

Our Lady's Hospice & Care Services

Reports and Financial Statements
for the financial year ended
31 December 2019

OUR LADY'S HOSPICE & CARE SERVICES

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

CONTENTS

	PAGE
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 12
DIRECTORS' RESPONSIBILITIES STATEMENT	13
INDEPENDENT AUDITORS' REPORT	14 - 16
STATEMENT OF FINANCIAL ACTIVITIES	17
BALANCE SHEET	18
STATEMENT OF CASH FLOWS	19
NOTES TO THE FINANCIAL STATEMENTS	20 - 41

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Brian Murray (Chairperson)
Pat Costello
Kay Connolly
Sean Dorgan
Mary Rose Gearty
Helen Nolan
Dr. Terry McWade
Eugene Murray
Carole Pollard
Stephen Walsh
Lorcan Birthistle
Dr. Philip Wiehe

CHIEF EXECUTIVE OFFICER

Audrey Houlihan

CHARITY REGISTRATION NUMBER

20001827

CHARITY TAX NUMBER

CHY1144

COMPANY REGISTRATION NUMBER

352404

COMPANY SECRETARY

Helen Nolan

REGISTERED OFFICE

Our Lady's Hospice
Harold's Cross
Dublin 6W

AUDITORS

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

BANKERS

Bank of Ireland
1 Rathfarnham Road
Terenure
Dublin 6

SOLICITORS

Woodcock Solicitors
Pembroke Hall
38-39 Fitzwilliam Square
Dublin 2

Beauchamps
Riverside Two
Sir John Rogerson's Quay
Dublin 2

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

Our Lady's Hospice & Care Services (OLH&CS) has two facilities, Harold's Cross and Blackrock Hospice, where specialist care is provided for people with a range of needs from rehabilitation to end of life care. These services are provided in co-operation with the Health Service Executive (HSE) and the Department of Health. The company also fundraises to continue to develop the campus and to enhance patient services. The principal activities of the company are summarised below:

Palliative Care

Our Lady's Hospice & Care Services offers person-centred specialist Palliative Care to people with advanced life-threatening illness, end of life care and symptom management in inpatient, outpatient and community settings.

Community Reablement Unit, CRU

The Community Reablement Unit (CRU) is a unique intermediate care programme, specially designed to help those 65 years of age or over to live independently in the local community.

Care of Older Persons in Anna Gaynor House

Care of Older Persons and Extended Care Services are provided at Anna Gaynor House which is a purpose-built residential unit for those with supportive palliative care needs or high dependent long term care.

Rheumatic & Musculoskeletal Disease Unit, RMDU

The Rheumatic & Musculoskeletal Disease Unit provides a unique service to people with chronic rheumatologic and musculoskeletal conditions requiring specialist medical management and rehabilitation.

Education & Research

Education, research and training form the bedrock for a quality service to patients and their families. Education courses, seminars and workshops are provided throughout the year. The state-of-the-art facilities are also available to hire. In addition, significant research activity takes place onsite.

Fundraising & Communications

The company's achievements in specialist person centred care are built upon the generous donations and fundraising of thousands of individuals, groups and companies across a number of campaigns and events every year. Thanks to their compassion, commitment and generosity, along with the funding supplements received from the HSE, the organisation is able to continue to develop the infrastructure and facilities and provide high quality care on a consistent basis. Over the last six years, over €27.4 million of publically fundraised income has been used to support the organisation. Our Communications programme continues to raise our profile nationally, strategically supports our fundraising activities and celebrates the stories of the patients, residents and families with whom we work.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

RESULTS FOR THE FINANCIAL YEAR

The directors are satisfied with the results for the financial year. Our Lady's Hospice & Care Services recorded an overall surplus of €2,158,240 in the year to 31st December 2019, compared to a surplus of €1,005,646 in the previous year. This surplus is largely attributable to very high legacy income in the year of €3.6m. Separately, the company received a once-off HSE capital grant income of €196,507 in relation to an ICT telephony project and €300,000 of fit-out monies towards the Wicklow Hospice. The Statement of Financial Assets highlights the results between restricted and unrestricted activities. Restricted activities relate to all HSE funded healthcare activities along with restricted income and expenditure from the public in line with donor wishes.

Fundraising activities generated income of €7m of which €1.6m was paid in respect of pay and non-pay expenditure for healthcare activities in order to maintain the same level of care and services to patients as previous years. During the year €0.2m (2018: €0.3m net of grant) was paid in relation to final costs of the construction of the New Palliative Care Unit. The total construction costs for the project were €14.6m, of which €1.1m fit out was funded by the HSE and €13.5m was funded from publically fundraised monies.

