



The Rotunda Hospital, Dublin

Governors' Report and Financial Statements
for the financial year ended
31 December 2021



THE ROTUNDA HOSPITAL, DUBLIN

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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THE ROTUNDA HOSPITAL, DUBLIN
REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRESIDENT | His Excellency, The President of Ireland |
| VICE-PRESIDENTS | Dr. M. Wilson Browne (Chairperson of the Board of Governors) Dr. M. Webb Ms. H. Prentice Dr. M. Keenan Mr. I. Roberts |
| HONORARY TREASURER | Mr. D. Reardon |
| HONORARY SECRETARY | Dr. M. Keenan |
| MEMBERS OF THE BOARD OF GOVERNORS | * The Lord Mayor * His Grace the Archbishop of Armagh * His Grace the Archbishop of Dublin * The Dean of St Patrick's * The Archdeacon of Dublin Prof. T. Matthews Ms. H. Prentice Dr. C. Buckley Mr. C. R. S. Christie Dr. M. Keenan Dr. M. Wilson Browne Mr. J. Diviney Ms. N Gallagher Ms. L Woods Ms. K. Odlum – Retired 2021 Dr. M. Webb Dr. D. M. Abrahamson Dr. P. McKenna - Retired 2021 Mr. R. L. Nesbitt Dr. F. Falkiner Prof. S. Coulter Smith Mr. I. Roberts Dr. J. J. Gardiner Mr D. Reardon Prof. M. Geary Mr. S. Switzer Ms. Margaret Philbin Mr. Barry Holmes Mr. David Browne *Cllr. Darcy Lonergan * Ex-Officio Governors |



THE ROTUNDA HOSPITAL, DUBLIN

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

| | |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| MASTER/CEO | Prof. F. Malone MD, FACOG, FRCOG, FRCPI |
| SECRETARY/GENERAL MANAGER | J. Hussey ACMA MSc. |
| HEAD OF FINANCE & PROCUREMENT | P. Foran FCCA |
| DIRECTOR OF MIDWIFERY/NURSING | F. Hanrahan RN RM MSc. |
| SOLICITORS | Byrne Wallace 88 Harcourt Street St Kevins Dublin 2 |
| BANKERS | Bank of Ireland 2 College Green Dublin 2 Allied Irish Bank 37 Upper O'Connell Street, Dublin 1. |
| AUDITOR | Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 |
| CHY NUMBER | 240 |
| CRA NUMBER | 20000516 |



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT

INTRODUCTION AND HISTORY OF THE ROTUNDA

In 1745 Bartholomew Mosse, a surgeon and man-midwife, founded the original Dublin Lying-In Hospital as a maternity training hospital, the first of its kind.

In 1757, the institution moved to a different location where it became "The New Lying-In Hospital". This is the hospital complex that is referred to today as simply "The Rotunda".

The Rotunda Hospital is unique as an institution in that it has continued to provide an unbroken record of service to women and babies since its foundation in 1745 and has occupied its present premises since 1757.

The Rotunda Hospital is a voluntary healthcare service provider which works in tandem with statutory organisations in order to provide healthcare services in a range of areas. This collaboration is necessary to ensure a high performing health system which benefits service users throughout Ireland.

The Rotunda Hospital values its voluntary status and it has specifically aided the provision of quality care for mothers and babies since its inception. The Rotunda Hospital is one of the many voluntary healthcare providers in Ireland that have played an integral role in the Irish healthcare system, providing care and support which span the full spectrum of health and social care services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Governors

The Royal Charter of 1756 outlines the constitution and the roles and responsibilities of the Governors of the hospital.

As Guardians for the Rotunda Hospital the Board has a responsibility for promoting a collective vision for the hospital purpose, its vision, culture, values and behaviours it promotes in conducting business.

The Board also has responsibility to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed. In particular, it:

- Gives direction to the executive management
- Demonstrates ethical leadership
- Promotes behaviours consistent with the culture and values of the hospital
- Makes well informed and high quality decisions based on clear information from management
- Monitors the activity and effectiveness of management
- Sets the Strategic tone and direction for the Hospital

The Board of Governors has overall responsibility for corporate and clinical governance and for strategic developments. It met on ten occasions during 2021. The Board has appointed a number of Committees, which meet regularly and report to the Board on an ongoing basis. These Committees undertake the initial consideration of various matters, thus enabling preliminary views/recommendations being available to the Board when the matter involved is discussed. The Board has proactively ensured that the personnel on these Committees have a wide range of skills and experience and we supplemented the skills available to Committees in 2021 through the appointment of Extern members with specific professional qualifications and experience. Additionally, in support of the Rotunda Charter, the Board has also invested time in corporate governance training and we have initiated Induction training for new and existing Governors including Extern members. We continue to have Board Away Days with open themes for discussion such as governance, Board responsibilities and fund raising. To comply with current governance requirements the Board undertook an independent review of its Board functions and committee structure (Internal Auditors) in 2021. Recommendations have been approved and will be in place in 2022.



