

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

**Directors' Report and Financial Statements**

**Financial Year Ended 31 December 2020**

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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors**

William Forkan (Brother Donatus)  
Anne Gunning  
Paul Robinson  
Gerard Boyle  
Charles Watchorn  
Eimer O'Rourke  
James Hussey  
Peter O'Halloran  
Theresa Ghalaieny (appointed 25<sup>th</sup> March 2021)

**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

**Independent 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 2020. The Directors confirm that the financial statements of the company comply with the current statutory requirement of the company's 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 to children and adults with intellectual disability and children, adolescents and adults with mental ill health. The services are provided in the tradition of Saint John of God. Please 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 outturn for the year is set out in the Statement of Financial Activities. An overview of the financial performance for the year is included in the trustees report on page 18.

### 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, Stillorgon, Co. Dublin.

## DIRECTORS' REPORT - continued

### 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 it is appropriate to prepare the financial statements on a going concern basis. Having considered and accepted the terms of the Memorandum of Understanding with the HSE covering a sustainability assessment which is due to commence in October 2021 and is scheduled for completion by September 2022, and having considered the letter of support provided by the HSE to the directors to facilitate their signing of the 2020 financial statements, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. 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.

### Regions

The organisation comprises of five 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 participate in ongoing health and social care research and the Board has approved a suite of policies aligned to national policy 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 2020 are set out below. Unless indicated otherwise they served as directors for the entire year.

William Forkan (Brother Donatus)  
 Anne Gunning  
 Paul Robinson  
 Gerard Boyle  
 Charles Watchorn  
 Eimer O'Rourke  
 James Hussey  
 Peter O Halloran (appointed September 2020)  
 Anne Cleary (resigned May 2020)

### Attendance at Board and Board Committee Meetings

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

<b>Main Board</b>	<b>Eligible</b>	<b>Attended</b>
William Forkan	12	11
Anne Gunning	12	11
Gerard Boyle	12	12
Paul Robinson	12	12
Eimer O'Rourke	12	10
Charles Watchorn	12	12
Anne Cleary	5	5
James Hussey	12	12
Peter O'Halloran (Appointed 24 September 2020)	3	3
<b>Board finance committee</b>	<b>Eligible</b>	<b>Attended</b>
Paul Robinson	10	10
Charles Watchorn	10	10
James Hussey	5	5
<b>Board Audit, Risk and Compliance Committee</b>	<b>Eligible</b>	<b>Attended</b>
Ivan Schuster (independent Chair, non-director) appointed 11 November	2	2
Gerry Boyle	10	10
Paul Robinson	10	10
Charles Watchorn	10	10
Eimer O'Rourke (appointed 24/6 resigned 23/9/2020)	2	2
<b>Board nominations, performance and governance committee</b>	<b>Eligible</b>	<b>Attended</b>
Gerry Boyle	5	5
Paul Robinson (resigned 27 June 2020)	3	3
Anne Gunning	5	4
Eimer O'Rourke	5	5
<b>Board quality and safety committee</b>	<b>Eligible</b>	<b>Attended</b>
Anne Gunning	10	10
Philomena Dunne (independent non- director)	10	10

## DIRECTORS' REPORT - continued

### 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 2020.

### Review of business and results

The results for the year are included in the Statement of Financial Activities. Net incoming resources amounted to €1.1m in 2020 (2019 net resources expended €5.6m).

### Post balance sheet events

The Board of Saint John of God Community served 12 months' notice to the HSE on 30<sup>th</sup> September 2020 to terminate the Service Arrangement and transfer responsibility for service provision to the HSE. A Joint Oversight Governance Committee comprising representatives of the Board and the HSE was established to oversee the development and implementation of a plan to effect the transfer of services to the HSE by the 1<sup>st</sup> October 2021.

The Secretary General of the Department of Health in April 2021 requested the HSE to complete a Sustainability Impact Assessment with Saint John of God Community Services. The directors have considered this request and have by formal agreement passed a Resolution at an Extraordinary Board Meeting (EBM) on 3rd August 2021 to enter into a Memorandum of Understanding with the HSE to facilitate participation on the completion of the Sustainability Impact Assessment (SIA). The directors also formally resolved to defer the Notice of Termination of the Service Arrangement until at least the 31st March 2022.

On Friday 14th May 2021, the HSE announced that its ICT systems were subject to a Ransomware attack. Saint John of God Community Services responded by isolating its systems to external systems and reviewing and updating the security of each computer system and hardware. While there are no known impacts at time of report an assessment is to be carried out to determine the requirement for further security and system upgrades. Adequate funding being available to implement the security and system upgrades will be a key consideration.

### Principal risks and uncertainties

#### **Funding**

The company continues to engage and work closely with its funder, the HSE. However, despite strenuous negotiations over a number of years, the cost of running the service has not been fully met by the HSE. The ongoing under-funding has resulted in both carried forward financial deficits and cuts to critical expenditure on maintenance,

vehicle fleet, ICT and physical infrastructure impacting the quality and safety of service provision. The directors consider the continued underfunding of services to be the principal risk.

The Board served 12 months' Notice of Termination of the Service Arrangement with the HSE on 30<sup>th</sup> September 2020. The Executive submitted a funding requirement to the HSE to operate services to cessation for the 12 month period. This funding requirement has been approved for 9<sup>th</sup> months to September 2021 with a commitment set out in the aforementioned Memorandum of Understanding with the HSE that funding for the period of the SIA will be allocated in line with the funding agreed for the Notice period.

The Board welcomes the opportunity to participate with the HSE on the completion of the SIA with a view to agreeing a plan to address the accumulated deficit and developing a plan for the provision and development of services in line with best practice and national policy.

The plan that emerges from the SIA process must be fully costed and requires a commitment from the HSE to allocate on an annual basis the funding required to deliver the agreed service plan.

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

#### **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 coronavirus pandemic. The earliest known infection occurred on 17 November 2019 in Wuhan, China. The World Health Organization (WHO) declared the 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 have taken and continue to take to mitigate the impact of the virus. Although all non-essential services closed temporarily at various stages throughout 2020 in line with Government restrictions, the services provided by Saint John of God Community Services are considered to be essential services.

Residential services and urgent mental health consultations continued to operate throughout with the required systems, processes and procedures put in place in accordance with Public Health

## DIRECTORS' REPORT - continued

guidelines to manage the transmission of the virus and keep individuals we support and staff safe.

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 closed or severely curtailed between March and August 2020. Services introduced a variety of programmes and supports to maintain people safely and developed a range of online activities, programmes and clinical supports to maintain service provision to individuals.

Staff who previously worked in the areas which were closed or curtailed were reassigned to residential services or provided services and supports to individuals at home via various technological platforms. Those staff who could work from home were facilitated to do so and continue where possible throughout 2021 to work from home

Day and Respite Services commenced resumption at reduced capacity levels from September 2020. Additional funding and posts were allocated by the HSE to facilitate the resumption of day services for people with a disability. This additional allocation continued into 2021 with a target for 60% resumption of pre-Covid day service levels.

The introduction of the provision of services and supports via digital platforms and technology has proved very successful and beneficial to many people during the pandemic.

At this time, the programme of vaccination of individuals supported by our services and staff is well complete. However it is unclear how long the government imposed restriction will impact physical attendance at service locations and it is highly likely that digital service provision where appropriate will be a feature of service provision into the future.

In 2020 we have had a number of suspected and confirmed cases of COVID-19 in both residents and staff, resulting in a significant number of staff having to self-isolate at home for various periods. At the height of the COVID-19 peak in April and May 2020 we had c.300 number of staff out on leave. In 2020, 66 individuals supported by our services and 163 staff presented with a diagnosis of COVID-19. Five residents passed away from COVID-19.

From the outset of the pandemic a Covid Leadership Team convened to oversee the management of and the implementation of HSPC and HSE guidelines and procedures to manage the transmission of COVID-19 with the key focus on doing all we can to provide safe services and keep our workplace as safe as possible

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 additional 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 2022 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 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.

### Future developments

The company plans to participate with the HSE on the design and implementation of the SIA with a view to developing an agreed best practice plan for the provision and development of our services. The SIA will be completed by December 2022 with provision for the implementation of recommendations between 2023 and 2025.

### 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 2020, 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. At the request of the Board the executive prepared a compliance register and action plan to monitor the range of the company's statutory and regulatory compliance requirements. The register was presented to the Audit, Risk and Compliance committee in March 2020 and the plan presented in July. Reviews were conducted by management for the financial year ended 31 December 2020 and a formal review was conducted in quarter one 2021 and further reviews will be conducted during the financial year ended 31 December 2021.

### 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 which were developed in accordance with the HSE Safety Management Policy and the HSE Integrated Risk Management Policy. The Electronic Risk Register is fully operational across Saint John of God Community Services.

