

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

Annual Financial Statements

Year Ended 31 December 2021

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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
Prof AM Brady
Dr V Byers
Mr E Fleming
Mr J Hennessy
Prof K Monks (resigned December 2021)
Dr D Ó Ciardha
Archdeacon D Pierpoint
Mrs M Shields
Mr M Varian

Executives in attendance

Ms L Nugent (CEO)
Mr D Carter
Prof T Coughlan (from September 2021)
Ms B Egan (from July 2021)
Mr J Kelly
Ms S Larkin
Prof P Lavin
Ms Á Lynch
Prof J Quinlan (until August 2021)
Prof P Ridgway (until June 2021)
Mr S Russell
Prof C Wall

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 2021

OBJECTIVES AND ACTIVITIES

Tallaght University Hospital is a Voluntary Hospital underpinned by the legal status of a Chartered Corporation established under Statutory Instrument, providing 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, 15 theatres and 14 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 regional orthopaedic trauma centre. The Hospital's adult Emergency Department dealt with for over 52,000 attendances in 2021 and in excess of 248,000 patients were treated through the Hospital's adult outpatient clinics in 2021.

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 was 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 2021 €0.445m was provided by the Hospital to the TUHF under this arrangement. Successful fundraising by TUHF has resulted in funding of €1.4m (2020: €1.7m) being received by the Hospital towards non-pay costs including €0.8m in respect of a CT scanner to be acquired in 2022 and a total of €2m relating to the robotic assisted surgery system acquired in 2020.

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.

ACHIEVEMENTS AND PERFORMANCE

Tallaght University Hospital is a busy trauma hospital based in Tallaght. Its focus is on providing both emergency and elective care to its community and to the wider population.

BOARD MEMBERS' REPORT - continued

The number of Adult Emergency Department (ED) attendances increased by 6% in 2021, bringing the total to over 52,000. The drop in presentations seen in 2020 saw a strong revival of activity and the emergency department saw its highest activity on record during 2021. The number of patients over 75 years of age presenting to ED increased in 2021, the number of patients in that age category being admitted increased by 8% with the admission rate for that patient category being 59%. The Gerontological Emergency department intervention (GEDI) team continues to work in the Emergency Department focusing on the needs of their patients.

The Hospital continues to see an increase in demand for critical care beds. During 2021 that demand exponentially increased due to the COVID-19 pandemic with ICU using surge capacity for long periods of 2021. The Hospital will continue to have challenges with a lack of critical care beds until the new ICU opens in mid-2022.

The Hospital continues to work on reducing out-patient and in-patient waiting lists. This clearance work was very active during 2021. As a result there were 248,000 adult outpatient attendances in 2021, up 8% from 2020. The outpatients department report that patients are using 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 continued on a new 12 bed critical care unit which is expected to be complete 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 is expected to significantly reduce the long wait times for routine day surgery and increase elective day surgery activity. The Hospital has had a full year of access to 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.

In May 2021 the HSE was impacted by a ransomware attack which resulted in significant information technology shutdown and caused disruption to Hospital services. The Hospital did not suffer a data breach but a period of restricted access to information systems gave rise to the need for work around solutions and delays in processing of information.

STRUCTURE, GOVERNANCE AND MANAGEMENT

In accordance with by-laws made in November 2014 under the Tallaght 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);
- 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 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 December 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.

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

BOARD MEMBERS' REPORT - continued

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 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 2021.

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); and Governance and Nominating Committee, formerly the Nominations Committee. Each committee comprises of Board and external members and has specific functions in assisting the Hospital Board to fulfil its oversight responsibilities.

The **Audit Committee** (AC) for the year ended 31 December 2021 comprised Prof Patricia Barker (Chairperson and member of Board, resigned as Chair of the Audit Committee October 2021), Mr Seán Quigley (resigned from the Audit Committee October 2021), Mr Peter Dennehy, Ven David Pierpoint (member of the Board) and Ms Darina Barrett 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).

BOARD MEMBERS' REPORT - continued

The Audit Committee oversees the Hospital's financial reporting process on behalf of the Board. The SMT has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the AC reviewed and discussed the audited financial statements with SMT and the external auditor, including a discussion of the accounting principles adopted; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements. The AC is governed by a charter which was last amended and approved by the Board during 2020. The Committee held four meetings during 2021 and one meeting 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.

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, Principal Procurement Sourcing Contracts Manager and Health and Safety Manager. Due to the pandemic, meetings of AC were conducted virtually during the year.

The **Finance Committee** comprised of Mr Edward Fleming (Chairperson and member of the Board), Mr Mark Varian (Board Member, resigned as a Finance Committee member in November 2021), Mr Robert Ryder, Mr Robert Henderson and Ms Aoife Duggan (appointed April 2021) 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 2021 the Finance Committee met on five 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 Prof Kathy Monks (Chairperson and member of Board, resigned December 2021), Mrs Mairéad Shields (Board Member), Mr Brendan Mulligan, Mr Martin Leavy, and Ms Claire Cusack and in attendance was Ms Sharon Larkin, Director of HR. The Chairperson of the Hospital Board and the CEO attend meetings as required and at least once per year.

