

**FINANCIAL STATEMENTS**  
**FOR**  
**ST. JAMES'S HOSPITAL**  
**FOR THE YEAR ENDED 31st DECEMBER 2020**

## TABLE OF CONTENTS

<b>GENERAL INFORMATION</b>	<b>3</b>
<b>GOVERNANCE STATEMENT AND BOARD MEMBERS REPORT</b>	<b>4-7</b>
<b>AUDITOR'S REPORT</b>	<b>8</b>
<b>CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON</b>	<b>9</b>
<b>STATEMENT ON INTERNAL CONTROL</b>	<b>10-13</b>
<b>STATEMENT OF ACCOUNTING POLICIES</b>	<b>14-16</b>
<b>NON-CAPITAL INCOME &amp; EXPENDITURE ACCOUNT</b>	<b>17</b>
<b>CAPITAL INCOME &amp; EXPENDITURE ACCOUNT</b>	<b>18</b>
<b>BALANCE SHEET</b>	<b>19</b>
<b>CASH FLOW STATEMENT</b>	<b>20</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>21-35</b>

## GENERAL INFORMATION

Board Members	Paul Donnelly (Chairman) (Resigned 17 June 2021) Prof. Charles Normand (Interim Chairman) Michael Gleeson Brian Murray Dr. Paddy Smyth (Resigned 08 January 2021) Martin Keane (Resigned 14 January 2020) Catherine Mullarkey Prof. Juliette Hussey Cllr. Anne Feeney Cllr. Criona Ni Dhalaigh (Resigned 20 September 2020) Hilary Coates Garry Burke (Appointed 01 July 2020) Cllr. Maire Devine (Appointed 25 November 2020) Lionel Alexander (Appointed 29 June 2021)
Address	St. James's Hospital P.O. Box 580 James's Street Dublin 8
Telephone Number	01- 4103000
Fax Number	01- 4103447
Bankers	Bank Of Ireland 85 James's Street Dublin 8  Bank of Ireland Treasury and International Banking PO Box 2386 Colvill House Talbot Street Dublin 1
Auditor	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1 D01 PF72
Solicitors	A&L Goodbody Solicitors I.F.S.C. 25/28 North Wall Quay Dublin 1

## GOVERNANCE STATEMENT AND BOARD MEMBERS REPORT

YEAR ENDED 31<sup>st</sup> DECEMBER 2020

### **Governance**

The Board is required by the St. James's Hospital Board (Establishment) Order 1971, to prepare financial statements for each financial year which properly present the state of affairs of St. James's Hospital and of its income and expenditure for that period. The Board is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of St. James's Hospital are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of St. James's Hospital.

### **Board Responsibilities**

In preparing those statements, under section 21 of the St. James's Hospital Board (Establishment) Order 1971, the Board is required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- disclose and explain any material departures from applicable accounting standards laid down by the Minister of Health, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that St. James's Hospital will continue in existence.

The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of St. James's Hospital and to enable the Board to ensure that the financial statements comply with the Order and with the accounting standards laid down by the Minister for Health. The Board is also responsible for safeguarding the assets of St. James's Hospital and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

The Board is responsible for approving the 2020 Service Arrangement with the Health Executive; this was approved on 21<sup>st</sup> February 2020.

The Board considers that the financial statements of St. James's Hospital properly present the financial performance and the financial position of St. James's Hospital at 31 December 2020.

### **Board Structure**

The Board consists of a Chairperson, and nine ordinary members, all of whom are appointed by the Minister for Health. The members of the Board are appointed for a period of five to six years and can be re-appointed thereafter. The Board meet on a regular basis. The table below details the initial appointment date for current members.

<b>Board member</b>	<b>Role</b>	<b>Date Appointed</b>
Prof. Charles Normand	Interim Chairman	11/02/2005
Michael Gleeson	Ordinary member	18/10/2012
Brian Murray	Ordinary member	10/03/2014
Catherine Mullarkey	Ordinary member	14/05/2019
Prof. Juliette Hussey	Ordinary member	27/09/2019
Cllr. Anne Feeney	Ordinary member	11/10/2019
Hilary Coates	Ordinary member	17/12/2019
Garry Burke	Ordinary member	01/07/2020

Cllr. Maire Devine	Ordinary member	25/11/2020
Lionel Alexander	Ordinary member	29/06/2021

The Board has established the following Committees,

**Audit and Risk Committee:** comprises three Board members and two independent members. The role of the Audit and Risk Committee is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The Audit and Risk Committee is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The Audit and Risk Committee reports to the Board after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are: Mr. Brian Murray (Chairperson), Mr. Michael Gleeson, Ms. Grace Dempsey, Mr. John Cronin and Ms Catherine Mullarkey. There were five meetings of the Audit and Risk Committee in 2020.

**Finance Committee:** comprises up to four Board members. The purpose of the Finance Committee is to support and provide oversight to the Board and the Executive Management in meeting the Hospital's financial commitments. The Committee is responsible for oversight of all matters relating to the financial affairs of the Hospital encompassing the areas of strategic financial planning, resource management, financial monitoring and policy related issues and to provide timely advice to the Board on areas within its remit.

The current members of the Finance Committee are: Ms. Catherine Mullarkey (Chairperson), Mr. Charles Normand and Mr. Garry Burke (appointed 01<sup>st</sup> July 2020). Dr Paddy Smyth resigned 08<sup>th</sup> January 2021. There were seven meetings of the Finance Committee in 2020.

The Board has also established a Planning and Development Committee and a Quality and Safety Committee.

#### Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2020 is set out below. The Statutory Instrument does not allow for payment of fees for Board members. The Statutory instrument does allow for the reimbursement of appropriate expenses. No expenses were claimed by any Board member during 2020.

	<u>Board</u>	<u>Audit and Risk Committee</u>
<u>Number of meetings</u>	7	5
Paul Donnelly	5	N/A
Michael Gleeson	7	5
Brian Murray	7	5
Martin Keane (Resigned 14 January 2020)	-	N/A
Prof.Charles Normand	7	N/A
Dr. Paddy Smyth (Resigned 08 January 2021)	6	N/A
Catherine Mullarkey	7	5
Prof. Juliette Hussey	6	N/A
Cllr. Anne Feeney	7	N/A
Cllr. Ciona Ni Dhalaiigh (Resigned 20 September 2020)	5	N/A
Hilary Coates	6	N/A
Garry Burke (Appointed 01 July 2020)	3	N/A
Cllr. Maire Devine (Appointed 25 November 2020)	-	N/A

#### Key personnel changes

Key changes in board members are noted on page 3.

On 5th June 2020, Lorcan BIRTHISTLE left the post of CEO of St James's Hospital. Mary Day was appointed CEO on 15th

June 2020.

### Consultancy costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2020	2019
	€'000	€'000
Legal advice	184	64
Building related services	249	99
Public relations/marketing	7	14
Other	429	446
<b>Total Consultancy costs</b>	<b>869</b>	<b>623</b>
Consultancy costs capitalised	249	99
Consultancy costs charged to the Non-capital Income and expenditure account	620	524
<b>Total</b>	<b>869</b>	<b>623</b>

### Legal Costs and Settlements

There were no legal cases over €50,000 which required disclosure in 2020.

### Key management personnel

Key management consists of the Board, the CEO and senior management reporting directly to the CEO, including the Chief Operations Officer and eight Director level management personnel. The total value of employee benefits for key management personnel is set out below; Note that no remuneration was paid in relation to the members of the Board during 2020 (2019: Nil).