The organisation's internal control systems are supported by policies, procedures, protocols and guidelines covering all aspects of the work of the organisation. These internal controls will be subject to internal audit in the next twelve months with a focus on financial control and the application of RSSMAC legislation.

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 conducts an 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 policies for safeguarding vulnerable people. These policies include Children First and Safeguarding Vulnerable Persons at Risk of Abuse.

Coronavirus-Covid19 is a global pandemic that impacted Ireland in February 2020. The implementation of measures to provide safe care and safe systems of care and work became the focus of attention at all service locations for the period March to December 2020 and is continuing into 2021.

Residential Services continued to operate throughout the period of the pandemic. Day and Respite Services closed for the period March to August in line with Government Restrictions. Day and Respite Services recommenced from August onwards with reduced numbers in attendance to facilitate infection control and physical distancing requirements.

During this period, significant numbers of day service staff redeployed to residential services., to support residents in their home. Day service staff also continued to support individuals living at home with family members. Technology is playing a significant role in the continued provision of services. Outpatient consultation, assessment and group therapy are, where appropriate, facilitated via Zoom.

Disability services are offering a variety of supports to adults including daily schedule of education and recreational activities via Zoom. Management and administrative meetings are taking place via teleconference and Zoom.

Coronavirus has challenged Community Services to review many aspects of how it operates during the period of restrictions. Only those who are deemed to be essential healthcare workers were asked to report to their place of work. Non frontline/essential staff were facilitated to work from home where feasible. Those staff who attend the workplace adhere to stringent infection control procedures. The on-going impact of Coronavirus and the imperative to maintain the safety of the people we support, their families, staff, volunteers



**DIRECTORS' REPORT - continued**

and the general public continues to impact service provision in 2021.

**Audit, Risk and Compliance committee**

The Audit, Risk and Compliance Committee has responsibility for the review of the output of the 2020 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

28 October 2021

TRUSTEES' REPORT

1. OBJECTIVES AND ACTIVITIES

1.1 Mission and objectives



We seek to work for the personal development, education and advancement of persons with intellectual disability and persons with mental ill health through the provision of a range of health-related social care services mainly in community-based settings. These include day, residential and respite services, outpatient clinics, day hospitals and acute inpatient treatment at Saint John of God Hospital. The services are funded through the Health Services Executive (HSE).

1.2 Financial performance and financial position of the company

The company continued to engage and work closely with its funder, the HSE. However, despite strenuous negotiations, the full cost of running the service has not been met by the HSE. The ongoing under-funding has resulted in both carried financial deficits and cuts to critical and urgent expenditure on maintenance, vehicle fleet, ICT and physical infrastructure.

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.

In the absence of any progress on the financial sustainability of the company, the Board through the Chief Executive issued 12 months' notice to the HSE on 30<sup>th</sup> September 2020 to terminate the Service Arrangement and transfer services to the HSE. The Department of Health has requested the HSE to complete a Sustainability Impact Assessment (SIA) with the organisation. The directors have considered this request and have by formal agreement passed a Resolution at an Extraordinary Board Meeting (EBM) on 3<sup>rd</sup> August 2021 to enter into a Memorandum of Understanding with the HSE to facilitate participation on the completion of the Sustainability Impact Assessment (SIA). The directors also formally resolved to defer the Notice of Termination of the Service Arrangement until at least the 31<sup>st</sup> March 2022. The deferral of notice will be reviewed each quarter thereafter and the Board fully reserves its position regarding reinstatement of its notice to the HSE of 30<sup>th</sup> September 2020.

1.3 2020 in overview - Service provision

In 2020 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.

## TRUSTEES' REPORT - continued

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

## 2. ACHIEVEMENTS AND PERFORMANCE

### 2.1 Strengthening governance

The Board conducted an independently facilitated workshop in October 2019 to consider Board Governance and effectiveness. The workshop considered and reviewed the following:-

- The role of the Board
- Board priorities
- Strategic development
- Annual Board Governance cycle
- Sub committee development
- Board calendar

The Board nominations, performance and governance committee oversaw the implementation of the recommendations relating to the above during 2020. The Board also oversaw the following in 2020:-

- Review of Internal Audit Reports and oversight of the preparation and implementation of action plans to address recommendations from Internal Auditors
- Review of reports of non-compliance and the oversight of the implementation of corrective action plans
- Oversight of Risk Management processes and systems
- Submission of Reports to HSE and Regulatory Bodies
- Review of the output of the Internal Control Questionnaire completed by senior managers to ascertain levels of compliance with legislation, regulation, policy and procedures
- Review of the output of the Controls Assurance Statements by Senior Managers to provide the Board with assurances of the implementation of internal controls and in preparation for the completion of the Annual Compliance Statement
- Recruitment of a director to the Board in accordance with a competency-based framework
- Full review of authorities and delegations from the Chief Executive to Regional Directors

### 2.2 Review of Board Effectiveness

The Board completed an internal review of Board Effectiveness in 2020. A Questionnaire issued to all directors of the Board to assess the levels of satisfaction with:

- Agenda for Board Meetings
- Quality of Presentations to Board Meetings
- Conduct of Meetings

### 2.3 Residential Service Provision – Transforming Lives

Saint John of God Community Services clg is committed to the provision and development of community based residential services. The reconfiguration of residential 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' continued, albeit at a reduced level in 2020.

- Approval of Policies and Procedures to support the provision of services in accordance with best practice.

The residential services provided by Saint John of God Community Services clg at Saint Mary's North East Services and Saint Raphael's Liffey Services are identified as accelerated sites for de-congregation as part of the national Transforming Lives Programme. With the support of the HSE, 2 houses were purchased and renovated for occupation to support the transition of 8 residents in North East Services in 2020.

One resident transitioned from St Mary of the Angels Beaufort to an existing community house in Kerry with the support of additional revenue funding as required from the HSE.

In the absence of the required revenue funding, the houses previously purchased by the HSE at Saint John of God Liffey Services were utilised by the HSE for other purposes or remained unoccupied in 2020.

At the end of 2020, 135 residents continued to reside at campus-based services at Saint Mary's Drumcar, Saint Raphael's Celbridge and Saint Mary of the Angels Beaufort, Co Kerry.

Additional residential services and supports for people presenting with dementia care needs were developed at Liffey Services.

### 2.4 Residential Service Provision - Registration

The responsibility for the registration of designated centres for people with disabilities in Ireland rests

## TRUSTEES' REPORT - continued

with the Health Information and Quality Authority (HIQA).

Designated Centres are registered for a period of three years. In 2020, 16 designated centres were successfully re registered by the Authority. Three designated centres were closed and de-registered as residents were supported to transition from campus-based services to community living. Five new designated centres were registered in 2020. At the end of 2020, 92 registered designated centres were operational across Community Services.

Through the course of the three-year registration cycle, HIQA maintains an active ongoing regime of monitoring and inspection. In 2020 HIQA completed 50 monitoring and registration inspections with a compliance level of 89% averaged across all regulations.

The Board Sub Committee on Quality and Safety with the support of the Regulation Committee continues to maintain oversight of compliance with the Regulations.

### 2.5 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 a model of individualised supports with a focus on person centred services, community inclusion and active citizenship which places a premium on making sure that being part of one's local community is a real option for adults supported by our services.

The provision and development of day services in 2020 was curtailed by virtue of the restrictions imposed by the COVID-19 pandemic. Significant numbers of day services staff were redeployed to residential services, to support residents in their home. Day Services staff responded to the needs of adults with the development of a range of educational and recreational programmes delivered to individuals via Zoom. Outreach supports were provided to high priority individuals.

As part of the response to the pandemic and the resumption of day services from September 2020, the HSE allocated additional temporary funding to increase day service locations to address social distancing requirements and the recruitment of additional staff to provide for increased physical attendance at day services where possible,

### 2.6 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 an Agreement with Saint John of God Hospital for the provision of adult in-patient facilities and consistently and safely achieves one of the lowest in-patient admission rates in the country.

It is the stated aim of the Mental Health Commission Quality Framework (2007) that all those who attend a mental health service in Ireland should experience a holistic seamless service that is delivered in a consistent and timely fashion which facilitates and promotes the continuity of care.

The number of referrals to Child and Adolescent and Adult Community Mental Health Services increased significantly in 2020. Referrals to Child and Adolescent services increased by 49% with an 180% increase in the number of urgent referrals. Referrals to adult services increased by 20%.

In autumn 2019, Community Mental Health Services re-organised its consultant psychiatric resources to allocate a consultant psychiatrist on a full-time basis to the Day Hospital for adults. This re-allocation of resources on a pilot basis sought to deliver high quality care and support in a day hospital setting and reduce the requirement for admission to an in-patient setting. This pilot continued throughout 2020. Through the course of the pilot, in-patient bed numbers reduced from 27 in the first 9 months of 2019 to 24 in 2020. A business case is submitted to the HSE for the appointment of a permanent consultant to the Day Hospital.

