

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

Annual Financial Statements

Year Ended 31 December 2020

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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)
Prof. P Barker (retired December 2019, re-appointed March 2020)
Prof. AM Brady
Dr V Byers (appointed December 2020)
Mr E Fleming
Mr J Hennessy (appointed March 2020)
Prof. K Monks
Dr D Ó Ciardha
Archdeacon D Pierpoint
Mr D Seaman (resigned October 2020)
Mrs M Shields
Mr M Varian

Executives in attendance

Ms L Nugent (CEO)
Mr D Carter
Mr J Kelly
Ms S Larkin
Prof. P Lavin
Ms Á Lynch
Prof. J Quinlan
Prof. P Ridgway
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 2020

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 Ireland's largest acute teaching hospitals, providing adult, psychiatric and age-related healthcare on one site. With 593 adult beds, 12 theatres and 14 Critical Care beds in operation, the Hospital employs 3,100 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 catered for over 48,600 attendances in 2020 and in excess of 227,800 patients were treated through the Hospital's adult outpatient clinics in 2020.

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. Construction of the centre commenced in 2019 and is due for completion in 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 2020 €0.66m was provided by the Hospital to the TUHF under this arrangement. In addition to contributions to ease the effect of COVID-19 on staff and patients, the TUHF in 2020 donated €1.6m in respect of a robotic assisted surgery system which improves patient outcomes and provides enhanced efficiency.

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.

The number of Adult Emergency Department (ED) attendances decreased by 7% in 2020, bringing the total to over 48,680. The decline in presentations was largely due to COVID-19 and it is expected that there will be a return to increased presentations in the second half of 2021. While the number of patients over 75 years of age

BOARD MEMBERS' REPORT - continued

presenting to ED fell in 2020, the number of patients in that age category being admitted increased by 5% with the admission rate for that patient category increasing from 54% to 59%. The Gerontological Emergency Department Intervention (GEDI) team continues to work in the ED focusing on the needs of their patients, with an enhancement in that service expected in 2021.

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 using surge capacity for most of 2020. 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 work was curtailed for most of 2020 due to the COVID-19 pandemic. As a result there were 227,888 adult outpatient attendances in 2020, down 9% from 2019. The outpatients department report that patients are using tele-medicine as well as face to face appointments. The Hospital continued to face challenges in meeting the referral rate resulting in a growth in the waiting list and has worked closely with the 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. This however has been a challenge due to COVID-19 and is likely to remain so for the majority of 2021.

Despite COVID-19, the development of new services remains a priority for the Hospital. All new units that were due to open in 2020 opened on time and within budget. The Community Radiology Unit opened in early March and is expected to carry out 16,000 procedure in a full year, with further modalities being added in 2021 and 2022. The Vartry Renal Unit opened in late October, significantly increasing the capacity of the dialysis service in TUH. Upon opening, the number of active dialysis stations went from 14 to 20. It is expected that the number of active dialysis station will increase further in 2021 to 34 stations. The Reeves Day Surgery Centre opened in early December. This new unit will radically change day case surgery in TUH with three new theatres commissioned upon opening and a fourth theatre planned for commissioning in mid-2021. When fully operational this will significantly reduce the waiting list for patients. Lastly, the Tymon North facility with 52 beds opened in early December. This facility 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.

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 Mr D Seaman resigned October 2020, replaced by Dr V Byers December 2020);
- 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 appointed March 2020); and
- two members appointed by the Minister for Health on the nomination of the Hospital Board (Prof K Monks 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.

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.

BOARD MEMBERS' REPORT - continued

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 one such payment made in 2020.

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 has specific functions in assisting the Hospital Board to fulfil its oversight responsibilities.

The **Audit Committee** (AC) for the year ended 31 December 2020 comprised Prof Patricia Barker (Chairperson and member of Board, retired December 2019, re-appointed March 2020), Mr. Seán Quigley, Mr. Peter Dennehy, Ven David Pierpoint (member of the Board) and Ms Darina Barrett (appointed as an external member of AC, in October 2020) and in attendance is 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 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 eight meetings during 2020 (9 in 2019), including two meetings held jointly with the QSRM.

BOARD MEMBERS' REPORT - continued

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. These included, for example, officers from the Procurement, GDPR, IT and Data Processing Departments. Additionally, the CEO attended to assure the AC on matters of control and risk relating to COVID-19. Due to the pandemic, meetings of AC were conducted virtually during the year.

The **Finance Committee** comprises of Mr Edward Fleming (Chairperson and member of the Board), Mr Mark Varian (Board Member), Mr Declan Lyons (resigned from the Committee in July 2020), Mr. Robert Ryder (appointed March 2020) and Mr. Robert Henderson (appointed September 2020) and in attendance is 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 2020 the Finance Committee met on eight occasions and reviewed the financial projection for the Hospital, the financial allocation and the capital planning process.

The **Staff and Organisation Development Committee (SODC)** comprises of Prof Kathy Monks (Chairperson and member of Board), Mrs Mairéad Shields (Board Member), Mr Brendan Mulligan and Mr Martin Leavy, Ms Claire Cusack (appointed September 2020) and in attendance is 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.