THE ROTUNDA HOSPITAL, DUBLIN
GOVERNORS' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Vision Statement

Our vision statement reflects the overall ambition of the Hospital. It serves as the baseline from which our strategy is developed.

The Maternity Hospital of Choice – Outstanding Care Delivered by Exceptional People'

Mission Statement

Our Mission statement reflects our ambition in the provision of safe and responsive care to patients as well as our commitment to staff.

As the leading Voluntary provider of maternity, neonatal, gynaecology and reproductive care in Ireland, our mission is to excel in the delivery of safe, innovative and responsive services for women and their families. The Board endorsed the findings of the Independent Review Group on Voluntary Healthcare and has mandated the Voluntary Healthcare Forum to progress actions from the report with the Department of Health and HSE through a formal Dialogue Forum.

In our role as the major tertiary referral hospital and the designated regional lead, we will continue to develop sub-specialist care and shape national policy. This will be underpinned by a strong commitment to the values of voluntarism, staff excellence, and efficient use of resources, promotion of research and education and enhanced alliances with our strategic partners.

As well as continual consideration of the quality, risk safety of services and fiduciary responsibility, the Board of Governors approved a number of outputs/work streams during the year including:

- ✓ The Annual Compliance Statement with the HSE for 2020.
- ✓ The Service Level Agreements with the HSE for 2021.
- ✓ Providing leadership and direction to action work streams from the Strategic Plan 2017-2021.
- ✓ Providing leadership and direction and working with stakeholders to develop a Strategic Plan for 2022-2026
- ✓ Ensured management responses recommendations from Internal Audit Plan and Reports in 2021 were progressed and being actioned.
- ✓ Continue to develop relationships with RCSI Hospitals Group and took the lead advisory role within the Group for maternity and women healthcare services. Principle number 3 from the Rotunda Strategic Plan 2017-2021 is to be a leader in women's health within the RCSI Hospital Group and in collaboration with the Group we have progressed a number of work streams in this principle.
- ✓ The Board continues to fully support and fund capital optimisation plans on the Parnell Square campus to address infrastructure and safety risks as highlighted by HIQA and the HSA. These works include the Theatre Build and Delivery Suites refurbishment. These works have increased capacity and enable a more optimal and quality driven service output.
- ✓ The Board supports the Executive in progressing proposals for interim developments on the Parnell Square campus which will address major clinical risks and substantially improve the ability to provide a more dignified service to women and children.



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

AIMS AND OBJECTIVES

The Voluntary status of the Rotunda Hospital has allowed us to provide outstanding care to women and their families over three centuries. We are committed to maintaining the values of Voluntarism; best possible quality and safe care in appropriate surroundings for our patients; enhancing the resources and infrastructure from which we work; facilitating the best possible performance from our outstanding staff; providing leadership at both regional and national level; and working closely with our academic colleagues and strategic partners in the area of research and education.

The Rotunda's ability and willingness to provide leadership and to innovate is reflected in the progress and actions emanating from the Rotunda Strategic Plan 2017-2021:

1. To advance areas of specific clinical expertise by further developing Women's Health Specialities, in particular Gynaecologic and Pre-conception Specialities.

- Urodynamic pathways developed for Rotunda patients.
- Resourcing and enhancement of in house scanning capacity and expansion of same day Gynaecology services.
- Progress in developing Gynaecological Oncology pathways.
- Expansion in Ambulatory Gynaecology services and commissioning of a one stop 'see and treat' Ambulatory Gynaecology Unit.
- Further development of Irish Medicines in Pregnancy Information Service and utilisation as information service for pregnant women during COVID 19.

2. To provide the best patient and staff experience to ensure we are the Maternity Hospital of Choice for women, mothers, families and healthcare professionals:

- Appointment Scheduling Call Centre implemented with upgrade to telephony system to improve patient access and better communication.
- Enhancement in links and engagement with GPs-GP Evening through provision of virtual presentations and webinars
- Knowledge Platform-social media strategy continues to develop with growing utilisation of website and growing of followers on twitter/Facebook/Instagram.
- Further development of Rotunda app to include Anaesthesia and Gynaecology.
- Staff intranet project being progressed.
- Birth Reflections Service implemented supported by Board.
- Innovation Unit call out for more innovative ideas and concepts-shortlisted for HSE Health Service Excellence awards.
- Optimising Hospital infrastructure: Theatre build/Delivery Suites/Space optimisation/Perinatal Mental Health Accommodation

3. To lead the development of Maternity and Gynaecological services within the RCSI Hospitals Group.

- RCSI Pathology service established and issues being resolved collaboratively.
- Perinatal Psychiatry team introduced screening for post-natal depression throughout the RCSI hospital Group.
- Expansion of Fetal Medicine services with appointment of new Consultant posts
- Additional sonography capacity developed across the Group.
- Progressing joint appointments in Radiology and Histopathology.
- Rotunda leading in the ongoing success and development of Senior Incident Management Forum (SIMF).



