



The Rotunda Hospital, Dublin

Governors' Report and Financial Statements
for the financial year ended
31 December 2023



THE ROTUNDA HOSPITAL, DUBLIN

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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THE ROTUNDA HOSPITAL, DUBLIN
REFERENCE AND ADMINISTRATIVE DETAILS

PRESIDENT	His Excellency, The President of Ireland
VICE-PRESIDENTS	Prof. T. Matthews (Chairperson of the Board of Governors) Mr. I. Roberts Dr. Maria Wilson Browne
HONORARY TREASURER	Mr. D. Reardon
HONORARY SECRETARY	(Vacant)
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 Mr. C. R. S. Christie Dr. M. Wilson Browne Mr. J. Diviney Ms. N Gallagher Ms. L Woods Dr. D. M. Abrahamson Mr. R. L. Nesbitt Dr. F. Falkiner Prof. S. Coulter Smith Dr. J. J. Gardiner Mr D. Reardon Prof. M. Geary Mr. S. Switzer Ms. Margaret Philbin Mr. Barry Holmes Mr. David Browne Prof. F Malone *Cllr. Darcy Lonergan Ms. Kate Webb Ms. Dolores O Sullivan Ms. Michelle McGarry Mr. Greg Power Ms. J Cullinane

* Ex-Officio Governors



THE ROTUNDA HOSPITAL, DUBLIN

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

MASTER/CEO Prof. S. Daly MD FRCOG FRCPI

SECRETARY/GENERAL MANAGER J. Hussey ACMA MSc.

HEAD OF FINANCE & PROCUREMENT P. Foran FCCA MSc.

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 JPA Brenson Lawlor
Brenson Lawlor House,
Argyle Square,
Morehampton Road,
Donnybrook,
Dublin 4.

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 six occasions during 2023. 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 made available to the Board when the matter involved is discussed at Board meetings. The Board has proactively ensured that the personnel on these Committees have a wide range of skillsets and experience and we supplemented the skills available to Committees in 2023 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 there is board induction training for new and existing Governors including external members. There continue to be Board Away Days with open themes for discussion such as governance, Board responsibilities, strategic matters and fund raising.



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 continues to support and endorse the Voluntary Healthcare Forum in its engagement with the Department of Health and HSE through a formal Dialogue Forum in progressing actions from the Independent Review Report.

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 2022.
- ✓ The Service Level Agreements with the HSE for 2023.
- ✓ Providing leadership, support and direction to action work streams from the Strategic Plan 2022-2026.

- ✓ The Board continues to fully support interim developments on Parnell Square campus to address infrastructure and safety risks as highlighted by HIQA and the HSA. The Board through its Executive and a Project Board is working collaboratively with HSE Estates in progressing these works through design stages and in seeking planning permissions. In addition the Board continues to support other minor capital works to enable a more optimal and quality driven service.



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

AIMS AND OBJECTIVES

As the leading Voluntary Hospital for maternity, neonatal, and gynaecologic care, our mission is to excel in the delivery of safe, innovative and responsive services for women and their families. In our role as the major tertiary referral hospital and the designated regional lead, we will continue to develop sub-specialist care and influence national policy. Our mission will be delivered through a strong commitment to care, excellence, inclusivity, innovation, collaboration and the development of our staff

Our previous strategic plan identified 3 Strategic Principles. In the development of this plan, key elements of these principles were retained and further developed to give a new set of 4 Strategic Principles which reflect our core focus as a hospital and provider of care to those in our community. They reflect our range of patients, their families, our services and our staff who are key to the delivery of excellent care to all our service users. In addition, an important Strategic Enabler was identified which will support the delivery of our Strategic Principles.

The Rotunda Hospital Maternity Hospital of Choice Strategic Plan 2022-26

Strategic Principles

1. Delivering a broad range of healthcare services for women
2. Providing outstanding care for mothers and babies
3. Ensuring an excellent patient experience
4. Supporting and developing our staff

Enabler: Developing infrastructure to support our strategic principle

We aligned actions and progress on the Strategic Plan to Quality Initiates proposed in 2023 with over 300 initiates proposed and a 70% completion rate enabling significant progress across all principles in the Strategic Plan:

- Expanded gynaecology care
- Expanded and developed sub specialist gynaecology care such as menopause, endometriosis and uro-gynaecology
- Developed and introduced an Intrauterine Insemination Service in Rotunda
- Developed pathways and a secondary fertility service
- Optimise preconception and antenatal care to support women at higher risk
- Developed services to better meet the needs of mothers and babies
- Developed settings and capacity to offer a more holistic and dignified service
- Developed and expanded Neonatology services
- Continue to innovate
- Optimise communication and social media outputs to expand our reach and broaden the Rotunda community. Optimise website to make it easier to understand, more navigable and to become an information source
- Support and develop staff by creating an unique and dynamic workplace environment
- Creation of an Employee Engagement Forum to provide a forum for staff to engage and be listened to
- Develop infrastructure: Progress interim developments on Parnell Square and source key enablers and additional capacity



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

Awards

Awards and Finalists

MN-CMS antenatal visit medication inbound messaging project was shortlisted for a Tech Excellence Award.

