balance due to HSE re previous years as at 31 December | | 11,114 | 30,522 |
| Total balance of capital funding due from HSE | 14 | 11,114 | 30,522 |
| Gross total due from HSE Capital and Non-Capital | 14 | 39,856,693 | 36,322,118 |

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 12 – Purchase of equipment from non-capital account (capitalised) | Note | 2022 € | 2021 € |
|---|------|-------------------------|------------------|
| Medical equipment | | 2,155,944 | 1,374,665 |
| X-Ray imaging equipment | | 21,943 | 426,534 |
| Laboratory equipment | | 268,278 | 186,461 |
| Catering equipment | | - | 15,205 |
| Computer equipment | | 775,901 | 315,058 |
| Office equipment | | 35,974 | 28,108 |
| Maintenance Equipment | | 4,937 | - |
| | 9 | <u>3,262,977</u> | <u>2,346,031</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 13 – Schedule of fixed assets and depreciation | Land & Buildings € | Work In Progress € | Equipment € | Fixtures and Fittings € | Computer Equipment € | Total € |
|---|-----------------------|-----------------------|---------------------|----------------------------|-------------------------|---------------------|
| Cost or valuation | | | | | | |
| At 31 December 2021 | 61,713,347 | 9,228,870 | 71,281,063 | 12,343,369 | 15,886,284 | 170,452,933 |
| Transfer from work in progress | 8,213,188 | (8,213,188) | - | - | - | - |
| Additions from capital | 11,036,489 | 1,383,176 | 5,373,424 | - | 540,668 | 18,333,757 |
| Additions from non-capital | - | - | 2,507,739 | - | 755,238 | 3,262,977 |
| Write-offs in year | - | - | (887,153) | - | (616,198) | (1,503,351) |
| At 31 December 2022 | 80,963,024 | 2,398,858 | 78,275,073 | 12,343,369 | 16,565,992 | 190,546,316 |
| Accumulated depreciation | | | | | | |
| At 31 December 2021 | (11,906,375) | - | (47,842,726) | (12,343,369) | (13,733,590) | (85,826,060) |
| Depreciation charge for year | (1,488,882) | - | (5,586,434) | - | (1,751,953) | (8,827,269) |
| Write-offs in year | - | - | 887,153 | - | 616,198 | 1,503,351 |
| At 31 December 2022 | (13,395,257) | - | (52,542,007) | (12,343,369) | (14,869,345) | (93,149,978) |
| Carrying amount | | | | | | |
| At 31 December 2022 | 67,567,767 | 2,398,858 | 25,733,066 | - | 1,696,647 | 97,396,338 |
| At 31 December 2021 | 49,806,972 | 9,228,870 | 23,438,337 | - | 2,152,694 | 84,626,873 |

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 13 – Schedule of fixed assets and depreciation – continued

Note 13(a)

The Hospital was built and equipped by the Tallaght Hospital Board, the agency appointed under Ministerial Order to develop, build and equip the Hospital. During 1998 hospital buildings costing €131,817,084 were transferred from the Tallaght Hospital Board to the Minister for Health. The Minister has leased the buildings to the Hospital with effect from 19 June 1998 for a period of 150 years at an annual rent of €1.27. Land and Buildings included in note 13 reflects additions since that date. Costs and the related accumulated depreciation incurred by the Tallaght Hospital Board in equipping the Hospital have been recognised in the fixed assets of the Hospital.

Note 13(b)

Work-in-Progress at 31 December 2022 represented costs in respect of on-going project work in relation to the extension to the Intensive Care Unit, the Aseptic Pharmacy and ICT capital projects.

Note 13(c)

In 2022, the Hospital wrote-off assets with cost valuation of €1,503,351 (2021: €5,236,618) for assets that are no longer in use. These assets had been fully depreciated at 31 December 2021 and 2022.