The Psychology and Speech and Language Department at Lucena Child and Adolescent Services secured a grant of € 30k from Rethink Ireland for the full digitisation of assessment tools. The digital assessment technology enables clinicians to deliver the stimuli to the young person via Bluetooth which enables the assessment to be completed remotely.

Community Mental Health Services have partnered with the HSE and the mental health service providers in CHO Area 6: Wicklow, Dun Laoghaire, Dublin South East, to access funding from the Social Reform Fund with a focus on Individual Placement Support to assist people to return to work and the further development of social housing projects for adults with mental ill health. This area wide project was the recipient of an HSE Annual Healthcare Award in 2020.

The Junior REACH programme commenced at Lucena Services in 2020. The programme is aimed at young people presenting with mental ill health and aims to support the young person to return to school or further education. The programme commenced in Rathgar in early 2020 and very quickly transitioned to an on-line programme of support as a result of the pandemic restrictions

## TRUSTEES' REPORT - continued

The service also hosted a conference facilitated by the National Gender Service aimed at staff working in Child and Adolescent Mental Health Services. The Occupational Department at Lucena Services hosted a conference to celebrate 65 years with a focus on trauma, sensory processing and attachment.

### 2.7 Strengthening the focus on person centred care and human rights

Person Centred Planning is at the core of the services we provide to both children and adults. In 2020 the Person Centred Planning Committee prepared and delivered via webinars a suite of modules to support the development of a person centred culture and the delivery of high quality services and supports to all individuals in accordance with their wishes, preferences and aspirations.

The ratification of the United Nations Convention on the Rights of Persons with a Disability is welcomed and puts a focus on the provision of services to people aligned to the principles set out in the Convention. The Human Rights review group established in 2019 to review Human Rights prepared and commenced the implementation of the roll out of the revised Human Rights Policy in 2020.

### 2.8 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 2020, those groups focused their attention on the development, implementation and monitoring of systems, policy and procedures to advance the quality agenda.

The Executive Quality and Safety Committee prepared a Quality and Safety Action Plan 2020. This Action Plan approved by the Board Quality and Safety Committee sets out objectives under the following headings:

- Leadership and Culture
- Person and Family Engagement and Feedback
- Staff Engagement
- Measures for Quality
- Risk Management
- Governance for Quality
- Risk Management

The implementation of the Quality & Safety Action

plan was significantly impacted by the emergence of COVID-19 and the requirement to focus on the implementation of Infection Prevention and Control measures aligned to HSE and HPSC guidelines to promote the provision of safe services for residents and staff.

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 developed or reviewed, and approved, by the Board in 2020:

- Open Disclosure
- Equality and Human Rights
- End of Life
- Child Safeguarding Statement
- Person Centred Medication Management
- Intimate Relationships and Sexuality
- Standard Operating Procedure aligned to HSE National Consent Policy
- Board Governance Handbook
- PPPG Policy
- Infection Control
- Procurement Policy
- Travel and Subsistence Policy
- Policy of Fraud & Corruption
- Policy on Provision & Use Of Mobile Phones
- Policy on Provision & Use of Credit Cards
- Policy on Parental Leave
- Policy on Bereavement leave
- Policy on Garda Vetting
- Red Weather Event Policy
- Recruitment Policy on Employment of Permanent Employees

In addition to the presentation of Policies to the Board, the Covid Leadership Team prepared, approved and revised as appropriate in accordance with HSE guidelines the following policies, procedures and guidance in respect of the management of COVID-19:

- Standard Operating Procedures for the management of COVID-19
- Addendum to Risk Management Policy
- Back to Work Response Plan
- Back to Work Induction Programme
- Addendum to the Health & Safety Policy

## TRUSTEES' REPORT - continued

In addition guidance from the HSE was circulated to regional services for incorporation into service action plans.

### 2.9 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 supports. There were several achievements in that regard in 2020 including:

- The use of various forms of digital platforms to support the provision of clinical and day service programmes throughout the pandemic.
- Participation in an International Saint John of God European Erasmus+ Funded Project for the development of LETITBE Learning, supporting the personal and professional growth of adult learners in a digital learning environment.
- Participation in the Erasmus+ European funded BEWATER project to explore new interventions to support multidisciplinary teams in the water.
- Pilot of iplanit Person Centred Planning Service at Liffey Services providing adults with access to electronic person centred plans for which the service received the HSE Service Excellence Award for Innovation in Digital Excellence in 2020.
- The Entilis Project, Erasmus and co funded project is rooted in policies and legislation such as the UN Convention on the Rights of Persons with Disabilities with a focus on the inclusion of persons with disabilities to be part of an inclusive education system, have equal opportunities, contribute to society and have access to high-quality services enabling them to live independently.
- Further development of Mental Health Information System with the need identified for a replacement MHIS system.
- Reconfiguration of Core Payroll system and Advanced Business Solutions accounts system to optimise functionality and reporting mechanisms

### 2.10 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 including the alliance with academic

institutions are vital to the development of our services and the provision of quality services.

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 in mainstream settings. Progress on the development of community inclusion opportunities was impacted by COVID-19 in 2020.

### 2.11 Staff

Saint John of God Community Services employs average of 2,428 staff 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. The Board acknowledges the continued commitment of staff in 2020 and in particular notes the dedication, commitment and flexibility of staff to do all that is necessary to support individuals through the period of the pandemic.

### 2.12 Volunteering

Close to three hundred 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 and through fundraising initiatives the development of our service facilities and supports. The estimated economic value on the input of our volunteers is just over €600k pa. Like all charities and voluntary groups, the work of our volunteers was significantly impacted by the pandemic in 2020.

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.

### 2.13 Funding

As noted in the Director's Report and throughout the "achievements and performance" section of this Trustees 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 and effective services – in line with regulatory requirements continues to put extreme pressure on an already insufficient budget

## TRUSTEES' REPORT - continued

allocation. The requirement in accordance with the provisions of the Service Arrangement to provide services in accordance with national policy and best practice is not achievable within the current funding allocation.

Saint John of God Community Services clg operated with a surplus of €1m in 2020. This surplus is primarily attributable to the reduced costs associated with the closure and curtailment of services between March and September 2020 and the allocation of additional funding by the HSE to meet Covid costs. Despite operating with a surplus in 2020, the Board is concerned with the underlying underfunding of services. The Board as a legal entity is subject to Company legislation and cannot continue to operate with this level of underfunding.

The accumulated deficit of €32.4m has been the subject of continuous engagement with the HSE throughout 2020 and in prior years.

In the absence of progress on Financial Sustainability despite extensive engagement with the HSE over a number of years, the Board through the Chief Executive issued 12 months' notice to the HSE on 30<sup>th</sup> September 2020 to terminate the Service Arrangement and transfer responsibility for service provision to the HSE. The Department of Health has in April 2021 requested the HSE to complete a Sustainability Impact Assessment (SIA) with the organisation. The directors have considered this request and have by formal agreement passed a Resolution at an Extraordinary Board Meeting (EBM) on 3<sup>rd</sup> August 2021 to enter into a Memorandum of Understanding with the HSE to facilitate participation on the completion of the Sustainability Impact Assessment (SIA). The directors also formally resolved to defer the Notice of Termination of the Service Arrangement until at least the 31<sup>st</sup> March 2022.

### 2.14 Compliance

The Board is committed to the implementation of the highest standards of corporate governance and compliance with legislation and the requirements of the HSE and the Charities Regulator.

A Compliance Register was prepared in 2020 identifying the scale of legislative requirements with which the Board is required to ensure that services operate within. Policies and procedures are developed and approved by the Board to give effect to the implementation of these legislative requirements. An action plan is in place towards achieving high levels of compliance with all legislative requirements

In the absence of funding and approval to create an Internal Audit Department, the Board has outsourced Internal Audit services to a third-party provider with a focus in auditing key areas of service provision and the implementation of approved policy and procedures to effect compliance. The

Audit, Risk and Compliance Committee oversees the preparation and implementation of action plans to address areas of non-compliance identified through internal audit.

Internal Audit conducted a detailed audit of ICT Systems in 2020. The Auditors identified significant vulnerabilities with several aspects of the systems and recommended the requirement for an ICT strategy for Community Services in addition to the requirement for significant investment to ensure the security, integrity and optimal functioning of systems. The Audit, Risk and Compliance Committee maintains oversight of an action plan to address these areas for improvement.

The Internal Control Questionnaire and the Annual Assurance Statement has been completed by senior managers across Community Services in respect of 2020. 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 the development of Capital Assets Registers and the implementation of actions to comply with the Sustainable Energy Act 2020.

