

**Saint John of God Community Services clg
(A company limited by guarantee, not having a share capital)**

Draft Annual Report and Financial Statements

Financial Year Ended 31 December 2018

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DIRECTORS AND OTHER INFORMATION

Board of directors

William Forkan (Brother Donatus)
Anne Gunning
Michael Noone (resigned 26 March 2018)
Paul Robinson
Gerard Boyle
Charles Watchorn (appointed 8 March 2018)
Eimer O'Rourke (appointed 8 March 2018)
James Hussey (appointed 8 March 2018)

Solicitors

Porter Morris and Co.
10 Clare Street
Dublin 2

Secretary and registered office

Ciaran Cuddihy
"Granada"
Stillorgan
Co Dublin

Bankers

Bank of Ireland
College Green
Dublin 2

Chief Executive Officer

Clare Dempsey

Company number: 430744

Charity Tax Exemption number: CHY 18284

Charity Reg. number: 20069865

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the financial year ended 31 December 2018. The Directors confirm that the financial statements of the company comply with the current statutory requirement of the companies governing documents and with the provisions of FRS 102 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the Republic of Ireland (FRS102) hereafter denoted as the Charity SORP (FRS102). The Charity SORP (FRS102) is not yet mandatory in the Republic of Ireland and the Irish Charity Regulator has not yet prescribed accounting regulations for Irish Charities. In the absence of such prescriptive guidance this Board has adopted the Charity SORP (FRS102) as it is considered best practice.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities and business review

Saint John of God Community Services clg operates HSE (Health Service Executive) funded services across intellectual disability, adult mental health and child and adult psychiatry. The services are provided in the tradition of Saint John of God. See Trustees' Report for more details.

The charity is a registered company and the reports and results are presented in a form which complies with the requirements of the Companies Acts 2014. The company has been granted charitable tax exemption by the Revenue Commissioners.

Financial review

The deficit for the year is set out in the Statement of Financial Activities.

DIRECTORS' REPORT - continued

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records include the use of appropriate systems, policies and procedures and the employment of competent persons. The accounting records are kept at Hospitaller House, Stillorgan, Co. Dublin.

Going concern

Based on a combination of the facts and circumstances set out in note 1 to the financial statements, the directors have concluded that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless after making enquiries and considering the proposed actions and negotiations described in Note 1, the directors have a reasonable expectation that agreement will be reached with the HSE, and that appropriate measures can be taken to ensure the Company has adequate resources to continue in operational existence for the foreseeable future and to implement planned actions. For these reasons they continue to adopt the going concern basis in preparing the directors' report and financial statements of the company. The directors' detailed considerations in relation to the appropriateness of the going concern concept are set out in Note 1 to the financial statements.

Post Balance Sheet event – COVID-19

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in 2019 in Wuhan, the capital of China's Hubei province, and has since spread globally, resulting in the ongoing 2019–20 coronavirus pandemic. The earliest known infection occurred on 17 November 2019 in Wuhan, China. The World Health Organization (WHO) declared the 2019–20 coronavirus outbreak a Public Health Emergency of International Concern (PHEIC) on 30 January 2020 and a pandemic on 11 March 2020.

We have considered the risks that coronavirus poses to the organisation and the actions we are taking to mitigate the impact. Our detailed consideration of the risks and uncertainties arising as a result of this non-adjusting post balance sheet event are set out below under principal risks and uncertainties.

Principal risks and uncertainties

Funding

The company continues to engage and work closely with its funder, the Health Service Executive. However, despite strenuous negotiations, the cost of running the service has not been fully met by the HSE. The ongoing under-funding has resulted in both carried financial deficits and cuts to critical expenditure on maintenance, vehicle fleet, ICT and physical infrastructure. The Directors consider the insufficient level of funding to be the principal risk.

Full funding by the HSE to run the service is critical to ensure the company continues as a going concern and is able to provide a safe service which meets regulatory requirements.

COVID-19

We have considered the risks that coronavirus poses to the organisation and the actions we are taking to mitigate the impact. Although all non essential services are temporarily closed in Ireland at this time, the services provided by Saint John of God Community Services are considered to be essential, and we are continuing to operate most of our services, albeit that we have had to introduce various social distancing and other health and safety protocols in executing our services. In line with government policy, Day and Respite Services to children and adults with intellectual disability and outpatient services to children, adolescents and adults with mental ill health were curtailed with effect from mid- March 2020. Residential services and urgent mental health consultations continue to operate with the systems, processes and procedures put in place in accordance with Public Health guidelines to manage the transmission of the virus and keep individuals we support and staff safe. The staff who previously worked in the areas which were curtailed have been reassigned to residential services.

At this time, it is unclear how long it will take to implement the government mandated return to work protocols and social distancing measures. No additional funding has as yet been provided for implementing these protocols.

To date, we have had a number of suspected and confirmed cases of COVID-19 in both residents and staff in our centres, resulting in a significant number of staff having to self isolate at home for various periods. At the height of the COVID-19 peak to date, we had c.300 number of staff out on leave. At the time of signing the financial statements, our organisation has seen a total number of confirmed cases of 32 residents and 102 staff, and we have had 3 deaths of residents, may they rest in peace.. We have a COVID-19 task force in place, which meets

DIRECTORS' REPORT - continued

using video / electronic meeting technology virtually every day. Ensuring we have the right level of personal protective equipment (PPE) is a key challenge for us, and one that we are very focused on.

We have no experience of a similar crisis so there is no way of predicting the extent that the full effect coronavirus will have on our organisation in general, our clients and the resulting demand for our services. It is not yet clear how widespread the virus will be at any one time, how long the pandemic will last and what the medium to long term effect of this pandemic will be on availability of staff.

Our priority is to do all we can to keep our workplace as safe as possible for staff and residents. We are likely to remain at risk to the continued possibility that members of our teams in different centres could go out sick, resulting in the need for other members of the team to self-isolate, and thereby require additional agency staff to fill vacancies. We are confident based on our discussions with the HSE that all incremental COVID-19 related costs associated with continuing to provide our services during the pandemic will be funded.

We have modelled the likely effects of COVID-19 on our cash forecast for the next 12 months, and we are comfortable, that there is unlikely to be any significant impact on our core income sources, and that any incremental COVID-19 related costs will be re-imbursed by the HSE. The non core sources of income e.g. donations and swimming pool income, have been adversely effected by Covid-19 and we expect it will be over a year before these sources recover fully. The activities that were funded from the non core funds e.g. trips to swimming pool and certain day activities have been curtailed and will continue to be curtailed until the funding or an alternative source can be obtained.

We have also considered various measures we could take to control costs and conserve cash within the organisation, if certain services were to be temporarily suspended. Management are comfortable that the forecasts they have prepared have considered a number of sensitivities, including a range of outcomes, and that in all cases (notwithstanding the existing cash-shortfall issues arising from the overall underfunding of the service as set out in the going concern in note 1) there remains sufficient mitigation measures available to management to ensure that COVID-19 changes to cash-flows are managed and that the Organisation can continue to meet its obligations as they fall due for the period of at least 12 months from signing the financial statements.

There will be many challenges to our working practices as the pandemic develops and we are putting plans in place to protect our most vulnerable employees and residents, and to comply with differing levels of Government restrictions and cope with illness throughout the organisation. In particular, we are adapting our procedures to facilitate a certain amount of home working among our administration and finance staff. We are confident that as an organisation we have the ability to manage through this challenging time.

Regions

The organisation comprises of four regions offering services to people with intellectual disability and mental ill health, details of which are set out in note 4 (p) of the financial statements.

Political donations

The company did not make any political donations during the financial year.

Research and development

The company carries out ongoing healthcare research and so ensures that evidence based best practice informs our delivery of service.

Directors

The names of the persons who were directors at any time during the year ended 31 December 2018 are set out below. Unless indicated otherwise they served as directors for the entire year.

William Forkan (Brother Donatus)

Michael Noone (resigned 26 March 2018)

Anne Gunning

Paul Robinson

Gerard Boyle

Charles Watchorn (appointed 8 March 2018)

Anne Cleary (appointed 8 March 2018)

Eimer O'Rourke (appointed 8 March 2018)

James Hussey (appointed 8 March 2018)

DIRECTORS' REPORT - continued

Attendance at Board and Board Committee Meetings

The attendance of the Board of Directors and Board Committee members at meetings is as follows:

<u>Board meeting</u>	<u>Eligible</u>	<u>Attended</u>	<u>Board finance committee</u>	<u>Eligible</u>	<u>Attended</u>
William Forkan	12	11	Paul Robinson	10	10
Anne Gunning	12	9	Charles Watchorn	4	4
Gerard Boyle	12	12	Michael Noone	3	3
Paul Robinson	12	12			
Michael Noone	3	3			
Eimer O'Rourke	9	9			
Charles Watchorn	9	9			
Anne Cleary	9	9			
James Hussey	9	8			

<u>Board audit and risk committee</u>	<u>Eligible</u>	<u>Attended</u>	<u>Board nominations, performance and governance committee</u>	<u>Eligible</u>	<u>Attended</u>
Gerry Boyle	9	9	Gerry Boyle	6	6
Paul Robinson	9	9	Paul Robinson	6	6
Michael Noone	3	3	Anne Gunning	6	5
Charles Watchorn	5	5	Eimer O'Rourke	4	4

<u>Board quality and safety committee</u>	<u>Eligible</u>	<u>Attended</u>
Anne Gunning	5	5
Philomena Dunne (appointed 22 November 2018)	1	1

Directors' and secretary's interests

The directors and secretary and their families had no interest in the company or any other related companies at 31 December 2018.

Review of business and results

The results for the year are included in the Statement of Financial Activities. Net expenditure amounted to €6.50m (2017: €8.98m). Please also see the financial overview on page 12 of the Trustees Report.

Future developments

The company plans to refine and specialise the range of health and social care services provided to persons with intellectual disability and to persons with mental ill health.

Legal status

The company was incorporated in Ireland on 29 November 2006 as a company limited by guarantee. The company's registered number is 430744, the charity tax exemption number is CHY 18284 and the charity registered number is 20069865.

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

DIRECTORS' REPORT - continued

Directors compliance statement

The directors acknowledge that they are responsible for securing the company's compliance with its relevant obligations.

The directors confirm that they have:

- 1) Drawn up a compliance policy statement setting out the company's policies respecting compliance by the company with its relevant obligations.
- 2) Put in place appropriate arrangements or structures that are designed to secure material compliance with the company's relevant obligations.
- 3) During the financial year ended 31 December 2018, management maintained the arrangements and structures which had been put in place to secure material compliance with the relevant obligations of Saint John of God Community Services clg. We acknowledge that, these arrangements can only provide reasonable assurance of compliance in all material respects with those obligations. Informal reviews were conducted by management for the financial year ended 31 December 2018 and a formal review was conducted in quarter one 2018 and further reviews will be conducted during the financial year ended 31 December 2019.

Audit committee

The Audit and risk committee has responsibility for the review of the output of the 2018 audit and audited financial statements. It also has responsibility for the review of the internal audit process.

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Board

William Forkan 

Charles Watchorn 

Date: 20 July 2020

Date: 20 July 2020

TRUSTEES' REPORT

Saint John of God Community Services clg

Objectives and activities

Who we are

Saint John of God Community Services clg is established to facilitate the mission of the Hospitaller Order of Saint John of God, a religious Order within the Catholic Church.

Our mission

Our Mission is to identify, respond and support the needs of individuals, in the manner of Saint John of God.

Our vision

Our Vision is of a society inspired by Hospitality, where the potential of each individual is achieved.

Our ethos

The philosophy of the Order's work is based on the beliefs and values of Saint John of God which hold that all people are the creation of God, with intrinsic dignity.

Our values

Hospitality, Compassion, Respect, Justice and Excellence.

Our work

The focus of our work is to assist the weak, the sick and those in need, with a preference for the poorest, in the alleviation of their suffering and without any type of discrimination.

We seek to work for the personal development, education and advancement of persons with intellectual disability and persons with mental illness through the provision of a range of health-related social care services mainly in community-based settings. These include day, residential and respite services. The services are funded through the Health Services Executive (HSE).