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

AIMS AND OBJECTIVES (CONTINUED)

The Rotunda Hospital works closely with our partners in the RCSI Hospitals Group in continuing to enhance services within the region. The Rotunda Hospital works collaboratively with the National Women's Infant and Health Programme to develop and implement the National Maternity strategy, develop Colposcopy services and progress expansion of the Sexual Assault Treatment Unit (SATU).

Awards

The Rotunda Hospital was shortlisted for the Hospital Project of the Year in 2021

Implementation of a Quality Improvement Clinical Pathway for Enhanced Recovery after Caesarean Section Deliveries

FINANCIAL REVIEW

The Board of Governors of the Rotunda Hospital are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Rotunda and of its income and expenditure for that period.

In preparing financial statements, the Board is required to:

- Select suitable accounting policies for the organisation's 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.
- Prepare the financial statements on the going concern basis.

In compliance with the Charities Regulation Act 2009 the Rotunda Board has directed that Consolidated Audited Financial Statements are prepared and submitted to the Charity Regulator for the financial year 2021.

The consolidated financial statements include:

- The activities of the public hospital in the provision of services to patients under its funding arrangements with the HSE.
- Special Ancillary Funds, private clinics and other activities operated by the Governors which are not funded by the HSE or The Department of Health.

The basis of accounting and the treatment of fixed assets and liabilities are contained with the notes and narrative accompanying the audited consolidated financial statements.

Exceptional Items 2021

There were no exceptional items to report in 2021.



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Investment Funds

The Rotunda Hospital has invested funds with two Investment Fund Managers:

- I. Brewin Dolphin
- II. Davys

The investment fund managers are directed by the Board to invest ethically to maximise the total return on funds invested within the constraints of a medium to low risk investment strategy.

There was an unrealised gain reported on invested funds portfolio at year end 2021. The Rotunda Board on professional advice, continue to hold a diversified portfolio of equities, bonds, cash and other investments designed to provide a level of stable income and possibility of investment gains. The equity component of the investment portfolio is weighted with medium appetite for investment risk with the main exposure to investments in the leading advanced industrial economies with a history of paying dividends. The ethical criteria of the fund prohibit investments in certain funds or companies.

RISK MANAGEMENT

The Rotunda Hospital recognises that healthcare provision and the activities associated with caring for patients, employing staff and managing the site and finances are all activities which involve a certain amount of risk. These risks are present on a day to day basis throughout the organisation. However, it is also recognised that a significant amount of risk can be minimised, mitigated or avoided.

The challenge for the hospital is to minimise, insofar as is practicable, the potential for such risks to materialise by having in place a risk management framework that proactively identifies and mitigates risk and ensures that the required organisational learning takes place.

The Rotunda Hospital supports and subscribes to the highest standards of Corporate Governance and abides by its applicable principles and guidelines. The hospital's Board of Governors has overall responsibility for all aspects of Risk Management in the Rotunda. This responsibility is delegated on behalf of the Board to the Risk Committee for non-financial risks including clinical and Governance and Audit Committee for financial and governance risks only.

Following a Governance review undertaken in the Rotunda, from 2022 the Quality, Safety and Risk committee will have delegated responsibility to manage all corporate risks. In addition, Non-clinical risks surrounding finance and governance will be reviewed by the Finance and Audit committee and Governance committee respectively.

The Rotunda **Vision** for risk management is a framework and process that:

- Instils a culture of responsibility and accountability within the Rotunda;
- Provides a mechanism for issues to be escalated;
- Promotes information sharing; education and a culture of learning;
- Promotes decision making in a supportive environment;
- Promotes the value of planning; and
- Improves the quality of information reported to the Board and Senior Management.



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

As a consequence, our risk framework has been designed with these **Objectives** in mind:

- All hospital employees will be involved in identifying and reporting risk;
- Responsibilities for risk management will be clearly defined;
- Open communication of risk information at all levels of the Rotunda;
- Clarity of ownership of specific risks; and
- A central repository of all major risks reported through a Corporate Risk Register which is managed; reviewed and updated on a continual basis by the Executive Risk Group.

The principal financial risks to The Rotunda Hospital are:

- i. Services provided by the Rotunda are in the main demand led and excellent outcomes are being achieved despite shortfalls and timing of budget allocation. Continuing quality and safe healthcare provision is not sustainable at current level of funding and additional supplementary funding is required. To mitigate the impact of budget shortfalls we have applied cost containment and cost reduction measures and have actioned value for money initiatives and income generating measures throughout 2021.
- ii. Cash flow Management: Restricted funding and lack of capital funding to address infrastructure and equipping risk and debts with private medical insurers is a significant cash flow strain and risk to the Rotunda as a Voluntary Hospital. These impact on our ability to discharge our statutory and fiduciary responsibilities.
- iii. Investment Funds: The variability of investment returns constitutes a financial risk to The Rotunda. This is mitigated by retaining expert Investment Fund Managers and having a diversified investment portfolio.
- iv. Lack of investment by funders to optimise existing campus in order to address patient safety care and highlighted infrastructural risks.