The role of the SODC is to (a) oversee the development and implementation of Hospital policies, procedures and systems to recruit, retain, develop, motivate and equip Hospital staff to continuously improve the services they provide to patients (b) to oversee the remuneration and terms of service of members of the Executive Management Team (i.e. those reporting directly to the CEO). In ensuring oversight of these matters on behalf of the Board, the SODC will have due regard to the interests of the Hospital and taxpayers in general. Where pre-existing vacancies within the EMT are filled, providing they do not involve any change in the remuneration, terms or conditions of the posts concerned, and are in accordance with HSE Policy and compliance with Public Sector Pay Policy, the HR Director will ensure these are presented to SODC for noting. Only items which fall outside of this remit may require a recommendation by the Chair of SODC to the Hospital Board for approval; and, (c) 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 is also be responsible for (a) reviewing, from time to time, such elements of the Hospital's human resource strategy, policies, procedures and practices as it considers appropriate or as requested by the Board; (b) reviewing arrangements established by management for compliance with all human resource legislative and regulatory requirements and Department of Health, HSE and Board policies; and (c) making a recommendation or issuing an advisory to the Board where committee members are satisfied that such a course of action may be considered appropriate in particular circumstances.

BOARD MEMBERS' REPORT - continued

In 2021 the Committee met on five occasions 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)** comprised of Prof Anne-Marie Brady (Chairperson from June 2021 and member of Board), Mrs Mairéad Shields (Chairperson and Board Member, resigned from the QSRM Committee March 2021), Dr Darach Ó Ciardha (Board Member), Dr Declan Daly and Dr Gerard O'Connor and in attendance was Prof Catherine Wall, Director of Quality, Safety & Risk Management, Ms Aine Lynch, Director of Nursing and Ms Caitriona Kelly, QSRM Programme Coordinator. 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, 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 2021, including a joint meeting held 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, QSRM Executive Governance Committee Synopsis, Internal Audit Report, Patient and Community Advisory Council Update, Patient Advice and Liaison Service Update, External Review of QSRM Board Recommendations Tracker 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 2021 comprised Mr Liam Dowdall (Chairperson and Chairperson of the Hospital Board), Mr John Hennessy (Board Member), Dr Vivienne Byers (Board Member appointed to the Committee September 2021), 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.

BOARD MEMBERS' REPORT - continued

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 2021.

The requirement for the HSE Annual Compliance Statement (ACS) came into effect on 1 January 2014 and applies to the Hospital's 2021 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 2021 (re 2020). The Hospital will submit the ACS in May 2022 (re 2021).

BOARD MEMBERS' REPORT - continued

FINANCIAL REVIEW

The below table summarises the financial outturn for 2021.

Total	2021	2020	Movement	
	Total €'000	Total €'000	€'000	%
HSE Allocation notified	276,233	273,852	2,381	0.9%
Income deferred from 2020 to 2021	3,437	(3,437)		
	<u>279,670</u>	<u>270,415</u>		
Allocation received re PPE not yet utilised	-	(4,010)		
HSE Allocation excluding once-off income for PPE not yet utilised	<u>279,670</u>	<u>266,405</u>	13,265	5.0%
Net expenditure in year	280,336	266,804	13,532	5.1%
Current year PPE costs funded in previous year	(1,923)	-		
	<u>278,413</u>	<u>266,804</u>		
HSE Allocation excluding once-off allocations	<u>(279,670)</u>	<u>(266,405)</u>		
Net (surplus)/deficit before PPE funding	(1,257)	399		
Allocation received re PPE not yet utilised	-	(4,010)		
Current year PPE costs funded in previous year	<u>1,923</u>	-		
Net deficit/(surplus) in year	<u>666</u>	<u>(3,611)</u>		
Cumulative deficit	<u>16,160</u>	<u>15,494</u>		

The financial performance of the Hospital in 2021 showed a surplus of €1.3m against the comparable HSE allocation.

In 2021, the Hospital received an allocation of €276.2m which was an increase of €2.4m (0.9%) on the final allocation for 2020.

Of the allocation received in 2020 €3.4m was deferred to 2021 as it related to specific costs which the Hospital incurred in 2021.

The 2020 allocation included €4m in respect of funding received for COVID-19 personal protective equipment (PPE) which remained in stock at that year end. A surplus of €3.6m resulted in 2020 when taking account of this PPE funding. The surplus was reduced in 2021 due to the utilisation of €1.9m of that stock.

In 2021 the Hospital recorded a deficit of €0.7m as a result of the PPE adjustment of €1.9m leading to an accumulated deficit of €16.2m at 31 December 2021.

In 2021 the Hospital saw the net expenditure increase by €13.5m (5.1%) when compared with 2020.

Expenditure	2021	2020	Movement	
	€'000	€'000	€'000	%
Pay	228,265	216,709	11,556	5.3%
Non-pay	<u>107,139</u>	<u>103,669</u>	<u>3,470</u>	3.3%
Gross expenditure	335,404	320,378	15,026	4.7%
Income	<u>(55,068)</u>	<u>(53,574)</u>	<u>(1,494)</u>	2.8%
Net expenditure	<u><u>280,336</u></u>	<u><u>266,804</u></u>	<u><u>13,532</u></u>	5.1%

BOARD MEMBERS' REPORT - continued

Total pay costs in 2021 increased by €11.5m (5.3%) compared to 2020 of which €4.7m related to an increase in whole time equivalents and COVID-19 overtime spend. The remaining increased costs can be attributed to the Enhanced Nursing Pay Scale which amounted to circa €3.5m and to the 1% pay increase given in July and October 2021 of €3.3m.