Strategic plan

The Saint John of God Community Services Corporate Strategic Plan for the year defines five priority areas as follows:

- Heritage, identity, culture, ethos and values
- Person-centred service development and delivery
- Building capacity and relationships
- Innovation, quality and risk
- Sustainability and resilience

This plan sets out specific objectives, action plans and key performance indicators to guide the delivery and development of services in 2019.

The Board of Community Services delegated authority to the Chief Executive for the preparation and implementation of an annual Action Plan in furtherance of and achievement of the objectives.

The Chief Executive provides progress reports to the Board on the implementation of key aspects of the annual plan at its monthly meetings.

Service provision

In 2018 Saint John of God Community Services clg provided services and supports to over 8,000 children, adolescents and adults with intellectual disability or mental ill health throughout Ireland.

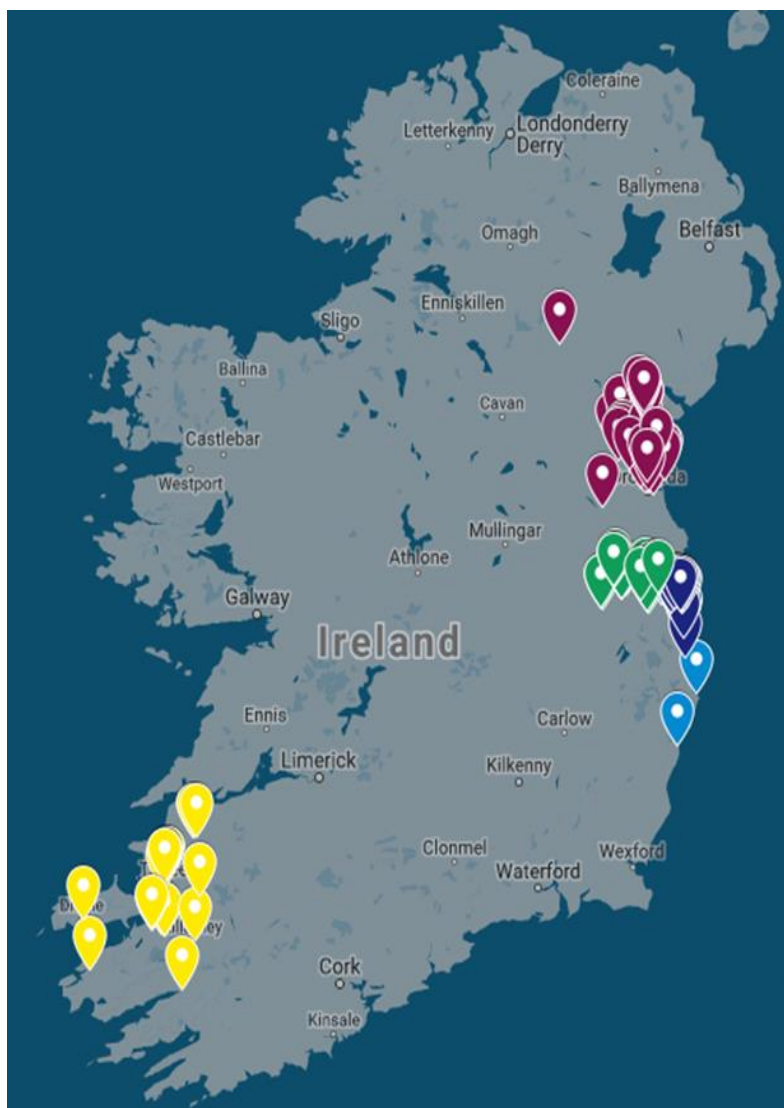
The organisation is configured into five Regions with a Regional Management Team responsible for the delivery of services and supports in each Region.

TRUSTEES' REPORT - continued

Service provision - continued

It managed a total of 89 designated centres for 774 residents.

- Eleven of these designated centres operate from campus-based locations at St Mary's Drumcar, St Raphael's Celbridge and St Mary of the Angels, Beaufort.
- Seventy eight designated centres are in community settings.



Saint John of God North East Services:
Day and residential services to children and adults with intellectual disabilities in Louth, Meath and Monaghan.

Saint John of God Liffey Services
Day, residential and respite services to children and adults with intellectual disabilities in North Kildare and Dublin South West and Dublin South City.

Suzanne House, Tallaght, Dublin
Specialised individual respite care for children with high medical support needs.

Dublin South East Services
A network of day, education, training, employment and residential and respite services to children and adults with intellectual disabilities in South East Dublin and North Wicklow including St Augustine's co-educational school and City Gate Services supporting individuals in accessing and sustaining their own homes.

Saint John of God Community Mental Health Services:
Cluain Mhuire provides community mental health programmes for the adult population of Dun Laoghaire-Rathdown.
Lucena Clinic provides child and adolescent mental health programmes in Dublin South, parts of Dublin West and County Wicklow.

Saint John of God Kerry Services Training, employment, social and residential programmes for people with intellectual disabilities in County Kerry.

TRUSTEES' REPORT - continued

	2018	2017
Adult Mental Health		
Cluain Mhuire Community Mental Health Services		
Acute Bed Nights		
Average Monthly Number	31	33
Community Accommodation		
High Support Places	21	21
Low Support Places	9	9
Support to Independent Living Places	62	62
Day Centres		
Burton Hall Average Daily Attendances	53	57
Burton Hall Number on Register	126	128
Venegas Club House Average Daily Attendances	30	41
Venegas Club House Number on Register	61	65
Child and Adolescent Mental Health		
Saint John of God Lucena Clinic		
Day Hospital		
No. of Places	-	16
New Referrals	-	18
Total attendances (per day)	-	2
Total no. of persons attending	-	42
Outpatient Clinics		
New Attendances	1,430	1,436
Repeat Attendances	38,634	29,653
Total no. of attendances	40,064	31,089
 Average number of persons employed		
Management/Admin	173	165
Medical/Dental	43	44
Nursing	488	497
Health and Social Care Professionals	659	610
General Support Services	146	145
Other Patient and Client Care	871	841
Total Staff	2,380	2,302

TRUSTEES' REPORT - continued

Intellectual Disability Services Children/Adults Attending Programmes	2018	2017
Children/Adults attending Day Programmes (incl Special Shools)	2,654	2,333
Children/Adults in Residential Settings	751	805
Permanent Residents only	81	78
Permanent Residents Receiving a Day Service	670	727
Day Attendees Only	1,534	1,606
Special School Attendees	473	490
Total Service Users (excl. Respite)	<u>2,709</u>	<u>2,411</u>

Residential Service Users

Carmona	111	111
Menni	95	99
Kildare	171	177
Saint Augustine's	2	4
City Gate	40	42
North East Services	222	233
Kerry Services	110	115
Total	<u>751</u>	<u>781</u>

Day attendees only (incl. Special Schools)

Carmona	320	393
Menni	454	446
Kildare	273	409
Saint Augustine's	153	136
Citygate	-	1
STEP	175	209
North East Services	228	188
Kerry Services	253	201
Total	<u>1,856</u>	<u>1,983</u>

TRUSTEES' REPORT - continued

2018 in overview

Financial Review

2018 was a year of significant change both for Saint John of God Community Services clg and its operating environment. The regulatory process around health and social care provision is quite rightly strengthening and has created new and ongoing expectations in the sector generally. Ireland is also now rolling out a new and, again, welcome regulatory framework for the charity sector.

Change is always challenging, even more so when there are limited resources to support new activities and learning and to offset displacement of existing structures and norms.

Saint John of God Community Services clg has engaged actively with the need for change. In doing so it is guided in the first instance by its mission and values and with a focus on sustaining its ability to continue serving the needs of the children and adults it supports without discrimination.

Despite the challenge of change, and the ongoing pressure on resources, throughout 2018, there are many and varied examples of innovative and exemplary service developments across the organisation with a focus on the continuing development and delivery of person centred services that focus on empowering and supporting people to be active participants of the community in which they live.

Achievements and Performance

Strengthening governance

The work of change in Saint John of God Community Services clg in 2018 started with the board.

Following on a report received in May 2017 from Deloitte Ireland LLP which was discussed with the HSE, the board implemented several recommendations for improvement in 2018 with other developments planned through 2019. The changes completed include:

- Appointment of 4 new directors to the board following a public recruitment campaign to enhance the board and its sub committees' capabilities
- Development and adoption of policy on Board succession planning and the recruitment of new directors
- Full review of authorities and delegations from the board to the CEO
- Following amendments to the constitution, the first non-board member was appointed to a sub-committee
- Whistleblowing and Complaints policies were reviewed and approved by directors
- Board training was received from PWC on both Trustee duties under the Charities Act and guidance from the Charities Regulator's office
- An independent, external review of the Board and its workings was commissioned and the implementation of its findings overseen by the NPG committee
- Review of the Board Constitution including matters reserved from the Board
- An Internal Control Questionnaire was completed by senior managers to ascertain levels of compliance with company and public policies
- Controls Assurance Statement was completed by Senior Manager to provide the Board with assurances in relation to implementation of internal controls

Review of Board Effectiveness

The Board engaged independent, external consultants to review board effectiveness for the financial year 2018. The assessment focused on the role of the Board including oversight and division of responsibilities, codes of conduct and conflicts of interest, business and financial reporting, risk management, internal control, audit and risk, and the Board's relationship with management. The review was conducted through questionnaire and one-to-one interviews with directors and also a review of Board materials, documents and meeting papers. The observations from this review identified a number of areas for action by the Board including the appointment of a Risk Officer and a general review of the terms of reference of its subcommittees. The Board has committed to the full implementation of the recommendations and the process of implementations is being overseen by the Nominations, Performance and Governance Committee.

At a leadership level, Saint John of God Community Services clg is working in partnership with HSE to implement the agreed actions to deliver an overarching Improvement Plan for the organisation in the period 2018–2019.

TRUSTEES' REPORT - continued

Review of Board Effectiveness - continued

The Board is committed to the implementation of this plan subject to further discussion and agreement of a Financial Sustainability Plan for Saint John of God Community Services clg.

Residential Service Provision – delivering reconfiguration and de-congregation

A major element in the direction of change for Saint John of God Community Services clg is the reconfiguration of services and in particular the transition of residential services from campus-based settings to community living as set out in the national policy document 'A Time to Move On'.

The residential services provided by Saint John of God Community Services clg at St Mary's North East Services and St Raphael's Liffey Services have been identified as accelerated sites for de-congregation as part of the national Transforming Lives Programme. Specific Project Plans for each service were approved with the HSE in 2016. These set out plans for the transition of 101 residents from St Mary's and 70 residents from St Raphael's over a period of 5 years with annual plans guiding the transition programme each year.

Forty two residents across the two locations successfully transitioned to their new homes in 2018. At the end of 2018, one hundred and seventy seven residents continue to live living in campus based designated centres at Drumcar, Saint Raphael's Celbridge and St Mary of the Angels, Kerry.

Residential Service Provision - achieving registration

The responsibility for the registration of designated centres for people with disabilities in Ireland rests with the Health Information and Quality Authority (HIQA). Registration is for a period of three years. HIQA maintains an active ongoing regime of monitoring and inspection to maintain registration. The registered entity is then required to apply for renewal at least six months in advance of the expiry date of their current registration.

2018 was an important and challenging year for Saint John of God Community Services clg in this regard. The timeframe for the registration of all designated centres expired on 31 October 2018. During 2018, 42 residents transitioned to community living so that three campus based designated centres were closed at Celbridge and Drumcar. All 89 designated centres were registered by 31 October 2018.

During the year HIQA conducted 52 monitoring and registration inspections. The Board Sub Committee on Quality and Safety with the support of the Regulation Committee oversaw the successful implementation of the plan to achieve the registration of all designated centres.

Day Service Provision - embracing New Directions

Since 2012, the approach to delivering day and personal support services for adults with disabilities in Ireland has been framed by New Directions, a national policy document which envisages that supports will be mobilised, rather than centralised, and which places a premium on making sure that being part of one's local community is a real option for all service users.

To ensure its capacity to deliver on New Directions and in particular in response to the Interim Standards for New Directions issued by the HSE, Saint John of God Community Services completed baseline audits across a range of Day Services in 2017. A Steering Committee is now in place, with representation from key staff from across the regions to prepare a report and an Implementation Plan to support the Organisation to prepare for and progress compliance with the Interim Standards across Community Services. This report will outline the model of best practice for day services, recommendations on enhanced governance structure, staffing requirements and the additional services facilities and locations to meet the requirements of the Interim Standards. Significant financial resources are required to achieve compliance with the Interim Standards, given that limited or in some cases no investment has been made to enhance Day Services over the years.