	2020	2019
	€'000	€'000
Salary	1,445	1,415
<b>Total</b>	<b>1,445</b>	<b>1,415</b>

This does not include the value of retirement benefits earned in the period. The key management personnel are members of either Local Government Superannuation Scheme or Single Public Pension Scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

### Hospitality expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2020	2019
	€'000	€'000
Staff hospitality	26	26
Board hospitality	1	1
<b>Total</b>	<b>27</b>	<b>27</b>

### Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2020	2019
	€'000	€'000
<b>Domestic</b>		
Board	-	-
Employees*	403	443
<b>International</b>		
Board	-	-
Employees*	46	38
<b>Total</b>	<u>449</u>	<u>481</u>

\*Note that travel and subsistence expenditure incurred relates to amounts paid directly to the staff member and payments made in relation to travel and subsistence costs for the employee.

### Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. St. James's Hospital was in full compliance with the Code of Practice for the Governance of State Bodies for 2020 with the exception of the items listed within the Statement on Internal Control.

On behalf of the Board

*C. G. Normand*

Date: 19 Nov 2021

Prof. Charles Normand, Interim Chairperson

*M. Gleeson*

Date: 19 Nov 2021

Michael Gleeson, Board Member

## Appendix to the report

### Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 21 of the St James's Hospital Board (Establishment) Order 1971, and in accordance with the Accounting Standards for Voluntary Hospitals approved by the Minister for Health
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- 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.

### Responsibilities of the Comptroller and Auditor General

I am required under section 5 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of St James's Hospital and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on St James's Hospital's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause St James's Hospital to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### *Information other than the financial statements*

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

#### *Reporting on other matters*

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

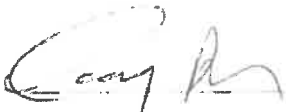
- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.



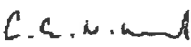
**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRPERSON  
FOR THE YEAR ENDED 31st DECEMBER 2020**

We certify that the financial statements of St. James's Hospital for the year ended 31st December 2020 as set out herein are in agreement with the accounting records and have been drawn up in accordance with the accounting standards as laid down by the Minister for Health.

The financial statements on pages 17 to 35, which have been prepared under the accounting policies set out on pages 14 to 16 properly present the state of affairs of the Hospital at 31st December 2020 and of its income, expenditure and cash flow for the year then ended.

Signed:   
Mary Day, Chief Executive Officer

Date: 19/11/2021

  
Prof. Charles Normand, Interim Chairperson

Date: 19 Nov 2021

## **ST. JAMES'S HOSPITAL BOARD**

### **Statement on Internal Control**

#### *Scope of responsibility*

1. St. James's Hospital Board acknowledges its responsibility for reviewing and ensuring the effectiveness of the organisation's system of internal financial controls.
2. The management of the Hospital through the Chief Executive Officer is responsible for monitoring the system of internal control and providing assurances to the Board.
3. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

#### *Purpose of the system of internal control*

A system of internal control is designed to reduce rather than eliminate risk and such a system can provide only reasonable and not an absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in St James's Hospital ("the Hospital") for the year ended 31 December 2020 and up to the date of approval of the financial statements.

#### *Capacity to Handle Risk*

The Hospital has an Audit and Risk Committee (ARC) comprising three Board members one of whom is the Chair and two external members, with financial and audit expertise. The ARC met five times in 2020. The Hospital has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC.

The Board has developed a risk management policy which sets out its risk exposure, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff members who are expected to work within the Hospital's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work. Please note that the risk management policy of the Hospital has been subject to an initial review in recent months and a broader review of current risk management practices has been initiated by senior management to occur over the coming months. Matters arising regarding risk management are highlighted under internal control issues below.

#### *Risk and Control Framework*

The following is a description of the key procedures, which have been put in place by the Hospital designed to provide effective internal financial control.

- I. There is an established organisation structure with clearly defined lines of responsibility.
- II. The Chief Executive Officer and her staff have responsibility for the implementation and maintenance of the system of internal financial control.
- III. A devolved budgetary structure is in place, with monthly budget versus actual expenditure reporting mechanism and the identification of Accountable Officers.
- IV. The Hospital assesses business and clinical risk through the established Risk Assessment and Legal and Insurance offices.
- V. The financial procedures of the Hospital include the following:
  - Protocols around segregation of duties
  - Requirement to comply with Public Procurement policies
  - A goods and services expenditure authorisation control process
  - Employment vacancy approval process in relation to recruitment

#### Requirement to comply with government travel and subsistence policies

- VI. The adequacy of financial controls in place is monitored by the internal audit function on the basis of a detailed audit programme formulated on an assessment of potential risk.
- VII. A professionally qualified Internal Auditor, administratively reporting to the Chief Executive Officer and accountable to the Chairman of the ARC, is head of the internal audit function.
- VIII. An ARC, chaired by a member of the Hospital Board and attended by senior executive team members and nominees from the Hospital Board, is in place.

#### *Ongoing Monitoring and Review*

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

#### *Procurement*

I confirm that the Hospital has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

#### *COVID-19*

The onset of the COVID-19 pandemic from early 2020 had an impact on the operations of the Hospital. The Hospital developed a draft working from home policy during 2020. Another impact was noted in relation to procurement compliance in the early stages of the pandemic. Any deviation from procurement requirements were supported by an activation of Article 32 of the EU regulations on the basis of the issue of a letter of derogation. The follow up of outstanding audit recommendations was curtailed during the year due to reasons such inability to move freely around the Hospital (see 'Internal Control Issues' below).

#### *Review of Effectiveness*

I confirm on behalf of the Board of St James's Hospital that the Board has conducted a review of the effectiveness of the Internal Financial Controls at the hospital for the financial year 2020. This review occurred during February 2021 and was approved by the Board in March 2021. Following the review, I can confirm that the Board is assured that there were no material losses, contingencies or uncertainties that require disclosure.

#### *Internal Control Issues*

Set out below are some issues in internal control which were identified during the course of the review. These have been raised and discussed at Audit and Risk Committee level. It is the view of the Board that none of these issues, individually or combined, are of sufficient significance so as to question the effectiveness of the internal control system in St James's Hospital during the 2020 financial year.

#### *A. Procurement*

Excluding salaries, St James's Hospital incurred annual expenditure of €193 million on goods and services during 2020. During the course of the review of the Statement on Internal Control significant instance of compliance with procurement rules were noted with some instances of non-compliance also identified.

In December 2020, the Head of Procurement reported to the Audit and Risk Committee that, having considered expenditure of about €159 million relating to 240 suppliers on a broad basis, it indicated an improvement in the procurement compliance rate

across the Hospital. Non-compliance with procurement rules continue to be an issue in 2020, however there was a noted improvement compared to prior year. Procurement cannot provide a definitive rate of procurement non-compliance however Internal Audit's review of non-compliance also indicates issues as outlined below;

A sample of payments totaling €59.3m to 20 suppliers were examined during Internal Audit's review and this exercise identified non-compliant procurement of 6% by value and 50% by number on this sample. However it is noted a competitive tendering procedures is currently underway for the largest supplier by value with other non-compliant suppliers currently under review. In relation to instances in non-compliance noted in 2019, while the largest supplier spend is now compliant there remains challenges with other suppliers and these will continue to be worked through in a systematic fashion during 2021.