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 14 – Debtors | Note | 2022 € | 2021 € |
|---|------|---------------------|--------------|
| HSE – revenue grants due | 11 | 39,845,579 | 36,291,596 |
| HSE - capital grants due | 11 | 11,114 | 30,522 |
| HSE – debtors | 11 | 39,856,693 | 36,322,118 |
| Patient debtors | | 26,529,953 | 27,728,121 |
| Less provision for bad and doubtful debts | | (14,157,643) | (15,451,557) |
| Net patient debtors | | 12,372,310 | 12,276,564 |
| Other debtors | | 9,671,847 | 4,726,549 |
| Non HSE debtors | | 22,044,157 | 17,003,113 |
| | | 61,900,850 | 53,325,231 |
| | | | |
| Note 15 – Stocks | | 2022 € | 2021 € |
| Pharmacy | | 1,264,010 | 1,958,427 |
| Medical and surgical supplies | | 3,605,693 | 2,755,207 |
| Other | | 932,923 | 2,407,312 |
| | | 5,802,626 | 7,120,946 |
| | | | |
| Note 16 – Creditors | | 2022 € | 2021 € |
| Creditors – capital | | 1,205,288 | 1,261,177 |
| Creditors – non-capital | | 60,943,357 | 59,987,799 |
| Designated funds | | 11,567,793 | 7,895,026 |
| Wages and salaries (payroll deductions) | | (25,688) | 1,167,384 |
| PAYE/PRSI | | 9,893,978 | 6,942,408 |
| | | 83,584,728 | 77,253,794 |

NOTES TO THE FINANCIAL STATEMENTS - continued

| Note 17 – Capital developments reserve | 2022 | 2021 |
|---|------------------|------------------|
| | € | € |
| Balance at start of year | 4,583,339 | 4,246,160 |
| Surplus income earned from car park | 746,177 | 337,179 |
| Balance at end of year | <u>5,329,516</u> | <u>4,583,339</u> |

Surplus income received from the operation of the car park is transferred to capital developments reserve in the capital income and expenditure account, to be utilised for capital purposes.

| Note 18 - Capitalisation account | 2022 | 2021 |
|---|-------------------|-------------------|
| | € | € |
| Balance at start of the year | 84,626,873 | 77,877,045 |
| Additions | | |
| Capital expenditure | 18,333,757 | 14,112,966 |
| Non-capital expenditure | 3,262,977 | 2,346,031 |
| | <u>21,596,734</u> | <u>16,458,997</u> |
| Less: | | |
| Depreciation for the year | (8,827,269) | (9,709,169) |
| | <u>97,396,338</u> | <u>84,626,873</u> |

| Note 19 - Note to the cash flow statement | 2022 | 2021 |
|--|-------------|------|
| | € | € |

Note 19 (a) Net cash (outflow)/inflow from operating activities

| | | |
|---|------------------|--------------------|
| Deficit non-capital | (17,059,974) | (16,160,364) |
| Less deficit brought forward | 16,160,364 | 15,494,183 |
| (Deficit)/surplus for the current year | (899,610) | (666,181) |
| Add back repayment of finance lease charged against non-capital | 2,388,801 | 2,384,604 |
| Add back additions of equipment from non-capital | 3,262,977 | 2,346,031 |
| Add back non-capital expenditure on capital projects | - | 697,290 |
| Adjustment re-equipment transferred from HSE | - | - |
| Add back all interest charges against non-capital | 88,110 | 149,983 |
| Decrease/(increase) in stocks | 1,318,320 | 2,114,443 |
| (Increase)/decrease in HSE debtors non-capital | (3,534,575) | (19,776,567) |
| Increase in non-HSE debtors | (2,564,042) | (2,180,510) |
| Increase in non-capital creditors | 3,909,822 | 5,530,049 |
| Net cash (outflow)/inflow from operating activities | <u>3,969,803</u> | <u>(9,400,858)</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 19 - Note to the cash flow statement - continued

| | 2022 € | 2021 € |
|---|----------------------------|----------------------------|
| Note 19 (b) Fixed asset additions from capital | | |
| Fixed asset additions from capital | (18,333,757) | (14,112,966) |
| Add back assets transferred from HSE Capital | - | 588,882 |
| Decrease in capital creditors | (55,889) | (773,189) |
| (Decrease)/increase in finance lease obligations | (2,388,801) | (2,384,604) |
| Fixed asset additions from capital | <u>(20,778,447)</u> | <u>(16,681,877)</u> |