TRUSTEES' REPORT - continued

Day Service Provision – embracing New Directions - continued

During 2018 Saint John of God Community Services clg implemented a number of further initiatives to support the provision of day services in line with new Directions including:

- Development of community hubs to support and facilitate people to participate in educational, occupational and recreational activities in accordance with their individual preferences.
- Development of individualised programmes for a small number of individuals.
- Use of assistive technology to support skill development and participation in community activities
- Completion of a self-assessment audit with agreed action plans under Theme 1, New Directions Standards using the HSE EASI Tool.
- Completion of a report by the Training and Communication Sub Committee of the Steering Committee outlining the key priorities and actions required to progress improved training and communication for all stakeholders.

Each Regional Service is represented on the CHO, HSE New Directions Implementation Groups. Staff from the Regions are also participating on the Federation of Voluntary Bodies, Next Steps programme.

Mental Health Services

Saint John of God Community Mental Health Service provides care and treatment to children and adolescents from Tallaght Dublin West down the East Coast to Arklow, Co. Wicklow. Services are provided to adults at various locations in South Dublin. As community based Mental Health Services, the focus is on providing treatment and supports in out-patient settings. Saint John of God Community Mental Health Services has a Agreement with Saint John of God Hospital for the provision of adult in-patient facilities and consistently and safely achieves one of the lowest inpatient admission rates in the country.

With the support of the HSE an additional part-time consultant was engaged for six months in South Dublin to reduce waiting times for non-urgent referrals of children and young people to the Child and Adolescent Services. Urgent referrals are always prioritised and offered appointments as soon as possible. However the urgent case impacts the waiting times for other children and young people and the engagement of an additional consultant has assisted to reduce these waiting times.

The Lucena Clinic in Wicklow & Arklow piloted a new computerised diagnostic aid to assist clinicians in formulating the diagnosis of ADHD. The diagnostic aid has accelerated the diagnostic and treatment process significantly. The computerised test takes 15 minutes to administer and the outcome in trials has concurred with previous very extensive and time consuming clinical testing.

Lucena Clinic has collaborated with UCD, Community Healthcare East, Department of Health and legislators to change the Nurse prescribing legislation to include medicines to treat ADHD. These legislative changes have now come into effect and with three Nurses trained as Registered Nurse Prescribers, Nurse led Clinics for ADHD have commenced initially in our Wicklow/Arklow clinic.

Strengthening the focus on person centred care

Person Centred Planning is at the core of the services we provide to both children and adults. In 2017 a Committee was established to review the existing Person Directed Guidelines and develop a Policy and Procedure in line with the HSE National Person Centred Planning Framework. This Committee are recommending an Implementation Plan with the development of training and induction materials to ensure appropriate roll out of the policy and training and support for staff to ensure a person centred culture and that person centred plans are developed and delivered to a high quality standard for all Individuals supported in accordance with their wishes, preferences and aspirations.

Driving quality and continuous improvement

Saint John of God Community Services clg believes that a commitment to continuous improvement in quality at all levels is essential to maintaining strength across its services.

The organisation maintains Quality and Safety Committees at both Executive and Regional level to monitor and maintain that commitment. In 2018, those groups focused their attention on the development, implementation and monitoring of systems, policy and procedures to advance the quality agenda.

TRUSTEES' REPORT - continued

Driving quality and continuous improvement - continued

The Executive Quality and Safety Committee prepared a Quality and Safety Action Plan 2018-2019, This Action Plan was approved by the by the Board Quality and Safety Committee.

The provision of quality services and supports are guided by an organisation's Policies and Procedures. Saint John of God Community Services clg has a diverse suite of policies and procedures to support the provision of services. The following policies and procedures were either created or renewed, and approved, by the Board in 2018:

- Time in Lieu Policy
- Use of Agency staff
- ICT Policy
- Data Protection
- Clear Desk Policy
- Restraint Reduction Policy
- Positive Behaviour Support Policy
- Incident Management Policy and Procedures
- Safety Statement
- Person Centred Medication
- Infection Prevention Control Policy
- Nurse Prescribing Policy
- Internal Code of Governance
- Child Safeguarding Statement
- Procurement Policy
- Payroll Policy and Annual Leave Entitlement
- Policy on Hospitality Gifts and Presentations
- Overtime Policy
- Person Centred Medication Management Policy
- Service Users Personal Finance and Possession Policy

Innovation in the use of technology to enhance outcomes

Saint John of God Community Services clg is proactive in its approach to employing technology to enhance its mission and to enhance the delivery of services and support. There were several achievements in that regard in 2018.

- The ICT Department co-ordinated Community Services participation in an International Saint John of God European Erasmus+ Funded Project for the development of an Android App – Mefacityta Desktop. The app can be individually tailored to support people with intellectual disabilities to learn how to carry out their everyday activities independently. The individuals who volunteered to use the app all identified and chose the new skills they would like to learn. With help from their support staff and Assistive Technology facilitator they created the step by step guides to support themselves to learn new skills. The project received a 'Good Practice' award by the European Commission as it met the criteria of a project that was well managed and a source of inspiration to others in ICT - new technologies - digital competences, new innovative curricula/educational methods/development of training courses and supporting Disabilities - special needs.
- The ICT Department co-ordinated the uplift of data to the upgraded electronic HR system and prepared a plan for the roll out of the various modules and functions in 2019.
- The ICT Department facilitated the development of the electronic Risk Registers for Community Services. This electronic Risk Register when fully operational in 2019 will enhance the management of risk across Community Services.

TRUSTEES' REPORT - continued

Engaging with community

Social investment is about investing in people. It requires initiatives designed to strengthen people's skills and capacities and support them to participate fully in employment and social life. The continued development of social capital and the building of social alliances are objectives set out in the Strategic Plan. As part of the continued roll out of National Transforming Lives and New Directions Policies, we have reconfigured many aspects of our services to focus on integration and inclusion of the person in local communities. Many of the people we support, volunteer their services to assist such communities in a variety of valued roles while for others, the initiative has facilitated new educational and supported employment opportunities.

Staff

In 2018 Saint John of God Community Services employed an average of 2,380 staff, see note 14(i), to provide services to the people we support and their families. The contribution and commitment of each and every staff is vital to the organisation and the achievement of our aims and objectives.

Volunteering

Two hundred and forty one people generously volunteer to support the work of Saint John of God Community Services clg. Volunteers work with staff to support people through various programmes of care, work, education and leisure, to achieve enhanced personal outcomes for the individual. Volunteers provide a value added contribution in support of individuals. The estimated economic value on the input of our volunteers is just over €580k.

Engagement with Corporate Volunteering Programmes has facilitated the upgrading of buildings and leisure facilities as well as the provision of additional recreational facilities at many of our services.

Funding

As noted in the Director's Report, the adequacy of funding to meet the needs of people supported continues to be the substantive challenge facing the board of Saint John of God Community Services clg. The need to continue with the provision, development and enhancement of safe effective services – in line with regulatory requirements put extreme pressure on an already insufficient budget allocation throughout 2018.

Saint John of God Community Services clg operated with a deficit of €6.5m in 2018. Neither the Order nor Saint John of God Hospitaller Ministries was in a position to subsidise this deficit. This deficit has been the subject of continuous discussion with the HSE throughout 2018 with a view to agreeing a Financial Sustainability Plan for Community Services. This deficit and the overall funding situation continues to be subject to discussion with HSE right into 2020.

Financial Sustainability is a key component of the Improvement Plan agreed with the joint Task Force in 2018. As part of the Improvement Plan the HSE has agreed to engage with Saint John of God Community Services clg with the objective of agreeing a financial sustainability package. There is an urgent requirement to agree this financial sustainability in early 2019 so that services to people with intellectual disability and mental ill health can be maintained and developed.

Compliance

The HSE Internal Audit Division completed an audit of Compliance with Public Pay Policy at Saint John of God Community Services clg and presented the final report of the Audit in June 2017. The Report issued 19 recommendations specific to Saint John of God Community Services clg, for which formal responses have issued to the HSE through 2017 and 2018.

Key Administrative Policies have been reviewed and revised to address the findings and recommendations of the HSE Internal Audit. The Payroll Policy was reviewed and approved by the Board in September 2018. In accordance with the Improvement Plan, a quarterly report issued to the HSE setting out the levels of Compliance with Public Pay Policy.

The Internal Control Questionnaire and the Annual Assurance Statement has been completed by senior managers across Community Services in respect of 2018. The report of the collated data indicates significant levels of compliance with the application of internal controls and adherence to the required policies and procedures. Improvements are required in relation to auditing of services user finances, the development of Capital Assets Registers and the implementation of actions to comply with the Sustainable Energy Act 2002.

TRUSTEES' REPORT - continued

Compliance - continued

The General Data Protection Regulations came into force in May 2019. Policies, procedures and processes have been developed and implemented towards achieving and evidencing compliance with the Regulations.

(a) Energy efficiency

The Sustainable Energy Authority of Ireland (SEAI) was established as Ireland's national energy authority under the Sustainable Energy Act 2002 and since 2011 all public sector bodies are required to report details of their energy performance directly to SEAI each year. The Report from SEAI 2018 highlights an overall energy performance improvement of 11.3% in 2018 with further significant improvement required by 2020. Energy consumption increased by 3.3%, and fossil fuel consumption by 6.7%. Carbon emission increased by 1.8%. The use of renewable energy increased very significantly in the year by 94%.

(b) Plans for future periods

2019 will be a year of continuing change. As we strive to develop our services in accordance with national policy and international best practice these changes will impact all those who direct, work and volunteer across our services with a focus on achieving improved outcomes for the people we support.

(c) Planning

Our Values of Hospitality, Compassion, Respect, Justice and Excellence are central to the manner through which we provide services and supports to people. With the support of the Institute of Hospitality, and through various education initiatives, we endeavour to ensure that all staff understand and practice the Values and that all actions and interactions are in accordance with the Values. By extension, the Board expects, that the people who we support and any person who has contact with our services, experiences our unique Value of Hospitality.

The Strategic Plan for Saint John of God Community Services clg sets out our objectives and these objectives remain valid pending the revision of the Strategic Plan. The revised Strategic Plan will guide the development of day, respite and residential services of excellence for people with intellectual disability and the development of community-based services of excellence for children, adolescents and adults with mental ill health.

Saint John of God Community Services clg will continue to review, revise and develop administrative and programme policies in 2019, so that services are provided in accordance with national policy and international best practice.

(d) Transforming Lives and New Directions

Transforming Lives is the National Programme supporting the transition of residents from campus based designated centres to community living.

A Steering Committee is in Place for Saint John of God Services to provide oversight on the progression of the Transforming Lives Programme across the three Regions with a focus on consistent Governance Structures and Model of Service in line with best practice provision. Concerns have been raised with regard to the allocation of appropriate, revenue, transitional and capital funding to realise the targets set to progress transitioning of residents from St Mary's, Drumcar, St Raphael's, Celbridge and St Mary of the Angel's, Kerry.

The progression of the Transforming Lives programme in 2019 is dependent on the availability of capital and revenue funding from the HSE. Saint John of God Liffey, North East and Kerry Services on receipt of the confirmation of the required funding are planning the transition of 33 residents to community living this year.

Service delivery

The Model of Service provision in line with Government Policy, Legislation and International Best Practice is being reviewed as part of the work of a number of Steering Committees which include; New Directions Committee, Transforming Lives Committee and Respite Committee. This review will challenge the traditional models of service delivery and guide us towards the development of innovative practices to support the Person Directed wishes and preferences of each individual availing of our services.

TRUSTEES' REPORT - continued

Service delivery - continued

In accordance with the Health Act 2007 and the Regulations 2013, all designated centres were registered by 31 October 2018. Forty two residents transitioned to community living, facilitating the closure of three campus-based designated centres. At the end of 2018, eighty nine designated centres were registered across Saint John of God Community Services clg. Our focus in 2019 is on the development of residential services in accordance with the standard as a key focus on our commitment to continuous quality improvement. Saint John of God Community Services clg is committed to continuous quality improvement and development of services. An accredited Quality Outcomes system in line with the HSE Quality Outcomes Framework will be adopted in 2019.