The company provided a loan to Wicklow Hospice Foundation of €750k in order to help achieve completion of the new 15 bed Wickow Hospice. When the transfer of Wicklow Hospice takes place in 2020, it is likely that the €750k outstanding loan balance will be offset against the value of the land and buildings resulting in the recognition of a donated asset equivalent to the net figure.

The majority of the remainder of monies raised went to cash reserves. The cash inflow from operating activities for the financial year was €2.6m.

The company had €7.6m of cash at bank (excluding the third party funds) at the financial year end of which €208k related to investment cash. These cash balances together with the investment portfolio of €0.2m are available for the future development of the healthcare facilities and to maintain the level of services at the current levels for the foreseeable future (at least twelve months). The company had an overdraft on its HSE funded healthcare activities at 31 December 2019 of €0.8m.

Funds held by the company at year-end are represented as follows:

	Total 2019 €	Total 2018 €
Restricted capital funds – HSE related	19,085,109	19,364,664
Restricted capital funds - Donor related	3,240,852	2,464,954
Restricted funds – HSE related	(191,526)	(273,043)
Restricted funds – Donor related	90,924	97,224
Unrestricted funds – OLH&CS	29,546,583	27,959,903
Total funds at end of financial year	51,771,942	49,613,702

DIVIDENDS

The company is precluded by its Memorandum of Association from paying dividends either as part of normal operations or on a distribution of its assets in the event of a winding-up.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

FUTURE DEVELOPMENTS

Strategic Plan

Our five year strategic plan to enhance our care 2017 – 2022 demonstrates the progressive vision of the directors, management and staff for providing high quality and safe services for all of our patients, residents and clients, and developing those services in line with best national and international practice. The plan is focused on building on our previous strategy and reputation, through strong clinical and corporate governance and working in collaboration with our partners. It includes incremental growth and change, including welcoming Wicklow Hospice to the Our Lady's Hospice & Care Services family. We passionately believe that everyone living in our community should be able to access high quality, excellent and person centred care when they need it. Based on our values, we believe that our services should be delivered in the most appropriate and effective way to respond to the needs of the individual and their family.

We acknowledge that there will be challenges and risks as we adapt and align existing funding models and strive to ensure that we have capacity both in workforce and facilities, to meet service needs and support areas of growth. This strategy also places a huge emphasis on strong healthcare governance and compliance ensuring efficiency and accountability so that those depending upon and supporting Our Lady's Hospice & Care Services can be assured of the highest quality standards and transparency in all that we do.

Master Development Plan

Our Lady's Hospice & Care Services is working through an ambitious Master Development Plan. Liaising with and receiving the support of key funders and donors to raise sufficient funds to complete the plan is of critical importance to the improvement of the quality of care services provide by Our Lady's Hospice & Care Services.

During 2019 work was completed on renovating the old St Catherine's Ward to facilitate the movement of CRU to a much-improved environment for our patients and staff. All services are now provided on ground floor level with better facilities (such as walk-in showers) to facilitate independence and reablement. Patients also have access to the beautiful bloom garden in a safe and secure environment. The proximity of the Coffee Dock and atrium spaces has enabled more social interaction.

The scoping out and preparation work for the refurbishment and upgrade of the 12 bedrooms and ancillary services in Blackrock Hospice is ongoing with the appointment of a design team in December 2019. This project will continue throughout 2020.

Building works of the new 15 bed Wicklow Hospice were completed in December 2019. Snagging is currently ongoing, while the fit-out project is expected to be completed by the end of quarter 2, 2020. Community Palliative Team will be the first to occupy the building followed by in-patients shortly afterwards. Once Wicklow Hospice is operational, revenue funding will be provided by the HSE. Transfer of ownership form the Wicklow Hospice Foundation to Our Lady's Hospice & Care Services is expected to conclude in quarter 2, 2020.

Anticipated works for 2020 include the relocation of our main reception to the front of Anna Gaynor House, given us a more centralised main reception area. The upgrading of our telephony system has also commenced thanks to a HSE grant of €0.2m. 2020 will also see the scoping out of the development of a new Community focused out-patients model of care, thus enabling us to see more patients in the most effective, efficient and appropriate setting for their needs.

Care Services

The directors have committed to continue to provide funding in order to maintain service levels at our care facilities and to develop our care facilities and are eternally grateful to all our supporters and donors for their on-going support. It is the directors' intention over the coming years to develop and expand our services so that we meet the needs of our changing society while never losing sight of the core values of Our Lady's Hospice & Care Services.