PENSION LIABILITIES

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 income and expenditure account when paid.

The Single Service Public Pension Scheme (SPSPS) applies to all employees who are joining 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 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.

A minority of staff are members of the Rotunda Hospital Pension Scheme, a defined benefit scheme. At the date of the last full actuarial funding certificate, 31 January 2020, the scheme had 3 active members and assets of €2,514,000 and an accrued deficit of €275,000. The scheme satisfies the funding standard provided for in Section 44(1) of the Pensions Act, 1990 and also the Funding Standard Reserve as specified in Section 44 of The Pensions Act, 1990.

No provision has been reflected in the event of any shortfall that might arise on this scheme.

Employees of the Private and Semi-Private Clinic are members of the Rotunda Hospital Retirement Plan administered by Irish Life, a defined contribution scheme. Pension contributions are accounted for as they fall due.



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

RESERVES

Reserves of The Rotunda at 31 December 2021 are €11.8m (2020: €13.7m). The Board's aim is to always maintain free reserves in unrestricted funds at a minimum level which equates to three months of unrestricted charitable expenditure.

As a result of the challenging environment of obtaining investment from public funders, the Board feels it is necessary to ensure sufficient reserves are maintained in order to address infrastructural risks. The Board engages continually with funders seeking to advance plans to mitigate risks. In the next 10-15 years the board proactively with executive management supports infrastructural plans to mitigate risks and develop the existing campus on Parnell Square to optimise patient safety and care.

PLANS FOR THE FUTURE

The Rotunda Hospital is a member of the RCSI Hospitals Group and the Board's plan is that The Rotunda will provide leadership in the provision of obstetrics, gynaecology and paediatric healthcare services for the RCSI Group.

The Rotunda Hospital with HSE approvals and funding is engaged in securing a 20 year lease for Parnell House a new site on the east side of Parnell Square which will give much needed additional space for outpatient services, clinical support functions, Allied Health services and administrative functions.

The Rotunda Hospital is engaged in a longer-term planning exercise in progressing the move of the Rotunda Hospital to a co-located site with Connolly Hospital in Blanchardstown. However, due to risk concerns regarding the current infrastructure capacity to provide high quality and safe care to our patients, it is incumbent now to address our options on how to optimise the existing Rotunda infrastructure in the interim period prior to relocation, which is likely to be longer than 15-20 years. The Board is fully supportive of interim development proposals being progressed for the development on the Parnell Square campus.

On behalf of the Board of Governors

Prof. T. Matthews
CHAIRPERSON

Mr. D. Reardon
CHAIRPERSON FINANCE AND AUDIT COMMITTEE

Date: 5th May 2022



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' RESPONSIBILITIES STATEMENT

The Board of Governors is required to prepare financial statements for each financial year. The Governors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). The Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of The Rotunda Hospital, Dublin ("the Hospital") as at the financial year end date and of the surplus or deficit of the Hospital for the financial year.

In preparing those statements, the Board is required to:

- Select suitable accounting policies for the 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 Hospital will continue in existence.

The Board of Governors is responsible for ensuring that the Hospital keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Hospital, enable at any time the assets, liabilities, financial position and result of the Hospital to be determined with reasonable accuracy, and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Governors is responsible for the maintenance and integrity of the shared and financial information included on the Hospital's website.

On behalf of the Board of Governors

Prof. T. Matthews
CHAIRPERSON

Mr. D. Reardon
CHAIRPERSON FINANCE AND AUDIT COMMITTEE

Date: 5th May 2022

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE ROTUNDA HOSPITAL, DUBLIN Report on the audit of the financial statements

Opinion on the financial statements of the Rotunda Hospital, Dublin ("The hospital")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the hospital as at 31 December 2021 and of the surplus 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 Income and Expenditure Account;
- the Balance Sheet;
- the Cash Flow Statement; and
- the related notes 1 to 18, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the financial statements is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the hospital's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the governor's 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 Governors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Governors' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of governors

As explained more fully in the Governors' Responsibilities Statement, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the accounting policies adopted by the hospital, and for such internal control as the governors 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 governors are responsible for assessing the hospitals' 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 governors either intend to liquidate the hospital or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governors.
- Conclude on the appropriateness of the governors' 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 hospital'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 hospital's board of governors, as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the hospital's board of governors those matters we are required 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 company and the company's 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
16 May 2022



THE ROTUNDA HOSPITAL, DUBLIN

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | <i>Notes</i> | 2021 €'000 | 2020 €'000 |
|---------------------------------------|--------------|-----------------------|---------------|
| Income for the financial year | 3 | 100,154 | 96,551 |
| Expenditure for the financial year | 4 | (99,634) | (95,974) |
| Operating surplus | | 519 | 577 |
| Unrealised gain on investments | | 1,700 | 586 |
| Surplus for the financial year | | 2,219 | 1,163 |
| Reserves brought forward | | 20,136 | 18,973 |
| Reserves carried forward | | 22,355 | 20,136 |

There are no recognised gains or losses other than the result for the financial year. All income arises from continuing activities.