During 2020 the Committee signed off 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

In 2020 the Committee had five meetings and were updated on the SODC work-plan, on-going legal cases, compliance with the European Working Time Directive, Consultant Contract Compliance, HR Initiatives and

BOARD MEMBERS' REPORT - continued

Staff Engagement, Staff Learning and Development, TUH Healthy Ireland initiatives and Staff Health & Wellbeing.

The **Quality, Safety and Risk Management Committee (QSRM)** comprises of Mrs Mairéad Shields (Chairperson and member of Board), Prof. Anne-Marie Brady (Board Member), Dr Darach Ó Ciardha (Board Member), Dr Declan Daly and Dr Gerard O'Connor and in attendance is Prof. Catherine Wall, Director of Quality, Safety & Risk Management. 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 four occasions in 2020 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 2020 comprised Mr Liam Dowdall (Chairperson and Chairperson of the Hospital Board), Mr David Seaman (Vice Chair and member of the Board resigned in October 2020), Mr. John Hennessy (Board Member appointed March 2020), Mr Sean McGlynn (external member) and Ms Gabrielle Ryan (external member appointed May 2020) 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.

BOARD MEMBERS' REPORT - continued

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 five times during the year 2020.

The requirement for the HSE Annual Compliance Statement (ACS) came into effect on 1 January 2014 and applies to the Hospital's 2020 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 2020 (re 2019). The Hospital will submit the ACS in May 2021 (re 2020).

FINANCIAL REVIEW

The below table summarises the financial outturn for 2020.

Total	2020	2019	Movement	
	Total	Total	€'000	%
	€'000	€'000		
HSE Allocation notified	273,852	246,475	27,377	11.1%
Income deferred at year end	(3,437)	-		
Retrospective once-off allocation	-	(5,637)		
	<u>270,415</u>	<u>240,838</u>		
Allocation received re PPE not yet consumed	(4,010)	-		
HSE Allocation excluding once-off income for PPE not yet consumed	<u>266,405</u>	<u>240,838</u>	25,567	10.6%
Net expenditure in year	266,804	240,842	25,962	10.8%
HSE Allocation excluding once-off allocations	<u>(266,405)</u>	<u>(240,838)</u>		
Net deficit re current year before additional allocations	399	4		
Allocation received re PPE not yet consumed	(4,010)	-		
Retrospective once-off allocation	-	(5,637)		
Net surplus in year	<u>(3,611)</u>	<u>(5,633)</u>		
Cumulative deficit	<u>15,494</u>	<u>19,105</u>		

BOARD MEMBERS' REPORT - continued

In 2020, the Hospital received an allocation of €273.9m which was an increase of €27.3m (11.1%) on the final allocation for 2019. Of this allocation €3.4m has been deferred to the following year as it relates to specific costs which have not been incurred at December 2020, resulting in an allocation of €270.4m for the year. This allocation includes €4m in respect of funding received for COVID-19 personal protective equipment (PPE) which remained in stock at the year end. The financial performance of the Hospital demonstrated a deficit of €0.4m against the comparable HSE allocation excluding the funding received for this PPE remaining in stock. A surplus of €3.6m results in 2020 when taking account of this PPE funding leading to a reduction in the cumulative deficit to €15.5m at 31 December 2020. The surplus in 2020 will be eliminated in future years as the stock of PPE is consumed.

As a result of the COVID-19 pandemic the Hospital incurred additional costs of €26.1m in 2020 which were funded in full in the HSE allocation. These additional costs can be broken down into increased pay costs of €8.3m, increased non-pay costs of €9.9m including the PPE of €4m still in stock and loss of income of €7.9m.

In 2020 the Hospital saw the net expenditure increase by €26m (10.8%) when compared with 2019.

Expenditure	2020	2019	Movement	%
	€'000	€'000	€'000	
Pay	216,709	201,611	15,098	7.5%
Non-pay	104,580	97,930	6,650	6.8%
Gross expenditure	321,289	299,541	21,748	7.3%
Income	(54,485)	(58,699)	4,214	-7.2%
Net expenditure	266,804	240,842	25,962	10.8%

Total pay costs in 2020 increased by €15m (7.5%) compared to 2019 of which COVID-19 related pay costs amounted to €8.3m. The remaining increased costs can be attributed to national wage agreement pay restoration costs (€3.17m), enhanced nursing pay scales (€2.5m), consultants' agreements (€1m) and pay increments.

Non-pay expenditure increased by €6.6m (6.8%) in 2020. This increase can be attributed to COVID-19 non-pay costs incurred of €5.9m exclusive of PPE still in stock and additional medical equipment of €3.4m transferred from the HSE. These increased costs are partly offset by reduced direct patient care costs due to lower non-COVID-19 general activity levels.

Income year on year has fallen by €4.2m due to the impact of reduced capacity due to COVID-19 restrictions.

Income	2020	2019	Movement	%
	€'000	€'000	€'000	
Patient income	26,093	31,730	(5,637)	-17.8%
Superannuation and Pension Levy	10,392	10,551	(159)	-1.5%
Income from external agencies	7,561	10,524	(2,963)	-28.2%
Miscellaneous Income	10,439	5,894	4,545	77.1%
	54,485	58,699	(4,214)	-7.2%

Patient income reduced in 2020 due to reduced activity arising from patient admission cancellations and the use of private facilities for the isolation and treatment of COVID-19 patients.