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 2023.

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.
- 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 2023

There were no exceptional items to report in 2023.



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 2023. 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

It is the policy of the Rotunda to manage risk in an integrated, inclusive manner (*i.e. all management and/or service delivery risks, clinical and non-clinical*). This management involves the cyclical, proactive identification of risks that may hinder (*or help*) the achievement of objectives (*e.g. the delivery of high quality safe care in compliance with legal and regulatory requirements, etc.*) and thereafter to assess, appropriately respond (*to control or treat risks to an acceptable level - as low as is reasonably practical*) as well as continuing monitoring/evaluation.

This policy provides operational statements of intent to govern the reliable, pragmatic management of risk in compliance with both legal and regulatory requirements.

Scope

The scope of this policy includes the management of all corporate (*strategic*) and operational risks that the Rotunda may be exposed to - and therefore all Rotunda staff with accountability and responsibility for the management of such risks.

The policy excludes the management of risk involving the provision of specific care and treatment relating to individual Service Users where other clinical risk assessment methods are available.

Related policies, protocols and guidelines

- PPGS-ORG-9 Rotunda Risk Management Policy
- EXT-NAT-66 HSE Integrated Risk Management Framework
- PPGC-ORG-4 Incident Reporting and Management Policy
- CD-RM-003 Clinical Claims Management Policy
- PPGS-QPSD-004 Complaints Policy
- PPGS-QPSD-001 Open Disclosure



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

RISK MANAGEMENT (CONTINUED)

Objectives

To identify, communicate, document and implement a suitable and adequate, evidence-based, risk management system (*framework and process*) consistent with the aims of the Rotunda and in the best interests of all Service Users to assure valid, reliable, consistent and comparable risk management.

To identify, document, communicate and implement suitable and adequate risk management system governance including roles, responsibilities and authorities.

To *contribute to* the promotion of a fair and just patient safety culture through the effective implementation of a suitable and adequate, evidence-based, risk management system and its continuous improvement.

The principal financial risks to The Rotunda Hospital are:

- i. Funding shortfall issues. The hospital has achieved financial breakeven in prior years but initial budgets are totally inadequate. Adequate budgets should be put in place that are agreed in consultation with the hospitals. The hospital mitigates this risk by close consultation with the RCSI Hospital Group on the drivers of increased cost to obtain supplementary budget.
- ii. Cash flow Management: In tandem with inadequate budgets is a reduced cash flow.
- 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 the 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 who opted out of VHSS were members of the Rotunda Hospital Defined Benefit Pension Scheme.. All members have now retired and have received their full entitlements under the scheme. In 2023, the hospital terminated/wound up the scheme with a wind up date of 20 February 2023 with no additional funding required from the Rotunda Hospital.



THE ROTUNDA HOSPITAL, DUBLIN

GOVERNORS' REPORT (CONTINUED)

PENSION LIABILITIES (CONTINUED)

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. This scheme moved to a Master Trust during 2023, to ensure regulatory compliance, held with Irish Life

RESERVES

Reserves of The Rotunda at 31 December 2023 are €10.7m (2022: €10.1m). 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 adequate investment from public funders for both revenue and capex, 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 5-10 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. The RCSI Hospital Group will be consumed in 2024 into the North-East Regional Health Authority. The Board's future plan is that The Rotunda will continue to provide leadership in the provision of obstetrics, gynaecology and paediatric service within the new RHA region. The Rotunda also has the intent to become the 'benign gynaecology hub' for Dublin North catchment area. Due to major risk concerns regarding the current infrastructure capacity to provide high quality and safe care to our patients, it is essential now to address 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 HSE Board has approved and supported Interim Development works on Parnell Square as well as offsite outpatient care as an enabler. The Rotunda Board is fully supportive of interim development proposals being progressed and for the creation of an Outline Development Control Plan for the future planned development of the Parnell Square campus.