THE ROTUNDA HOSPITAL, DUBLIN

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

| | <i>Notes</i> | 2021 €'000 | 2020 €'000 |
|------------------------------------------------------------------|--------------|-----------------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 75,825 | 87,017 |
| | | 75,825 | 87,017 |
| CURRENT ASSETS | | | |
| Investments | 7 | 11,811 | 13,703 |
| Stocks | 8 | 993 | 901 |
| Debtors | | | |
| - due within one financial year | 9 | 14,271 | 11,830 |
| - due after more than one financial year | 9 | 20 | 40 |
| Bank and cash | | 1,221 | 1,372 |
| | | 28,316 | 27,846 |
| CREDITORS: (Amounts falling due within one year) | 10 | (16,070) | (14,270) |
| NET CURRENT ASSETS | | 12,246 | 13,576 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 88,071 | 100,593 |
| CREDITORS: (Amounts falling due after more than one year) | 10 | (199) | (283) |
| Capital grants | 11 | (65,517) | (80,174) |
| NET ASSETS | | 22,355 | 20,136 |
| RESERVES | | | |
| Reserves | | 22,355 | 20,136 |
| | | 22,355 | 20,136 |

The financial statements were approved by the Board of Governors on 5th May 2022 and signed on its behalf by:

Prof. T. Matthews
CHAIRPERSON

Mr. D. Reardon
CHAIRPERSON GOVERNANCE AND AUDIT COMMITTEE



THE ROTUNDA HOSPITAL, DUBLIN

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

| | <i>Notes</i> | 2021 €'000 | 2020 €'000 |
|---------------------------------------------------------------|--------------|-----------------------------|---------------|
| Net cash inflow from operating activities | <i>13</i> | 5,440 | 4,624 |
| Cash flows from investing activities | | | |
| Payments to acquire tangible fixed assets | <i>6</i> | (6,086) | (5,889) |
| Capital grants received | | 2,622 | 968 |
| Net cash flows from investing and financing activities | | (3,464) | (4,921) |
| Net increase in cash and cash equivalents | | 1,976 | (297) |
| Cash and cash equivalents at 1 January | | (1,690) | (1,393) |
| Cash and cash equivalents at 31 December | | 286 | (1,690) |
| Reconciliation to cash and cash equivalents: | | | |
| Cash at bank | | 1,222 | 1,372 |
| Bank overdraft | | (936) | (3,062) |
| | | 286 | (1,690) |



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of The Rotunda Hospital, Dublin is considered to be Euro because that is the currency of the primary economic environment in which the entity operates.

Going Concern

The financial statements are prepared on a going concern basis and further detail is included in note 2 of the financial statements.

Fixed assets

All fixed asset acquisitions are capitalised in accordance with the accounting standards laid down by the DoH, regardless of the source of funds (except if it is less than €3,809 (non-IT equipment) or €1,270 (IT equipment) per item out of non-capital funds). The policy is consistent with FRS 102.

The basis of valuation of the hospital's fixed assets is as follows:

Buildings: Valuation or cost, less accumulated depreciation.
Equipment: Cost less accumulated depreciation.

As described in note 6, buildings are valued at Fair Value as at 31st December 2021. This is a departure from the Accounting Standards for Voluntary Hospitals which state that a Depreciated Replacement Cost valuation basis should be used for buildings. The Depreciated Replacement Cost of the buildings is not known.

Depreciation

Depreciation is calculated to write off the original cost of the tangible fixed asset over their expected useful lives at the following rates:

Buildings: 2.5% reducing balance
Equipment: 14.3% (7 years)
IT equipment: 33.33% (3 years)

A full year's depreciation will be charged in the year of acquisition or revaluation and no charge made in the year of disposal.



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

Stocks of consumable stores

Stocks have been valued on the basis of cost with appropriate write-offs for stock which is damaged or obsolete.

Cost is based on normal levels of cost and activity and comprises cost of purchase which includes charges such as freight where appropriate. Net realisable value of stock comprises, where appropriate, the actual or estimated selling price less all selling costs.

The cost of ward stocks is charged in the income and expenditure account in the period in which it is incurred and consequently no amount is included in the balance sheet for these stocks.