The decrease in income from external agencies reflects Children's Health Ireland moving off-site for five months during the year in order to enable the use by the Hospital of the paediatric facilities to cope with the level of COVID-19 patients.

The negative impact of COVID-19 on the patient income has been partly offset due to an increase in miscellaneous income from other sources. As part of the COVID-19 response, in addition to the allocation,

BOARD MEMBERS' REPORT - continued

during 2020 the HSE also purchased equipment valued at €3.4m directly and transferred this to the Hospital without charge.

Capital projects in 2020 reflect campus developments including the completion of the new renal unit and opening of the off-site Reeves Day Surgery Centre in late 2020 and the commencement of the building work on the new critical care unit. During the year we acquired significant additional equipment to meet COVID-19 requirements and medical equipment replacement. During 2020 the Hospital received a donation of €1.6m from the Tallaght University Hospital Foundation to enable the purchase of a robotic assisted surgery system.

The Hospital continued the extension of our 'Scan4Safety' project in 2020 and at the end of the year had complete traceability of items used during surgical procedures in four surgical theatres, our new off-site day surgery and our catheterisation laboratory. 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 and is currently in the process of developing an online Edge4Health virtual product catalogue.

GOING CONCERN

The Hospital is funded by means of an annual revenue allocation from the Health Service Executive ("HSE"). The surplus of €3,610,729 for 2020 has resulted in net current liabilities of €9,564,625 and an accumulated deficit on the Hospital's non-capital income and expenditure account of €15,494,183 at 31 December 2020.

The Hospital's current revenue allocation from the HSE for 2021 is €243 million, which represents a reduction of €24 million (9%) when compared to the outturn for 2020. As a result of the COVID-19 pandemic the Hospital incurred additional costs of €26 million in 2020 which were funded in full in the HSE allocation. The continuing high incidence of COVID-19 is expected to give rise to continued additional costs in 2021 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 2021 and dealing with the accumulated deficit.

The bank-overdraft facility is authorised by the HSE.

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 has identified and considered risks and the mitigations associated with COVID-19 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, 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.

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

BOARD MEMBERS' REPORT - continued

- (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 have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 26 May 2021

Signed: Patricia Barker, Board Member

Date: 25 May 2021

**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2020**

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: 26 May 2021

Signed: Patricia Barker, Board Member

Date: 25 May 2021

**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 2020 and of the result 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 29, including a summary of significant accounting policies as 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

We draw attention to Note 25 in the financial statements, which indicates that at 31 December 2020 the Hospital had net current liabilities of €9,564,625 and the Hospital's non-capital income and expenditure account accumulated deficit is €15,494,183. As stated in Note 25, these events or conditions, along with other matters as set forth in Note 25, 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.

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.

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

Responsibilities of 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 judgment and maintain professional scepticism throughout the audit. We also:

- 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 directors.
- 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD 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 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.

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

Date: 27 May 2021

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020 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 39, 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 2020 and its income and expenditure and cash flow for the year then ended.

Signed: Liam Dowdall, Chairperson

Date: 26 May 2021

Signed: Lucy Nugent, Chief Executive Officer

Date: 25 May 2021

STATEMENT OF ACCOUNTING POLICIES

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:

Land

Depreciation is not charged on land.

Buildings

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.

NON-CAPITAL INCOME AND EXPENDITURE ACCOUNT
 Year Ended 31 December 2020
 Form 1

	Notes	2020 €	2019 €
Pay			
Salaries	1	202,674,727	188,159,335
Superannuation and gratuities	1	14,034,501	13,452,065
		216,709,228	201,611,400
Non-Pay			
Direct Patient Care	1	53,381,820	51,126,753
Support Services	1	29,549,099	26,995,060
Financial and Administrative	1	21,648,854	19,808,590
		104,579,773	97,930,403
Gross expenditure for the year		321,289,001	299,541,803
Income	1	(54,484,990)	(58,699,674)
Net expenditure for the year		266,804,011	240,842,129
Non-capital funding – HSE notified for the year	11	(273,851,740)	(246,475,544)
Non-capital funding deferred	1(a)	3,437,000	-
Non-capital funding for the year		(270,414,740)	(246,475,544)
Surplus in year	1(a)	(3,610,729)	(5,633,415)
Cumulative non-capital deficit brought forward from previous year		19,104,912	24,738,327
Deficit of funding over net expenditure carried forward to following year	1(a)	15,494,183	19,104,912

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 2020 have been included in the non-capital income and expenditure account.

The net surplus in the current year and 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 24 May 2021.