Note 20 - Analysis of changes in net debt

| | At 31 December 2022 € | Cash flows € | At 31 December 2021 € |
|------------------------------------|--------------------------------|--------------------|--------------------------------|
| Cash in hand and bank balances | 14,803,189 | 1,476,420 | 13,326,769 |
| Bank overdraft | <u>(8,044,232)</u> | <u>(3,115,993)</u> | <u>(4,928,239)</u> |
| | <u>6,758,957</u> | <u>(1,639,573)</u> | <u>8,398,530</u> |
| Finance leases – within one year | (2,388,801) | - | (2,388,801) |
| Finance leases – two to five years | (7,389,293) | 1,032,727 | (8,422,020) |
| Finance leases – after five years | <u>(366,140)</u> | <u>1,356,074</u> | <u>(1,722,214)</u> |
| | <u>(10,144,234)</u> | <u>2,388,801</u> | <u>(12,533,035)</u> |
| | <u>(3,385,277)</u> | <u>749,228</u> | <u>(4,134,505)</u> |

Note 21 - Reconciliation of net cash inflow to movement in net debt

| | 2022 € | 2021 € |
|--|--------------------|---------------------|
| (Decrease)/increase in cash in the year | (1,639,573) | (16,316,239) |
| Changes in net debt resulting from cash flow | <u>(1,639,573)</u> | <u>(16,316,239)</u> |
| New finance leases taken out in the year | - | - |
| Net funds at beginning of the year | <u>(4,134,505)</u> | 9,797,130 |
| Net (debt)/funds at end of the year | <u>(3,385,277)</u> | <u>(4,134,505)</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 22 - Scope and basis of preparation of financial statements

The Hospital was established under a Charter as amended by an Order passed by both Houses of the Oireachtas in July 1996 and came into being on 1 August 1996. The Hospital represents the combination of the public activities of its three constituent base hospitals, the Adelaide Hospital, Meath Hospital and National Children's Hospital, under one Board of Management.

With effect from 1 August 1996 the Board of Management, managed on a combined basis, the public activities of the three constituent base hospitals in their original locations until 21 June 1998 when they moved to the new hospital located in Tallaght, Dublin 24. The fundraising and other private activities of the three constituent base hospitals continued to be managed by separate Boards, and while each has a nominated member on the Tallaght University Hospital Board, those entities are not regarded as related parties of the Hospital. Based on grant applications to these entities the Hospital has received the following support:

| | 2022 € | 2021 € |
|--|---------------|----------------|
| National Children's Hospital | | |
| Balance due from National Children's Hospital at start of year | 44,029 | 17,597 |
| Salary recoupments receivable | (26,432) | 26,432 |
| Balance due from National Children's Hospital at end of year | <u>17,597</u> | <u>44,029</u> |
| Meath Foundation | | |
| Balance due from Meath Foundation at start of year | 201,444 | (6,570) |
| Salary recoupments receivable | 62,186 | 25,919 |
| Grants receivable re non-pay | 146,664 | 182,095 |
| Receipts | (346,294) | - |
| Balance due from/(to) Meath Foundation at end of year | <u>64,000</u> | <u>201,444</u> |
| Adelaide Health Foundation | | |
| Balance due from Adelaide Health Foundation at start of year | 41,361 | - |
| Grants receivable re non-pay | | 61,938 |
| Receipts | (41,361) | (20,577) |
| Balance due from Adelaide Health Foundation at end of year | <u>-</u> | <u>41,361</u> |

The amounts above are netted against the related expenditure when incurred.

The **Tallaght University Hospital Foundation** (TUHF) was incorporated on 6 December 2017 and commenced operation in 2018 as an independent Foundation whose primary objective is to support, promote and enhance the services provided by Tallaght University Hospital. The TUHF is an autonomous charitable legal entity, entirely separate from the Hospital. In recognition that the TUHF will be more efficient and effective than the Hospital in raising funds for the benefit of the Hospital, both parties have signed a Relationship Agreement. Following consultation on business plans and budgets which prioritise capital projects in support of the Hospital's strategic goals, the Hospital provided conditional donations of €0.4m during 2022 (2021: €0.445m), from non-exchequer funds, agreed between the Hospital and TUHF.

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 22 - Scope and basis of preparation of financial statements - continued

The Hospital had the following transactions with the TUHF:

| | 2022 € | 2021 € |
|--|---------------|---------------|
| Tallaght University Hospital Foundation | | |
| Balance due from TUHF at start of year | 20,000 | 5,000 |
| Initial period donation payable to TUHF | (400,000) | (445,000) |
| Donations receivable re non-pay | 88,481 | 1,378,407 |
| Receipts | (88,481) | (1,363,407) |
| Payments made | 400,000 | 445,000 |
| Balance due from TUHF at end of year | <u>20,000</u> | <u>20,000</u> |

Most of the funding raised by TUHF is of a restricted nature. To date cumulative receipts from TUHF are €3.2m.