Non-pay expenditure increased by €3.5m (3.3%) in 2021. This increase can be attributed to drugs spend increasing by €3.3m, increased costs due to the purchase of required PPE for staff such as gloves and FFP2 masks contributing to an additional €1.7m and we also incurred a full year impact of the lease on the Reeves Day Surgery facility at Tallaght Cross West contributing to a year on year increase of €1.9m. These increased costs are offset by reduced direct patient care costs due to lower non-COVID-19 general activity levels and a reduction in the equipment transfer directly from the HSE of (€3.4m).

Income year on year has increased by €1.5m primarily due to an increase in SLA CHI billing in 2021 as the children's wards were open for twelve months in 2021 (compared to 7 months in 2020) attributing to a €2.8m increase in income in 2021.

Income	2021	2020	Movement	
	€'000	€'000	€'000	%
Patient income	25,007	26,093	(1,086)	-4.2%
Superannuation and Pension Levy	10,188	10,392	(204)	-2.0%
Income from external agencies	9,989	6,650	3,339	50.2%
Miscellaneous Income	9,884	10,439	(555)	-5.3%
	<u>55,068</u>	<u>53,574</u>	<u>1,494</u>	2.8%

Patient income reduced in 2021 by (€1.1m) due to reduced activity arising from patient admission cancellations and the use of private facilities for the isolation and treatment of COVID-19 patients. This was a twelve month impact in 2021 (versus a 10 month impact in 2020).

The increase in income from external agencies reflects Children's Health Ireland being on-site for twelve months during 2021 versus seven months in 2020.

As part of the COVID-19 response, in addition to the allocation, during 2020 the HSE also purchased equipment valued at €3.4m directly and transferred this to the Hospital without charge. There was no equivalent transfer in 2021, and therefore attributes (€3.4m) to the year on year analysis.

We also received an increase of €2.6m in income from PCRS (drug reimbursement Scheme) which increases income in year. Other non-material matters of €0.6m make up the balance of the year on year increase.

Capital projects in 2021 reflect campus developments including the final completion of the new renal unit, the commissioning of a fourth theatre in the new off-site Reeves Day Surgery Centre and the continuing construction work on the new critical care unit.

During the year the Hospital continued to acquire significant additional equipment to meet COVID-19 requirements and medical equipment replacement.

The Hospital continued the extension of our 'Scan4Safety' project in 2021 and at the end of the year had complete traceability of items used during surgical procedures in all six surgical theatres, Reeves Day Surgery Centre, catheterisation laboratory, GI laboratory and endoscopy department. This 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.

BOARD MEMBERS' REPORT - continued

GOING CONCERN

The Hospital is funded by means of an annual revenue allocation from the Health Service Executive ("HSE"). The deficit of €0.7m for 2021 has resulted in net current liabilities of €10.8m and an accumulated deficit on the Hospital's non-capital income and expenditure account of €16.2m at 31 December 2021.

The Hospital's current revenue allocation from the HSE for 2022 is €266.6 million, which represents a reduction of €13.7 million (4.9%) when compared to the outturn of €280.3m for 2021. 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 2022 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 2022 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 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 COVID-19, cyber-attack and war, the Hospital 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: 23 May 2022

Signed: David Pierpoint, Board Member

Date: 25 May 2022

**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2021**

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: 23 May 2022

Signed: David Pierpoint, Board Member

Date: 25 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE BOARD 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 'entity')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the entity as at 31 December 2021 and of the deficit 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 entity 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 2021 the entity had net current liabilities of €10,8m and the entity's non-capital income and expenditure account accumulated deficit is €16,2m.

The ability of the entity to continue as a going concern is dependent on the ongoing support of the HSE to provide adequate funding to enable it to continue to provide services.

As stated in Note 24, these events or conditions, along with the other matters as set forth in Note 24, indicate that a material uncertainty exists that may cast significant doubt on the entity'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.

Other information

The other information comprises the information included in the Annual 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 Members' 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 entity'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 entity 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Deloitte.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Use of our report

This report is made solely to the entity'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 entity'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 entity and the entity'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

Date: 26 May 2022

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021 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 2021 and its income and expenditure and cash flow for the year then ended.

Signed: Liam Dowdall, Chairperson

Date: 23 May 2022

Signed: Lucy Nugent, Chief Executive Officer

Date: 23 May 2022

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 issued by the Department of Health and Children.