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 26 May 2021

Signed: Lucy Nugent, Chief Executive Officer

Date: 25 May 2021

CAPITAL INCOME AND EXPENDITURE ACCOUNT
Year Ended 31 December 2020
Form 2

	Notes	2020 €	2019 €
Capital Income Sources			
HSE – Capital Grant	11	(17,675,763)	(13,033,247)
HSE – Capital equipment transferred	11	(1,789,913)	-
HSE – Non-Capital repayment of finance leases	1	(412,099)	-
Capital developments income	17	(398,146)	(1,313,242)
Grant from Tallaght University Hospital Foundation	22	(1,600,000)	-
Grants from other sources		(109,232)	(109,995)
Total capital income		(21,985,153)	(14,456,484)
Capital expenditure: Capitalised			
Land and buildings	13	19,306,098	-
Work in progress	13	1,168,297	9,819,284
Non-computer equipment	13	12,126,474	3,433,655
Computer equipment	13	831,847	422,586
Capital Expenditure - Capitalised		33,432,716	13,675,525
Capital Expenditure - Not Capitalised		31,072	50,000
Total capital expenditure		33,463,788	13,725,525
Deficit/(surplus) in year		11,478,635	(730,959)
Opening surplus carried forward from the previous year		(4,876,557)	(4,145,598)
Closing deficit/(surplus) carried forward to the following year		6,602,078	(4,876,557)

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 2020 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 year end was €14,917,639.

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 24 May 2021.

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 26 May 2021

Signed: Lucy Nugent, Chief Executive Officer

Date: 25 May 2021

BALANCE SHEET
As at 31 December 2020
Form 3

	Notes	2020 €	2019 €
Fixed assets			
Tangible assets	13	77,877,045	46,906,412
Current assets			
Debtors	14	31,368,154	44,691,680
Stocks	15	9,235,389	5,016,872
Cash in hand and bank balances		24,714,769	11,160,141
		65,318,312	60,868,693
Creditors - amounts falling due within one year:			
Creditors	16	(72,496,934)	(69,300,707)
Bank overdraft		-	(5,796,341)
Obligations under finance leases	20	(2,386,003)	-
		(74,882,937)	(75,097,048)
Net current liabilities			
		(9,564,625)	(14,228,355)
Total assets less current liabilities			
		68,312,420	32,678,057
Creditors - amounts falling due in more than one year			
Obligations under finance leases	20	(12,531,636)	-
		55,780,784	32,678,057
Capital and reserves			
Non-capital income and expenditure account - deficit		(15,494,183)	(19,104,912)
Capital income and expenditure account		(6,602,078)	4,876,557
Capitalisation account	18	77,877,045	46,906,412
		55,780,784	32,678,057

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 24 May 2021.

On behalf of the Board

Signed: Liam Dowdall, Chairperson

Date: 26 May 2021

Signed: Lucy Nugent, Chief Executive Officer

Date: 25 May 2021

CASH FLOW STATEMENT
 For the year ended 31 December 2020
 Form 4

	Notes	2020 €	2019 €
Net cash inflow from operating activities	19(a)	18,811,993	9,233,578
Returns on investment and servicing of finance			
Interest paid on loans and overdrafts		<u>(29,012)</u>	<u>(53,365)</u>
Net cash outflow from servicing of finance		<u>(29,012)</u>	<u>(53,365)</u>
Capital expenditure			
Fixed asset additions from capital	19(b)	(19,045,650)	(9,440,116)
Capital expenditure not capitalised		(31,072)	(50,000)
Fixed asset additions from non-capital	19(c)	(1,931,078)	(1,803,238)
Net cash outflow from capital expenditure		<u>(21,007,800)</u>	<u>(11,293,354)</u>
Net cash outflow before financing		(2,224,819)	(2,113,141)
Financing			
HSE capital grant received		19,056,311	11,754,630
Receipts from other sources		2,107,378	1,423,237
Finance lease repayment - capital		412,099	-
Net cash inflow from financing		<u>21,575,788</u>	<u>13,177,867</u>
Net cash inflow		<u>19,350,969</u>	<u>11,064,726</u>
Increase in cash in hand and bank balances	20	13,554,628	6,515,249
Decrease in bank loans under 1 year and overdrafts	20	5,796,341	4,549,477
Changes in net debt		<u>19,350,969</u>	<u>11,064,726</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details