The Executive Management Team prepares an annual report on compliance to provide the Board with assurances in preparation for the completion and submission of the Annual Compliance Statement to the HSE.

### 2.15 Energy efficiency

The Sustainable Energy Authority of Ireland (SEAI) was established as Ireland's national energy authority under the Sustainable Energy Act 2002 and 2011 all public sector bodies are required to report details of their energy performance directly to SEAI each year. While improvements are recorded for 2020 in electrical and transport categories, we recognise that a strong strategy and a focus of attention, together with the requisite funding is required to meet the targets between now and 2030.

## TRUSTEES' REPORT - continued

### 2.16 Our impact

#### Intellectual Disability Services

Managed a total of 92 designated centres with 790 registered places.

Fourteen of these designated centres operate from campus-based locations at Saint Mary's Drumcar, Saint Raphael's Celbridge and Saint Mary of the Angels, Beaufort.

Seventy eight designated centres are in community settings.

#### Service Provision

Number of People in receipt of Day Service (including residents) - 1,360

Number of People availing of Residential Services - 732

School Attendees – 501

#### Mental Health Services

Number of People availing of Residential Services 100

Number of People in receipt of Day Services - 240

Number of attendances at Outpatient Clinics -  
41,834 children and adolescents.  
42,550 adults

School Attendees –60.



**TRUSTEES' REPORT - continued**

**2.16 Our impact ... continued**

	2020	2019
<b>Adult Mental Health</b>		
<b>Cluain Mhuire Community Mental Health Services</b>		
<b>Acute Bed Nights</b>		
Average Monthly Number	24	26
<b>Community Accommodation</b>		
High Support Places	18	20
Low Support Places	9	9
Support to Independent Living Places	73	63
<b>Day Centres</b>		
Burton Hall Average Daily Attendances	45	45
Burton Hall Number on Register	102	110
Venegas Club House Average Daily Attendances	16	25
Venegas Club House Number on Register	60	60
<b>Outpatient Clinics</b>		
New Attendances	1,221	1,507
Repeat Attendances	41,329	39,930
<b>Total no. of attendances</b>	<b>42,550</b>	<b>41,437</b>

TRUSTEES' REPORT - continued

2.17 Our Geographical Impact Review

**Saint John of God North East Services:**

Day and residential services to 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.



**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 Kerry Services Training**, employment, social and residential programmes for people with intellectual disabilities in County Kerry.

**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.

## TRUSTEES' REPORT - continued

### 3. FINANCIAL REVIEW

2020 continued to be a challenging year 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, a, welcome regulatory framework for the charity sector.

The Board through the Chief Executive has engaged with the HSE since June 2018 to realise a financial sustainability plan for Saint John of God Community Services clg.

The Board is very concerned with the accumulated deficit and despite the level of engagement and the provision of information to the HSE the required level of annual funding for the provision of safe and effective services was not agreed in 2020.

As outlined earlier in this report, the board have in August 2021 agreed to enter into a MOU with the HSE which gives effect to a Sustainability Impact Assessment, which has commenced in October 2021, and is likely to be completed by December 2022, with the view to putting the organisation on a sustainable funding platform over the medium term.

In the year the company had a surplus of €1.1m (2019: €5.6m deficit). This surplus is primarily attributable to the reduced costs associated with the closure and curtailment of services between March and September 2020 and the allocation of additional funding by the HSE to meet Covid costs.

In the year the average number of persons employed increased by forty four to 2,428. The increase in pay costs excluding superannuation is €5.8m or 4.4%, this increase was offset by a reduction in agency of €4m, as agency usage was reduced during the pandemic. The total of pay and agency increased by €1.8m or 1.3%. The non pay increased by €1m or 3.2%, expenditure on personal protective equipment being a significant element of the increase. Income from the HSE increased by €10.3m or 6.2% however there was a significant decline in other operating income of €1.2m or 8.8% including declines in pension levy and shared services income. The net result of the tight budgetary control, aided by an increase in income was that the operating surplus of €1.1m was achieved in 2020 compared to the deficit of €5.6m in 2019.

The company had negative overall balance sheet reserves of €6.4m at the balance sheet date (2019: €7.5m negative), which is comprised of Restricted Capital Endowment Fund of €26.1m, (which primarily represent the Saint John of Gods Community Services share of property assets donated by the Saint John of God Order in 2015), net of a cumulative deficit forward on HSE funded restricted activities of €26.1m, as well as a cumulative deficit forward on unrestricted funds of €6.3m. The Balance Sheet position and the directors assessment of going concern is set out in more detail in Note 1 to the financial statements.

## TRUSTEES' REPORT - continued

### 4. STRUCTURE GOVERNANCE AND MANAGEMENT

#### 4.1 Board Committees

There are four Sub Committees of the Board

##### 1) Finance and Human Resource Sub Committee

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

##### 2) Audit, Risk and Compliance Sub Committee

The purpose of the Audit and Risk and Compliance 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 and Compliance Sub Committee develop Risk Management Policies and Risk Register Systems, and review the scope and effectiveness of internal financial control and the internal audit function. They also review the results of the external audit process.

##### 3) 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.

##### 4) 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 Committee Chair also conducts a review of the CEOs performance.

The Board Committees discharge their functions in accordance with the Terms of Reference of each committee as approved by the Board. The Role, Purpose, Function and the Terms of Reference for the Board Sub Committees were reviewed in 2020.

## TRUSTEES' REPORT - continued

### 5. PLANS FOR FUTURE PERIODS

2021 will be a year of continuing change and challenge. COVID-19 continues to dominate the management and delivery of services.

#### (a) Planning

Our Values of Hospitality, Compassion and Respect 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 and awareness 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. The Code of Behaviour as set out in the Internal Code of Governance sets out the standards of behaviour that all are expected to demonstrate in accordance with our Values. This Code of Behaviour will be reviewed in 2021.

In light of the continued underfunding of services and the uncertainty which this underfunding brings, the Board has not been in a position to prepare a Strategic Plan for Community Services for the period 2020-2023. In the absence of this plan and until such time as the appropriate funding is secured the Board will prepare annual strategic objectives. These annual objectives will guide the delivery and development of services in accordance with the principles of best practice and national policy. The Sustainability Impact Assessment process is expected to deliver a plan that will chart the delivery and development of our services in accordance with national policy and best practice over the forthcoming years.

#### (b) Transforming Lives and New Directions

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

The progression of the Transforming Lives programme in 2021 is dependent on the availability of capital and revenue funding from the HSE to support the continued transition of residents from campus-based settings to community living.

Arrangements are agreed with the HSE to support the transition of 15 residents at North East Services from Saint Mary's Drumcar to community living in 2021. A plan is being developed with the HSE for the development of specialist services for people who are medically fragile. The development of these specialist facilities will support the transition of the final group of residents from Saint Mary's.

Liffey Services in partnership with Saint John of God Housing Association will support 6 residents to transition from Saint Raphael's to community living in 2021. Additional revenue funding is required to complete the transition of 3 residents to one of these houses. Confirmation of this additional revenue funding is awaited from the HSE. Saint John of God Kerry Services have a commitment from the HSE for capital and revenue funding to

support the transition of 3 residents to community living. The Executive Management Team will continue to advocate for the allocation of capital and revenue funding to support the continued transition of residents from Saint Mary of the Angels Beaufort and Saint Raphael's Celbridge in 2021.

#### (c) Service Delivery

##### 1. Intellectual Disability Services

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. These reviews continue to challenge the traditional models of service delivery and guide us towards the development of innovative practices to support the person centred wishes and the will and preference of each individual availing of our services.

The Transforming Lives programme at our campus based services will continue throughout 2021. Taking the learning from COVID-19, we will review our model of day service delivery in accordance with the wishes and preference of those availing of 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 Community Network Disability Teams. Community Services has collaborated with the HSE to co-ordinate the reconfiguration of these services to Community Network Disability Teams in Dublin. Saint John of God Community Services clg is a member of the Consortium of Services and a participating agency with responsibility for the provision of these clinical services in South and West Dublin. The reconfiguration of these services will complete in Q4 2021.

##### 2. Mental Health Division

Community Mental Health Services are collaborating with the HSE to plan for the co-location of mental health services in Primary Care settings. The plan to transfer an adult and a child and adolescent mental health team to the Primary Care facility in Dun Laoghaire in 2020 was impacted by Covid with planning for this development recommencing this year.

Community Mental Health Services are commissioned and funded by the HSE to develop an adult ADHD service for CHO 6.

The Social Reform Project will continue in collaboration with the HSE and mental health services providers.

Subject to the allocation of funding and the approval of posts, the day hospital at the child and adolescent services will re-commence operation to support those young people presenting with significant mental health issues.