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 Hospital Society 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.
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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 2021
Form 1

	Notes	2021 €	2020 €
Pay			
Salaries	1	213,837,650	202,674,727
Superannuation and gratuities	1	14,426,993	14,034,501
		<u>228,264,643</u>	<u>216,709,228</u>
Non-Pay			
Direct Patient Care	1	51,314,082	52,470,901
Support Services	1	31,154,819	29,944,049
Financial and Administrative	1	24,669,764	21,253,904
		<u>107,138,665</u>	<u>103,668,854</u>
Gross expenditure for the year		335,403,308	320,378,082
Income	1	<u>(55,067,520)</u>	<u>(53,574,071)</u>
Net expenditure for the year		<u>280,335,788</u>	<u>266,804,011</u>
Non-capital funding – HSE notified for the year	11	(276,232,607)	(273,851,740)
Non-capital funding deferred	1(a)	<u>(3,437,000)</u>	<u>3,437,000</u>
Non-capital funding for the year		<u>(279,669,607)</u>	<u>(270,414,740)</u>
Deficit/(surplus) in year	1(a)	666,181	(3,610,729)
Cumulative non-capital deficit brought forward from previous year		<u>15,494,183</u>	<u>19,104,912</u>
Cumulative deficit of funding over net expenditure carried forward to following year	1(a)	<u>16,160,364</u>	<u>15,494,183</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 2021 have been included in the non-capital income and expenditure account.

The net deficit in the current year and surplus 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 23 May 2022.

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 23 May 2022

Signed: Lucy Nugent, Chief Executive Officer

Date: 23 May 2022

CAPITAL INCOME AND EXPENDITURE ACCOUNT
Year Ended 31 December 2021
Form 2

	Notes	2021 €	2020 €
Capital Income Sources			
HSE – Capital Grant	11	(12,041,671)	(17,675,763)
HSE – Capital equipment transferred	11	(588,882)	(1,789,913)
HSE – Non-Capital repayment of finance leases	1	(2,384,604)	(412,099)
HSE – Non-Capital expenditure on capital projects	1	(697,290)	-
Capital developments income	17	(337,179)	(398,146)
Grant from Tallaght University Hospital Foundation	22	-	(1,600,000)
Grants from other sources		(68,492)	(109,232)
Total capital income		(16,118,118)	(21,985,153)
Capital expenditure			
Land and buildings	13	697,290	19,306,098
Work in progress	13	8,145,006	1,168,297
Non-computer equipment	13	3,794,752	12,126,474
Computer equipment	13	1,475,918	831,847
Capital Expenditure - Capitalised		14,112,966	33,432,716
Capital Expenditure - Not Capitalised		184,832	31,072
Total capital expenditure		14,297,798	33,463,788
(Surplus)/deficit in year		(1,820,320)	11,478,635
Deficit/(surplus) brought forward from previous year		6,602,078	(4,876,557)
Closing capital deficit carried forward to the following year		4,781,758	6,602,078

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 2021 have been included in the non-capital income and expenditure account.

The net deficit in 2020 arises 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 2021 was €12,533,035 (2020: €14,917,639).

The net surplus in the current year and deficit 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 23 May 2022.

On behalf of the Board

Signed: Liam Dowdall, Chairperson **Date:** 23 May 2022

Signed: Lucy Nugent, Chief Executive Officer **Date:** 23 May 2022

BALANCE SHEET
As at 31 December 2021
Form 3

	Notes	2021 €	2020 €
Fixed assets			
Tangible assets	13	84,626,873	77,877,045
Current assets			
Debtors	14	53,325,231	31,368,154
Stocks	15	7,120,946	9,235,389
Cash in hand and bank balances		13,326,769	24,714,769
		<u>73,772,946</u>	<u>65,318,312</u>
Creditors - amounts falling due within one year:			
Creditors	16	(77,253,794)	(72,496,934)
Bank overdraft		(4,928,239)	-
Obligations under finance leases	20	(2,388,801)	(2,386,003)
		<u>(84,570,834)</u>	<u>(74,882,937)</u>
Net current liabilities		<u>(10,797,888)</u>	<u>(9,564,625)</u>
Total assets less current liabilities		73,828,985	68,312,420
Creditors - amounts falling due in more than one year			
Obligations under finance leases	20	(10,144,234)	(12,531,636)
		<u>63,684,751</u>	<u>55,780,784</u>
Capital and reserves			
Non-capital income and expenditure account - deficit		(16,160,364)	(15,494,183)
Capital income and expenditure account		(4,781,758)	(6,602,078)
Capitalisation account	18	84,626,873	77,877,045
		<u>63,684,751</u>	<u>55,780,784</u>

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 23 May 2022.