The procurement department, in conjunction with the Director of Finance is continuing to take measures to increase compliance. Procurement compliance remains a key focus for the Board and the ARC with the reporting on a procurement plan carried out on an annual basis.

The Code of Practice for the Governance of State Bodies requires that all non-commercial State bodies complete a Corporate Procurement Plan. This plan is underpinned by analysis of expenditure on procurement and the procurement and purchasing structures in the organisation. The plan should set practical and strategic aims, objectives for improved procurement outcomes and appropriate measures to achieve these aims should be implemented. While the Hospital has developed documentation in the area, a Corporate Procurement Plan in the manner as envisaged above does not currently exist but it is the intention of management to revisit this area in the context of the developing strategic initiatives in the Hospital.

#### **B. Risk Management**

In the Statement on Internal Control for 2019, it was noted that the risk management policy was due for renewal. In recent months steps have been taken by senior management, some of which joined the Hospital in 2020, to review the policy as part of a more robust assessment of risk management practices across the Hospital. Areas to be reviewed include risk appetite, roles and responsibilities of staff in relation to risk and the measures in place to review and report on the impact of key risks on a regular basis.

#### **C. Prompt Payments**

During 2020, the average days for supplier payments were greater than the required 30 day payment requirement for public bodies to pay suppliers, as per Prompt Payment legislation. This issue was also raised in previous Statements on Internal Control. Management developed a documented plan aimed at improving compliance and this was presented and approved by the Audit and Risk Committee in early 2020. The COVID-19 pandemic placed significant pressure on the cash flow of the Hospital and thus achieving compliance with the 30 day requirement continued to be a challenge. It is the intention of management to keep the area under review and develop an amended plan for compliance in the coming months.

#### **D. Fixed Assets**

In previous Statements on Internal Control, it was noted that a system of tagging, and verifying locations to the fixed asset register, for all fixed assets in St James's Hospital was in the process of being implemented. Due to difficulties in access parts of the hospital due to the COVID-19 pandemic verification checks on the physical location of assets versus the location per the register have been limited during 2020. This area will be kept under review during 2021 with the aim of further developing the area.

#### **E. Research Finances**

In the Statement of Internal Control for 2019, it was noted that an internal audit on research finances had recommended that a review be carried out by the Hospital in relation to the most preferable structure for the management of the research finances area. It was the view of the ARC and the Board that such a process should be managed by the Hospital and not by St James's Hospital Foundation ('the Foundation') as was currently the case. Senior management have indicated that a resolution of this area is a key priority for 2021 and this will be done in conjunction with the Board of the Hospital.

#### **F. Overpayments to Employees**

In the Statement of Internal Control for 2019, it was noted that management were working through recommendations relating to an internal audit relating to overpayments to employees. While many of the recommendations of that report have been implemented,

an overpayment policy for the Hospital remains to be finalised. Management has indicated a willingness to finalise this in the coming months.

G. Capital Projects

An internal audit was carried out during 2020 in relation to the procedures in place for the management of capital projects in the Hospital. Some improvements were suggested in relation to the governance structures and these are currently being worked through by management.

H. HSE Cyber Attack

In May 2021, the IT systems of the HSE were targeted by criminals as part of a ransomware attack. This caused significant disruption across the health sector and the Hospital was impacted, in particular the finance system which is a national system directly linked to the HSE. The Hospital was able to avail of continuity arrangements through offsite processing, and while this exercise was quite slow in places, all existing controls in the system were still operational. The Hospital is liaising with the HSE on improving security of key systems as well as implementing improved continuity arrangements in the event of attack in the future.

Prior Year Internal Control Issues

In addition to those prior year issues already addressed, issues were also noted in 2019 in relation to the following:

- Health Insurance Claims: No concerns were communicated in 2020 in relation to the accuracy of payments made to the Hospital by health insurers.
- Occurrence of an Instance of Fraud: No instance of fraud was communicated through the formal Hospital channels in 2020. Controls put in place in 2019 in relation to the fraud identified at that time around change of bank account details remain in place and operating.

Signed:                     C. Normand                    

Date:                     14 Nov 2021                    

Prof. Charles Normand, Interim Chairperson

## STATEMENT OF ACCOUNTING POLICIES

### 1 Accounting Convention

The financial statements are prepared in accordance with the accounting standards for voluntary Hospitals laid down by the Minister for Health.

### 2 Income Recognition

Revenue grants are received from the Health Service Executive towards the net annual running costs of the Hospital. The amount recognised as income represents the funding which the HSE advised it will make available to the Hospital for the current year together with the additional superannuation contributions deducted from staff salaries which, by agreement with the Department of Health, are retained by the Hospital.

Patient income is recognised in respect of services delivered to patients who have been discharged from Hospital.

Capital grants are accounted for in the Capital Income and Expenditure Account on an accruals basis.

### 3 Fixed Assets

(i) All fixed asset acquisitions, regardless of source of funds, (except if it is less than €3,800 per item out of non-capital funds or computer equipment costing €1,270 or less) in accordance with the accounting standards laid down by the Minister of Health, are capitalised.

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

Land: As advised by the Department of Health.

Buildings: Valuation or cost, less accumulated depreciation.

Equipment: Cost, less accumulated depreciation.

Vehicles: Cost, less accumulated depreciation.

### 4 Depreciation

Fixed assets are depreciated in compliance with prescribed accounting standards laid down by the Minister for Health. The depreciation, which is matched by an equivalent amortisation of the capitalisation account, is not charged against the income and expenditure account.

Depreciation is calculated at the following rates:

(a) Land: No depreciation.

(b) Buildings: 2.5% reducing balance.

(c) Equipment: Medical Equipment 14.3% - 20% Straight Line  
Technical Equipment 14.3% - 25% Straight Line  
Computer Equipment 33.33% Straight Line

(d) Motor Vehicles 20% Straight Line

## **5 Capital Income and Expenditure Account**

In line with the Minister for Health's Accounting Standards, funding for all capital projects and the related expenditure is dealt with through the Capital Income and Expenditure Account. The balance on this account represents the surplus/deficit of funding of capital projects.

## **6 Capitalisation Account**

The Capitalisation Account represents the unamortised balance of funds applied for the purchase of fixed assets. The amortisation of this account is matched by depreciation and is not charged to the Income and Expenditure Account.

## **7 Stocks of Consumable Stores**

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

## **8 Debtors**

Known bad debts are written off and appropriate provision is made for any debts which appear doubtful. This provision is computed by reference to an age- analysis of all outstanding debts.

## **9 Pensions**

Eligible St James's Hospital employees are members of various defined benefit superannuation schemes. Pensions are paid to former employees by the SJH Board. SJH Board is funded by the state on a pay-as-you-go basis for this purpose. The grant from the State in respect of pensions is included in income. Pension payments under the schemes are charged to the income and expenditure account when paid. Contributions from employees who are members of the schemes are credited to the income and expenditure account when received.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme"). This commenced with effect from 1st January 2013. All new entrants to pensionable public service employment on or after 1st January 2013 are, in general, members of the Single Scheme. Payments from employees are paid over monthly on their behalf to the Department of Expenditure & Public Reform.

No provision is made in respect of accrued pension benefits payable in future years under the pension scheme. This continues to be the treatment adopted by St James's Hospital Board following the accounting standards of the Minister for Health.