On behalf of the Board of Governors

Prof. T. Matthews
CHAIRPERSON

Mr. S Switzer
CHAIRPERSON FINANCE AND AUDIT COMMITTEE

Date: 9th May 2024



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. S. Switzer
CHAIRPERSON FINANCE AND AUDIT COMMITTEE

Date: 9th May 2024



Consolidated - Draft Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE ROTUNDA HOSPITAL, DUBLIN

Opinion

We have audited the financial statements of The Rotunda Hospital for the year ended 31 December 2023, which comprise the income and expenditure account, the balance sheet, the cash flow statement and notes to the financial statements.

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 2023 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.

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

Basis for opinion

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

We are independent of the hospital in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 the date when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

Other information

The governors are responsible for the other information in the annual report. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 Finance & Audit Committee members for the financial statements

As explained more fully in the governors' responsibilities statement, the governors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, 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 hospital's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the hospital or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the governors, as a body. Our audit work has been undertaken so that we might state to the 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 hospital and the hospital's governors as a body, for our audit work, for this report, or for the opinions we have formed.

John Manning
Statutory Auditor

For and on behalf of
JPA Brenson Lawlor Limited
Chartered Accountants
Statutory Audit Firm

Date.....



THE ROTUNDA HOSPITAL, DUBLIN

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>Notes</i>	2023 €'000	2022 €'000
Income for the financial year	3	115,737	106,885
Expenditure for the financial year	4	(114,920)	(106,690)
Operating surplus		817	195
Unrealised (loss) / gain on investments		650	(1,607)
(Deficit) / Surplus for the financial year		1,467	(1,412)
Reserves brought forward		20,943	22,355
Reserves carried forward		22,410	20,943

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 2023**

	<i>Notes</i>	2023 €'000	2022 €'000
FIXED ASSETS			
Tangible assets	6	78,709	76,070
		78,709	76,070
CURRENT ASSETS			
Investments	7	10,702	10,126
Stocks	8	1,621	1,273
Debtors			
- due within one financial year	9	11,389	14,818
- due after more than one financial year	9	1,579	1,618
Bank and cash		452	641
		25,743	28,476
CREDITORS: (Amounts falling due within one year)	10	(17,313)	(17,318)
NET CURRENT ASSETS		8,430	11,158
TOTAL ASSETS LESS CURRENT LIABILITIES		87,139	87,228
CREDITORS: (Amounts falling due after more than one year)	10	(1,597)	(1,636)
Capital grants	11	(67,290)	(64,649)
NET ASSETS		18,252	20,943
RESERVES			
Reserves		22,410	20,943
		22,410	20,943

The financial statements were approved by the Board of Governors on xth xxx 2024 and signed on its behalf by:


Prof. T. Matthews
CHAIRPERSON


Mr. S. Switzer
CHAIRPERSON GOVERNANCE AND AUDIT COMMITTEE



THE ROTUNDA HOSPITAL, DUBLIN

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>Notes</i>	2023 €'000	2022 €'000
Net cash inflow from operating activities	<i>13</i>	2,272	(832)
Cash flows from investing activities			
Payments to acquire tangible fixed assets	<i>6</i>	(5,804)	(3,362)
Capital grants received		5,624	2,268
Net cash flows from investing and financing activities		(180)	(1,094)
Net increase/(decrease) in cash and cash equivalents		2,092	(1,926)
Cash and cash equivalents at 1 January		(1,640)	286
Cash and cash equivalents at 31 December		452	(1,640)
Reconciliation to cash and cash equivalents:			
Cash at bank		452	641
Bank overdraft		-	(2,281)
		452	(1,640)



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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 2023

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 2023

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.

During 2023, the Rotunda's legacy defined benefit pension scheme was wound down after the last member retired. A surplus from that scheme was received and netted against pension costs.

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 2023.
- (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 2023

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 2023

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 14 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 €8.4m (2022: €11.1m) at the year end.

The Hospital's current revenue allocation for 2024 is €89.053m. This compares to our full year total funding of €86.021m in 2023. 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. 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

	2023 €'000	2022 €'000
HSE determination for the year	93,212	86,021
Patient income	12,681	11,486
Superannuation income	4,176	3,798
Grant amortisation	2,983	3,118
Other income	2,686	2,462
	<u>115,737</u>	<u>106,885</u>



THE ROTUNDA HOSPITAL, DUBLIN

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. EXPENDITURE

	2023 €'000	2022 €'000
Pay costs	88,890	83,460
Non-pay costs	23,047	20,112
Depreciation	2,983	3,118
	114,920	106,690
Non-pay		
Direct patient care	8,910	7,546
Support services	8,930	8,207
Financial and administrative	5,207	4,359
	23,047	20,112