## TRUSTEES' REPORT - continued

The prevalence of young people presenting with Eating Disorders is an area of concern to which the service aims to respond with the required services and supports.

### (d) 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. An Organisational Advocacy Strategy will be complete in 2021, aiming to support the involvement of persons supported in the decision making process at the highest levels.

### (e) Aging

The age profile of people attending our services has changed significantly. Over fifty 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. We will continue to develop appropriate facilities and supports to meet the specialist end of life needs of people we support.

### (f) 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.

### (g) 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. Applications are submitted to the HSE Strengthening Disability Fund for the further development and implementation of CORE HR and Payroll systems and iPlanit system giving individuals access to their electronic personal plans at Liffey Services.

### (h) 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 and the Quality and Safety Committee is identifying initiatives to enhance staff engagement this year. The outcome of this engagement will be incorporated into the relevant action plans.

### (i) 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.

### (j) 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.

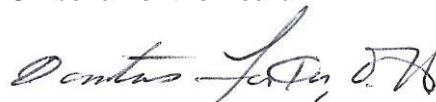
### (k) Factors Relevant to Achieving the Objectives

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 HSE committed to the provision of required funding to operate services to cessation on 30<sup>th</sup> September 2021. The Memorandum of Understanding agreed with the HSE commits to a similar level of funding for the period of the Sustainability Impact Assessment. The Sustainability Assessment process will identify the funding required to deliver and develop services in line with national policy and best practice.

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.

### On behalf of the Board



William Forkan



Charles Watchorn

28 October 2021



## ***Independent auditors' report to the members of Saint John of God Community Services CLG***

### **Report on the audit of the financial statements**

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#### **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 2020 and of its profit 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 Directors' Report and Financial Statements, which comprise:

- the Balance Sheet as at 31 December 2020;
- 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.

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#### **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.

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#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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## Reporting on other information

The other information comprises all of the information in the Directors' Report and Financial Statements 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 2020 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.

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## 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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](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.

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## **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.

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### **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  
28 October 2021

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Financial Year Ended 31 December 2020**

	Note	Restricted funds 2020 €	Unrestricted 2020 €	Restricted Capital Endowment Fund 2020 €	Total 2020 €
<b>Income and endowments from:</b>					
Donations and legacies	6	197,441	-	-	197,441
Earned from charitable activities	7	181,605,420	-	-	181,605,420
Earned from other trading activities	8	251,595	149,681	-	401,276
Other income	9	5,356,051	5,640	-	5,361,691
<b>Total income and endowments</b>		<u>187,410,507</u>	<u>155,321</u>	<u>-</u>	<u>187,565,828</u>
<b>Expenditure:</b>					
Expenditure on charitable activities	10	174,201,461	292,071	-	174,493,532
Other expenditure	11	12,020,979	-	-	12,020,979
<b>Total expenditure</b>		<u>186,222,440</u>	<u>292,071</u>	<u>-</u>	<u>186,514,511</u>
Net incoming resources/(resources expended)		1,188,067	(136,750)	-	1,051,317
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<u>1,188,067</u>	<u>(136,750)</u>	<u>-</u>	<u>1,051,317</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		(27,382,059)	(6,133,930)	26,065,069	(7,450,920)
<b>Total funds carried forward</b>		<u>(26,193,992)</u>	<u>(6,270,680)</u>	<u>26,065,069</u>	<u>(6,399,603)</u>

**STATEMENT OF FINANCIAL ACTIVITIES - continued**  
**Financial Year Ended 31 December 2019**

	Note	Restricted funds 2019 €	Unrestricted 2019 €	Restricted Capital Endowment Fund 2019 €	Total 2019 €
<b>Income and endowments from:</b>					
Donations and legacies	6	292,854	-	-	292,854
Earned from charitable activities	7	172,182,935	-	-	172,182,935
Earned from other trading activities	8	333,738	394,168	-	727,906
Other income	9	5,294,979	36,333	-	5,331,312
<b>Total income and endowments</b>		<u>178,104,506</u>	<u>430,501</u>	<u>-</u>	<u>178,535,007</u>
<b>Expenditure:</b>					
Expenditure on charitable activities	10	171,540,791	374,058	-	171,914,849
Other expenditure	11	12,224,063	-	-	12,224,063
<b>Total expenditure</b>		<u>183,764,854</u>	<u>374,058</u>	<u>-</u>	<u>184,138,912</u>
Net (resources expended)/incoming resources		(5,660,348)	56,443	-	(5,603,905)
<b>Transfer between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<u>(5,660,348)</u>	<u>56,443</u>	<u>-</u>	<u>(5,603,905)</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		(21,721,711)	(6,190,373)	26,065,069	(1,847,015)
<b>Total funds carried forward</b>		<u>(27,382,059)</u>	<u>(6,133,930)</u>	<u>26,065,069</u>	<u>(7,450,920)</u>

**BALANCE SHEET**  
**Financial Year Ended 31 December 2020**

	Notes	2020 €	2019 €
<b>Fixed assets</b>			
Fixed assets	17	<u>19,176,756</u>	<u>19,626,758</u>
		19,176,757	19,626,758
<b>Current assets</b>			
Current investments	18	127	127
Stocks	19	3,179	3,316
Debtors and prepayments	20	3,866,391	2,916,656
Cash and Bank		<u>1,133,813</u>	<u>-</u>
		5,003,510	2,920,098
<b>Current liabilities - amounts falling due in less than one year</b>	21	<u>(30,579,869)</u>	<u>(29,997,777)</u>
<b>Net current (Liabilities)</b>		<u>(25,576,359)</u>	<u>(27,077,679)</u>
<b>Total (Liabilities)</b>		<u>(6,399,603)</u>	<u>(7,450,920)</u>
<b>Funds of the Charity</b>			
Unrestricted funds	28	(6,270,680)	(6,133,930)
Restricted funds	28	(26,193,992)	(27,382,059)
Restricted Capital Endowment Fund		<u>26,065,069</u>	<u>26,065,069</u>
<b>Total Charity Funds</b>		<u>(6,399,603)</u>	<u>(7,450,920)</u>

On behalf of the Board



William Forkan



Charles Watchorn

28 October 2021

**STATEMENT OF CHANGES IN FUNDS**  
**Financial Year Ended 31 December 2020**

	Unrestricted funds €	Restricted funds €	Restricted Capital Endowment Fund €	Total €
Balance at 1 January 2019	(6,190,373)	(21,721,711)	26,065,069	(1,847,015)
Net (expenditure)/income for the year	<u>56,443</u>	<u>(5,660,348)</u>	<u>-</u>	<u>(5,603,905)</u>
<b>Balance at 31 December 2019</b>	<b><u>(6,133,930)</u></b>	<b><u>(27,382,059)</u></b>	<b><u>26,065,069</u></b>	<b><u>(7,450,920)</u></b>
Balance at 1 January 2020	(6,133,930)	(27,382,059)	26,065,069	(7,450,920)
Net (expenditure)/income for the year	<u>(136,750)</u>	<u>1,188,067</u>	<u>-</u>	<u>1,051,317</u>
<b>Balance at 31 December 2020</b>	<b><u>(6,270,680)</u></b>	<b><u>(26,193,992)</u></b>	<b><u>26,065,069</u></b>	<b><u>(6,399,603)</u></b>

**CASH FLOW STATEMENT**  
**Financial Year Ended 31 December 2020**

	Notes	2020 €	2019 €
<b>Cash flows from operating activities:</b>			
Net cash inflow from operating activities	22	3,768,297	760,403
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	17	(187,122)	(159,595)
Disposal of property, plant and equipment		-	-
Net cash provided by investing activities		(187,122)	(159,595)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>3,581,175</u>	<u>600,808</u>
Cash and cash equivalents at the beginning of the reporting period		(2,447,362)	(3,048,170)
Change in cash and cash equivalents		<u>3,581,175</u>	<u>600,808</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	21	<u>1,133,813</u>	<u>(2,447,362)</u>

## Notes of 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 operating surplus for 2020 after HSE funding is taken into account amounted to €1.1m. (2019: €5.6m deficit). The company had net current liabilities at 31 December 2020 of €26m (2019: €27m) and total net liabilities of €6.4m (2019: net liabilities €7.4m). The company has continued to operate on a break-even basis in 2021. Based on the 2021 Allocation from HSE and the company's own forecast, the company is likely to break-even in 2021, but will continue to need support from the HSE by way of out of profile cash accelerations in order to meet its obligations as they fall through. The HSE have committed to providing that support.