## **10 Patients' Property**

- (a) Monies received by the Hospital from or on behalf of long-stay patients for safekeeping are kept in special accounts separate and apart from the Hospitals accounts. Such accounts are collectively called the Patients' Property Accounts.
- (b) Such monies are not the property of the Hospital and are administered by the Hospital on behalf of the patients.
- (c) These funds are held on behalf of the patients in current and deposit bank accounts.
- (d) An independent auditor audits the accounts of the funds.

## **11 Contingent Liabilities**

There were no material contingent liabilities at 31<sup>st</sup> December 2020.

## **12 Related Parties**

### **Minister for Health**

The Minister is a related party of the Hospital as he underwrites the assets and liabilities of the Hospital and appoints the Board.

### **St James's Hospital Foundation**

St James's Hospital Foundation Limited was established to raise donations on behalf of the Hospital, to assist in local community fundraising activities and to disburse income received for the benefit of the Hospital. It also manages research funds on behalf of members of staff and departments. The Foundation is a company limited by guarantee and a charity and produces separate financial statements. Note 27 sets out the main transactions with the Foundation in 2020.

The results of the Foundation are not consolidated with the Hospital financial statements on the basis that the Hospital does not exercise control over the activities of the Foundation with control defined as the ability to direct or have the power to direct the Foundation's financial and operating procedures.

## **13 Research Grants**

The Hospital receives funding from a number of sources. The Hospital incurs expenditure in relation to payment of researchers and other research related costs. The Research income and expenditure is not recognised in the income and expenditure account. Unspent balances are included as a creditor in Note 16 and the related funds are included in bank balances in Note 20.



St. James's Hospital

**NON-CAPITAL INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 2020**

Form 1	Note	2020 € '000	2019 € '000
<b>CUMULATIVE NON-CAPITAL DEFICIT / (SURPLUS) BROUGHT FORWARD FROM THE PREVIOUS YEAR</b>		(2,280)	(2,992)
<b><u>PAY</u></b>			
Salaries	1	303,998	285,115
Superannuation and Gratuities	1	24,517	24,068
		<b>328,515</b>	<b>309,183</b>
<b><u>NON-PAY</u></b>			
Direct Patient Care	1	105,792	107,387
Support Services	1	51,318	46,931
Financial and Administrative	1	32,165	27,818
		<b>189,275</b>	<b>182,136</b>
<b>GROSS EXPENDITURE FOR THE YEAR</b>		<b>515,510</b>	<b>488,327</b>
Includes deficit / (surplus) brought forward from previous year			
<b><u>INCOME</u></b>			
	1	68,527	85,442
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>446,983</b>	<b>402,885</b>
<b>DETERMINATION - Notified for the year from HSE</b>	30	(452,067)	(405,165)
<b>DEFICIT / (SURPLUS) FOR THE YEAR C/F TO FOLLOWING YEAR</b>	30	(5,084)	(2,280)

With the exception of fixed asset depreciation which is dealt with through the Capitalisation Account, all recognised gains and losses for the year ended 31st December 2020 have been included in the Income and Expenditure Account. The net deficit / (surplus) in both years arises from continuing operations.

The financial statements, which include the accounting policies and notes, which were drawn up in compliance with the accounting standards laid down by the Minister for Health, were approved by the Board on the 19th of November 2021.

On behalf of the Board:

Signed:   
Mary Day, Chief Executive Officer

Dated: 19/11/2021  
19th November 2021

Signed:   
Prof. Charles Normand, Interim Chairperson

Dated: 19/11/2021  
19th November 2021

St. James's Hospital

**CAPITAL INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 2020**

Form 2	Note	2020 € '000	2019 € '000
<b><u>CAPITAL INCOME SOURCES</u></b>			
HSE - Capital Grant		15,910	4,378
HSE - Additional Grant for Covid-19 related Equipment		3,888	-
Grants Other;			
National Paediatric Hospital Development Board		236	272
Other		68	76
<b>TOTAL CAPITAL INCOME</b>		<b>20,102</b>	<b>4,726</b>

**CAPITAL EXPENDITURE**

Buildings	13	1,817	418
Work-in-Progress	13	1,715	3,310
Equipment	13	8,823	447
Vehicles		-	-
Land		-	-
Other		-	900
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>12,355</b>	<b>5,075</b>

**OPENING DEFICIT / (SURPLUS) FROM PREVIOUS YEAR**

(4,098)	(4,447)
---------	---------

**CLOSING DEFICIT / (SURPLUS) C/F TO FOLLOWING YEAR**

(11,845)	(4,098)
----------	---------

With the exception of fixed asset depreciation which is dealt with through the Capitalisation Account, all recognised gains and losses for the year ended 31st December 2020 have been included in the Income and Expenditure Account. The net deficit / (surplus) in both years arises from continuing operations.

The financial statements, which include the accounting policies and notes, which were drawn up in compliance with the accounting standards laid down by the Minister for Health, were approved by the Board on the 19th of November 2021

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Dated: 19/11/2021  
19th November 2021

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Prof. Charles Normand, Interim Chairperson

Dated: 19/11/2021  
19th November 2021

St. James's Hospital


**BALANCE SHEET AS AT 31ST DECEMBER 2020**

Form 3	Note	2020 € '000	2019 € '000
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	13	271,554	268,743
		<b>271,554</b>	<b>268,743</b>
<b><u>CURRENT ASSETS</u></b>			
Debtors	14	113,963	75,432
Stocks	15	21,691	12,569
Cash in Hand and Bank Balances	20	-	12,700
		<b>135,654</b>	<b>100,701</b>
<b><u>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>			
Creditors	16	(115,238)	(94,323)
Bank Loans and overdraft	20	(3,487)	-
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<b>16,929</b>	<b>6,378</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>288,483</b>	<b>275,121</b>
<b><u>CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u></b>			
Bank Loans	17	-	-
		<b>288,483</b>	<b>275,121</b>
<b><u>CAPITAL AND RESERVES</u></b>			
Non-Capital Income & Expenditure Account (Deficit) / Surplus	30	5,084	2,280
Capital Income & Expenditure Account (Deficit) / Surplus		11,845	4,098
Capitalisation Account	18	271,554	268,743
		<b>288,483</b>	<b>275,121</b>

The financial statements, which include the accounting policies and notes, which were drawn up in compliance with the accounting standards laid down by the Minister for Health, were approved by the Board on the 19th of November 2021.

On behalf of the Board:

Signed:   
Mary Day, Chief Executive Officer

Signed:   
Prof. Charles Normand, Interim Chairperson

Dated:   
19th November 2021

Dated:   
19th November 2021

St. James's Hospital

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31st DECEMBER 2020**

		2020	2019
		€ '000	€ '000
Form 4	Note		
Net Cash Inflow / (Outflow) From Operating Activities	19	(18,981)	21,259
<b><u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u></b>			
Interest Paid on Loans and Overdraft		(1)	-
Interest Received		-	-
Net Cash Inflow / (Outflow) From Servicing of Finance		(1)	-
<b><u>CAPITAL EXPENDITURE</u></b>			
Expenditure from HSE Capital (Ref. Capital I&E A/C)		(12,355)	(5,075)
Deduct / Add back unpaid Capital Expenditure		725	(602)
Capital Expenditure - Not Capitalised		(11,630)	(5,677)
Payments, from non-capital, re acquisition of fixed assets (net of trade-ins)		(5,503)	(5,045)
		(17,133)	(10,722)
Net Cash Inflow / (Outflow) Before Financing		(36,115)	10,537
<b><u>FINANCING</u></b>			
HSE Capital grant received		15,736	6,019
Receipts from Other Sources - Acquisition of Fixed Assets		4,192	348
Increase in Bank Loans / Borrowings during the year		-	-
		19,928	6,367
Capital element of Finance Lease rental and Loan repayments		-	-
Cash Inflow / (Outflow) from movement in Debt and Liquid Resources		-	-
Net Cash Inflow / (Outflow) From Financing		19,928	6,367
Net Cash Inflow / (Outflow)		(16,187)	16,904
Changes in Net (Debt) / Cash		(16,187)	16,904