Cash flow statement

Within the cash flow statement, bank deposits repayable on demand and overdrafts are classified as cash. Liquid resources represent bank deposits, with maturities between 1 and 60 days. Such deposits are readily convertible into known amounts of cash.

Patients' property

The Hospital does not hold any amounts for safekeeping on behalf of long stay patients.

Patient and other income and expenditure

Income from patients (except billings to Economic Rate Debtors (ERDs)) is recognised in the financial statements when the patients are discharged. Other income and expenditure is recognised when earned or incurred and is dealt with in the income and expenditure account of the period to which it relates with the exception of the following which are treated on a receipts and payments basis: EU Funds; Road Traffic Accidents Income; Outpatients Charges, Car Park Income, Ultra Sound Income and minor Miscellaneous Incomes. Income from ERDs is recognised on a cash receipts basis because experience has shown that it is not prudent to anticipate receipt in advance.

Health Service Executive (HSE) approved revenue allocation

Grants are received from the HSE towards the net annual running costs of the Hospital. The grants, which are described in the financial statements as the "determination", are accounted for on the accruals basis to the extent that they have been approved by the HSE; otherwise they are accounted for as received.

Grants

Grants received in respect of capital expenditure are treated as deferred credits and released to income as the related assets are depreciated.

Grants are recognised only when there is reasonable assurance that

- (a) the entity will comply with any conditions attached to the grant and
- (b) the grant will be received.

The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, should be recognised as income in the period in which it is receivable.



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

Pensions

The majority of pensionable staff are members of the Voluntary Hospital Superannuation Scheme ("VHSS"). 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 income and expenditure account when paid.

Single Public Service Pension Scheme

The Single Public Service Pension Scheme (SPSPS) applies to all employees who are joining 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 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.

A minority of staff are members of the Rotunda Hospital Pension Scheme, a defined benefit scheme. Payments made to this scheme are in accordance with actuarial advice and are charged against the profits of the year in which they become payable. Discussions are ongoing between the Hospital, the scheme trustees and the HSE in relation to the future funding of the scheme. The net surplus or deficit on the scheme is not recognised as an asset or liability in the balance sheet.

Employees of the Private and Semi private Clinic are members of the Rotunda Hospital Retirement Plan administered by Irish Life, a defined contribution scheme. Pension contributions are accounted for as they fall due.

Superannuation

- (a) The superannuation amounts shown are in respect of entitlements under the superannuation code and reflect charges for the year ended 31 December 2021.
- (b) Superannuation deductions from staff are treated as income of the hospital.

Bad debt provision

A specific provision is held for all debtors greater than 1 year.

Investments

Investments are managed by professional investment managers, Brewin Dolphin and Davy Stockbrokers. Investments are stated at market value. Investments are classified as current assets on the Balance Sheet as they can be converted to cash within six months.

Investments are stated at market value.



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the hospital becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the hospital transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the hospital, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the hospital's accounting policies, which are described in note 1, the Board are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and notes to the financial statements.

The directors do not consider there are any critical judgements other than going concern disclosed in note x of the financial statements and sources of estimation requiring disclosure as follows:

(i) Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the tangible fixed assets.

(ii) Impairment of debtors

An assessment is carried out at the end of each financial year of whether there is objective evidence that a debtor is impaired. When assessing impairment of debtors, the Board consider factors including the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

(iii) Defined Benefit Statement

Certain employees participate in a defined benefit pension plan. The calculation of the cost of these pension benefits and the present value of the defined benefit obligation incorporate a number of estimates and assumptions, including; life expectancy, salary increases, inflation and the discount rate on corporate bonds. The pension plan assets are measured at fair value at the end of each financial year. The assumptions and estimates used in calculating the cost for the financial year, the defined benefit obligation and the fair value of the plan assets at the end of each financial year reflect historical experience and current trends. See note 22 for the disclosures relating to the defined benefit pension plan.

2. GOING CONCERN

The financial statements have been prepared on the going concern basis. The entity's main sources of income are currently from HSE sources and ancillary activities. The entity had net current assets of €12.2m (2020: €13.6m) at the year end.

The Hospital's current revenue allocation for 2022 is €74.710m. This is a drop of 5.04% before funding for Covid-19 is allocated (2021: supplementary funding of €2.1m). This presents a challenge to management to maintain service at current level of funding and to achieve a breakeven position. Cost containment measures have been put in place by management and discussions are on-going with the RCSI Hospital Group in relation to the funding issues.

The Hospital is dependent on the Health Service Executive (HSE) to fund its activities and the on-going support of the HSE at an appropriate level is fundamental to the Hospital's ability to continue as a going concern. The HSE has not given any indication that it will withdraw its financial support from the hospital in the foreseeable future. The entity, including the hospital and ancillary, has sufficient funds from ancillary activities to support the going concern basis.