(a) Progressing Disability Services

Progressing Disability Services is a national programme for the provision of clinical and therapeutic supports to children. In accordance with this programme, all children will be assessed and receive their supports from Primary Care or from Network Disability Teams. Community Services collaborated with the HSE in 2018 to co-ordinate the transfer of these services in Dublin and Louth to the relevant Primary Care and Network Disability Teams. This collaboration will continue in 2019 to support the transfer of services in Dublin.

(b) Respite services

Residential Respite Services are provided to children and adults at various service locations in Dublin, Louth, Kerry and Kildare. Following on from the completion of a respite review, a Committee was established to develop a range of respite initiatives (residential and non-residential) to meet the needs of children and adults with disability in 2018 and beyond. At the end of 2018, Saint John of God Community Services was operating 38 residential respite beds. Saint John of God North East Services transferred six respite places to the HSE. In line with best practice model of respite provision, recommendations have been made with regard to the provision of non-residential respite, Host Families or Home Sharing Initiatives which require an investment of resources to provide effective Governance Structure in accordance National Standards.

(c) Improvement plan

The Joint Task Force, comprising membership of the HSE and Community Services collaborated to agree the Improvement Plan for Community Services in June 2018. At the end of 2018, 63% of the agreed actions were implemented. Work continues in 2020 to implement the remaining actions with a key focus on achieving financial sustainability. The Implementation Team are continuing to work on a process to determine the requirements of a Financial Sustainability Plan for Community Services.

(d) Mental Health Services:

Saint John of God Community Mental Health Services is committed to the development of services in accordance with Vision for Change. Lucena Services engaged an additional Advanced Nurse Practitioner in 2019. The Advanced Nurse Practitioner at Lucena Services will streamline the response to young people by providing a home based rapid response and a practical advice service while awaiting a clinical appointment in Lucena Clinic. Subject to availability of development funding the service is planning to engage a second Advanced Nurse Practitioner in 2020. The second Advanced Nurse Practitioner will work with new adult referrals from a nominated large Primary Care GP practice, with the aim of ensuring that all primary care options are considered before referring to a secondary care service.

Following the successful pilot of the computer diagnostic aid for ADHD in 2018, a second QB machine was purchased in 2019 to enhance diagnosis of ADHS throughout Lucena Services

(e) The voice of the person

The Voice of the person we support needs to be heard and listened to at all levels of the organisation. Services have a long tradition of supporting and facilitating the development of advocacy initiatives. The Executive Quality and Safety Committee has identified Engagement with the People we support as a key area for development in 2019. In addition, each service is required to demonstrate new initiatives to enhance the involvement of the people we support in the decision making process to ensure that service provision and development is responsive to their needs. A number of the Self Advocacy Committees were active in making presentations with regard to their roles and achievements both internally within Saint John of God Community Services and to external groups. An Advocacy Committee is being established to progress a Corporate Strategy for Saint John of God Community Services clg in 2019.

TRUSTEES' REPORT - continued

(f) Aging

The age profile of people attending our services has changed significantly. Over thirty eight percent of people are over 40 years of age. People with Downs Syndrome, present with a higher risk of developing Dementia. In general, our approach is to support individuals to age in place. However, we recognise that a time may come, when it is no longer appropriate for an individual to be supported in their own home. In this regard, the Executive has reviewed the End of Life Care needs of people with an intellectual disability and are developing a Policy and Procedure to support and guide staff.

(g) Community partnership

The active participation of the people we support in the community in which they live is core to our mission. Local services are focused on the development of partnerships with community groups, and organisations to support people to actively engage in training, recreational and occupational activities.

(h) Technology

The management of information is a key component of effective service delivery. This year, the Executive will further develop integrated information management systems to ensure that accurate relevant data is maintained, easily retrievable and is used to support the mission of the services. The modules of the Human Resource System upgraded in 2018 will continued to be implemented throughout 2019. A Business Plan is prepared for the purchase and installation of an integrated services user information system in 2019-2020.

(i) Staff

The staff of Saint John of God Community Services clg are key to the provision of quality services. Staff Engagement is identified as a key area for development and the Quality and Safety Committee are identifying initiatives to enhance staff engagement this year. The outcome of this engagement will be incorporated into the relevant action plans. A plan will be prepared in 2019 to commence the implementation of actions in accordance with A Great Place to Work Initiative.

(j) Research

Our services have a long history of Research. With the support of the Research Department, many staff will be supported to continue research to inform best practice service delivery across intellectual disability and mental health services.

The Executive and Regional Quality and Safety Governance Committees will further develop, implement and evaluate programmes and systems to enhance the development and delivery of quality programmes.

(k) Volunteering

Volunteers have and do make an invaluable contribution to our services and to supporting individuals to achieve their personal goals and aspirations. It is our aim this year to focus on the development and growth of volunteer numbers and provide volunteers with appropriate training to enhance their skills and the contribution they make to the lives of individuals.

Factors Relevant to Achieving the Objectives

Having the necessary resources to implement and achieve the objectives of the company requires sufficient funding from HSE, various government departments, in addition to fundraised income. State funding and fundraising income is vital to the organisation to enable the provision and development of quality services and supports.

The transition from traditional campus based medical models of service delivery can be challenging for residents, their family and staff. Transforming Lives Leadership Committees in place at campus based services will put in place the measures set out in the Project Plans to effect a smooth transition for all concerned, so that the people we support are empowered and supported to experience quality living and become active participants of the community in which they live.

The Trustees are committed to this Vision and to the provision of leadership and support of our intellectual disability and mental health services so that this Vision becomes a reality for each and every individual to whom we provide services and supports.

TRUSTEES' REPORT - continued

Structure, Governance and Management

Saint John of God Community Services clg is a Company Limited by Guarantee not having a share capital and is a charitable organisation registered with both the Charities Regulatory Authority and Revenue Commissioners. It is governed on behalf of its sole member through its Constitution, previously called Memorandum and Articles of Association.

As of 01 January 2019 the Company is a single member Company. The Company's sole member is Saint John of God Hospitaller Services Group, being the parent company in the Saint John of God group of charities and a registered charity in its own right. The Company is under the Direction of a Board of voluntary and non-executive Directors to whom the Chief Executive reports and receives direction. The Board meets at least ten times a year to receive reports from the CEO and its sub-committees.

Directors are appointed in line with a Board-approved competency framework setting out the skills, experience, diversity and gender mix sought by the Board. In line with best practice the Board commissioned an independent governance review of its workings in 2018, and is adopting in full its findings. The Board is committed to the highest standards of corporate governance.

The Board is empowered to appoint Directors subject to subsequent ratification by the Sole Member in General meeting. Upon appointment, Directors are inducted as to the Company's mission, values, current issues and their responsibilities as Directors under law, chiefly the Companies Act 2014 and the Charities Act 2009. Appointment is for a three year renewable term, with a maximum of three terms.

There is a schedule of powers and matters reserved for the Board alone and a clear scheme of delegations to the Chief Executive and, through her, to staff across Community Services. The Chief Executive's performance and target-setting are subject to annual review by the Nominations, Performance, and Governance and Remuneration committee.

The Company, as a Section 38 entity, is funded by the Health Service Executive and, as such, is subject to compliance with public pay policies. The Nominations, Performance, Governance and Remuneration committee's terms of reference include ensuring that remuneration policies and practices of the company are fully compliant with public sector pay policy and any specific directions or instructions of the HSE.

Saint John of God Community Services clg has no subsidiaries, and is part of a wider group of entities that carry out the work of the Hospitaller Order of Saint John of God in Ireland and Great Britain. Where services are shared or provided between any of the companies and Saint John of God Community Services clg, these relationships are set out in memoranda of understanding.

TRUSTEES' REPORT - continued

Board Committees

There are four Sub Committees of the Board

(a) Finance Sub Committee

The purpose of the Board Finance Sub Committee is to oversee the development of policies and standards relating to the financial management of Saint John of God Community Services clg, including the system of financial controls and monitoring their implementation.

(b) Audit and Risk Sub Committee

The purpose of the Audit and Risk Sub Committee is to provide independent, objective and timely advice to the Board on the financial reporting process and the judgement associated therewith to ensure the balance, transparency and integrity of the business. The Audit and Risk Sub Committee develop Risk Management Policies and Risk Register Systems, and the Risk Sub Committee reviews the scope and effectiveness of internal financial control and the internal audit function.

(c) Quality and Safety Sub Committee

The purpose of the Quality and Safety Sub Committee is to provide assurance to the Board that there are appropriate and effective systems, structures and processes in place that cover all aspects of clinical and social care, safety and occupational safety and to set and monitor the delivery of Key Performance Indicators for the Quality and Safety function at executive and local levels.

(d) Nominations, Performance, Governance and Remuneration Committee

The Nominations, Performance, Governance and Remuneration Committee is responsible for oversight of the Board's exercise of its fiduciary and governance oversight functions, including compliance with public pay policies.

The Committee is responsible for reviewing the Constitution of the company and for the preparation of a Succession and Formation Plan for Directors and senior managers in accordance with the competency framework.

The Board Committees discharge their functions in accordance with the Terms of Reference of each committee as approved by the Board. The Purpose, Role and Terms of Reference of the Board Sub Committees were kept under review in 2018.

TRUSTEES' REPORT - continued

Risk Management

The Directors with the Chief Executive have assessed the major risks to which the company is exposed, in particular those related to its operations and finances, and are developing systems, procedures and controls to mitigate exposure to these risks.

There are Risk Management Policies in place and the Board approved the Integrated Risk Management Policy and the Incident Management Policy and Procedures in 2018. These policies were developed in accordance with the HSE Safety Management Policy and the HSE Integrated Risk Managements Policy. The COVID-19 risk has been addressed in detail in note 25 to the financial statements.

In 2018, the Risk Management Committee completed the development and piloting of an Electronic Risk Register for Saint John of God Community Services clg. This Electronic Register became operable in all service locations in early 2019.

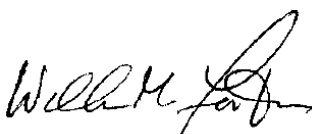
The organisation's internal control systems are supported by policies, procedures, protocols and guidelines covering all aspects of the work of the organisation.

Direct access to the National Incident Management System provides staff at local service level with direct and easy access to incident data. The Quality and Safety Executive Committee puts an emphasis on the analysis of incident data. Accordingly, strategies to address the factors giving rise to incidents have been implemented and there is evidence of a continuing downward trend in the number of incidents occurring across Community Services.

It is the policy of Saint John of God Community Services clg that all staff and volunteers including members of the Board are engaged, subject to best practice recruitment policies and Garda Vetting Procedures. All staff and volunteers are made aware of their responsibilities to protect those they support, by adhering to national polices for safeguarding vulnerable people. These policies include Children First and Safeguarding Vulnerable Persons at Risk of Abuse.

On behalf of the Board

William Forkan



Charles Watchorn



Date: 20 July 2020

Date: 20 July 2020



Independent auditors' report to the members of Saint John of God Community Services clg

Report on the audit of the financial statements

Opinion

In our opinion, Saint John of God Community Services clg's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2018 and of its net expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Balance Sheet as at 31 December 2018;
 - the Statement of Financial Activities for the year then ended;
 - the Cash Flow Statement for the year then ended;
 - the Statement of Changes in Funds for the year then ended; and
 - the notes to the financial statements, which include a description of the significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
-

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads 'Aisling Fitzgerald'.