**NON-CAPITAL INCOME AND EXPENDITURE - DETAILS**  
**NOTES TO THE FINANCIAL STATEMENTS**

Note 1

**PAY**

	2020 € '000	2019 € '000
Management / Administration	30,369	29,369
Medical / Dental I (NCHDs)	35,948	33,157
Medical / Dental II (Consultants)	49,746	44,748
Nursing	102,896	95,875
Paramedical	43,407	41,032
Catering & Housekeeping / Support Services / Porters	37,699	37,126
Maintenance / Technical	3,933	3,808
	<b>303,998</b>	<b>285,115</b>
Pensions & Refunds	19,396	17,957
Gratuities / Lump Sums	5,121	6,111
	<b>24,517</b>	<b>24,068</b>
	<b>328,515</b>	<b>309,183</b>

**NON-PAY**

**DIRECT PATIENT CARE**

Drugs and Medicines	25,728	29,697
Blood / Blood products*	45,072	42,427
Medical Gases	397	494
Medical & Surgical Supplies	28,192	31,405
Other Medical Equipment	2,354	1,358
Other Medical Equipment Supplies / Contracts On	4,049	2,006
	<b>105,792</b>	<b>107,387</b>

\*Figure includes €34.1 million (2019; €33.7m) of Clotting Factor Concentrates (CFC) which are used for the purpose of treating coagulation disorders for which St. James's Hospital manages the National Budget following the enactment of the Clotting Factor Concentrates and Other Biological Products Act 2012

**SUPPORT SERVICES**

X-Ray / Imaging Equipment	137	155
X-Ray / Imaging Supplies / Contracts On	3,107	3,342
Laboratory Equipment	931	365
Laboratory Supplies / Contracts On	16,006	14,884
Catering Equipment	127	33
Catering Provisions / Contracts On	3,337	3,951
Heat, Power & Light	3,551	3,436
Laundry, Cleaning & Washing Equipment	-	-
Laundry, Cleaning & Washing Supplies / Contracts on	9,063	9,028
Furniture, Crockery & Hardware	616	379
Bedding & Clothing	8,010	3,195
Maintenance Equipment	106	117
Maintenance Materials Supplies / Contracts On	4,552	4,953
Buildings	897	2,100
Travel & Subsistence	449	481
Transport of Patients	332	428
Vehicles Purchased	-	-
Vehicles Supplies / Contracts On	97	84
	<b>51,318</b>	<b>46,931</b>

Note 1 (continued)

	Note	2020 € '000	2019 € '000
<b><u>LOAN REPAYMENT PRINCIPAL</u></b>			
Capital		-	-
<b><u>BANK INTEREST</u></b>			
Overdraft		1	-
Capital Loan		-	-
Bank Charges		44	72
<b><u>OTHER</u></b>			
Insurance - Other	2	466	461
Audit		76	76
Legal		184	64
Office Expenses (Rent & Rates, Postage & Telephone, etc.)		4,535	4,300
Office Supplies / Contracts On		420	576
Computer Equipment		1,065	428
Computer Supplies / Contracts On		5,018	2,907
Professional Services		2,280	3,022
Bad Debts written off		1,070	1,375
Adjustment to Doubtful Debts Provision		5,333	6,557
Miscellaneous Expenses	4	11,673	7,980
		<b>32,165</b>	<b>27,818</b>
<b>TOTAL NON-PAY</b>		<b>189,275</b>	<b>182,136</b>
<b>TOTAL GROSS EXPENDITURE</b>		<b>517,790</b>	<b>491,319</b>
<b><u>INCOME</u></b>			
<b><u>PATIENT INCOME</u></b>			
In-Patient	5	(37,182)	(52,368)
Out-Patient	5	(475)	(610)
		<b>(37,657)</b>	<b>(52,978)</b>
<b><u>OTHER INCOME</u></b>			
Superannuation		(8,483)	(8,001)
Other Payroll Deductions		-	-
RTA Receipts		(121)	(225)
Income from External Agencies	6	(12,400)	(12,737)
Canteen Receipts		(695)	(785)
Other Income (Non-Capital)	7	(9,171)	(10,716)
<b>TOTAL INCOME</b>		<b>(68,527)</b>	<b>(85,442)</b>
<b>NET EXPENDITURE</b>		<b>449,263</b>	<b>405,877</b>

## St. James's Hospital

### INSURANCE

Note 2

#### OTHER

Public Liability  
Employers Liability  
Property  
Other

	2020 €'000	2019 €'000
	28	28
	-	-
	273	273
	165	160
	466	461

### MISCELLANEOUS NON-CAPITAL EXPENDITURE ON CAPITAL PROJECTS

Note 3

Land  
Buildings  
Work-in-Progress  
Equipment  
Vehicles  
Other

	2020 €'000	2019 €'000
	-	-
	-	-
	784	2,590
	4,719	2,455
	-	-
	-	-
	5,503	5,045

13

### MISCELLANEOUS EXPENSES

Note 4

Security  
Publications etc.  
Membership / Subscriptions etc.  
Interest on Late Payments  
Education / Training  
Other

	2020 €'000	2019 €'000
	6,541	4,676
	27	71
	159	195
	1,807	494
	1,521	1,325
	1,618	1,219
	11,673	7,980

## St. James's Hospital

### ANALYSIS OF PATIENT INCOME

Note 5

#### IN-PATIENTS

Statutory In-Patient Charges  
Private / Semi Private Charges  
Long Stay Charges  
Other In-Patient Charges

	2020 € '000	2019 € '000
	(1,911)	(1,988)
	(32,059)	(46,519)
	(2,964)	(3,496)
	(248)	(365)
	<b>(37,182)</b>	<b>(52,368)</b>
	(475)	(610)
	<b>(475)</b>	<b>(610)</b>
<b>TOTAL PATIENT INCOME</b>	<b>(37,657)</b>	<b>(52,978)</b>

#### OUT-PATIENTS

Statutory Accident & Emergency Charges

### TOTAL PATIENT INCOME

### INCOME FROM EXTERNAL AGENCIES

Note 6

Pathology  
Other

	2020 € '000	2019 € '000
	(5,828)	(6,113)
	(6,572)	(6,624)
	<b>(12,400)</b>	<b>(12,737)</b>

### OTHER INCOME (NON-CAPITAL)

Note 7

Car Parking  
Pharmacy External Sales & Stores Sales to Staff and Patients  
Rents / Licences / Franchises, etc.  
Sundries

	2020 € '000	2019 € '000
	(1,050)	(2,146)
	(7,182)	(7,276)
	(884)	(1,188)
	(55)	(106)
	<b>(9,171)</b>	<b>(10,716)</b>



## St. James's Hospital

### SUMMARY PAY ANALYSIS (Memorandum Only)

Note 8

	2020 € '000	2019 € '000
Basic Pay	259,145	248,494
Overtime	7,674	7,716
Premium Pay	15,110	13,155
Shift Allowance	282	228
Holiday / Public Holiday Premiums	1,652	1,447
Higher Degree	3	3
Special Nursing	4,052	2,386
On Call / Standby	10,274	9,230
PRSI Employer	28,584	24,515
Travel Allowance	900	1,019
Other	839	990
	<b>328,515</b>	<b>309,183</b>

\*The total number of staff employed (WTE) at year end was 4,266 (2019:4,058).