On behalf of the Board

Signed: Liam Dowdall, Chairperson **Date: 23 May 2022**

Signed: Lucy Nugent, Chief Executive Officer **Date: 23 May 2022**

CASH FLOW STATEMENT

For the year ended 31 December 2021

Form 4

	Notes	2021 €	2020 €
Net cash (outflow)/inflow from operating activities	19(a)	(9,400,858)	19,224,092
Returns on investment and servicing of finance			
Interest paid on bank balances		<u>(149,983)</u>	<u>(29,012)</u>
Net cash outflow from servicing of finance		<u>(149,983)</u>	<u>(29,012)</u>
Capital expenditure			
Fixed asset additions from capital	19(b)	(16,681,877)	(19,045,650)
Capital expenditure not capitalised		(184,832)	(31,072)
Fixed asset additions from non-capital	19(c)	(2,346,031)	(1,931,078)
Net cash outflow from capital expenditure		<u>(19,212,740)</u>	<u>(21,007,800)</u>
Net cash outflow before financing		(28,763,581)	(1,812,720)
Financing			
HSE capital grant received		12,041,671	19,056,311
Receipts from other sources		405,671	2,107,378
Finance lease repayment – HSE non-capital funding		<u>2,384,604</u>	<u>412,099</u>
Net cash inflow from financing		<u>14,831,946</u>	<u>21,575,788</u>
Net cash (outflow)/inflow		<u>(13,931,635)</u>	<u>19,763,068</u>
(Decrease)/increase in cash in hand and bank balances	20	(11,388,000)	13,554,628
(Increase)/decrease in bank overdrafts	20	(4,928,239)	5,796,341
Decrease in finance leases	20	2,384,604	412,099
Changes in net debt resulting from cash flow	20/21	<u>(13,931,635)</u>	<u>19,763,068</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details

	Notes	2021 €	2020 €
Pay			
Management and administration		27,999,468	25,942,943
Medical and dental (NCHD)		29,395,735	31,381,163
Medical and dental (consultants)		30,901,369	28,963,674
Nursing		68,379,419	63,134,453
Paramedical		31,154,170	29,475,458
Support services		22,907,962	20,886,385
Maintenance and technical		3,099,526	2,890,651
	8	<u>213,837,650</u>	<u>202,674,727</u>
Pension payments		11,967,707	12,110,879
Retirement lump sums		2,459,286	1,923,622
		<u>14,426,993</u>	<u>14,034,501</u>
Total pay		228,264,643	216,709,228
Non-pay			
Direct patient care			
Drugs and medicine		22,842,633	19,491,926
Blood		2,413,198	2,325,954
Medical gases		143,540	188,994
Medical and surgical supplies		21,525,473	23,099,319
Medical equipment	12	1,374,665	4,413,561
Medical equipment supplies		3,014,573	2,951,147
		<u>51,314,082</u>	<u>52,470,901</u>
Support services			
X-Ray imaging equipment	12	426,534	151,896
X-Ray imaging		2,102,702	2,152,496
Laboratory equipment	12	186,461	104,541
Laboratory supplies		6,961,418	7,701,188
Catering equipment		15,205	-
Catering		1,993,147	1,572,477
Light and heat		2,132,508	2,824,619
Cleaning and laundry		5,800,496	5,343,573
Furniture and hardware		341,266	365,601
Bedding and clothing		4,501,097	2,660,649
Maintenance		5,118,347	4,312,918
Travel and subsistence		340,959	422,655
Transport of patients		1,234,679	2,331,436
		<u>31,154,819</u>	<u>29,944,049</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details - continued

	Notes	2021 €	2020 €
Financial and administrative			
Finance lease repayments	20	2,384,603	412,099
Bank interest		149,983	29,012
Bank charges		44,114	22,928
Insurance	2	384,091	367,082
Audit		66,912	65,282
Legal		33,040	(62,900)
Office expenses		3,507,635	3,458,358
Office contracts		278,734	311,176
Computer and office equipment	12	343,167	688,206
Computer supplies		6,034,049	5,605,018
Professional services		1,562,516	2,259,239
Adjustment to Doubtful Debts Provision		3,826,151	3,132,991
Miscellaneous non-capital expenditure on capital projects	3	697,290	-
Miscellaneous	4	5,357,479	4,965,412
		<u>24,669,764</u>	<u>21,253,904</u>
Total non-pay		<u>107,138,665</u>	<u>103,668,854</u>
Total gross expenditure		<u>335,403,308</u>	<u>320,378,082</u>
Income			
Patient income			
In-patient	5	24,126,738	25,295,548
Out-patient	5	879,768	797,462
		<u>25,006,506</u>	<u>26,093,010</u>
Other income			
Superannuation		5,224,223	5,383,097
Pension Levy		4,963,799	5,008,684
Car park income and other payroll deductions		592,541	495,024
Road Traffic Accident (RTA) Receipts	10	368,956	246,827
Income from external agencies	6	9,989,190	6,649,687
Canteen Receipts		885,073	819,153
Other income	7	8,037,232	8,878,589
		<u>30,061,013</u>	<u>27,481,061</u>
Total income		<u>55,067,520</u>	<u>53,574,071</u>
Net expenditure	9	<u>280,335,788</u>	<u>266,804,011</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 1(a)	Notes	2021 €	2020 €
Allocation notified before once-off allocation	11	(276,232,607)	(273,851,740)
Allocation income deferred from 2020 to 2021		<u>(3,437,000)</u>	<u>3,437,000</u>
Allocation in year before once-off allocation		(279,669,607)	(270,414,740)
Net expenditure in year	1	<u>280,335,789</u>	<u>266,804,011</u>
Deficit/(surplus) in year		666,181	(3,610,729)
Cumulative deficit brought forward from previous year		<u>15,494,183</u>	<u>19,104,912</u>
Cumulative deficit carried forward to following year		<u>16,160,364</u>	<u>15,494,183</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.

The surplus in 2020 arose from once-off funding of €4m received in the allocation in respect of the acquisition of personal protective equipment as a result of COVID-19 which remained in stock at the year end.