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 years in relation to the overall funding situation and the funding of legacy deficits. In the absence of progress on financial sustainability despite extensive engagement with the HSE over a number of years, the Board through the Chief Executive issued 12 months' notice to the HSE on 30 September 2020 to terminate the Service Arrangement and transfer responsibility for service provision to the HSE. The Department of Health has in April 2021 requested the HSE to complete a Sustainability Impact Assessment (SIA) with the organisation. The directors have considered this request and have by formal agreement passed a Resolution at an Extraordinary Board Meeting (EBM) on 3 August 2021 to enter into a Memorandum of Understanding (MOU) with the HSE to facilitate participation on the completion of the Sustainability Impact Assessment (SIA) which will take place between now and December 2022.

The directors also formally resolved to defer the Notice of Termination of the Service Arrangement, issued on 30 September 2020 during the discussions outlined above, until at least 31 March 2022. The deferral of notice will be reviewed each quarter thereafter and the Board fully reserves its position regarding reinstatement of its notice to the HSE. If at some point beyond 31 March 2022, the termination notice is reinstated, a further notice period would follow before services would actually terminate. Given the goodwill on both sides in signing up to the MOU, the board considers it highly unlikely that such a decision would be taken until at least the end of the MOU process (31 December 2022), which is outside of the 12 month period post signing of these financial statements.

During 2020, 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. All cash advances received in 2020 have been subsequently repaid to the HSE in 2021. As part of the MOU agreement, the HSE have committed, with the support of the Department of Health to continue to provide sufficient additional cash to Saint John of God Community Services (SJOGCS) to allow it meet its obligations as they fall due.

Furthermore, the HSE have also committed as part of the MOU that they will not require the repayment of the €16.4m liability to the HSE for the duration and implementation of the SIA. While in essence this €16.4m liability has already been repaid, it is likely that at least this amount will need to be drawn down again by way of advance before the end of the 2021 financial year, so this commitment by the HSE is relevant to the directors overall assessment. The HSE have also committed in the MOU to provide by way of a goodwill gesture, an interim accelerated cash payment of up to €6.5m. While this has not yet been received, it is envisaged by the Board that this is in addition to the €16.4m which the HSE have committed not to call down for the duration of the SIA.

Furthermore, with respect to prior year accumulated deficits, which have given rise to the significant net current liability position, both parties to the MOU have acknowledged that "their clear intent is to agree and set out, as part of the implementation plan within the final agreed SIA report, how the historic financial deficit in the books of SJOGCS is to be cleared and also to ensure that the circumstances which gave rise to this deficit do not reoccur."

The company has prepared detailed cash projections for the Services as a whole covering the period of at least 12 months from the date of approval of the financial statements.

## Notes of the Financial Statements - continued

### 1 Going concern – continued

Based on these cash projections, the company is projecting that it will break-even in 2021 and 2022, and that any cash shortfalls created by the legacy deficits which the organisation is carrying will be fully funded by the goodwill gesture of €6.5m supplemented by further cash accelerations as required from the HSE.

The directors 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 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 continue to be re-imbursed by the HSE.

In addition to the matters referred to above, the Board of Saint John of God Community Services have requested and received from the HSE a letter of support confirming their intention to provide sufficient additional cash to St John of God Community Services to allow it to meet its obligations as they fall due covering the period of at least 12 months from date of signing of the 2020 financial statements. The board are satisfied that the HSE will honour that commitment.

In considering the various facts and circumstances, the directors have in reaching their conclusions that it is appropriate to prepare the financial statements on a going concern basis, have had regard to the following matters:

- the surplus of €1m in 2020, with forecast break-even position for 2021 and beyond (Compared to substantial deficit for 2018 and 2019);
- although the substantial net current liability situation of €26m remains at 31 December 2020 (2019: €27m), the MOU has set a platform for agreement and resolution of this legacy deficit, while providing cashflow support in the interim during the period of the SIA process;
- payments to creditors and suppliers were made on a timely basis during 2020 and into 2021;
- the terms of the MOU with the HSE have been formally agreed by the board on 3 August 2021;
- Cash flow projection indicates that an additional €16m will be required from HSE in the period July to December 2021 to continue to provide services without curtailment. The directors are satisfied based on the MOU and letter of support received from the HSE, that the necessary cash will be received to address this shortfall.

Having made enquiries and considering the proposed actions and sustainability impact assessment described above, the directors have a reasonable expectation that implementation of a final sustainability impact assessment will be underway by 31 December 2022, with a view to ensuring that the implementation will be adequately funded and substantially complete within 3 years of the end of the interim period i.e. by no later than December 2025. For the above reasons, the Directors continue to adopt the going concern basis in preparing the directors' report and financial statements of the company.

### 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 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.



## Notes of the Financial Statements - continued

### 3 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014. The entity financial statements comply with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### 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 entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss, and the measurement of freehold land and buildings at their deemed cost on transition to FRS 102.

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 end of the financial year. It also requires the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and 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

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:

- (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.

## Notes of the Financial Statements - continued

### 4 Summary of significant accounting policies – continued

#### (c) Revenue recognition

##### *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. Please refer to 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 Gods Community Services 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 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.

##### **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 permanent 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 endowment amounts will either be (a) unrestricted and used for general purposes, or (b) restricted by the donor or by the Board. Depreciation relating to these restricted assets has been dealt with as restricted expenditure in the financial statements. This is in recognition of the fact that the depreciation of these assets represents a core cost associated with the execution of the HSE restricted activities.

## Notes of the Financial Statements - continued

### 4 Summary of significant accounting policies – continued

#### (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 Gods 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 Gods Community Services clg accounts 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. 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.

Notes of the Financial Statements - continued

4 Summary of significant accounting policies - continued

**(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.

**(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.

## Notes of the Financial Statements - continued

### 4 Summary of significant accounting policies - continued

#### (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.

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.

## Notes of the Financial Statements - continued

### 4 Summary of significant accounting policies - continued

#### (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
- (v) Saint John of God Community Services Kerry Region
- (vi) 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.

### 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.

Notes of the Financial Statements - continued

5 Critical accounting judgements and estimation uncertainty - continued

(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 was 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 accounts. 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:

(v) *Going concern*

The trustees have identified some uncertainties in relation to going concern and funding and have concluded that despite these uncertainties which are not considered material uncertainties, 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 1 for more information on this judgement.

6 Contributions, donations and legacies

	Restricted €	Unrestricted €	Total €
<b>2020</b>			
Contribution from Hospitaller Order of Saint John of God	22,595	-	22,595
Donations and fundraising	174,846	-	174,846
	<u>197,441</u>	<u>-</u>	<u>197,441</u>
<b>2019</b>			
Contribution from Hospitaller Order of Saint John of God	77,753	-	77,753
Donations and fundraising	215,101	-	215,101
	<u>292,854</u>	<u>-</u>	<u>292,854</u>

Notes of the Financial Statements - continued

7 Earned from charitable activities

	Restricted €	Unrestricted €	Total €
<b>2020</b>			
Health Service Executive Allocation	168,570,811	-	168,570,811
Health Service Executive Income	6,086,362	-	6,086,362
Pension levy income	3,496,743	-	3,496,743
RSSMAC income	1,892,766	-	1,892,766
Shared Services	406,260	-	406,260
Dept of Social Protection	407,749	-	407,749
Dublin & Dun Laoghaire Education and Training Board	329,785	-	329,785
Dept of Education	50,069	-	50,069
Grant Income - Genio	321,575	-	321,575
Grant Income - National Lottery	8,575	-	8,575
Out Patients Income	8,205	-	8,205
Grant Income – Health Research Board	26,520	-	26,520
	<u>181,605,420</u>	<u>-</u>	<u>181,605,420</u>

	Restricted €	Unrestricted €	Total €
<b>2019</b>			
Health Service Executive Allocation	160,358,807	-	160,358,807
Health Service Executive Income	4,029,699	-	4,029,699
Pension levy income	4,069,730	-	4,069,730
RSSMAC income	2,139,764	-	2,139,764
Shared Services	510,583	-	510,583
Dept of Social Protection	457,909	-	457,909
Dublin & Dun Laoghaire Education and Training Board	443,022	-	443,022
Dept of Education	58,319	-	58,319
Grant Income - Genio	-	-	-
Grant Income - National Lottery	1,902	-	1,902
Out Patients Income	26,152	-	26,152
Grant Income – Health Research Board	87,048	-	87,048
	<u>172,182,935</u>	<u>-</u>	<u>172,182,935</u>

8 Earned from other trading activities

	Restricted €	Unrestricted €	Total €
<b>2020</b>			
Canteen receipts	-	61,989	61,989
Sundry income	244,216	-	244,216
Workshop income	7,379	4,221	11,600
Swimming pool	-	83,471	83,471
	<u>251,595</u>	<u>149,681</u>	<u>401,276</u>

<b>2019</b>			
Canteen receipts	-	108,219	108,219
Sundry income	333,738	8,500	342,238
Workshop income	-	24,484	24,484
Swimming pool	-	252,965	252,965
	<u>333,738</u>	<u>394,168</u>	<u>727,906</u>