### RECONCILIATION OF EXPENDITURE TO COST OF SERVICES

Note 9

		2020 € '000	2019 € '000
Net Expenditure - Current Year	Form 1	446,983	402,885
<u>Deduct</u>			
Purchase of Equipment and Vehicles from Non-Capital	12	5,503	5,045
<b>Total Deductions</b>		<b>5,503</b>	<b>5,045</b>
<b>Sub-Total</b>		<b>441,480</b>	<b>397,840</b>
<u>Add Back</u>			
Depreciation Charge For The Year		15,047	13,219
<b>Running Cost of Service</b>		<b>456,527</b>	<b>411,059</b>

### ROAD TRAFFIC ACCIDENT MEMORANDUM ACCOUNT

Note 10

	2020 € '000	2019 € '000
Balance at 1st January	1,387	1,906
Bills Issued in Respect of the Year	344	272
Less cash received during the year	(121)	(225)
Less waivers and other write-offs	(1)	(566)
<b>Balance at 31st December</b>	<b>1,609</b>	<b>1,387</b>

# St. James's Hospital

## STATEMENT OF ADVANCES & BALANCES DUE

Note 11

### NON-CAPITAL

Total notified non-capital determination for the year	452,067	405,165
Less: Remittances from HSE Non-Capital in the year	(385,263)	(372,036)
Balance due from HSE in respect of the year	66,804	33,129
Balance due from HSE re previous year(s) as at 1st January	33,129	50,126
Less: Remittances from HSE in year re previous year	(33,129)	(50,126)
Balance due from HSE re previous year(s) as at 31st December	-	-

	2020 € '000	2019 € '000
	452,067	405,165
	(385,263)	(372,036)
	66,804	33,129
	33,129	50,126
	(33,129)	(50,126)
	-	-

### TOTAL BALANCE OF APPROVED NON-CAPITAL DETERMINATIONS DUE FROM HSE

	66,804	33,129
--	--------	--------

### CAPITAL

Total Capital Grants notified by HSE for the year	15,910	4,378
Less: Remittances from HSE Capital in the year	(15,759)	(4,401)
Balance due to/from HSE in respect of the year	151	(23)
Balance due from HSE re previous year(s) as at 1st January	(23)	1,618
Less: Remittances from HSE in year re previous year	23	(1,618)
Balance due from HSE re previous year(s) as at 31st December	-	-

	15,910	4,378
	(15,759)	(4,401)
	151	(23)

	(23)	1,618
	23	(1,618)
	-	-

### TOTAL BALANCE OF CAPITAL GRANTS DUE FROM HSE

	151	(23)
--	-----	------

### GROSS TOTAL DUE FROM HSE -CAPITAL AND NON-CAPITAL

	66,955	33,106
--	--------	--------

### PURCHASE OF EQUIPMENT AND VEHICLES FROM NON-CAPITAL ACCOUNT (Capitalised)

Note 12

Other Medical Equipment	2,353	1,358
X-Ray / Imaging Equipment	137	155
Laboratory Equipment	931	365
Catering Equipment	127	33
Laundry Equipment	-	-
Maintenance Equipment	106	117
Buildings	784	2,100
Farm & Garden Equipment	-	-
Computer Equipment	1,065	917
Vehicles Purchased	-	-
Total non capital purchases	5,503	5,045

	2020 € '000	2019 € '000
	2,353	1,358
	137	155
	931	365
	127	33
	-	-
	106	117
	784	2,100
	-	-
	1,065	917
	-	-
	5,503	5,045

## St. James's Hospital

### SCHEDULE OF FIXED ASSETS AND DEPRECIATION

Note 13

#### COST OR VALUATION at 01/01/20

Transfers from Work-in-Progress

Sub-Total

Additions From Capital

Additions From Non-Capital

Disposals during the year at Gross Book Value

#### COST OR VALUATION at 31/12/20

#### ACCUMULATED DEPRECIATION at 01/01/20

Depreciation charge for year

Disposals - Accumulated Depreciation

#### ACCUMULATED DEPRECIATION at 31/12/20

#### NET BOOK AMOUNT at 31/12/20

#### NET BOOK AMOUNT at 31/12/19

Land	Buildings	Work-in-Progress	Equipment	Vehicles	Other	Total
€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
10,763	326,499	7,375	207,482	888	928	553,935
-	2,608	(6,085)	3,477	-	-	-
10,763	329,107	1,290	210,959	888	928	553,935
-	1,817	1,715	8,823	-	-	12,355
-	-	784	4,719	-	-	5,503
-	-	-	-	-	-	-
10,763	330,924	3,789	224,501	888	928	571,793
-	(95,122)	-	(188,461)	(807)	(802)	(285,192)
-	(5,895)	-	(9,125)	(27)	-	(15,047)
-	(101,017)	-	(197,586)	(834)	(802)	(300,239)
10,763	229,907	3,789	26,915	54	126	271,554
10,763	231,377	7,375	19,021	81	126	268,743

## St. James's Hospital

<b>DEBTORS</b>		2020	2019
Note 14		€ '000	€ '000
HSE - Revenue Grants Due	11	66,804	33,129
HSE - Capital Grants Due	11	151	(23)
<b>HSE Grants</b>		<b>66,955</b>	<b>33,106</b>
HSE and other Voluntary Hospitals		19,441	16,810
LESS: Provision for bad and doubtful debts		(7,835)	(7,688)
		<b>11,606</b>	<b>9,122</b>
Patients (Closing Ledger Balance)		54,305	53,799
LESS: Provision for bad and doubtful debts Patients		(31,829)	(27,108)
		<b>22,476</b>	<b>26,691</b>
Other		12,680	5,940
LESS: Provision for bad and doubtful debts Other		(895)	(429)
		<b>11,785</b>	<b>5,511</b>
Prepayments		1,141	1,002
		<b>33,402</b>	<b>33,204</b>
		<b>113,963</b>	<b>75,432</b>

<b>STOCKS</b>		2020	2019
Note 15		€ '000	€ '000
Drugs & Medicines		6,304	4,474
Blood and Blood Products		3,574	2,609
Medical Gases		33	13
Medical and Surgical Supplies		2,846	2,511
Pathology Supplies		2,004	2,257
X-Ray / Imaging		62	74
Provisions		49	29
Laundry / Cleaning		193	154
Bedding / Clothing*		6,327	113
Heat / Power / Light Supplies		69	110
Maintenance Supplies		206	202
Office Supplies		24	23
		<b>21,691</b>	<b>12,569</b>

\*In compliance with the accounting standards for Voluntary Hospitals SJH value stock at cost less write-off for stock that is damaged or obsolete. This policy differs from FRS 102 which requires stock to be valued at the lower of cost or net realisable value. In Q1 2020, The COVID-19 pandemic led to inflated market prices for PPE items. As supply increased in the latter part of the year, unit prices fell nationally. At year-end the Hospital had in stock approximately 527,000 gowns which cost €4.4 million and a similar number of masks which cost €1.1 million. The net realisable value at the end of the year for these 2 items of PPE was approximately 50% of the price paid. Accordingly, were FRS 102 accounting rules to be applied, the value of stock above would be written down by approximately €2.75 million with a corresponding increase in expenditure, however as per Voluntary Hospital standards (2.5.2 Basis of Valuation), it is expected that this stock will be utilised within their useful life and therefore has been valued for balance sheet purposes on the basis of cost. This PPE proved to be a valuable resource in the Hospital's response to Covid-19 in 2021 with the majority utilised by Q3 2021.