Note 2 – Insurance	2021 €	2020 €
Public liability	17,233	18,478
Property	202,478	200,190
Board Members' and officers' liability	78,529	65,819
Other	39,391	36,134
Broker Fee	46,460	46,461
	<u>384,091</u>	<u>367,082</u>

Note 3 – Miscellaneous non-capital expenditure on capital projects	2021 €	2020 €
Building works to extend day surgery capacity	<u>697,290</u>	<u>-</u>

Note 4 – Miscellaneous expenses	2021 €	2020 €
Security and traffic management	2,669,138	1,663,730
Subscriptions	295,450	302,993
Education/training	748,297	963,915
Donation to Tallaght University Hospital Foundation	445,000	660,000
Other	1,199,594	1,374,774
	<u>5,357,479</u>	<u>4,965,412</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 5 – Analysis of patient income	2021	2020
	€	€
In-Patient		
Statutory in-patient charges	1,680,417	1,172,183
Private/semi-private	22,352,911	24,093,022
Other in-patient charges	93,410	30,343
	<u>24,126,738</u>	<u>25,295,548</u>
Out-patient		
Statutory accident and emergency charge	879,768	797,462
	<u>879,768</u>	<u>797,462</u>
Total patient income	<u>25,006,506</u>	<u>26,093,010</u>
Note 6 – Income from external agencies	2021	2020
	€	€
Children's Health Ireland	7,917,000	4,666,483
HSE psychiatric and other services	2,072,190	1,983,204
	<u>9,989,190</u>	<u>6,649,687</u>
Note 7 – Other income	2021	2020
	€	€
Primary Care Reimbursement Service – drug cost re-imbursed	6,294,405	3,682,587
HSE equipment transfer	-	3,427,126
Rents/licences	913,464	984,333
Other income	829,373	784,543
	<u>8,037,232</u>	<u>8,878,589</u>
Note 8 – Summary pay analysis	2021	2020
	€	€
Basic pay	162,230,085	152,249,734
Overtime	11,416,708	9,678,182
Premium pay	8,758,118	7,835,571
Shift allowance	215,966	226,567
Holiday/public holiday premiums	2,409,529	2,895,052
Higher degree	50,255	50,255
On call/standby	4,911,829	4,629,888
PRSI employer	19,185,969	18,203,725
Travel allowances	764,609	288,726
Other	3,804,583	6,617,057
	<u>213,837,650</u>	<u>202,674,727</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	2021 Number of Employees	2020 Number of Employees
60,000-69,999	437	406
70,000-79,999	179	158
80,000-89,999	92	91
90,000-99,999	46	47
100,000-109,999	28	19
110,000-119,999	25	23
120,000-129,999	13	12
130,000-139,999	10	6
140,000-149,999	12	10
150,000-159,999	10	13
160,000-169,999	9	10
170,000-179,999	9	14
180,000-189,999	11	9
190,000-199,999	14	10
200,000-209,999	10	6
210,000-219,999	10	6
220,000-229,999	17	6
230,000-239,999	6	7
240,000-249,999	8	10
250,000-269,999	4	6
260,000-259,999	4	3
270,000-279,999	2	6
280,000-289,999	1	3
290,000-299,999	1	3
300,000-309,999	-	1
310,000-319,999	1	4
330,000-339,999	-	2
360,000-369,999	-	1
400,000-409,999	-	1
Total Employees	959	893

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 9 - Reconciliation of expenditure to cost of services	Notes	2021 €	2020 €
Net expenditure - current year	1	280,335,788	266,804,011
Deduct:			
Purchase of equipment from non-capital	12	(2,346,031)	(5,358,205)
Funding of capital project from non-capital	3	(697,290)	-
Finance lease repayments - principal	20	(2,384,603)	(412,099)
Total deductions		<u>(5,427,924)</u>	<u>(5,770,304)</u>
Sub-total		274,907,864	261,033,707
Add back:			
Depreciation charge for the year	13	<u>9,709,169</u>	<u>7,820,287</u>
Net running cost of service		<u>284,617,033</u>	<u>268,853,994</u>
Note 10 – Road traffic accident memo account		2021 €	2020 €
Balance at 1 January		7,952,035	6,946,116
Bills issued in respect of the year		610,204	1,262,186
Less cash received during the year		(368,956)	(246,827)
Less cash received re paediatric balances		<u>(21,429)</u>	<u>(9,440)</u>
Balance at 31 December		<u>8,171,853</u>	<u>7,952,035</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	2021 €	2020 €
Non-capital			
Allocation in year	1(a)	276,232,607	273,851,740
Less remittances from HSE Non-Capital		(239,941,011)	(257,336,711)
Balance due from HSE in respect of the year		36,291,596	16,515,029
Balance due from HSE re previous years as at 1 January		16,515,029	28,577,739
Less remittances from HSE in year re previous years		(16,515,029)	(25,894,728)
Reduce amount due from HSE re consultants back pay		-	(2,683,011)
Balance due from HSE re previous years as at 31 December		-	-
Total balance of non-capital funding due from HSE	14	36,291,596	16,515,029
Capital			
Total capital grants notified by HSE for the year		12,630,553	19,465,677
Less remittances from HSE Capital in the year		(12,041,671)	(17,656,356)
Less capital equipment transferred in the year		(588,882)	(1,789,913)
Balance due from HSE in respect of the year		-	19,408
Balance due from HSE re previous years as at 1 January		30,522	1,411,069
Less remittances from HSE in year re previous years		-	(1,399,955)
Balance due to HSE re previous years as at 31 December		30,522	11,114
Total balance of capital funding due from HSE	14	30,522	30,522
Gross total due from HSE Capital and Non-Capital	14	36,322,118	16,545,551