	Notes	2020 €	2019 €
Pay			
Management and administration		25,942,943	24,647,663
Medical and dental (NCHD)		31,381,163	26,431,878
Medical and dental (consultants)		28,963,674	28,035,345
Nursing		63,134,453	59,003,900
Paramedical		29,475,458	27,298,183
Support services		20,886,385	19,975,917
Maintenance and technical		2,890,651	2,766,449
	8	<u>202,674,727</u>	<u>188,159,335</u>
Pension payments		12,110,879	11,452,073
Lump sums		1,923,622	1,999,992
		<u>14,034,501</u>	<u>13,452,065</u>
Total pay		216,709,228	201,611,400
Non-pay			
Direct patient care			
Drugs and medicine		20,402,845	21,312,557
Blood		2,325,954	2,550,728
Medical gases		188,994	234,905
Medical and surgical supplies		23,099,319	25,197,050
Medical equipment	12	4,413,561	952,713
Medical equipment supplies		2,951,147	878,800
		<u>53,381,820</u>	<u>51,126,753</u>
Support services			
X-Ray imaging equipment	12	151,896	112,186
X-Ray imaging		2,152,496	2,173,592
Laboratory equipment	12	104,541	127,414
Laboratory supplies		7,701,188	7,409,397
Catering		1,572,477	1,563,955
Light and heat		2,429,669	1,960,918
Cleaning and laundry		5,343,573	5,373,643
Furniture and hardware		365,601	277,585
Bedding and clothing		2,660,649	1,992,826
Maintenance		4,312,918	3,911,078
Travel and subsistence		422,655	267,788
Transport of patients		2,331,436	1,824,678
		<u>29,549,099</u>	<u>26,995,060</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Non-capital income and expenditure - details - continued	Notes	2020 €	2019 €
Financial and administrative			
Finance lease repayments – principal element	20	412,099	-
Bank interest		29,012	53,365
Bank charges		22,928	41,310
Insurance	2	367,082	374,474
Audit		65,282	64,483
Legal		(62,900)	540,764
Office expenses		3,853,309	3,926,657
Office contracts		311,176	299,113
Computer and office equipment	12	688,206	1,190,843
Computer supplies		5,605,018	3,094,462
Professional services		2,259,239	2,914,947
Adjustment to Doubtful Debts Provision		3,132,991	2,633,085
Miscellaneous	4	4,965,412	4,675,087
		<u>21,648,854</u>	<u>19,808,590</u>
Total non-pay		<u>104,579,773</u>	<u>97,930,403</u>
Total gross expenditure		<u>321,289,001</u>	<u>299,541,803</u>
Income			
Patient income			
In-patient	5	25,295,548	30,284,121
Out-patient	5	797,462	915,813
		<u>26,093,010</u>	<u>31,199,934</u>
Other income			
Superannuation		5,383,097	5,258,662
Pension Levy		5,008,684	5,293,002
Car park income and other payroll deductions		495,024	572,440
Road Traffic Accident (RTA) Receipts	10	246,827	529,921
Income from external agencies	6	7,560,606	10,523,896
Canteen Receipts		819,153	905,100
Other income	7	8,878,589	4,416,719
		<u>28,391,980</u>	<u>27,499,740</u>
Total income		<u>54,484,990</u>	<u>58,699,674</u>
Net expenditure	9	<u>266,804,011</u>	<u>240,842,129</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 1(a)	Note	2020 €	2019 €
Allocation notified before once-off allocation	11	(273,851,740)	(240,838,544)
Allocation income deferred		3,437,000	-
Allocation in year before once-off allocation		(270,414,740)	(240,838,544)
Net expenditure in year	1	266,804,011	<u>240,842,129</u>
(Surplus)/deficit in year before once-off allocation		(3,610,729)	3,585
Retrospective once-off allocation	11	-	<u>(5,637,000)</u>
Surplus in year after once-off allocation		(3,610,729)	(5,633,415)
Cumulative deficit brought forward from previous year		19,104,912	<u>24,738,327</u>
Cumulative deficit carried forward to following year		15,494,183	<u>19,104,912</u>

HSE income of €3,437,000 notified in 2020 was deferred to the following year 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.

The retrospective once-off allocation of €5,637,000 received in 2019 relates to the 2018 deficit on adult activity carried forward.

Note 2 – Insurance	2020 €	2019 €
Public liability	18,478	18,478
Property	200,190	200,457
Board Members' and officers' liability	65,819	64,394
Other	36,134	35,929
Broker Fee	46,461	55,216
	367,082	<u>374,474</u>

Note 3 – Miscellaneous non-capital expenditure on capital projects

Not applicable

Note 4 – Miscellaneous expenses	2020 €	2019 €
Security and traffic management	1,663,730	1,508,226
Subscriptions	302,993	320,107
Education/training	963,915	1,149,419
Donation to Tallaght University Hospital Foundation	22	660,000
Other	1,374,774	1,177,335
	4,965,412	<u>4,675,087</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 5 – Analysis of patient income	2020	2019
	€	€
In-Patient		
Statutory in-patient charges	1,172,183	1,464,160
Private/semi-private	24,093,022	28,657,037
Other in-patient charges	30,343	162,924
	<u>25,295,548</u>	<u>30,284,121</u>
Out-patient		
Statutory accident and emergency charge	797,462	915,813
	<u>797,462</u>	<u>915,813</u>
Total patient income	<u>26,093,010</u>	<u>31,199,934</u>
Note 6 – Income from external agencies	2020	2019
	€	€
Childrens' Health Ireland	4,666,483	7,522,617
HSE psychiatric and other services	2,894,123	3,001,279
	<u>7,560,606</u>	<u>10,523,896</u>
Note 7 – Other income	2020	2019
	€	€
Primary Care Reimbursement Service – drug cost re-imbursed	3,682,587	3,473,448
HSE equipment transfer	3,427,126	-
Rents/licences	984,333	826,768
Other income	784,543	116,503
	<u>8,878,589</u>	<u>4,416,719</u>
Note 8 – Summary pay analysis	2020	2019
	€	€
Basic pay	152,249,734	144,795,762
Overtime	9,678,182	9,527,793
Premium pay	7,835,571	6,884,641
Shift allowance	226,567	210,724
Holiday/public holiday premiums	2,895,052	2,174,124
Higher degree	50,255	55,046
On call/standby	4,629,888	4,113,410
PRSI employer	18,203,725	16,201,023
Travel allowances	288,726	321,678
Other	6,617,057	3,875,134
	<u>202,674,727</u>	<u>188,159,335</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	2020 Number of Employees	2019 Number of Employees
60,000-69,999	406	287
70,000-79,999	158	107
80,000-89,999	91	81
90,000-99,999	47	33
100,000-109,999	19	24
110,000-119,999	23	9
120,000-129,999	12	13
130,000-139,999	6	8
140,000-149,999	10	9
150,000-159,999	13	11
160,000-169,999	10	12
170,000-179,999	14	7
180,000-189,999	9	9
190,000-199,999	10	3
200,000-209,999	6	4
210,000-219,999	6	8
220,000-229,999	6	5
230,000-239,999	7	10
240,000-249,999	10	8
250,000-269,999	6	7
260,000-259,999	3	4
270,000-279,999	6	5
280,000-289,999	3	1
290,000-299,999	3	3
300,000-309,999	1	4
310,000-319,999	4	1
330,000-339,999	2	-
350,000-359,999	-	1
360,000-369,999	1	-
400,000-409,999	1	-
Total Employees	893	674