<b>CREDITORS</b>		2020	2019
Note 16		€ '000	€ '000
Creditors - Capital		(993)	(271)
Creditors - Non-Capital		(70,405)	(44,292)
<b>PAYE, PRSI</b>		<b>(12,458)</b>	<b>(7,546)</b>
Wages and Salaries		(17,194)	(29,700)
Other*		(14,186)	(12,514)
		<b>(115,238)</b>	<b>(94,323)</b>

\*Includes grants of €4.4m (opening balance 01.01.2020 of €4.7m, receipts of €2.3m and payments of €2.6m)

## St. James's Hospital

### BANK LOANS - GREATER THAN ONE YEAR

Note 17

Bank loans

	2020 € '000	2019 € '000
Bank loans	-	-
	-	-

Note: The servicing of the Deficit Bank Loan Account is not funded by the determination of the HSE

### CAPITALISATION ACCOUNT

Note 18

Balance at beginning of year

#### Additions

Capital Expenditure

Non-Capital Expenditure

**Sub-Total Additions**

#### Less

Disposals (Cost less Depreciation)

Depreciation for the year

**Sub-Total Deductions**

	2020 € '000	2019 € '000
Balance at beginning of year	268,743	272,742
<b>Additions</b>		
Capital Expenditure	12,355	4,175
Non-Capital Expenditure	5,503	5,045
<b>Sub-Total Additions</b>	<b>286,601</b>	<b>281,962</b>
<b>Less</b>		
Disposals (Cost less Depreciation)	-	-
Depreciation for the year	(15,047)	(13,219)
<b>Sub-Total Deductions</b>	<b>(15,047)</b>	<b>(13,219)</b>

	271,554	268,743
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### NOTE TO THE CASH FLOW STATEMENT

Note 19

(Deficit) / Surplus (Non-Capital)

Deduct surplus brought forward

(Deficit) / Surplus for current year

Deduct Repayment of Loans and Leases (Capital element) charged against non-capital

Deduct Interest and Dividend Income

Add back purchase of equipment from non-capital

Add back all interest charged against non-capital

(Increase) / Decrease in Stocks

(Increase) / Decrease in HSE Debtors (Non-Capital)

(Increase) / Decrease in HSE Debtors

(Increase) / Decrease in Non-HSE Debtors

Increase / (Decrease) in Non-Capital Creditors

**NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES**

	2020 € '000	2019 € '000
(Deficit) / Surplus (Non-Capital)	5,084	2,280
Deduct surplus brought forward	(2,280)	(2,992)
(Deficit) / Surplus for current year	2,804	(712)
Deduct Repayment of Loans and Leases (Capital element) charged against non-capital	-	-
Deduct Interest and Dividend Income	-	-
Add back purchase of equipment from non-capital	5,503	5,045
Add back all interest charged against non-capital	-	-
(Increase) / Decrease in Stocks	(9,122)	(154)
(Increase) / Decrease in HSE Debtors (Non-Capital)	(33,675)	16,997
(Increase) / Decrease in HSE Debtors	(2,483)	5,229
(Increase) / Decrease in Non-HSE Debtors	(2,198)	(3,601)
Increase / (Decrease) in Non-Capital Creditors	20,190	(1,545)
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>(18,981)</b>	<b>21,259</b>

## St. James's Hospital

### ANALYSIS OF CHANGES IN NET DEBT

Note 20

Cash in Hand and Bank Balances\*

Bank Overdraft

### BANK LOANS

Debt due within one year

Debt due after one year

1-Jan-20 € '000	Cash Flow € '000	31-Dec-20 € '000
12,700	(12,700)	-
-	(3,487)	(3,487)
12,700	(16,187)	(3,487)
-	-	-
-	-	-
12,700	(16,187)	(3,487)

\*Balance includes €4.4m (2019: €4.7m) relating to grants income (Note 16).

### RECONCILIATION OF NET CASH FLOW

#### TO MOVEMENT IN NET (DEBT)/CASH

Note 21

(Decrease) / Increase in cash in the year

Cash inflow/(outflow) from increase/(decrease) in debt and lease repayments

New Bank Loans / Borrowings

Changes in Net Debt

Net (Debt)/Cash at beginning of year

Net (Debt)/Cash at end of year

2020 € '000	2019 € '000
(16,187)	16,904
-	-
(16,187)	16,904
-	-
(16,187)	16,904
12,700	(4,204)
(3,487)	12,700

## St. James's Hospital

Note 22  
Fund Title

1. Prize Fund Account 1
2. Prize Fund Account 2

Balance 1st January € '000	Receipts € '000	Payments € '000	Balance 31st December € '000
34	-	-	34
184	-	-	184
218	-	-	218

These funds are held under Trust by the Hospital and are properly managed and accounted for. The Trust rules stipulate that the interest received on these deposits may be used for educational purposes such as special nurse awards and educational prizes.

### CAPITAL COMMITMENTS

Note 23

Capital Commitments at 31/12/2020

	Expenditure incurred up to 31 December 2020 € '000	Planned expenditure 2021-2022 € '000	Total per Project € '000
Electrical Infrastructure Upgrade	2,197	1	2,198
Energy Centre Upgrade	600	-	600
Equipment	16,694	836	17,530
ICT	21,932	1,561	23,493
Legionella	944	746	1,690
Medical Gases Upgrade	750	269	1,019
Minor Capital	74,700	25,627	100,327
Minor Capital Covid	1,736	2,356	4,092
MISA GROUP	48,391	3,944	52,335
NIMIS Enabling Works (HSE)	53	2	55
NPH Decant *	48,519	1,261	49,780
NPH Other	9,538	460	9,998
NPRD Enabling Works	294	454	748
Upgrade of MV Dist. System	880	74	954
<b>TOTAL CONTRACTED</b>	<b>227,228</b>	<b>37,591</b>	<b>264,819</b>
<b>TOTAL UN-CONTRACTED</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>227,228</b>	<b>37,591</b>	<b>264,819</b>

\* St James's Hospital has committed €11.1m to facilitate the decanting of St James's Hospital services for the National Paediatric Hospital. To date €10.3m of this was expensed and the remaining €0.8m is due to be expensed in 2021. See costs outlined below. The HSE have paid €23.0m to date. The NPHDB has paid €15.3m to date and the remaining €0.5m is due to be expensed in 2021. The €48.6m of expenditure incurred to date on the decant relates to construction and refurbishment works carried out on the Hospital's campus and also the relocation of services both onsite and offsite to facilitate the National Paediatric Hospital. The €48.6m expenditure is reflected in buildings additions and work in progress in note 13.