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 12 – Purchase of equipment from non-capital account (capitalised)	Note	2021 €	2020 €
Medical equipment		1,374,665	4,413,561
X-Ray imaging equipment		426,534	151,896
Laboratory equipment		186,461	104,541
Catering equipment		15,205	-
Computer equipment		315,058	600,665
Office equipment		28,108	87,541
	9	<u>2,346,031</u>	<u>5,358,204</u>

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

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 2020	61,016,057	1,580,373	70,038,917	12,343,369	14,251,838	159,230,554
Transfer from work in progress	-	(496,509)	36,841	-	459,668	-
Additions from capital	697,290	8,145,006	3,794,752	-	1,475,918	14,112,966
Additions from non-capital	-	-	2,030,973	-	315,058	2,346,031
Write-offs in year	-	-	(4,620,420)	-	(616,198)	(5,236,618)
At 31 December 2021	61,713,347	9,228,870	71,281,063	12,343,369	15,886,284	170,452,933
Accumulated depreciation						
At 31 December 2020	(9,516,823)	-	(46,586,376)	(12,343,369)	(12,906,941)	(81,353,509)
Depreciation charge for year	(2,389,552)	-	(5,876,771)	-	(1,442,846)	(9,709,169)
Write-offs in year	-	-	4,620,420	-	616,198	5,236,618
At 31 December 2021	(11,906,375)	-	(52,463,147)	(12,343,369)	(14,349,787)	(91,062,678)
Carrying amount						
At 31 December 2021	49,806,972	9,228,870	23,438,336	-	2,152,695	84,626,873
At 31 December 2020	51,499,134	1,580,373	23,452,541	-	1,344,897	77,877,045

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 2021 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 2021, the Hospital wrote-off assets with cost valuation of €5,236,618 (2020: €3,898,491) for assets that are no longer in use. These assets had been fully depreciated at 31 December 2020 and 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 14 – Debtors	Note	2021 €	2020 €
HSE – revenue grants due	11	36,291,596	16,515,029
HSE - capital grants due	11	30,522	30,522
HSE – debtors	11	<u>36,322,118</u>	<u>16,545,551</u>
Patient debtors		27,728,121	21,693,354
Less provision for bad and doubtful debts		<u>(15,451,557)</u>	<u>(12,075,925)</u>
Net patient debtors		12,276,564	9,617,429
Other debtors		<u>4,726,549</u>	<u>5,205,174</u>
Non HSE debtors		<u>17,003,113</u>	<u>14,822,603</u>
		<u>53,325,231</u>	<u>31,368,154</u>
Note 15 – Stocks		2021 €	2020 €
Pharmacy		1,958,427	2,058,162
Medical and surgical supplies		2,755,207	2,843,497
Other		<u>2,407,312</u>	<u>4,333,730</u>
		<u>7,120,946</u>	<u>9,235,389</u>
Note 16 – Creditors		2021 €	2020 €
Creditors – capital		1,261,177	2,034,366
Creditors – non-capital		59,987,799	58,234,509
Designated funds		7,895,026	4,843,394
Wages and salaries (payroll deductions)		1,167,384	1,048,987
PAYE/PRSI		<u>6,942,408</u>	<u>6,335,678</u>
		<u>77,253,794</u>	<u>72,496,934</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 17 – Capital developments reserve	2021	2020
	€	€
Balance at start of year	4,246,160	3,848,014
Surplus income earned from car park	337,179	398,146
Balance at end of year	<u>4,583,339</u>	<u>4,246,160</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	2021	2020
	€	€
Balance at start of the year	77,877,045	46,906,412
Additions		
Capital expenditure	14,112,966	33,432,716
Non-capital expenditure	2,346,031	5,358,204
	<u>16,458,997</u>	<u>38,790,920</u>
Less:		
Depreciation for the year	(9,709,169)	(7,820,287)
	<u>84,626,873</u>	<u>77,877,045</u>