Management and the Board have reviewed the organisation's forecasts and projections, taking account of the anticipated impact and uncertainties of Covid19. The Board consider that the forecasts and projections, together with the reserves held, demonstrate that the Board has a reasonable expectation that the entity has adequate resources to operate within the level of its current cash flows and reserves for the foreseeable future (at least twelve months from the date of approval of these financial statements).

Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the entity was unable to continue as a going concern.

3. INCOME

| | 2021 €'000 | 2020 €'000 |
|--------------------------------|----------------|---------------|
| HSE determination for the year | 78,675 | 76,583 |
| Patient income | 12,384 | 11,418 |
| Superannuation income | 3,653 | 3,653 |
| Grant amortisation | 3,045 | 2,840 |
| Other income | 2,394 | 2,057 |
| | <u>100,151</u> | <u>96,551</u> |



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4. EXPENDITURE

| | 2021 €'000 | 2020 €'000 |
|------------------------------|-----------------------------|---------------|
| Pay costs | 76,004 | 73,868 |
| Non-pay costs | 20,585 | 19,266 |
| Depreciation | 3,045 | 2,840 |
| | 99,634 | 95,974 |
| Non-pay | | |
| Direct patient care | 7,088 | 7,637 |
| Support services | 8,783 | 7,937 |
| Financial and administrative | 4,714 | 3,360 |
| | 20,585 | 19,264 |

5. TAXATION

No taxation liability arises as the trust is a charitable body and its entire funds are committed to the objects of the charity.

6. TANGIBLE FIXED ASSETS

| | Buildings €'000 | Equipment €'000 | Total €'000 |
|-----------------------------------------------------|----------------------------------|----------------------------------|------------------------------|
| Cost or valuation at 1 January 2021 | 118,552 | 15,532 | 138,744 |
| Additions from capital | 3,762 | 1,217 | 4,979 |
| Additions from non-capital | - | 1,107 | 1,107 |
| Disposals | - | (4,446) | (4,446) |
| Cost or valuation at 31 December 2021 | 126,974 | 13,410 | 140,384 |
| Accumulated depreciation at 1 January 2021 | 39,167 | 12,560 | 51,727 |
| Depreciation charge for year | 2,195 | 850 | 3,045 |
| Disposals | 14,162 | (4,375) | 9,787 |
| Accumulated depreciation at 31 December 2021 | 55,524 | 9,035 | 64,559 |
| Net book value at 31 December 2021 | 71,450 | 4,375 | 75,825 |
| Net book value at 31 December 2020 | 84,044 | 2,973 | 87,017 |

Included in the cost or valuation of buildings are assets totalling €71,450,000, which represents the value to the hospital of buildings as determined by Lisney, external valuers. These assets were valued at fair value at 31st December 2021. Additions to buildings since 9 October 2003 have been valued at cost.



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6. TANGIBLE FIXED ASSETS (CONTINUED)

Fixed assets which have been funded by the Minister for Health which are reflected above may not be disposed of or applied to any other purpose without the Minister's prior consent.

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 €1.8m for assets in use at 31st December 2021 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.

7. INVESTMENTS

Quoted investments at market value:

| | 2021 €'000 | 2020 €'000 |
|---------------------------------------|-----------------------------|--------------------|
| Portfolio Valuation opening valuation | 13,703 | 15,700 |
| Drawdowns | (3,500) | (2,480) |
| Management Fees Paid | (92) | (100) |
| Unrealised Gain/(Loss) for the Year | 1,700 | 583 |
| | <hr/> 11,811 <hr/> | <hr/> 13,703 <hr/> |

8. STOCKS

| | 2021 €'000 | 2020 €'000 |
|-------------------------------|-----------------------------|-----------------|
| Drugs and medicines | 143 | 130 |
| Medical and surgical supplies | 393 | 364 |
| Sterile supplies | 21 | 10 |
| Pathology | 362 | 350 |
| Laundry / cleaning | 23 | 11 |
| Bedding / clothing | 4 | 4 |
| Office supplies and equipment | 44 | 30 |
| Computer supplies | 3 | 2 |
| | <hr/> 993 <hr/> | <hr/> 901 <hr/> |



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

| 9. DEBTORS | 2021 €'000 | 2020 €'000 |
|------------------------------------------------------|-----------------------|-----------------------|
| <i>Amounts falling due within one financial year</i> | | |
| HSE – revenue grants due | 10,566 | 8,820 |
| Patient debtors | 2,848 | 1,840 |
| Prepayments | 830 | 1,144 |
| Other debtors | 7 | 6 |
| The Rotunda Foundation (a) | 20 | 20 |
| Total debtors | 14,271 | 11,830 |

Amounts falling due after more than one financial year

| | | |
|----------------------------|-----------|----|
| The Rotunda Foundation (a) | 20 | 40 |
|----------------------------|-----------|----|