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 9 - Reconciliation of expenditure to cost of services	Notes	2020 €	2019 €
Net expenditure - current year	1	266,804,011	240,842,129
Deduct:			
Purchase of equipment from non-capital	12	(5,358,205)	(2,383,156)
Finance lease repayments - principal	20	(412,099)	-
Total deductions		<u>(5,770,304)</u>	<u>(2,383,156)</u>
Sub-total		261,033,707	238,458,973
Add back:			
Depreciation charge for the year	13	<u>7,820,287</u>	<u>5,267,802</u>
Net running cost of service		<u>268,853,994</u>	<u>243,726,775</u>
Note 10 – Road traffic accident memo account		2020 €	2019 €
Balance at 1 January		6,946,116	6,317,835
Bills issued in respect of the year		1,262,186	1,228,425
Less cash received during the year		(246,827)	(529,921)
Less cash received re paediatric balances		<u>(9,440)</u>	<u>(70,223)</u>
Balance at 31 December		<u>7,952,035</u>	<u>6,946,116</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	2020 €	2019 €
Non-capital			
Allocation in year before once-off retrospective allocation	1(a)	273,851,740	240,838,544
Retrospective once-off allocation	1(a)	-	5,637,000
Allocation in year	1(a)	273,851,740	246,475,544
Less remittances from HSE Non-Capital		(257,336,711)	(220,580,816)
Amount due from HSE re consultants' back pay		-	-
Balance due from HSE in respect of the year		16,515,029	25,894,728
Balance due from HSE re previous years as at 1 January		28,577,739	31,858,244
Less remittances from HSE in year re previous years		(25,894,728)	(25,825,399)
Reduce amount due from HSE re consultants back pay		(2,683,011)	(3,349,834)
Adjustment to historic balances		-	-
Balance due from HSE re previous years as at 31 December		-	2,683,011
Total balance of non-capital funding due from HSE	14	16,515,029	28,577,739
Capital			
Total capital grants notified by HSE for the year		19,465,677	13,033,247
Less remittances from HSE Capital in the year		(17,656,356)	(11,633,291)
Less capital equipment transferred in the year		(1,789,913)	-
Balance due from HSE in respect of the year		19,408	1,399,955
Balance due from HSE re previous years as at 1 January		1,411,069	132,452
Less remittances from HSE in year re previous years		(1,399,955)	(121,338)
Balance due to HSE re previous years as at 31 December		11,114	11,114
Total balance of capital funding due from HSE	14	30,522	1,411,069
Gross total due from HSE Capital and Non-Capital	14	16,545,551	29,988,808

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 12 – Purchase of equipment from non-capital account (capitalised)	Note	2020 €	2019 €
Medical equipment		4,413,561	952,713
X-Ray imaging equipment		151,896	112,186
Laboratory equipment		104,541	127,414
Computer equipment		600,665	891,311
Office equipment		87,541	299,532
	9	<u>5,358,204</u>	<u>2,383,156</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 2019	31,355,515	10,780,173	56,437,197	12,343,369	13,421,871	124,338,125
Transfer from work in progress	10,354,444	(10,368,097)	-	-	13,653	-
Additions from capital	19,306,098	1,168,297	12,126,474	-	831,847	33,432,716
Additions from non-capital	-	-	4,757,539	-	600,665	5,358,204
Write-offs in year	-	-	(3,282,293)	-	(616,198)	(3,898,491)
At 31 December 2020	61,015,957	1,580,373	70,038,917	12,343,369	14,251,838	159,230,554
Accumulated depreciation						
At 31 December 2019	(8,162,828)	-	(45,080,090)	(12,343,369)	(11,845,426)	(77,431,713)
Depreciation charge for year	(11,353,995)	-	(4,788,579)	-	(1,677,713)	(7,820,287)
Write-offs in year	-	-	3,282,293	-	616,198	3,898,491
At 31 December 2020	9,516,823	-	(46,586,376)	(12,343,369)	(12,906,941)	(81,353,509)
Carrying amount						
At 31 December 2020	51,499,134	1,580,373	23,452,541	-	1,344,897	77,877,045
At 31 December 2019	23,192,687	10,780,173	11,357,107	-	1,576,445	46,906,412

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 2020 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 2020, the Hospital wrote-off assets with cost valuation of €3,898,491 (2019 €6,329,909) for assets that are no longer in use. These assets had been fully depreciated at 31 December 2019 and 2020.