	Expenditure incurred up to 31 December 2020 € '000	Planned expenditure 2021-2022 € '000	Total per Project € '000
SJH Decant Capital Commitments *	10,304	733	11,037
NPH Decant Capital Commitments *	15,263	508	15,771
HSE Decant Capital Commitments *	22,952	-	22,952
<b>Total Decant Capital Commitments at 31/12/2020</b>	<b>48,519</b>	<b>1,261</b>	<b>49,780</b>

## St. James's Hospital

### DIRECTORS FEES AND CEO SALARY

Note 24

Fees & Expenses paid to the Board

Basic Salary - CEO - As per DOH Salary Scales

Lorcan Birthistle\*

Mary Day

Total Basic Salary - CEO - As per DOH Salary Scales

Performance related pay scheme

Total Payments to CEO

Total Fees and CEO Salary

	2020 € '000	2019 € '000
Fees & Expenses paid to the Board	-	-
Basic Salary - CEO - As per DOH Salary Scales		
	-	-
	-	-
Lorcan Birthistle*	77	151
Mary Day	86	-
Total Basic Salary - CEO - As per DOH Salary Scales	163	151
Performance related pay scheme	-	-
Total Payments to CEO	163	151
Total Fees and CEO Salary	163	151

\*On 12th July 2020 Lorcan Birthistle left the post of CEO of St James's Hospital. Mary Day was appointed CEO on 17th June 2020. The overlap between Lorcan Birthistle and Mary Day was due to accrued annual leave entitlement of Lorcan Birthistle.

Note 25

Additional Superannuation Contribution\*

	2020 € '000	2019 € '000
Additional Superannuation Contribution*	8,716	9,242
	8,716	9,242

\*The pension Levy was deducted in accordance with the provisions of the Financial Emergency Measures in the Public Interest Act 2009. The pension Levy has now been replaced by the Additional Superannuation Contribution (ASC) as provided under the Public Service Pay and Pensions Act 2017 with effect from 1 January 2019.



# St. James's Hospital

## SALARY BANDS TABLE

### Note 26

Employees' benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits From - To	Number of employees	
	2020	2019
€60,000 - €69,999	620	490
€70,000 - €79,999	354	229
€80,000 - €89,999	142	110
€90,000 - €99,999	71	43
€100,000 - €109,999	33	35
€110,000 - €119,999	23	23
€120,000 - €129,999	25	14
€130,000 - €139,999	5	13
€140,000 - €149,999	12	15
€150,000 - €159,999	16	16
€160,000 - €169,999	25	16
€170,000 - €179,999	13	18
€180,000 - €189,999	24	18
€190,000 - €199,999	29	31
€200,000 - €209,999	24	5
€210,000 - €219,999	19	20
€220,000 - €229,999	11	10
€230,000 - €239,999	9	13
€240,000 - €249,999	10	6
€250,000 - €259,999	6	1
€260,000 - €269,999	4	3
€270,000 - €279,999	3	1
€280,000 - €289,999	2	-
€290,000 - €299,999	1	1
Grand Total	1,481	1,131

## RELATED PARTY TRANSACTIONS

### Note 27

#### St. James's Hospital Foundation

The Directors of the St James's Hospital Foundation include staff members of the Hospital. During the year, St. James's Hospital incurred expenditure of €108,350 (2019: €170,879) in relation to wages and salaries for 2 clerical personnel, research expenses and training fees to the St James's Hospital Foundation. No balance was outstanding at the end of the year in relation to these expenses.

In 2020, St James's Hospital received funds of €330,447 (2019: €187,554) in relation to the purchase of medical equipment and Salary recoupments in the Hospital, at the end of the year the Foundation owed €81,991 (2019: €25,188) to St James's Hospital in relation to these funds.

## St. James's Hospital

### Note 27 (continued)

In December 2014, the Foundation entered into a loan agreement with St. James's Hospital for the purpose of furthering the objectives of the Foundation. The loan is repayable upon demand and is interest free.

	2020 €'000	2019 €'000
Opening Balance	353	403
Loan issued	-	-
Loan repayments	-	(50)
Amount due	353	353

St. James's Hospital Foundation has the use of facilities within St. James's Hospital free of charge. In addition, the Hospital also pays for the light and heat expenses of the Foundation.

### Inchicore Family Doctors

Inchicore Family Doctors was a related party in 2019 as Dr. Kieran Harkin a former member of the SJH board, has 25% ownership of the entity. Dr. Kieran Harkin resigned as a member of the SJH board on 29th April 2019. During 2019 SJH incurred expenditure of €95,205 until the date of his resignation in respect of services provided by Inchicore Family Doctors. All transactions were conducted on an arm's length basis and the services were procured through a competitive tender process.

## OPERATING LEASE

### Note 28

Future minimum lease payments fall due as follows:

within one year

later than one year but within five years

later than five years

**Total Operating Lease Commitments**

	2020 €'000	2019 €'000
within one year	987	919
later than one year but within five years	6,581	343
later than five years	24,997	-
<b>Total Operating Lease Commitments</b>	<b>32,565</b>	<b>1,262</b>

The Hospital has an agreement to Lease in place with the HSE regarding Hollybrook Lodge, Community Nursing Unit for €10 annual rent. As part of the decant of the Hospital's services to facilitate the building of the National Paediatric Hospital the Hospital has entered into three new lease agreements. During 2020, €958,251 (2019: €715,650) was expensed to the Non Capital Income & Expenditure Account in relation to these lease payments.

• On the 18th March 2015, the Hospital entered into a five year lease agreement for office and warehouse space with rental costs of €238,450 per annum. The existing lease facility was revised in 2019 effective from 1 Oct 2019 and extended to 18th March 2021 (€104,963 included in lease commitments above).

## St. James's Hospital

### Note 28 (continued)

•On the 12th October 2015 the Hospital entered into a five year licence agreement for car parking facilities with rental costs of €167,200 per annum. This licence agreement was extended for an additional ten years on the 23rd November 2020. (€2,276,361 is included in lease commitments above).

•On the 15th October 2008 the Hospital entered into a lease agreement for car parking facilities with rental costs of €195,000 per annum increasing to €310,000 from the 15th April 2018 until the 14th April 2021 (€95,136 is included in lease commitments above).

•On the 15th May 2020, St. James's Hospital entered into a membership agreement to support the delivery of a self funding energy upgrade for the Hospital. The agreement facilitates a contract between The Hospital and an ESCo (Energy Services Company/Framework Contractor) to finance, design, construct, install, operate and maintain the Energy Facilities and to provide certain services in connection with the EPC (Energy Performance Contract) over 20 years. (€22,873,105 is included in lease commitments above).

•On the 27th November 2020, the Hospital entered into a 15 year lease agreement for office and warehouse space with rental costs of €492,000 per annum. (€7,255,000 is included in lease commitments above).

### CONSULTANTS SETTLEMENT

#### Note 29

The Consultants Contract (2008) settlement was agreed between the State and medical consultants in June 2018 and provides for the payment of retrospective remuneration in 2019 and 2020. This has been fully settled in 2020 with arrears of €5.0m incurred in pay expenditure ( 2019: €5.3m).

### DETERMINATION - NOTIFIED FOR THE YEAR FROM HSE

#### Note 30

Determination from the HSE in 2018 of €383.9m included €1.8m allocated to a capital project for which the expenditure was not recorded until 2019 and 2020. Non-pay expenditure for 2020 of €189.3m (2019; €182.1m) includes €0.2m (2019; €1.4m) in relation to capital expenditure incurred on this project by the Hospital at year end, the remaining €0.2m will be spent in 2021. The surplus for 2020 of €5.084m (2019; €2.28m) also includes this amount.