Notes of the Financial Statements - continued

9 Other income

	Restricted €	Unrestricted €	Total €
<b>2020</b>			
Nominated Health Agencies Superannuation Scheme	5,351,501	-	5,351,501
Rental income	4,550	5,640	10,190
	<u>5,356,051</u>	<u>5,640</u>	<u>5,361,691</u>
<b>2019</b>			
Nominated Health Agencies Superannuation Scheme	5,294,979	-	5,294,979
Rental income	-	36,333	36,333
	<u>5,294,979</u>	<u>36,333</u>	<u>5,331,312</u>

10 Expenditure on charitable activities

	Restricted €	Unrestricted €	Total 2020 €	Total 2019 €
<b>Pay</b>	<b>140,077,411</b>	<b>176,411</b>	<b>140,253,822</b>	<b>138,722,930</b>
<b>Non-Pay</b>				
Drugs medical support	3,445,234	53	3,445,287	2,276,970
Catering	1,637,758	22,911	1,660,669	1,739,434
Heat, power and light	2,151,432	44,483	2,195,915	2,127,208
Cleaning and washing	1,215,641	6,918	1,222,559	1,290,599
Furniture Crockery and hardware	521,974	430	522,404	460,425
Bedding and clothing	95,701		95,701	76,860
Maintenance	3,315,536	39,659	3,355,195	2,905,015
Transport and travel	371,405	-	371,405	658,654
Transport Patients	1,973,703	-	1,973,703	2,321,088
Vehicles Purchased	221,004	-	221,004	6,204
Bank Charges	20,068	-	20,068	15,151
Insurances	204,096	41	204,137	203,817
Rent and rates	1,486,505	-	1,486,505	1,527,642
Computer and Office Equipment	347,288	-	347,288	476,747
Professional services	441,427	-	441,427	523,746
Education and training	546,877	-	546,877	659,283
Psychiatric In-Hospital beds	6,215,559	-	6,215,559	6,750,787
Recruitment and Advertising	41,926	-	41,926	31,304
Office Expenses	1,328,339	40	1,328,379	1,346,940
Nursing Diploma	331,992	-	331,992	331,992
Charges from Group Entities	928,681	-	928,681	350,000
Fire and security alarms	636,428	-	636,428	673,058
Depreciation	637,126	-	637,126	522,615
Breakaway for clients	113,082	-	113,082	80,369
Donations Expenses	4,645	-	4,645	-
Miscellaneous	451,794	1,125	452,919	687,432
Support costs (Note 12)	5,253,404	-	5,253,404	4,982,211
Governance costs (Note 12)	185,425	-	185,425	166,368
	<u>174,201,461</u>	<u>292,071</u>	<u>174,493,532</u>	<u>171,914,849</u>

Notes of the Financial Statements - continued

10 Expenditure on charitable activities - continued

	Restricted €	Unrestricted €	Total €
<b>2019</b>			
Pay	138,522,794	200,136	138,722,930
Drugs medical support	2,276,846	124	2,276,970
Catering	1,697,083	42,351	1,739,434
Heat, power and light	2,087,430	39,778	2,127,208
Cleaning and washing	1,263,064	27,535	1,290,599
Furniture Crockery and hardware	460,033	392	460,425
Bedding and clothing	76,860	-	76,860
Maintenance	2,847,913	57,102	2,905,015
Transport and travel	658,654	-	658,654
Transport Patients	2,321,088	-	2,321,088
Vehicles Purchased	6,204	-	6,204
Bank Charges	15,151	-	15,151
Insurances	203,767	50	203,817
Rent and rates	1,527,642	-	1,527,642
Computer and Office Equipment	476,747	-	476,747
Professional services	523,746	-	523,746
Education and training	659,283	-	659,283
Psychiatric In-Hospital beds	6,750,787	-	6,750,787
Recruitment and Advertising	31,304	-	31,304
Office Expenses	1,346,691	249	1,346,940
Nursing Diploma	331,992	-	331,992
Charges from Group Entities	350,000	-	350,000
Fire and security alarms	673,058	-	673,058
Depreciation	522,615	-	522,615
Breakaway for clients	80,369	-	80,369
Miscellaneous	681,091	6,341	687,432
Support costs (Note 12)	4,982,211	-	4,982,211
Governance costs (Note 12)	166,368	-	166,368
	<u>171,540,791</u>	<u>374,058</u>	<u>171,914,849</u>

11 Other expenditure

	Restricted €	Unrestricted €	Total €
<b>2020</b>			
NHASS	<u>12,020,979</u>	<u>-</u>	<u>12,020,979</u>
<b>2019</b>			
NHASS	<u>12,224,063</u>	<u>-</u>	<u>12,224,063</u>

Notes of the Financial Statements - continued

12 Analysis of governance and support costs

	Charitable activities	
	Support costs €	Governance costs €
<b>2020</b>		
Pay - finance	1,753,158	-
Pay - human resources	1,361,427	-
Pay - information and communications technology	885,527	-
Computers and office expenses	429,106	-
Professional services	359,129	179,100
Transport and travel	438,953	228
Other support costs	26,104	6,097
	<u>5,253,404</u>	<u>185,425</u>
<b>2019</b>		
Pay – finance	1,686,863	-
Pay - human resources	1,157,881	-
Pay - information and communications technology	876,256	-
Computers and office expenses	603,684	-
Professional services	256,213	162,230
Transport and travel	369,032	4,138
Other support costs	32,282	-
	<u>4,982,211</u>	<u>166,368</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.

13 Operating expenses

	2020 €	2019 €
The following operating expenses have been recognised:		
Directors' remuneration		
<i>Emoluments:</i>		
- For services as directors	-	-
- For other services	-	-
<i>Pension:</i>		
- For services as directors	-	-
- For other services	41,320	41,042
Income shared services (note 27)	(406,260)	(510,583)
Depreciation (note 17)	637,124	522,615
Subsidy from Hospitaller Order (note 27)	(22,595)	(77,753)

**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:

Notes of the Financial Statements - continued

13 Operating expenses - continued

	2020 €	2019 €
Audit of entity financial statements	179,100	160,754
Other non-audit services	-	-
	<u>179,100</u>	<u>160,754</u>

14 Employees and directors

(i) Employees

The average number of persons employed by the company during the financial year was 2,428 (2019:2,384).

	2020 €	2019 €
Staff costs comprise:		
Wages and salaries	127,439,834	122,347,285
Social insurance costs	13,479,016	12,686,814
Other retirement benefit costs	12,020,979	12,224,063
Staff costs	<u>152,939,829</u>	<u>147,258,162</u>

Notes of the Financial Statements - continued

14 Employees and directors - continued

	Number of employees 2020	Number of employees 2019
(i) Employees - continued		
<b>Salary range (excluding pension contributions):</b>		
300,000 – 310,000	1	-
290,000 - 299,999	-	1
270,000 - 279,999	1	-
260,000 - 269,999	2	1
250,000 - 259,999	1	1
240,000 - 249,999	1	2
230,000 – 239,999	1	1
220,000 - 229,999	2	-
210,000 - 219,999	1	3
200,000 – 209,999	1	-
190,000 - 199,999	2	2
180,000 - 189,999	2	2
170,000 - 179,999	2	-
160,000 - 169,999	1	2
150,000 - 159,999	-	1
140,000 - 149,999	1	2
130,000 - 139,999	-	-
120,000 – 129,999	3	3
110,000 – 119,999	2	3
100,000 – 109,999	5	4
90,000 – 99,999	8	10
80,000 - 89,999	29	17
70,000 – 79,999	70	62
60,000 – 69,999	319	245
0 – 59,999	2,713	2,810
	<u>3,168</u>	<u>3,172</u>

In the year, 455 staff earning in excess of €60,000 p.a. (2019: 362) participated in the defined contribution pension schemes (Note 16). Contributions totalling €Nil were made in respect of these employees (2019: €Nil). The 3,168 (2019: 3,172) are the total number of staff who were paid in the year. The salary bands from €60,000 to €300,000 above include, Clinical Director and Consultant Psychiatrists 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 full time equivalent persons employed by the company during the financial year was 2,428 (2019: 2,384).

	2020	2019
Management/administration	171	171
Medical/dental	44	45
Nursing	495	483
Health and social care professionals	696	676
General support services	132	132
Other Patient and Client Care	890	877
	<u>2,428</u>	<u>2,384</u>

Notes of the Financial Statements - continued

14 Employees and directors - continued

(ii) Directors/trustees

Trustees received no remuneration (2018: €Nil) and incurred expenses of €3,372 (2018: €3,562) 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 2019.