Aisling Fitzgerald
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
Date: 20 July 2020

STATEMENT OF FINANCIAL ACTIVITIES
Financial Year Ended 31 December 2018

	Note	Restricted funds 2018 €	Unrestricted funds 2018 €	Endowment funds 2018 €	Total 2018 €	Total 2017 €
Income and endowments from:						
Donations and legacies	6	685,899	-	-	685,899	370,605
Earned from charitable activities	7	166,499,823	-	-	166,499,823	154,244,640
Earned from other trading activities	8	243,120	423,772	-	666,892	820,081
Other income	9	5,608,913	40,584	-	5,649,497	6,165,738
Total income and endowments		<u>173,037,755</u>	<u>464,356</u>	<u>-</u>	<u>173,502,111</u>	<u>161,601,064</u>
Expenditure:						
Cost of raising funds		-	-	-	-	-
Expenditure on charitable activities	10	168,729,042	443,736	-	169,172,778	159,470,013
Other expenditure	11	10,834,283	-	-	10,834,283	11,116,635
Total expenditure		<u>179,563,325</u>	<u>443,736</u>	<u>-</u>	<u>180,007,061</u>	<u>170,586,648</u>
Net (expenditure)/income		(6,525,570)	20,620	-	(6,504,950)	(8,985,584)
Transfer between funds		-	-	-	-	-
Net movement in funds		<u>(6,525,570)</u>	<u>20,620</u>	<u>-</u>	<u>(6,504,950)</u>	<u>(8,985,584)</u>
Reconciliation of funds:						
Total funds brought forward		(15,196,141)	(6,210,993)	26,065,069	4,657,935	13,643,519
Total funds carried forward		<u>(21,721,711)</u>	<u>(6,190,373)</u>	<u>26,065,069</u>	<u>(1,847,015)</u>	<u>4,657,935</u>

STATEMENT OF FINANCIAL ACTIVITIES - continued
Financial Year Ended 31 December 2017

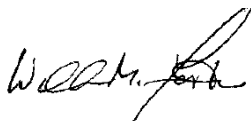
	Note	Restricted funds 2017 €	Unrestricted funds 2017 €	Endowment funds 2017 €	Total 2017 €
Income and endowments from:					
Donations and legacies	6	370,605	-	-	370,605
Earned from charitable activities	7	154,244,640	-	-	154,244,640
Earned from other trading activities	8	294,618	525,463	-	820,081
Other income	9	6,122,414	43,324	-	6,165,738
Total income and endowments		<u>161,032,277</u>	<u>568,787</u>	<u>-</u>	<u>161,601,064</u>
Expenditure:					
Cost of raising funds		-	-	-	-
Expenditure on charitable activities	10	158,914,094	555,919	-	159,470,013
Other expenditure	11	11,116,635	-	-	11,116,635
Total expenditure		<u>170,030,729</u>	<u>555,919</u>	<u>-</u>	<u>170,586,648</u>
Net (expenditure)/income		(8,998,452)	12,868	-	(8,985,584)
Transfer between funds		-	-	-	-
Net movement in funds		<u>(8,998,452)</u>	<u>12,868</u>	<u>-</u>	<u>(8,985,584)</u>
Reconciliation of funds:					
Total funds brought forward		(6,197,689)	(6,223,861)	26,065,069	13,643,519
Total funds carried forward		<u>(15,196,141)</u>	<u>(6,210,993)</u>	<u>26,065,069</u>	<u>4,657,935</u>

BALANCE SHEET
As at 31 December 2018

	Note	2018 €	2017 €
Fixed assets			
Fixed assets	17	<u>19,989,778</u>	<u>20,317,764</u>
Current assets			
Current investments	18	127	127
Stocks	19	4,509	5,322
Debtors and prepayments	20	<u>4,227,982</u>	<u>2,729,016</u>
		<u>4,232,618</u>	<u>2,734,465</u>
Current liabilities - amounts falling due in less than one year	21	<u>(26,069,411)</u>	<u>(18,394,294)</u>
Net current liabilities		<u>(21,836,793)</u>	<u>(15,659,829)</u>
Net (liabilities)/assets		<u>(1,847,015)</u>	<u>4,657,935</u>
Funds of the charity			
Unrestricted funds	28	(6,190,373)	(6,210,993)
Restricted funds	28	(21,721,711)	(15,196,141)
Restricted endowment funds		<u>26,065,069</u>	<u>26,065,069</u>
Total charity (deficit)/funds		<u>(1,847,015)</u>	<u>4,657,935</u>

On behalf of the Board

William Forkan



Charles Watchorn



Date: 20 July 2020

Date: 20 July 2020

STATEMENT OF CHANGES IN FUNDS
Financial Year Ended 31 December 2018

	Unrestricted funds €	Restricted funds €	Restricted endowment funds €	Total €
Balance at 1 January 2017	(6,223,861)	(6,197,689)	26,065,069	13,643,519
Net income/(expenditure) for the year	<u>12,868</u>	<u>(8,998,452)</u>	<u>-</u>	<u>(8,985,584)</u>
Balance at 31 December 2017	<u>(6,210,993)</u>	<u>(15,196,141)</u>	<u>26,065,069</u>	<u>4,657,935</u>
Balance at 1 January 2018	(6,210,993)	(15,196,141)	26,065,069	4,657,935
Net income/(expenditure) for the year	<u>20,620</u>	<u>(6,525,570)</u>	<u>-</u>	<u>(6,504,950)</u>
Balance at 31 December 2018	<u>(6,190,373)</u>	<u>(21,721,711)</u>	<u>26,065,069</u>	<u>(1,847,015)</u>

CASH FLOW STATEMENT
Financial Year Ended 31 December 2018

	Note	2018 €	2017 €
Cash flows from operating activities:			
Net cash outflow from operating activities	22	(131,997)	(1,691,739)
Cash flows from investing activities:			
Purchase of property, plant and equipment	17	(254,400)	(467,999)
Disposal of property, plant and equipment		<u>30,749</u>	<u>-</u>
Net cash used by investing activities		(223,651)	(467,999)
Change in cash and cash equivalents in the reporting period		<u>(355,648)</u>	<u>(2,159,738)</u>
Cash and cash equivalents at the beginning of the reporting period		(2,692,522)	(532,784)
Change in cash and cash equivalents		<u>(355,648)</u>	<u>(2,159,738)</u>
Cash and cash equivalents at the end of the reporting period	21	<u>(3,048,170)</u>	<u>(2,692,522)</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will be able to continue in operational existence for the foreseeable future. The company continues to operate in a very challenging environment.

The date of approval of these financial statements coincides with the date of approval of the financial statements for the year ended 31 December 2019. The disclosures below include relevant financial information covering the period up until the date of approval of the financial statements.

The operating deficit for 2018 after HSE funding is taken into account amounted to €6.5m. (2017: €9.0m deficit). The company incurred a further deficit in 2019 of €5.6m. The company had net current liabilities at 31 December 2018 of €21.8m (2017: €15.7m) and total net liabilities of €1.8m (2017: net assets €4.7m). The net current liabilities had increased to €27m at 31 December 2019 and the company had net liabilities of €7m at that date. The company has continued to incur a deficit in 2020. Based on the 2020 Allocation from HSE and the company's own forecast, the company is likely to generate a substantial operating deficit in 2020.

The company 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 company's ability to continue as a going concern. The company has been in negotiations with the HSE for the past number of months with a view to finalising terms and signing the Service Level Arrangements (SLAs) for 2020 however SLAs for 2020 have not yet been signed for any of the services.

The Company is also in negotiation with the HSE in relation to its overall level of funding. A joint task force was established in August 2017 by Saint John of God Community Services CLG and the HSE, the core objective of which is to develop a time bound improvement plan to ensure the organisation can continue to provide important supports and services on behalf of the HSE as statutory funder. The Improvement Plan was agreed by the joint Task Force in June 2018. It is the view of the company that the points under its control in the Improvement Plan have been implemented.

However, there is little progress on the agreement of a financial sustainability plan for Community Services. The company submitted a revised sustainability plan to the HSE on 7th March 2019. The sustainability plan sets out the level of additional funding required on an annual basis in order to maintain and develop the existing level of services in accordance with national policy.

During 2019, the Company initiated the Dispute Resolution Mechanism as provided for in the Service Arrangement Part 1. Further submissions were made to the HSE in relation to this in 2020, including a formal letter outlining the intention of the Saint John of God Community Service to withdraw completely from the provision of services in the event that the HSE cannot commit to a sustainable level of funding for these services going forward.

During 2018 and 2019, the company received a number of cash accelerations (cash advances) from the HSE, which effectively allowed them to meet their obligations to their employees and suppliers. An "out of profile" cash acceleration (cash advance from 2020 allocation) of €18.9m was requested on 25th October 2019, of which €12m was provided. The HSE requires this to be paid back in 2020. The HSE has reduced the cash profile (monthly cash payment plan) for 2020 to reflect the repayment of this "out of profile" cash acceleration i.e. from a total 2020 allocation of €164m the company is scheduled to receive circa €152m in cash during 2020.

The HSE has provided further cash accelerations of €6.5m, €5.5m and €0.9m in March, April and July 2020 respectively. The Company's services, as an essential healthcare service, have continued to operate without significant restrictions during the first half of 2020. Although all non essential services are temporarily closed in Ireland at this time due to Covid-19, the services provided by Saint John of God Community Services are considered to be essential, and we are continuing to operate most of our services, albeit that we have had to introduce various social distancing and other health and safety protocols in executing our services.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Going concern – continued

We have modelled the likely effects of COVID-19 on our cash forecast covering the period of 12 months from the date of approval of the financial statements, and we are satisfied, that there is unlikely to be any significant impact on our core income sources, and that any incremental COVID-19 related costs will be reimbursed by the HSE.

The non core sources of income e.g. donations and swimming pool income, have been adversely affected by Covid-19 and we expect it will be over a year before these sources recover fully. The activities that were funded from the non core funds e.g. trips to the swimming pool and certain day activities have been curtailed and will continue to be curtailed until the funding or an alternative source can be obtained.

The company is regulated by the Charity Regulator and by HIQA and additional capital and revenue funding is required to meet ongoing regulatory requirements and to develop services in accordance with national policy. The Company management team are of the view that the service as a whole has been under-funded for a number of years and that cumulative impact of this underfunding has now reached crisis stage for the organisation.

The company has prepared detailed cash projections for the Services as a whole covering the period of 12 months from the date of approval of the financial statements. Based on these cash projections, the company is projecting that it will have fully utilised its main HSE cash allocation and overdraft facility for 2020 by the end of October 2020. The cash-flow forecast indicates that the company will require additional cash funding of at least €21m between now and December 2020. The company has had to continuously take actions including deferring month end payments to suppliers while going through the process of requesting and receiving cash advances from the HSE.

In the period prior to 2017, the company has received funding on an ad hoc basis from the Hospitaller Order of Saint John of God. However the Order has indicated that it does not have the resources available to continue to provide such bailout type funding.

The company is also continuing to actively review its cost base of all Services, with particular focus on those services which have generated the most substantial deficit in 2019. The plan includes all options up to and including the suspension of services and the potential handing over of certain or all services to the HSE. The extent of these and the successful implementation of any options will have a substantial impact on the overall out-turn for 2020 and future periods. Management are in active negotiations with the HSE in relation to addressing immediate cash requirements and the overall funding situation including the substantial accumulated deficit coming forward into 2020, which has given rise to a net current liability situation of €27m at 31 December 2019.

In the context of their considerations in relation to going concern, the Board of Saint John of God Community Services have requested from the HSE a letter confirming their intention to provide the necessary financial support to allow the organisation to continue in operational existence for a period of at least 12 months from the date of signing of these financial statements. While the HSE were unwilling to provide a letter of support which provides an explicit commitment in relation to their willingness to fund the legacy operating deficits or the forecast deficit for 2020, they have provided, in a letter of support dated 23rd June 2020, written assurances in relation to their willingness to continue to provide temporary supports, referred to as “cash accelerations outside of profile” within the HSE’s Cash Acceleration Request (CAR) process to Saint John of God Community Services. They have further indicated that they do not expect this temporary cash acceleration process, the fundamentals of how it operates, or its availability as an option for the HSE to support the company, changing within 12 months from approval date of the financial statements. In considering this commitment of support from the HSE, the directors have had regard to the history of similar cash acceleration type support, which has been forthcoming from the HSE over the past number of years and is an integral part of the funding of the Saint John of God Community Services activities, and they are satisfied that the HSE will honour that commitment.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Going concern - continued

While the Board are appreciative of the assurances provided by the HSE in relation to the temporary cash supports which have been committed, it does not alleviate all of their concerns in relation to the uncertainties identified, in particular with regard to the legacy underfunding issue which has resulted in the significant net current liability situation of €27m at 31 December 2019, and with regard to the ongoing need to re-base the annual funding at a level which allows the organisation to breakeven on an annual basis.