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	Work In Progress €'000	Equipment €'000	Total €'000
Cost @ 01/01/23	128,209	-	14,190	142,399
Additions				
Capital	1,646	1,805	1,767	5,218
Non capital	-	-	586	586
Disposals	-	-	(645)	(645)
Cost @ 31/12/23	129,855	1,805	15,899	147,558
Accumulated depreciation @ 01/01/23	57,341	-	8,989	66,330
Charge for year	1,813	-	1,170	2,983
Disposals	-	-	(463)	(463)
Accumulated depreciation @ 31/12/23	59,154	-	9,695	68,849
Net book value @ 31/12/23	70,701	1,805	6,204	78,709
Net book value @ 31/12/22	70,868	-	5,202	76,070

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 at 31st December 2021. These assets were valued at fair value at 31st December 2023. 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 2023

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 2022 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:

	2023 €'000	2022 €'000
Portfolio Valuation opening valuation	10,126	11,811
Drawdowns	-	-
Management Fees Paid	(74)	(77)
Unrealised (Loss)/Gain for the Year	650	(1,608)
	<hr/> 10,702 <hr/>	<hr/> 10,126 <hr/>

8. STOCKS

	2023 €'000	2022 €'000
Drugs and medicines	605	438
Medical and surgical supplies	561	426
Sterile supplies	7	7
Pathology	354	364
Laundry / cleaning	39	28
Bedding / clothing	7	6
Office supplies and equipment	46	2
Computer supplies	2	2
	<hr/> 1,621 <hr/>	<hr/> 1,273 <hr/>



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9. DEBTORS	2023 €'000	2022 €'000
<i>Amounts falling due within one financial year</i>		
HSE – revenue grants due	11,864	11,706
Patient debtors	2,284	1,998
Prepayments	1,295	1,009
Other debtors	105	105
Total debtors	15,548	14,818
<i>Amounts falling due after more than one financial year</i>		
Lump Sums – Chargeable Excess Tax	1,579	1,618
	1,579	1,618
10. CREDITORS	2023 €'000	2022 €'000
<i>Amounts falling due within one year</i>		
Creditors	9,796	7,883
Bank overdraft (a)	-	2,281
PAYE and PRSI	4,100	4,018
Wages and salaries	3,283	2,990
Accruals	40	52
Lump Sums – Chargeable Excess Tax	94	94
	17,313	17,318
<i>Amounts falling due after more than one year</i>		
Wages and salaries	18	18
Lump Sums – Chargeable Excess Tax (Chp 2C of Part 30 of, and Schedule 23B to, the TCA 1997)	1,579	1,618
	1,597	1,636

(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 2023**

11. CAPITAL GRANTS	2023 €'000	2022 €'000
External grants received		
Balance at 1 January	64,649	65,517
Capital grants received in the year	5,624	2,250
Write Offs / Disposals	-	-
Grant amortisation	(2,983)	(3,118)
Balance at 31 December	67,290	64,649
12. FINANCIAL INSTRUMENTS		
The carrying value of the financial assets and liabilities are summarised by the category below:		
	2023	2022
	€'000	€'000
Financial assets		
<i>Measured at undiscounted amounts receivable</i>		
Debtors (Note 9)	14,158	13,716
Investments	10,702	10,126
<i>Measured at amortised cost</i>		
Debtors (Note 9)	1,673	1,712
	26,533	25,554
Financial Liabilities		
<i>Measured at undiscounted amounts payable</i>		
Trade and other creditors (Note 10)	13,896	11,917
<i>Measured at amortised cost</i>		
Trade and other creditors (Note 10)	1,673	1,712
	15,569	13,629
13. NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES	2023 €'000	2022 €'000
Surplus on operating activities	817	195
Depreciation	2,983	3,118
Grant amortisation	(2,802)	(3,118)
Movements in investments	74	77
Increase in stock	(347)	(280)
Increase / (Decrease) in debtors	(690)	(2,145)
Increase in creditors	2,237	1,321
Net cash (outflow)/inflow from operating activities	2,272	(832)



THE ROTUNDA HOSPITAL, DUBLIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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 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.

During 2023, the Rotunda's legacy defined benefit pension scheme was wound down after the last member retired. A surplus from that scheme was received and netted against pension costs.

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.

This scheme moved to a Master Trust during 2023, to ensure regulatory compliance, held with Irish Life

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 €426,978 (2022: general funding €237,216).

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 2023 the Hospital had capital commitments of €2.55m (2022: €149,650).



THE ROTUNDA HOSPITAL, DUBLIN

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. SUBSEQUENT EVENTS

There were no subsequent events since the year end