Note 19 - Note to the cash flow statement	2021	2020
	€	€

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

Deficit non-capital	(16,160,364)	(15,494,183)
Less deficit brought forward	15,494,183	19,104,912
(Deficit)/surplus for the current year	(666,181)	3,610,729
Add back repayment of finance lease charged against non-capital	2,384,604	412,099
Add back additions of equipment from non-capital	2,346,031	5,358,204
Add back non-capital expenditure on capital projects	697,290	-
Adjustment re-equipment transferred from HSE	-	(3,427,126)
Add back all interest charges against non-capital	149,983	29,012
Decrease/(increase) in stocks	2,114,443	(4,218,517)
(Increase)/decrease in HSE debtors non-capital	(19,776,567)	12,062,710
Increase in non-HSE debtors	(2,180,510)	(119,731)
Increase in non-capital creditors	5,530,049	5,516,712
Net cash (outflow)/inflow from operating activities	<u>(9,400,858)</u>	<u>19,224,092</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 19 - Note to the cash flow statement - continued	2021 €	2020 €
Note 19 (b) Fixed asset additions from capital		
Fixed asset additions from capital	(14,112,966)	(33,432,716)
Add back assets transferred from HSE Capital	588,882	1,789,913
Decrease in capital creditors	(773,189)	(2,320,486)
(Decrease)/increase in finance lease obligations	(2,384,604)	14,917,639
Fixed asset additions from capital	(16,681,877)	(19,045,650)

Note 19 (c) Fixed asset additions from non-capital

Fixed asset additions from non-capital	(2,346,031)	(5,358,204)
Add back assets transferred from HSE	-	3,427,126
Fixed asset additions from non-capital	(2,346,031)	(1,931,078)

Note 20 - Analysis of changes in net debt

	At 31 December 2021 €	Cash flows €	At 31 December 2020 €
Cash in hand and bank balances	13,326,769	(11,388,000)	24,714,769
Bank overdraft	(4,928,239)	(4,928,239)	-
	<u>8,398,530</u>	<u>(16,316,239)</u>	<u>24,714,769</u>
Finance leases – within one year	(2,388,801)	(2,798)	(2,386,003)
Finance leases – two to five years	(8,422,020)	1,031,328	(9,453,348)
Finance leases – after five years	(1,722,214)	1,356,074	(3,078,288)
	<u>(12,533,035)</u>	<u>2,384,604</u>	<u>(14,917,639)</u>
	<u>(4,134,505)</u>	<u>(13,931,635)</u>	<u>9,797,130</u>

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

	2021 €	2020 €
(Decrease)/increase in cash in the year	(16,316,239)	19,350,969
Net cash inflow from decrease in net debt	2,384,604	412,099
Changes in net debt resulting from cash flow	<u>(13,931,635)</u>	<u>19,763,068</u>
New finance leases taken out in the year	-	(15,329,738)
Net funds at beginning of the year	9,797,130	5,363,800
Net (debt)/funds at end of the year	<u>(4,134,505)</u>	<u>9,797,130</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:

	2021 €	2020 €
National Children's Hospital		
Balance due from National Children's Hospital at start of year	17,597	13,195
Salary recouplements receivable	26,432	-
Grants receivable re non-pay	-	82,063
Receipts	-	(77,661)
Balance due from National Children's Hospital at end of year	<u>44,029</u>	<u>17,597</u>
Meath Foundation		
Balance due from Meath Foundation at start of year	(6,570)	14,888
Salary recouplements receivable	25,919	145,519
Grants receivable re non-pay	182,095	50,926
Receipts	-	(217,903)
Balance due from/(to) Meath Foundation at end of year	<u>201,444</u>	<u>(6,570)</u>
Adelaide Hospital Society		
Balance due from Adelaide Hospital Society at start of year	-	35,405
Grants receivable re non-pay	61,938	94,360
Receipts	(20,577)	(129,765)
Balance due from Adelaide Hospital Society at end of year	<u>41,361</u>	<u>-</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 €0.445m during 2021 (2020: €0.66m), 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:

	2021 €	2020 €
Tallaght University Hospital Foundation		
Balance due from TUHF at start of year	5,000	11,500
Initial period donation payable to TUHF	(445,000)	(660,000)
Donations receivable re non-pay	1,378,407	1,731,954
Receipts	(1,363,407)	(1,738,454)
Payments made	445,000	660,000
Balance due from TUHF at end of year	<u>20,000</u>	<u>5,000</u>

The donations received from TUHF in 2021 include €0.8m in respect of a CT scanner to be acquired in 2022 and €0.4m (2020: €1.6m) in respect of the robotic assisted surgery system acquired in 2020.

Note 23 – Capital commitments

At 31 December 2021 the Hospital had capital commitments of €15.3m (2020: €23.5m) of which €11.5m (2020: €17.6m) 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 €0.7m for 2021 has resulted in net current liabilities of €10.8m and an accumulated deficit on the Hospital's non-capital income and expenditure account of €16.2m at 31 December 2021.

The Hospital's current revenue allocation from the HSE for 2022 is €266.6 million, which represents a reduction of €13.7 million (4.9%) when compared to the outturn of €280.3m for 2021. 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 2022 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 2022 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 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

NOTES TO THE FINANCIAL STATEMENTS - continued

from COVID-19, cyber-attack and war, the Hospital 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	2021	2020
	€	€
Board Members' fees		
Reimbursement of expenses paid to Board Members	-	28
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>154,913</u>	<u>152,255</u>
Chief Executive Officer's travel and subsistence	<u>568</u>	<u>201</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:

	2021	2020
	€	€
Less than one year	730,000	728,022
Between two and five years	2,742,882	2,831,442
Over five years	2,278,936	2,920,376
	<u>5,751,818</u>	<u>6,479,840</u>

Note 27 – Comparative amounts

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