(a) This balance includes an amount due from the Rotunda Foundation of €40,000 (2020: €60,000) which was loaned out in 2018, to which no interest rate applies as The Rotunda Foundation is a charitable organisation with similar aims and objectives. Balance is repayable over a five year period in equal instalments. The second payment occurred in 2021 bringing the balance to €40,000.

| 10. CREDITORS | 2021 €'000 | 2020 €'000 |
|--------------------------------------------|-----------------------|-----------------------|
| <i>Amounts falling due within one year</i> | | |
| Creditors | 7,909 | 6,666 |
| Bank overdraft (a) | 936 | 3,062 |
| PAYE and PRSI | 4,100 | 2,299 |
| Wages and salaries | 3,035 | 2,180 |
| Accruals | 90 | 63 |
| Other | - | - |
| | 16,070 | 14,270 |

Amounts falling due after more than one year

| | | |
|--------------------|------------|-----|
| Wages and salaries | 199 | 283 |
|--------------------|------------|-----|

(a) The hospital has obtained a letter of Authorisation from the Health Service Executive confirming their approval in respect of the temporary overdraft facility quoting the timeframe and value.



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

| | | |
|--------------------------------------------------------------------------------------------------|---------------------|--------------|
| 11. CAPITAL GRANTS | 2021 | 2020 |
| | €'000 | €'000 |
| External grants received | | |
| Balance at 1 January | 80,174 | 82,046 |
| Capital grants received in the year | 2,622 | 968 |
| Write Offs / Disposals | (14,234) | - |
| Grant amortisation | (3,045) | (2,840) |
| Balance at 31 December | 65,517 | 80,174 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 12. FINANCIAL INSTRUMENTS | | |
| The carrying value of the financial assets and liabilities are summarised by the category below: | | |
| | 2021 | 2020 |
| | €'000 | €'000 |
| Financial assets | | |
| <i>Measured at undiscounted amounts receivable</i> | | |
| Debtors (Note 9) | 13,462 | 10,726 |
| Investments | 11,811 | 13,703 |
| | <hr/> 25,273 | <hr/> 24,429 |
| Financial Liabilities | | |
| <i>Measured at undiscounted amounts payable</i> | | |
| Trade and other creditors (Note 10) | 12,009 | 9,144 |
| | <hr/> 12,009 | <hr/> 9,144 |
| 13. NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 2021 | 2020 |
| | €'000 | €'000 |
| Surplus on operating activities | 519 | 577 |
| Depreciation | 3,045 | 2,840 |
| Grant amortisation | (3,045) | (2,840) |
| Movements in investments | 3,592 | 2,583 |
| (Increase)in stock | (92) | (164) |
| Decrease in debtors | (2,421) | 1,296 |
| (Decrease)/increase in creditors | 3,842 | 332 |
| Net cash inflow from operating activities | 5,440 | 4,624 |
| | <hr/> <hr/> | <hr/> <hr/> |



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14. RETIREMENT BENEFITS

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 income and expenditure account when paid.

The Single Public Service Pension Scheme (SPSPS) applies to all employees who are joining 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 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.

A minority of staff are members of the Rotunda Hospital Pension Scheme, a defined benefit scheme. At the date of the last full actuarial funding certificate, 31 January 2020, the scheme had 3 active members and assets of €2,514,000 and an accrued deficit of €275,000. The scheme satisfies the funding standard provided for in Section 44(1) of the Pensions Act, 1990 and also the Funding Standard Reserve as specified in Section 44 of The Pensions Act, 1990. No provision has been reflected in the event of any shortfall that might arise on this scheme.

Employees of the Private and Semi private Clinic are members of the Rotunda Hospital Retirement Plan administered by Irish Life, a defined contribution scheme. Pension contributions are accounted for as they fall due.

15. CONTINGENT LIABILITIES

The Hospital is covered under the Clinical Indemnity Scheme operated by the Department of Health.

16. RELATED PARTY TRANSACTIONS

The Hospital also receives support from The Rotunda Foundation, previously known as Friends of the Rotunda, a company limited by guarantee which has its own separate board. Its purpose is to fundraise on behalf of the Hospital, in order to fund and gift additional equipment and support services for the Hospital and also improved amenities for patients, their families and staff. The Rotunda Foundation provided general funding to the Hospital of €33,649 (2020: general funding €99,904)

During 2018 a loan of €100,000 was given to the Rotunda Foundation, to which no interest rate applies, which is repayable over a five year period in equal instalments. The third payment occurred in 2021 bringing the balance to €40,000 at the year end.

The Foundation manage the Pillar Room for The Rotunda Hospital. In order to meet their objective of fundraising for The Rotunda they rent the room to third party organisations.

17. CAPITAL COMMITMENTS

At 31 December 2021 the Hospital had capital commitments of €1.426 million (2020: €3.582 million).



THE ROTUNDA HOSPITAL, DUBLIN

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. SUBSEQUENT EVENTS

There were no subsequent events since the financial year end.