In considering the various facts and circumstances, the directors have in reaching their conclusions in respect of the uncertainties facing the organisation, considered in particular the following matters:

- Substantial deficit for 2018 and 2019, with substantial forecast future deficits;
- Substantial net current liability situation of €27m at 31 December 2019 (caused substantially by prior operating deficits) well in excess of overdraft limit, and net total liability situation at 31 December 2019 of €7.4m (2017: €1.85m net total assets);
- Delayed payments to creditors on a regular and recurring basis;
- Pro-longed review/negotiation process with HSE has not reached any final conclusions;
- Cash flow projection indicates that at least an additional €21m will be required from HSE in the period July to December 2020 to continue to provide services without curtailment. The directors are satisfied based on the letter of support received from the HSE, that the necessary cash will be received to address this shortfall.
- HSE have provided a letter of support, however it does not provide any assurance in relation to the legacy underfunding, accumulated deficits forward or ongoing sufficiency of funding for the organisation; and
- Hospitaller Order of Saint John of God itself does not have the funds to continue to support the Saint John of God Community Services clg entity.

Based on a combination of the facts and circumstances set out above the directors have concluded that there is a material uncertainty related to events or conditions that may cast substantial doubt on the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the proposed actions and negotiations described above, the directors have a reasonable expectation that agreement will be reached with the HSE, and that appropriate measures can be taken to ensure the Company has adequate resources to continue in operational existence for the foreseeable future and to implement planned actions. For these reasons they continue to adopt the going concern basis in preparing the directors' report and financial statements of the company.

The financial statements do not include any adjustments that would be necessary if the company were unable to continue as a going concern.

2 General information

The Company's principal activity is to provide a HSE (Health Service Executive) funded service across intellectual disability, adult mental health and child and adult psychiatry. The services are provided in the tradition of Saint John of God.

The company is incorporated as a Company Limited by Guarantee in the Republic of Ireland. The address of its registered office is "Granada", Stillorgan Road, Stillorgan, Co. Dublin.

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and

NOTES TO THE FINANCIAL STATEMENTS - continued

estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 5.

3 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

4 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

Saint John of God Community Services clg meets the definition of a public benefit entity under FRS 102.

(b) Accounting convention

The financial statements are prepared under the historical cost convention. The reporting currency used in these financial statements is the Euro ("€").

(c) Revenue recognition

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Contributions, donations and legacies

Income earned from contributions, donations and legacies comprises of:

- (i) Contributions from Saint John of God Hospitaller Ministries which are recognised on basis of amounts received and receivable.
- (ii) Donations are recognised on the basis of amounts received and receivable.
- (iii) Legacies for which entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors' intention to make a distribution.

Grant income

Grants are received from both the Health Service Executive and from other sources:

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

- (i) Revenue grants which are approved by the Health Service Executive are taken to revenue in the year for which they are approved.
- (ii) Other revenue grants are accounted for as revenue once the performance conditions relating to their recognition have been satisfied.

HSE grant income is considered to be restricted income, and has been designated as such in the Statement of Financial Activities.

Pension levy income

Pension levy income relates to the pension levy introduced by the government in 2010. Pension levy income is recognised as it is deducted from employees' pay.

Long stay income

Long stay income relates to patient charges for accommodation. This income is received directly from the patient on a monthly basis by way of a direct debit and recognised in income.

Earned from other trading activities

Income earned from other trading activities includes sales of food in canteens and income from people paying to use the swimming pool. Such income is recognised as it is receivable.

Other income

Other income relates to income from the NHASS pension scheme and rental income. NHASS income relates to pension contributions which are deducted from employees' wages and recorded as income as instructed by the HSE.

Donated services and facilities

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. See the trustees' annual report for more information about their contribution.

Deferred income

Grants relating to expenditure to be incurred in a future accounting period received in advance are deferred to the extent that there are unfulfilled performance conditions which must be satisfied, and are recognised in the future period when such conditions are satisfied.

(d) Funds

All transactions of the organisation have been recorded and reported as income into or expenditure from funds which are designated as "restricted", "endowment" or "unrestricted".

Restricted funds

Income is treated as restricted where the donor has specified that it may only be used for a particular purpose or where it has been raised for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted. Saint John of God Community Services consider that the revenue allocation received from the Health Service Executive in accordance with the service level agreements between the various Saint John of God services and the HSE is restricted income. In the case of certain service user patients, Saint John of God Community Services clg invoice the HSE separately for specific charges and increments relating to the individual. This income also forms part of restricted funds. The designation as restricted is based on an agreed assessment of same with the HSE.

Unrestricted funds

All other income is treated as unrestricted and relates to the core objective of providing services in accordance with the overall charity objectives.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies – continued

Endowment funds

Endowment funds are a permanent fund whereby the initial capital amount invested will not be accessed but rather the return on the initial investment will provide funding or access to fixed assets on an annual basis. The properties transferred from West European Province are considered to be restricted endowment funds.

The balance on each restricted fund at the end of the year represents the asset held by the organisation for particular purposes specified by the donors. The balance of the unrestricted fund at the end of the year represents the assets held by the organisation for general use in furtherance of its work. Endowment funds represents amounts held for investment or specific charitable purpose. Income from these endowment amounts will either be (a) unrestricted and used for general purposes, or (b) restricted by the donor or by the Board.

(e) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs incurred by Saint John of God Community Services in raising funds for its charitable purposes. It includes the costs of all fundraising activities and events and the sale of donated goods from the various centre workshops. It also includes advertising and marketing costs. The Saint John of God Community Services clg financial statements do not include any costs of raising funds, as management have concluded that there are no such costs incurred. Fundraising costs are generally borne by other entities for example Parents and Friends Associations, who do fundraising activities on behalf of Saint John of God Community Services clg.
- Expenditure on charitable activities includes the costs incurred in undertaking the various charitable activities which are performed for the benefit of Saint John of God beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. It also includes the costs of grants made to other charitable organisations.
- Other expenditure represents those items not falling into any other heading, and is comprised predominantly of the NHASS payments made in the year.

(f) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. The basis on which support costs have been allocated is set out in note 12.

(g) Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) Short term benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

(ii) Defined contribution pension plans

Superannuation benefits for the employees are governed by the Nominated Health Agencies Superannuation Scheme (NHASS) or the Single Public Service Pension Scheme (SPSPS). The NHASS and SPSPS are regarded as state plans for the purposes of FRS 102.

NHASS

The NHASS is administered, funded and underwritten by the HSE\Department of Health. The directors believe that the company operates as an agent in the operation of the scheme and does not contribute financially to the scheme.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

The directors believe that the liability in respect of pension benefits payable to employees who are members of the NHASS will be met in full by the Department of Health. Saint John of God Community Services clg is not exposed to actuarial risk arising in the NHASS and from the company's perspective the NHASS is, in substance, a defined contribution scheme. Contributions from employees, which are deducted through payroll from members of the scheme are credited to the Statement of financial activities when received. Payments in respect of pensions and lump sum payments are charged to the Income and Expenditure account as amounts become payable. Surplus or deficit funding of the balance is dealt with as part of grant income which is included within income earned from charitable activities in the Statement of Financial Activities.

SPSPS

With effect from 1 January 2013 the Single Public Service Pension Scheme (SPSPS) commenced. Most new employees will be members of the Single Public Service Pension Scheme (SPSPS). Pension contributions are remitted to the Department of Public Expenditure and Reform. The administration of the scheme is operated by the Department of Public Expenditure and Reform. The directors believe that the Department of Public Expenditure and Reform is responsible for the payment of lump sums and pensions in payment on behalf of the SPSPS without recourse to the company.

(h) Income tax

The company has been granted charitable tax exemption by the Revenue Commissioners and is recognised as a charity under Section 207 of the Tax Consolidation Act 1997, registered number CHY 18284.

(i) Tangible fixed assets

Tangible fixed assets are carried at cost (or fair value at date transferred, see note 17) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(i) Land and buildings

Land and buildings are carried at cost (or fair value at date transferred, see note 17) less accumulated depreciation and accumulated impairment losses.

(ii) Plant and machinery and fixtures, fittings, tools and equipment and motor vehicles

Plant and machinery and fixtures, fittings, tools and equipment and motor vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives, as follows:

Freehold buildings	Over 40-50 years
Plant and machinery	10 to 15 years
Fixtures, fittings, tools and equipment, motor vehicles	3 to 8 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

(iv) Derecognition

Tangible fixed assets are derecognised on disposal or transfer or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(j) Current investments

The company's current investments are carried at historical cost less accumulated impairment losses.

(k) Stocks

Stock is included at the lower of cost or net realisable value. Stocks are recognised as an expense in the financial year which the related revenue is recognised.

At the end of each financial year, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in profit or loss.

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

(m) Provisions and contingencies

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(n) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) *Financial assets*

Basic financial assets, including trade and other debtors, cash and cash equivalents, and short-term deposits, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents, are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies – continued

(n) Financial instruments - continued

(i) *Financial assets - continued*

If in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, and loans from fellow group companies, and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

(o) Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the Euro, denominated by the symbol "€".

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of financial activity.

(p) Scope of the financial statements

The following Services are included in the income and expenditure account and balance sheet:

- (i) Head Quarters (including Callan Institute), Hospitaller House, Stillorgan, Co. Dublin
- (ii) Saint John of God Community Services North East Services
- (iii) Saint John of God Community Services Liffey Region
- (iv) Saint John of God Community Services Dublin South East/Kerry
- (v) Saint John of God Community Mental Health Service

These financial statements deal with the activities carried out at each of these regions, principally the provision of health services to persons with intellectual disability and persons with mental illness.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the charity entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The trustees make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) *Impairment of debtors*

The directors make an assessment at the end of each financial year of whether there is objective evidence that debtors are recoverable. When assessing impairment of such debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and historical experience of cash collections from the debtor. See note 20 for the net carrying amount of the debtors and the impairment loss recognised in the financial year.

(ii) *Valuation of non-exchange transactions*

The financial statements include a number of non-exchange transactions where Saint John of God Community Services clg have benefited from the donation of time and other goods and services from various donors. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Other donated goods and services are included in the financial statements at their estimated value. As there is some judgement required in estimating the value of such non-cash donations, this is considered to be a key estimate. Management have not included an estimate in relation to the deemed value of the buildings provided for use by Saint John of God Community Services clg free of charge by the Hospitaller Order of Saint John of God West European Province.

(iii) *Fair value of properties transferred*

On 22 December 2015, the West European Province of Saint John of God transferred a number of property assets to Saint John of God Community Services clg for a nominal consideration. As the receipt of the properties is considered to be a donation from a connected party, the properties have been included in the financial statements of Saint John of God Community Services clg at their fair value. Fair value has been determined by management using the assistance of independent professional valuers CBRE, and is based on the market value of the relevant properties calculated on an existing use basis and applying the red book valuation rules on the date of transfer. The assets transferred related only to assets which had previously been grant funded by a grant awarding body. In some cases only part of the relevant assets had been grant funded, and in these cases, only the element of the asset which was grant funded was transferred and included at a valuation in the Saint John of God Community Services clg financial statements. Property valuations and the assumptions used to arrive at such valuations are by their nature judgemental.

(iv) *Tangible fixed assets depreciation*

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 17 for the carrying amount of the tangible fixed assets.