(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:

	2020 €	2019 €
Salaries and other short-term benefits	4,645,190	4,619,414
Post-employment benefits	-	-
Total key management compensation	<u>4,645,190</u>	<u>4,619,414</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 2020 the company received €5,351,501 (2019: €5,294,979) in contributions from members of the NHASS. The company also received €3,179,802 (2019: €3,025,787) 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. €12,020,979 (2019: €12,224,063) 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 of 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 €
<b>Cost</b>			
At 31 December 2019	20,577,936	1,007,739	21,585,675
Additions	-	187,122	187,122
Disposals	-	-	-
At 31 December 2020	<u>20,577,936</u>	<u>1,194,861</u>	<u>21,772,797</u>
<b>Accumulated depreciation</b>			
At 31 December 2019	1,646,235	312,682	1,958,917
Charge for year	411,558	225,566	637,124
At 31 December 2020	<u>2,057,793</u>	<u>538,248</u>	<u>2,596,041</u>
<b>Net book value</b>			
At 31 December 2019	<u>18,931,701</u>	<u>695,057</u>	<u>19,626,758</u>
At 31 December 2020	<u>18,520,143</u>	<u>656,613</u>	<u>19,176,756</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 2017, 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 of 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 continues to use certain assets which are owned by the Hospitaller Order of St 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 Investments

	Total €
Cost at 1 January 2019	127
Cost at 31 December 2019	<u>127</u>
Cost at 1 January 2020	127
Cost at 31 December 2020	<u>127</u>

19 Stocks

	2020 €	2019 €
Raw materials and consumables	<u>3,179</u>	<u>3,316</u>

20 Debtors and prepayments

	2020 €	2019 €
Amounts falling due within one year:		
Debtors and prepayments (including provisions of 2020: €423,444) (2019: €311,070)	1,219,556	1,628,929
Amounts due from HSE	2,646,835	1,065,370
Amounts owed by affiliates and related parties (note 27)	-	222,357
	<u>3,866,391</u>	<u>2,916,656</u>

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



Notes of the Financial Statements - continued

**21 Creditors - amounts falling due in less than one year**

	2020 €	2019 €
Amounts falling due within one year:		
Trade creditors	1,390,207	2,374,505
Amounts in advance from HSE	11,913,368	4,939,771
Amounts owed to affiliates and related parties (note 27)	988,058	1,023,983
Income tax deducted under PAYE and PRSI	4,120,112	5,704,086
Income tax deducted under VAT	321	3,358
Other Creditors	1,083,250	241,688
Accruals	9,490,806	11,634,221
Deferred income	1,593,747	1,628,803
Bank overdraft	-	2,447,362
	<u>30,579,869</u>	<u>29,997,777</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 Reconciliation of surplus to net cash outflow from operating activities**

	2020 €	2019 €
Surplus/(Deficit)	1,051,317	(5,603,905)
<i>Adjustments for:</i>		
Depreciation	637,126	522,615
(Increase)/Decrease in debtors and current investments	(949,736)	1,311,326
Increase in creditors	3,029,453	4,529,174
Decrease in stocks	137	1,193
Net cash inflow from operating activities	<u>3,768,297</u>	<u>760,403</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 are encumbrance's, principally liens, noted in relation to the receipt of capital grants on certain properties, 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. Properties with an historical cost value of €7,077,001 (Net Book Value 31 December 2020, €5,668,546) are encumbered by liens attaching to these assets securing the capital grants received. As at 31 December 2020 the unamortised value of these liens totals €1,293,445. It was agreed as part of the directions transferring the properties, that Community Services would take over the obligation in relation to any future claw backs 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 of the Financial Statements - continued

### 24 Post Balance Sheet Event

On Friday 14th May 2021, the HSE announced that its ICT systems were subject to a Ransomware attack. Saint John of God Community Services responded by isolating its systems to external systems and reviewing and updating the security of each computer system and hardware. While there are no known impacts at time of report an assessment is to be carried out to determine the requirement for further security and system upgrades. Adequate funding being available to implement the security and system upgrades will be a key consideration.

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

### 25 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.

### 26 Ultimate Parent Company

The directors consider the Saint John of God Hospitaller Services Group (HSG) to be the Ultimate Parent Company of the company.

HSG provides a range of shared services which includes, but is not limited to:

- Company secretarial
- ICT systems and application support
- Property management
- Office and conference facilities
- Research and library services
- Management of group contracts

Notes of the Financial Statements - continued

27 Related party transactions and year end balances

Note 26 above sets out the Group Structure. At the end of the year, Saint John of God Community Services clg had the following balances with related parties.

	2020 €	2019 €
<b>Amounts receivable from related parties:</b>		
Hospitaller Order of Saint John of God – West European Province	-	36,329
Saint John of God Housing Association clg	-	185,326
Saint John of God Research Foundation clg	-	702
	<u>-</u>	<u>222,357</u>
<b>Amounts payable to related parties:</b>		
Hospitaller Order of Saint John of God – West European Province	42,560	-
Saint John of God Hospitaller Services Group	757,296	280,097
Saint John of God Housing Association clg	21,856	-
Saint John of God Hospital clg	166,346	743,886
	<u>988,058</u>	<u>1,023,983</u>

**Transactions with Saint John of God Hospital clg**

	<b>Hospital charge to Community Services 2020 €</b>	<b>Community Services charge to Hospital 2020 €</b>
Purchase of beds at Hospital by Community Services	5,627,426	-
Provision of Nursing Education Programme by Hospital on behalf of the State inclusive of Covid related payment to student nurses	383,066	-
Provision of Pension Administration by Community Services to Hospital *	-	32,454
Portion of work completed for Hospital by medical staff paid for by Community Services	-	216,668
Portion of work completed for Hospital by medical staff paid for by Community Services and Mental Health Act Administration by Hospital to Community Services	147,063	-
Provision of national training scheme (Basic Specialist Training Scheme in Psychiatry) and cover skills shortages by Hospital to Community Services	15,445	-
Provision of procured contracts to obtain economies of scale by Community Services on behalf of Hospital	-	28,276
NHASS is administered by Community Services as agent for HSE/Department of Health	-	1,274,839
<b>Total for 2020</b>	<b>6,173,000</b>	<b>1,552,237</b>
Total for 2019	7,192,538	2,429,664

Notes of the Financial Statements - continued

**Transactions with Hospitaller Order of Saint John of God – West European Province**

	Order charge to Community Services 2020 €	Community Services charge to Order 2020 €
Charge for salaries by Community Services to Order	-	87,108
Provision of administration by Community Services for Order	-	67,002
Subsidy from Order to Community Services to support children with life limiting conditions	-	22,595
<b>Total for 2020</b>	-	<b>176,705</b>
Total for 2019	-	407,772

**Transactions with Employ Ability clg**

	Employ Ability charge to Community Services 2020 €	Community Services charge to Employ Ability 2020 €
Sub lease of property by Community Services to Employ Ability	-	20,000
<b>Total for 2020</b>	-	<b>20,000</b>
Total for 2019	-	20,000

**Transactions with Saint John of God Foundation**

	Foundation charge to Community Services 2020 €	Community Services charge to Foundation 2020 €
Fundraising submitted by the Foundation to Community Services	-	102,856
<b>Total for 2020</b>	-	<b>102,856</b>
Total for 2019	-	10,000

Notes of the Financial Statements - continued

**Transactions with Saint John of God Housing Association clg**

	Housing charge to Community Services 2020 €	Community Services charge to Housing 2020 €
Provision of Shared Services by Community Services to Housing Association	-	19,887
Provision of Shared Services by Housing Association to Community Services	84,425	-
<b>Total for 2020</b>	<b>84,425</b>	<b>19,887</b>
Total for 2019	-	55,868

**Transactions with Saint John of God Hospitaller Services Group**

	HSG charge to Community Services 2020 €	Community Services charge to HSG 2020 €
Provision of Shared Services by HSG to Community Services	928,681	-
Provision of Shared Services by Community Services to HSG	-	351,015
<b>Total for 2020</b>	<b>928,681</b>	<b>351,015</b>
Total for 2019	350,000	64,910

**Transactions with Saint John of God Research Foundation clg**

	Research charge to Community Services 2020 €	Community Services charge to Research 2020 €
Provision of Shared Services by Research to Community Services	17,192	-
<b>Total for 2020</b>	<b>17,192</b>	<b>-</b>
Total for 2019	35,378	-

Notes of the Financial Statements - continued

Transactions with Saint John of God Schools

	Schools charge to Community Services 2020 €	Community Services charge to Schools 2020 €
Provision of accounting, payroll, swimming pool and school meals by Community Services to Schools	-	99,947
<b>Total for 2020</b>	<b>-</b>	<b>99,947</b>
Total for 2019	-	132,348

**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 Gods 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.

**Restricted Capital Endowment funds**

Restricted Capital 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 by (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 28 October 2021 and were signed on its behalf on that date.