Note 13(d)

With effect from 20th August 2012 the Health Service Executive is entitled to request security on assets acquired through capital grant funding in excess of €100,000. A Deed of Charge of €45,683,880 for assets in use at 31 December 2020 (2019 €30,131,712) is in place for whichever is the earlier of:

- a period of 30 years, or
- until the asset is fully depreciated, or
- until the asset is sold.

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 14 – Debtors	Note	2020 €	2019 €
HSE – revenue grants due	11	16,515,029	28,577,739
HSE - capital grants due	11	30,522	1,411,069
HSE – debtors		<u>16,545,551</u>	<u>29,988,808</u>
Patient debtors		21,693,354	25,576,863
Less provision for bad and doubtful debts		<u>(12,075,925)</u>	<u>(13,816,165)</u>
Net patient debtors		9,617,429	11,760,698
Other debtors		5,205,174	2,942,174
Non HSE debtors		<u>14,822,603</u>	<u>14,702,872</u>
		<u>31,368,154</u>	<u>44,691,680</u>
Note 15 – Stocks		2020 €	2019 €
Pharmacy		2,058,162	1,978,442
Medical and surgical supplies		2,843,497	2,190,000
Other		<u>4,333,730</u>	<u>848,430</u>
		<u>9,235,389</u>	<u>5,016,872</u>
Note 16 – Creditors		2020 €	2019 €
Creditors – capital		2,034,366	4,354,852
Creditors – non-capital		58,234,509	54,086,233
Designated funds		4,843,394	4,761,420
Wages and salaries (payroll deductions)		1,048,987	835,197
PAYE/PRSI		<u>6,335,678</u>	<u>5,263,005</u>
		<u>72,496,934</u>	<u>69,300,707</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 17 – Capital developments reserve	2020	2019
	€	€
Balance at start of year	3,848,014	2,534,772
Surplus income earned from car park	398,146	1,313,242
Balance at end of year	<u>4,246,160</u>	<u>3,848,014</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	2020	2019
	€	€
Balance at start of the year	46,906,412	36,702,752
Additions		
Capital expenditure	33,432,716	13,675,525
Non-capital expenditure	5,358,204	2,383,156
	<u>38,790,920</u>	<u>16,058,681</u>
Less:		
Transfer to Children's Health Ireland	-	(587,219)
Depreciation for the year	(7,820,287)	(5,267,802)
	<u>77,878,045</u>	<u>46,906,412</u>

Note 19 - Note to the cash flow statement	2020	2019
	€	€
Note 19 (a) Net cash inflow from operating activities		
Deficit non capital	(15,494,183)	(19,104,912)
Less deficit brought forward	19,104,912	24,738,327
Surplus for the current year	3,610,729	5,633,415
Add back additions of equipment from non-capital	5,358,204	2,383,156
Adjustment re-equipment transferred from HSE	(3,427,126)	-
Add back all interest charges against non-capital	29,012	53,365
(Increase)/decrease in stocks	(4,218,517)	3,322
Decrease in HSE debtors non-capital	12,062,710	3,280,505
(Increase)/decrease in non-HSE debtors	(119,731)	733,018
Increase/(decrease) in non-capital creditors	5,516,712	(2,853,204)
Net cash inflow from operating activities	<u>18,811,993</u>	<u>9,233,578</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 19 - Note to the cash flow statement - continued

	2020 €	2019 €
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Note 19 (b) Fixed asset additions from capital

Fixed asset additions from capital	(33,432,716)	(13,675,526)
Add back assets transferred from HSE Capital	1,789,913	-
(Decrease)/increase in capital creditors	(2,320,486)	4,235,410
Increase in finance lease obligations	14,917,639	-

Fixed asset additions from capital

19,045,650	9,440,116
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Note 19 (c) Fixed asset additions from non-capital

Asset additions from non-capital	(5,358,204)	(1,803,238)
Add back assets transferred from HSE	3,427,126	-

Fixed asset additions from non-capital

1,931,078	(1,803,238)
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Note 20 - Analysis of changes in net debt

	At 31 December 2020 €	Cash flows €	Non Cash Changes €	At 31 December 2019 €
Cash in hand and bank balances	24,714,769	13,554,628	-	11,160,141
Bank overdraft	-	5,796,341	-	(5,796,341)
	24,714,769	19,350,969	-	5,363,800
Finance leases – within one year	(2,386,003)	-	(2,386,003)	-
Finance leases – two to five years	(9,453,348)	-	(9,453,348)	-
Finance leases – after five years	(3,078,288)	412,099	(3,490,387)	-
	(14,917,639)	412,099	(15,329,738)	-
	9,797,130	19,763,068	(15,329,738)	5,363,800

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

	2020 €	2019 €
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Increase in cash in the year	19,350,969	11,064,726
Net cash inflow from decrease in net debt	412,099	-
Changes in net debt resulting from cash flow	19,763,068	11,064,726

New finance leases taken out in the year

(15,329,738)	-
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Net funds/(debt) at beginning of the year

5,363,800	(5,700,926)
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Net funds at end of the year

9,797,130	5,363,800
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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:

	2020 €	2019 €
National Children's Hospital		
Balance due from National Children's Hospital at start of year	13,195	74,499
Salary recoupments receivable	-	33,710
Grants receivable re non-pay	82,063	108,005
Receipts	(77,661)	(203,019)
Balance due from National Children's Hospital at end of year	<u>17,597</u>	<u>13,195</u>
Meath Foundation		
Balance due from Meath Foundation at start of year	14,888	21,440
Salary recoupments receivable	145,519	74,947
Grant payable re non-pay	-	10,000
Payments	-	(10,000)
Grants receivable re non-pay	50,926	749
Receipts	(217,903)	(82,248)
Balance due (to)/from Meath Foundation at end of year	<u>(6,570)</u>	<u>14,888</u>
Adelaide Hospital Society		
Balance due from Adelaide Hospital Society at start of year	35,405	601
Salary recoupments receivable	-	28,346
Grants receivable re non-pay	94,360	41,317
Receipts	(129,765)	(34,859)
Balance due from Adelaide Hospital Society at end of year	<u>-</u>	<u>35,405</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 €0.66m during 2020 (2019: €0.52m), 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:

	2020 €	2019 €
Tallaght University Hospital Foundation		
Balance due from TUHF at start of year	11,500	-
Initial period donation payable to TUHF	(660,000)	(520,000)
Donations receivable re non-pay	1,731,954	44,067
Receipts	(1,738,454)	(32,567)
Payments made	660,000	520,000
Balance due from TUHF at end of year	<u>5,000</u>	<u>11,500</u>

The donations received from TUHF in 2020 include €1.6m in respect of a robotic assisted surgery system.

Note 23 - Subsidiary companies

The Haughton Institute for Graduate Education and Training in the Health Sciences Limited

This limited company was set up in 1998 as a joint venture between St James' Hospital, Tallaght University Hospital and Trinity College, Dublin. Each of the three organisations held one third of the share capital of the company and nominated three directors each to the Haughton Board. The company's main activity had been to provide administrative and accounting services for a number of research programmes and projects. This company was not consolidated into the financial statements of the Hospital on the grounds of immateriality. The company ceased trading on the 31 August 2016 and was formally dissolved on 13 March 2019.

Note 24 – Capital commitments

At 31 December 2020 the Hospital had capital commitments of €23.5 million (2019: €11.8 million) of which €17.6 million (2019: €9.2 million) was contracted.

Note 25 - Going concern

The Hospital is funded by means of an annual revenue allocation from the Health Service Executive ("HSE"). The surplus of €3,610,729 for 2020 has resulted in net current liabilities of €9,564,625 and an accumulated deficit on the Hospital's non-capital income and expenditure account of €15,494,183 at 31 December 2020.

The Hospital's current revenue allocation from the HSE for 2021 is €243 million, which represents a reduction of €24 million (9%) when compared to the outturn for 2020. As a result of the COVID-19 pandemic the Hospital incurred additional costs of €26 million in 2020 which were funded in full in the HSE allocation. The continuing high incidence of COVID-19 is expected to give rise to continued additional costs in 2021 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 2021 and dealing with the accumulated deficit.

The bank-overdraft facility is authorised by the HSE.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 25 - Going concern - continued

The Board has identified and considered risks and the mitigations associated with COVID-19 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, 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.

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 26 – Board Members' fees and Chief Executive Officer's salary	2020	2019
	€	€
Board Members' fees		
Reimbursement of expenses paid to Board Members	28	-
Fees paid to Board Members (Note 26(a))	-	-
	<u> </u>	<u> </u>
Chief Executive Officer's salary		
Basic (01.01.2019 – 08.01.2019) - as per DOH salary scales (Note 26(b))	-	20,274
Basic (09.01.2019 – 31.12.2019) - as per DOH salary scales (Note 26(b))	-	145,821
Basic (January-December 2020) - as per DOH salary scales (Note 26(b))	152,255	-
	<u>152,255</u>	<u> </u>
Chief Executive Officer's travel and subsistence	<u>201</u>	<u>2,338</u>

Note 26 (a)

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

Note 26 (b)

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

Note 27 – Lease commitments

Operating Leases

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

	2020	2019
	€	€
Less than one year	728,022	149,529
Between two and five years	2,831,442	598,116
Over five years	2,920,376	226,093
	<u>6,479,840</u>	<u>973,738</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Note 28 – Consultants' back-pay on Contracts

A liability of €2.7m was included within the 2019 Financial Statements in relation to the balance of consultants' back-pay settlement. Tallaght University Hospital facilitated processing payments to consultants, based on instruction from the HSE.

There was a commitment from the HSE to fund the above liability, and consequently there was a corresponding receivable balance within debtors.

This liability and receivable was fully settled in 2020.

Note 29 – Post balance sheet event

Subsequent to the financial year end, in May 2021, the HSE has been impacted by a ransomware attack which has resulted in a significant IT shutdown and is causing disruption to Hospital services. As the attack is considered to be a non-adjusting post balance sheet event for the Hospital, there are no impacts on the recognition and measurement of assets and liabilities at the financial year end 31 December 2020. The ransomware attack is a significant event with its effects and outcomes currently unknown. It is not possible to estimate the impact of the HSE ransomware attack in the Hospital as of the date of approval of the financial statements.

There were no other subsequent events since the year end.