The significant judgements made by the trustees include:

(i) *Going concern*

The trustees have identified a material uncertainty in relation to going concern and have concluded that despite these uncertainties they conclude that the entity will continue as a going concern for a period of at least 12 months from the date of signing the financial statements. See note 2 for more information on this judgement.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Contributions, donations and legacies	Restricted €	Unrestricted €	Total €
2018			
Contribution from Hospitaller Ministries	52,427	-	52,427
Donations and fundraising	633,472	-	633,472
	<u>685,899</u>	<u>-</u>	<u>685,899</u>
2017			
Contribution from Hospitaller Ministries	73,530	-	73,530
Donations and fundraising	297,075	-	297,075
	<u>370,605</u>	<u>-</u>	<u>370,605</u>
7 Earned from charitable activities			
	Restricted €	Unrestricted €	Total €
2018			
Health Service Executive Allocation	151,056,596	-	151,056,596
Health Service Executive Income	4,810,572	-	4,810,572
Pension levy income	5,224,241	-	5,224,241
RSSMAC income	2,385,150	-	2,385,150
Management Charge	1,302,389	-	1,302,389
Dept of Social Protection	1,005,191	-	1,005,191
Dept of Education	73,719	-	73,719
Grant Income - Genio	507,308	-	507,308
Grant Income - National Lottery	51,226	-	51,226
Out Patients Income	19,073	-	19,073
Grant Income – Health Research Board	64,358	-	64,358
	<u>166,499,823</u>	<u>-</u>	<u>166,499,823</u>
2017			
Health Service Executive Allocation	140,588,906	-	140,588,906
Health Service Executive Income	4,332,055	-	4,332,055
Pension levy income	4,785,804	-	4,785,804
RSSMAC income	1,973,014	-	1,973,014
Management Charge	1,429,512	-	1,429,512
Dept of Social Protection	994,621	-	994,621
Dept of Education	88,445	-	88,445
Grant Income - National Lottery	427	-	427
Out Patients Income	20,365	-	20,365
Grant Income – Health Research Board	31,491	-	31,491
	<u>154,244,640</u>	<u>-</u>	<u>154,244,640</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Earned from other trading activities	Restricted €	Unrestricted €	Total €
2018			
Canteen receipts	-	116,563	116,563
Sundry income	243,120	1,148	244,268
Workshop income	-	19,712	19,712
Swimming pool	-	286,349	286,349
	<u>243,120</u>	<u>423,772</u>	<u>666,892</u>
2017			
Canteen receipts	-	160,477	160,477
Sundry income	294,618	75,149	369,767
Workshop income	-	29,479	29,479
Swimming pool	-	260,358	260,358
	<u>294,618</u>	<u>525,463</u>	<u>820,081</u>
9 Other income			
	Restricted €	Unrestricted €	Total €
2018			
Nominated Health Agencies Superannuation Scheme	5,608,913	-	5,608,913
Rental income	-	40,584	40,584
	<u>5,608,913</u>	<u>40,584</u>	<u>5,649,497</u>
2017			
Nominated Health Agencies Superannuation Scheme	6,106,120	-	6,106,120
Rental income	16,294	43,324	59,618
	<u>6,122,414</u>	<u>43,324</u>	<u>6,165,738</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Expenditure on charitable activities	Restricted	Unrestricted	Total 2018	Total 2017
	€	€	€	€
2018				
Pay	135,052,153	248,559	135,300,712	128,385,625
Drugs medical support	2,901,731	-	2,901,731	2,823,893
Catering	1,676,535	104,057	1,780,592	1,786,186
Heat, power and light	2,130,860	41,963	2,172,823	2,256,893
Cleaning and washing	1,254,565	14,935	1,269,500	1,282,062
Furniture Crockery and hardware	582,723	49	582,772	444,314
Bedding and clothing	80,022	-	80,022	48,525
Maintenance	3,820,899	26,734	3,847,633	2,188,692
Transport and travel	705,107	-	705,107	647,138
Transport Patients	2,149,271	-	2,149,271	2,021,342
Vehicles Purchased	30,468	-	30,468	-
Bank Charges	15,310	-	15,310	14,383
Insurances	292,359	73	292,432	241,886
Computer and Office Equipment	392,873	-	392,873	1,074,291
Rent and rates	1,380,860	-	1,380,860	352,238
Professional services	547,982	-	547,982	520,339
Education and training	703,421	-	703,421	674,759
Psychiatric In-Hospital beds	6,391,557	-	6,391,557	6,121,352
Recruitment and Advertising	50,501	-	50,501	64,492
Office Expenses	1,365,943	54	1,365,997	1,319,986
Nursing diploma	331,981	-	331,981	-
Fire and security alarms	633,885	-	633,885	583,507
Depreciation	551,636	-	551,636	456,645
Breakaway for clients	84,319	-	84,319	105,821
Miscellaneous	502,197	7,312	509,509	1,159,131
Support costs (Note 12)	4,953,322	-	4,953,322	4,746,234
Governance costs (Note 12)	146,563	-	146,563	150,279
	<u>168,729,042</u>	<u>443,736</u>	<u>169,172,778</u>	<u>159,470,013</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Expenditure on charitable activities - continued	Restricted €	Unrestricted €	Total €
2017			
Pay	128,119,276	266,349	128,385,625
Drugs medical support	2,823,893	-	2,823,893
Catering	1,623,742	162,444	1,786,186
Heat, power and light	2,205,580	51,313	2,256,893
Cleaning and washing	1,265,835	16,227	1,282,062
Furniture Crockery and hardware	444,314	-	444,314
Bedding and clothing	48,525	-	48,525
Maintenance	2,155,351	33,341	2,188,692
Transport and travel	644,152	2,986	647,138
Transport Patients	2,021,342	-	2,021,342
Bank Charges	14,383	-	14,383
Insurances	241,722	164	241,886
Rent and rates	1,064,291	10,000	1,074,291
Computer and Office Equipment	352,238	-	352,238
Professional services	520,339	-	520,339
Education and training	674,759	-	674,759
Psychiatric In-Hospital beds	6,121,352	-	6,121,352
Recruitment and Advertising	64,492	-	64,492
Office Expenses	1,316,909	3,077	1,319,986
Fire and security alarms	579,446	4,061	583,507
Depreciation	456,645	-	456,645
Breakaway for clients	105,821	-	105,821
Miscellaneous	1,153,174	5,957	1,159,131
Support costs (Note 12)	4,746,234	-	4,746,234
Governance costs (Note 12)	150,279	-	150,279
	<u>158,914,094</u>	<u>555,919</u>	<u>159,470,013</u>
11 Other expenditure	Restricted €	Unrestricted €	Total €
2018			
NHASS	<u>10,834,283</u>	-	<u>10,834,283</u>
2017			
NHASS	<u>11,116,635</u>	-	<u>11,116,635</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Analysis of governance and support costs

	Charitable activities	
	Support costs	Governance costs
	€	€
2018		
Pay - finance	1,653,259	-
Pay - human resources	1,298,867	-
Pay - information and communications technology	858,885	-
Computers and office expenses	678,029	-
Professional services	383,108	143,000
Transport and travel	34,139	3,563
Other support costs	47,035	-
	<u>4,953,322</u>	<u>146,563</u>
2017		
Pay - finance	1,589,414	-
Pay - human resources	1,196,202	-
Pay - information and communications technology	944,148	-
Computers and office expenses	753,804	-
Professional services	140,561	143,000
Transport and travel	28,823	7,279
Other support costs	93,282	-
	<u>4,746,234</u>	<u>150,279</u>

Support costs are all related to direct charitable activities, as there are no costs of raising funds included in these financial statements. Support costs have been determined by isolating the specific costs charged to the Finance, Human Resources and Management Information Systems cost centres across the various regions within Saint John of God Community Services clg.

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Operating expenses	2018 €	2017 €
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The following operating expenses have been recognised:

Directors' remuneration

Emoluments:

- For services as directors	-	-
- For other services	-	-

Pension:

- For services as directors	-	-
- For other services	39,962	39,182

Cost share allocation (note 27)	(1,348,760)	(1,491,780)
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Depreciation (note 17)	551,636	456,645
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Subsidy from Hospitaller Ministries (note 27)	<u>(49,484)</u>	<u>(73,530)</u>
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Auditors' remuneration

Remuneration (excluding VAT and expenses) for the statutory audit and other services carried out for the company by the company's auditors is as follows:

	2018 €	2017 €
Audit of entity financial statements	128,528	143,000
Other non-audit services	<u>36,592</u>	<u>-</u>
	<u>165,120</u>	<u>143,000</u>

14 Employees and directors

(i) Employees

The average number of persons employed by the company during the financial year was 2,380 (2017: 2,302).

	2018 €	2017 €
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Staff costs comprise:

Wages and salaries	118,022,298	111,146,951
Social insurance costs	12,030,731	11,253,101
Other retirement benefit costs	10,834,283	11,116,635
Staff costs	<u>140,887,312</u>	<u>133,516,687</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Employees and directors - continued

	Number of employees 2018	Number of employees 2017
(i) Employees - continued		
Salary range (excluding pension contributions):		
240,000 – 249,999	1	-
230,000 – 239,999	1	-
220,000 – 229,999	2	1
210,000 – 219,999	1	1
200,000 – 209,999	2	1
190,000 – 199,999	2	2
180,000 – 189,999	2	6
170,000 – 179,999	-	-
160,000 – 169,999	2	-
150,000 – 159,999	1	-
140,000 – 149,999	1	2
130,000 – 139,999	1	1
120,000 – 129,999	2	-
110,000 – 119,999	8	5
100,000 – 109,999	8	7
90,000 – 99,999	11	9
80,000 – 89,999	24	17
70,000 – 79,999	48	44
60,000 – 69,999	218	168
	<u>335</u>	<u>264</u>

In the year, 335 staff earning in excess of €60,000 p.a. (2017: 264) participated in the defined contribution pension schemes (Note 16). Contributions totalling €Nil were made in respect of these employees (2017: €Nil).

The salary bands from €60,000 to €249,999 above include, Clinical Director and Consultant Psychiatricians for the community mental health service and for the intellectual disability services and the leadership teams of the five regions. It also includes salary, premiums and overtime for nurse managers, nurses and other staff who work weekends and bank holidays which is needed as part of running a residential service.

The average number of persons employed by the company during the financial year was 2,380 (2017: 2,302).

	2018 Number	2017 Number
Management/administration	173	165
Medical/dental	43	44
Nursing	489	497
Health and social care professionals	658	610
General support services	146	145
Other Patient and Client Care	871	841
	<u>2,380</u>	<u>2,302</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Employees and directors - continued

(ii) Directors/trustees

Trustees received no remuneration (2017: €Nil) and incurred expenses of €3,562 (2017: €7,279) during the reporting period in carrying out their duties.

There were no loans advanced to directors/trustees during the year and no loans outstanding at 31 December 2018.

(iii) Key management compensation

Key management are defined as the management team. This includes the key management personnel in each of the individual regions which form part of the Saint John of God Community Services clg financial statements, as well as overall central management. The compensation paid or payable to key management for employee services is shown below:

	2018 €	2017 €
Salaries and other short-term benefits	4,114,337	4,003,555
Post-employment benefits	-	-
Total key management compensation	<u>4,114,337</u>	<u>4,003,555</u>

15 Tax

The company has been granted charitable tax exemption by the Revenue Commissioners and is recognised as a charity under Section 207 of the Tax Consolidation Act 1997, registered number CHY 18284.

16 Post-employment benefits

Most staff employed by the company are members of either the Nominated Health Agencies Superannuation Scheme (NHASS) or the Single Public Service Pension Scheme (SPSPS).

Nominated Health Agencies Superannuation Scheme (NHASS)

The directors believe that the NHASS is a 'pay as you go' state plan administered, funded and underwritten by the Department of Health. It is the Directors' understanding that the funds required in the future to pay pension benefits under the NHASS, as they arise into the future, will be reimbursed to the company in full by the Department of Health.

In the year ending 31 December 2018 the company received €5,608,913 (2017: €6,106,120) in contributions from members of the NHASS. The company also received €5,082,861 (2017: €5,033,060) from the HSE in respect of the NHASS costs, this amount is included with the main revenue grant received from the HSE during the year. €10,834,283 (2017: €11,116,636) was paid out in lump sums, death gratuities and pensions during the year. All of these amounts are included in the Statement of Financial Activities.

Therefore, the Directors' have concluded that from the entity's perspective the NHASS is, in substance, a defined contribution scheme and that it is not necessary for the financial statements of the company to include any liability at the balance sheet date in respect of pension entitlements accrued to that date by employees of the company, nor the disclosure requirements of FRS 102 in respect of defined benefit schemes. The above issue is similar to that applying in the majority of publicly funded organisations. With effect from 31 December 2012 the Nominated Health Agencies Superannuation Scheme (NHASS) was closed to new members.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Post-employment benefits - continued

Single Public Service Pension Scheme (SPSPS)

With effect from 1 January 2013 the Single Public Service Pension Scheme (SPSPS) commenced. Most new employees will be members of the Single Public Service Pension Scheme (SPSPS) which will provide Consumer Price Index linked defined benefit pensions based on career average pay. The directors believe that the company's obligation under the SPSPS is to deduct pension contributions from employees who are members of the SPSPS and remit those pension contributions to the Department of Public Expenditure and Reform. The directors believe that the Department of Public Expenditure and Reform are responsible for payments under the SPSPS.