Note 23 – Capital commitments

At 31 December 2022 the Hospital had capital commitments of €8.3m (2021: €15.3m) of which €6m (2021: €11.5m) was contracted.

During 2021 the Hospital contracted for an operating lease that will come into effect in 2023 which involves the financing, design, construction, installation, operation, maintenance and servicing of energy improvements at the Hospital through an Energy Performance Contract.

Note 24 - Going concern

The Hospital is funded by means of an annual revenue allocation from the Health Service Executive ("HSE"). The deficit of €0.900m for 2022 has resulted in net current liabilities of €11.5m and an accumulated deficit on the Hospital's non-capital income and expenditure account of €17m at 31 December 2022.

The Hospital's current revenue allocation from the HSE for 2023 is €303.7 million, which represents a reduction of €3.6 million (1.2%) when compared to the outturn of €301.2m for 2022. As a result of the COVID-19 pandemic the Hospital continues to incur significant costs which were funded in full in the HSE allocation. While the incidence of COVID-19 has improved, in its continuing occurrence, it is expected to give rise to continued additional costs in 2023 and presents a challenge to management to restore normal activity levels. The Hospital remains dependent on the ongoing support of the HSE to provide adequate funding to enable it to continue to provide services. The Hospital continues to proactively engage with the HSE in respect of the revenue allocation for 2023 and dealing with the accumulated deficit.

The bank-overdraft facility is authorised by the HSE.

These conditions indicate the existence of a material uncertainty relating to the events or conditions that may cast significant doubt upon the Hospital's ability to continue as a going concern. The Board have considered the history of how HSE funds have been allocated to the Hospital and the fact the HSE has not given any indication that it will withdraw its financial support from the Hospital. The Board are confident that the HSE will continue to provide funding to the hospital and consider the likelihood of the uncertainty eventuating to be unlikely.

The Board has also identified and considered risks and the mitigations associated with removal of the statutory inpatient charge, reduction in private health insurance income as a result of the public only Consultant contract COVID-19, cyber-attack and war which might impact on the going concern of the Hospital. The Board concludes that, in spite of the risks and uncertainties identified in the Hospital's normally tight operating position, the accumulated deficit, the uncertainty surrounding the provision of future funding, and the additional threats to going concern arising from loss of income, COVID-19, cyber-attack and war, the Hospital

NOTES TO THE FINANCIAL STATEMENTS - continued

is most likely to have adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements.

Hence, the Board is of the opinion that it remains appropriate to present the financial statements on a going concern basis and that there is a reasonable expectation that the Hospital will continue to operate for a period of at least 12 months from the date of approval of these financial statements. The financial statements do not include any adjustments that would result if the Hospital was unable to continue as a going concern.

On this basis, these financial statements have been prepared on the going concern basis.

| Note 25 – Board Members’ fees and Chief Executive Officer’s salary | 2022 | 2021 |
|---|-----------------------------|-----------------------------|
| | € | € |
| Board Members’ fees | | |
| Reimbursement of expenses paid to Board Members | - | - |
| Fees paid to Board Members (Note 25(a)) | - | - |
| | <u> </u> | <u> </u> |
| Chief Executive Officer’s salary | | |
| Basic – as per DOH salary scales (Note 25(b)) | <u>162,824</u> | <u>154,913</u> |
| Chief Executive Officer’s travel and subsistence | <u>1,180</u> | <u>568</u> |

Note 25 (a)

Board Members do not receive remuneration in respect of their position on the Hospital’s Board.

Note 25 (b)

The Chief Executive Officer’s superannuation arrangements conform to the standard entitlements in the model public sector superannuation scheme.

Note 26 – Lease commitments

Operating Leases

At the balance sheet date the Hospital had total amounts payable under non-cancellable operating leases in respect of buildings which expire in:

| | 2022 | 2021 |
|----------------------------|-------------------------|------------------|
| | € | € |
| Less than one year | 730,000 | 730,000 |
| Between two and five years | 2,654,322 | 2,742,882 |
| Over five years | 1,637,495 | 2,278,936 |
| | <u>5,021,817</u> | <u>5,751,818</u> |

Note 27 – Comparative amounts

Some prior year comparative amounts have been reclassified on a basis consistent with the current year.