17 Tangible fixed assets

	Land and buildings €	Motor vehicles €	Total €
Cost			
At 1 January 2018	20,577,936	624,494	21,202,430
Additions	-	254,400	254,400
Disposals	-	(30,750)	(30,750)
At 31 December 2018	<u>20,577,936</u>	<u>848,144</u>	<u>21,426,080</u>
Accumulated depreciation			
At 1 January 2018	823,118	61,548	884,666
Charge for year	411,558	140,078	551,636
At 31 December 2018	<u>1,234,676</u>	<u>201,626</u>	<u>1,436,302</u>
Net book value			
At 31 December 2017	<u>19,754,818</u>	<u>562,946</u>	<u>20,317,764</u>
At 31 December 2018	<u>19,343,260</u>	<u>646,518</u>	<u>19,989,778</u>

Up until December 2015 the Hospitaller Order of Saint John of God, West European Province held the beneficial ownership of all of the land and buildings used by Saint John of God Community Services clg. The legal title of these assets is held by the Saint John of God Trust (Ireland). During the year ended 31 December 2018, the Hospitaller Order of Saint John of God, West European Province has continued to allow the use of certain of its fixed assets by Saint John of God Community Services clg.

On 22 December 2015, a number of directions were signed between the Order, the Trust and Saint John of God Community Services clg which transferred the beneficial ownership of various properties which were previously in the beneficial ownership of the Order to Saint John of God Community Services clg for a nominal consideration.

In advance of transferring the assets across from West European Province to Community Services, management of West European Province considered whether there were any related grants, loans or other obligations attaching to the various assets, which might impact on the future use of the assets within Community Services. This review indicated that a significant element of the assets being transferred had been funded by grants which had no specific performance conditions attaching to them.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Tangible fixed assets - continued

There were some restrictions noted in relation to the grants, principally around the fact that a future sale of the asset within a specific time period would trigger an obligation to repay the grant to the funder. It was agreed as part of the directions transferring the assets, that Community Services would take over the obligation in relation to any future clawbacks arising as a result of any decision to sell the assets. These obligations are considered to be contingent liabilities, and are disclosed as same in Note 23 of these financial statements.

The properties were valued by CBRE Ireland on the basis of Fair Value on an existing use basis, as at 31 December 2015.

Saint John of God Community Services continue to use certain assets which are owned by the Hospitaller Order of Saint John of God, West European Province free of charge. In relation to the motor vehicles purchased the funding has been provided primarily by donations.

18 Current Investments	Total €
Cost and net book value at 1 January 2017	127
Cost and net book value at 31 December 2017	<u>127</u>
Cost and net book value at 1 January 2018	127
Cost and net book value at 31 December 2018	<u>127</u>

19 Stocks	2018 €	2017 €
Raw materials and consumables	4,509	5,322
	<u>4,509</u>	<u>5,322</u>

20 Debtors and prepayments	2018 €	2017 €
Amounts falling due within one year:		
Debtors and prepayments (including provisions of 2018: €387,376 (2017: €416,834))	2,652,054	1,305,131
Amounts due from HSE	1,062,244	743,752
Amounts owed by affiliates and related parties (note 27)	513,684	680,133
	<u>4,227,982</u>	<u>2,729,016</u>

Amounts owed by related parties are unsecured, interest free, have no fixed date of repayment and are payable on demand.

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Current Liabilities - amounts falling due in less than one year	2018	2017
	€	€
Amounts falling due within one year:		
Trade creditors	1,521,803	1,658,568
Amounts in advance from HSE (note 27)	3,455,900	542,374
Amounts owed to affiliates and related parties	463,909	21,345
Income tax deducted under PAYE and PRSI	5,792,429	4,865,657
Income tax deducted under VAT	614	64
Other Creditors	157,149	-
Accruals	10,457,182	7,369,476
Deferred income	1,172,255	1,244,288
Bank overdraft	3,048,170	2,692,522
	<u>26,069,411</u>	<u>18,394,294</u>

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

Amounts due to related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

22 Net cash outflow from operating activities	2018	2017
	€	€
Deficit	(6,504,950)	(8,985,584)
<i>Adjustments for:</i>		
Depreciation	551,636	456,645
(Increase)/decrease in debtors and current investments	(1,498,966)	5,361,998
Increase in creditors	7,319,470	1,477,237
Decrease/(increase) in stocks	813	(2,035)
Net cash outflow from operating activities	<u>(131,997)</u>	<u>(1,691,739)</u>

23 Contingent liabilities, commitments and guarantees

As detailed in Note 17 in 2015 a number of assets transferred from Hospitaller Order of Saint John of God, West European Province to Community Services at a nominal consideration. The assets transferred related only to assets which had previously been grant funded by a grant awarding body or capital donation. In advance of transferring the assets across from Hospitaller Order of Saint John of God, West European Province to Community Services, management considered whether there were any related grants, loans or other obligations attaching to the various assets, which might impact on the future use of the assets within Community Services.

There were some restrictions noted in relation to the grants, principally around the fact that a future sale of the asset within a specific time period would trigger an obligation to repay the grant to the funder. It was agreed as part of the directions transferring the assets that Community Services would take over the obligation in relation to any future clawbacks arising as a result of any decision to sell the assets. These obligations are considered to be contingent liabilities and are therefore disclosed as same in this note to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Controlling body

The directors consider the Saint John of God Hospitaller Services Group to be the controlling body of the company.

25 Events since the end of the financial year

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in 2019 in Wuhan, the capital of China's Hubei province, and has since spread globally, resulting in the ongoing 2019–20 coronavirus pandemic. The earliest known infection occurred on 17 November 2019 in Wuhan, China. The World Health Organization (WHO) declared the 2019–20 coronavirus outbreak a Public Health Emergency of International Concern (PHEIC) on 30 January 2020 and a pandemic on 11 March 2020. The virus started having an impact in Ireland in February 2020.

In line with government policy, Day and Respite Services to children and adults with intellectual disability and outpatient services to children, adolescents and adults with mental ill health were curtailed with effect from mid-March 2020. Residential services and urgent mental health consultations continue to operate with the systems, processes and procedures put in place in accordance with Public Health Guidelines to manage the transmission of the virus and keep the individuals we support and staff safe.

The impact of COVID-19 on the risks and uncertainties faced by the organisation are set out in detail in the directors report. COVID-19 is considered to be a non-adjusting post balance sheet event.

There have been no other significant or material events affecting the Company since the year end.

26 Public Juridic Person (PJP)

In July 2012, Saint John of God Hospitaller Ministries was established by the Holy See of the Roman Catholic Church as a public juridic person of pontifical right (a "PJP"). The PJP is a canonical body and civil structures are being put in place to implement the new canonical structures in civil law. The new Church body (PJP) has a Board of Sponsors which comprises religious Brothers and lay people.

The Saint John of God Hospitaller Services Group was incorporated in 2015 to put into civil legal effect the structures anticipated by the establishment of the PJP and to secure the long term continuation of the services provided by the Order. The Saint John of God Hospitaller Services Group constitution mirrors the objectives of Saint John of God Hospitaller Ministries and has the same membership as the PJP thus ensuring that the canonical responsibilities which reflect the ethos and purpose of the Order are carried out in the civil structure.

The Charities Regulator registered the company as a charity on 30 April 2018, Registered Charity number (RCN): 20106515.

The Saint John of God Hospitaller Services Group took over the activities in relation to the provision of health and social care, public education particularly with regard to mental health, disability and social needs to the poor and marginalised in Ireland, Great Britain, and Africa; the provision of health and social services in developing countries; and sponsoring education and training of staff who work in these service areas from the Hospitaller Order of Saint John of God, West European Province with effect from 01 January 2019.

Saint John of God Community Services clg effectively became a subsidiary of that organisation with effect from 01 January 2019.

NOTES TO THE FINANCIAL STATEMENTS - continued

27 Related party transactions

Note 26 above sets out the intended future Group Structure. The following entities are deemed related parties as they avail of the central management function provided by the Saint John of God Community Services clg. At the end of the year, Saint John of God Community Services clg had the following balances with related parties.

	2018 €	2017 €
Amounts receivable from related parties:		
Saint John of God Foundation	-	208
Hospitaller Order of Saint John of God – West European Province	195,592	118,999
Saint John of God Housing Association clg	318,092	351,489
Saint John of God Hospital clg	-	209,437
	<u>513,684</u>	<u>680,133</u>
Amounts payable to related parties:		
Saint John of God Research Foundation clg	5,506	21,345
Saint John of God Hospital clg	458,403	-
	<u>463,909</u>	<u>21,345</u>

Saint John of God Hospital clg provides beds for Saint John of God Community Services clg (Community Mental Health Services) and the costs are charged from Saint John of God Hospital clg to Saint John of God Community Services clg. The cost of this is €6,682,494 (2017: €6,471,412). The Health Service Executive funds a nursing education programme and the Saint John of God Hospital clg are involved in delivering aspects of this at a cost of €331,981 (2017: €331,980).

Transactions with Saint John of God Research Foundation clg relate to reimbursement of salary expenses which amount to €34,881 (2017: €43,156).

Certain costs incurred in the running of the company are shared with other entities within the Order of Saint John of God and administered by Saint John of God Community Services clg. The portion of these costs allocated in the year amounted to Saint John of God Hospital clg €819,912 (2017: €819,912), Hospitaller Order of Saint John of God, West European Province €99,996 (2017: €99,996), Saint John of God Hospitaller Ministries €358,802 (2017: €480,756) and Saint John of God Housing Association clg €70,050 (2017: €91,116).

The Hospitaller Order of Saint John of God, West European Province has provided a subsidy to the company to support its activities in the amount of €49,484 (2017: €73,530).

Saint John of God Community Services clg charges or receives from related parties the cost, primarily of salaries, to reflect the portion of work done for/by the other entities and these may be summarised as follows, charged to Saint John of God Hospital clg €221,842 (2017: €253,554) charged by Saint John of God Hospital clg €190,758 (2017: €147,311) charged to Hospitaller Order of Saint John of God €280,790 (2017: €258,588) charged by Hospitaller Order of Saint John of God €Nil (2017: €152,819). The details of these charges relating to the relevant personnel are set out in the Memorandum of Understanding between

- (1) Saint John of God Community Services clg, and Saint John of God Hospital clg,
- (2) Saint John of God Community Services clg and Saint John of God Hospitaller Ministries.

NOTES TO THE FINANCIAL STATEMENTS - continued

27 Related party transactions - continued

The Group Chief Executive of Saint John of God Hospitaller Ministries was a non-executive director of Saint John of God Community Services clg until his resignation on 6 December 2017. He did not receive any remuneration in his capacity as non-executive director of Saint John of God Community Services clg. His salary in respect of his executive responsibilities in the Hospitaller Order of Saint John of God, West European Province is disclosed in the financial statements of that entity.

Saint John of God Community Services clg pays for repairs and maintenance on properties used by tenants of Saint John of God Housing Association clg which are then recharged to the Housing Association. The amount recharged during the year was €45,406 (2017: €34,836).

28 Reserves

Restricted funds

Income is treated as restricted where the donor has specified that it may only be used for a particular purpose or where it has been raised for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted. Saint John of God Community Services clg considers that the revenue allocation received from the Health Service Executive in accordance with the service level agreements between the various Saint John of God services and the HSE is restricted income. In the case of certain Service users, Saint John of God Community Services clg invoices the HSE separately for specific charges and increments relating to the individual. This income also forms part of restricted funds. The designation as restricted is based on an agreed assessment of same with the HSE.

Unrestricted funds

All other income is treated as unrestricted and relates to the core objective of providing services in accordance with the overall charity objectives.

Endowment funds

Endowment funds are a permanent fund whereby the initial capital amount invested will not be accessed but rather the return on the initial investment will provide funding or access to fixed assets on an annual basis. The properties transferred from Hospitaller Order of Saint John of God, West European Province are considered to be restricted endowment funds.

The balance on each restricted fund at the end of the year represents the asset held by the organisation for particular purposes specified by the donors. The balance of the unrestricted fund at the end of the year represents the assets held by the organisation for general use in furtherance of its work. Endowment funds represent amounts held for investment or specific charitable purpose. Income from these principal amounts will either be (a) unrestricted and used for general purposes, or (b) restricted by the donor or by the Board.

29 Prior year comparatives

Certain prior year comparatives have been re-stated in line with current year presentation formats.

30 Approval of financial statements

The financial statements were approved by the Board of Directors on 20th July 2020.