The directors acknowledge the on-going support of our donors, fund-raisers, volunteers and the HSE in enabling them to continue to enhance and develop the services at Our Lady's Hospice & Care Services.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors are responsible for the management of the business of the company and for exercising their powers in pursuit of the charitable objects of the company. The directors are committed to maintaining a very high standard of Corporate Governance and they believe that this is a key element in ensuring the proper operation of the company's activities.

Our Lady's Hospice & Care Services must maintain various standards of compliance including with the HSE's Service Level Agreement, the Companies Acts, Director's Compliance Statement and the Charities Regulatory Authority. Following this, there is a significant emphasis placed on strong healthcare, corporate and financial governance, compliance, legislation, regulation, inspection, and internal and external audit functions to ensure accountability and transparency.

The Board is responsible for providing leadership, setting strategy and ensuring control and overseeing performance management, talent management and succession planning strategies. There are currently 12 non-executive directors who are drawn from diverse backgrounds and bring their expertise and decision-making skills to the Board deliberations.

The company has a comprehensive process for reporting management information to the Board. The Board is provided with regular information for all aspects of the organisation.

To support their governance activities the Board has established a number of Committees, who report directly to the Board. Each Committee has its own terms of reference. The Committees of the Board are the Mission Committee, the Education and Research Committee, the Audit & Finance Committee, the Clinical Governance Committee, the Fundraising Committee, the Capital Committee, the Nominations Committee and the Remuneration Committee. The primary purposes and functions of each Committee is set out below:

- The Mission Committee
 - To promote the Mission and Vision of OLH&CS to ensure it is translated into every aspect of the daily running of the organisation
 - To ensure that the core values of OLH&CS of Human Dignity; Compassion; Justice; Quality; and, Advocacy continue to shape and guide the decisions and direction of the organisation
 - To welcome, recognise, appreciate and embrace the contribution made by people of all faiths, traditions and backgrounds, as well as providing for those beliefs and traditions.
- Education and Research Committee
 - To develop policy and strategy in relation to Education, Research and Training
 - To oversee the implementation of programmes
 - To develop and manage sub committees of the E&RC Committee for the purpose of approval and funding of research initiatives and/or other specific purposes.
- Audit & Finance Committee
 - To provide independent, objective and timely advice to the Board on the financial reporting process and the judgements associated therewith to ensure the balance, transparency and integrity of the business
 - To oversee and advise on Corporate Risks across the company
 - To review the scope and effectiveness of internal financial controls and risk management systems, and the internal and external audit functions.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

- Clinical Governance Committee
 - To ensure an effective system of integrated governance, high quality improvement initiatives, and clinical risk management across all the activities that support the company's objectives
 - To ensure that appropriate clinical and non-clinical risk management arrangements are in place for the company
 - To ensure compliance with laws and regulations and to ensure effective implementation of the hospital risk management policy.
- Fundraising Committee
 - To provide strategic direction and lead on the implementation of the company's ambitious plans to transform hospice palliative care for another generation of patients and deliver upon our vision
 - To drive OLH&CS's evolving vision for the future of service delivery
 - To raise awareness of OLH&CS's needs and goals, to develop relationships and opportunities and to establish capacity within OLH&CS for fulfilment of same.
- Nominations Committee
 - To give full consideration to succession planning for non-executive directors and in particular for the key role of chief executive
 - To identify and nominate suitable candidates for the role of Board Sub-Committee members
 - To re-appoint any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.
- Capital Committee
 - To coordinate efforts to oversee the planning of capital developments and to assist the Board of Directors in prioritising and identifying resources for future capital development
 - To identify, discuss and act on emerging issues, initiatives, and projects related to capital
 - To develop and recommend a capital plan to support the successful delivery of healthcare in a high quality environment.
- Remuneration Committee
 - To review remuneration and benefits policy generally
 - To have oversight of any senior level salary above €65k and ensure compliance with Department of Health consolidated payscales
 - To review annual expenses of the Senior Management Team.

MANAGEMENT

The senior management team is made up of our CEO - Audrey Houlihan; Head of Finance - Simon Costello; Director of Nursing, Quality & Clinical Services - Mary Flanagan; Medical Director - Dr. Stephen Higgins (previously Dr. Joan Cunningham); Interim Head of Non Clinical Services - Tommy Beatty, Director of Education & Research - role suppressed following management team restructure (previously Patricia Hallahan); Head of HR - Mary Kirwan and Director of Fundraising and Communications - Eleanor Flew.

STAFF AND VOLUNTEERS

Our Lady's Hospice and Care Services could not function and provide the level of care and support to patients and relatives without the help of the Staff and the Volunteers. The directors wish to express their huge gratitude to all Staff and Volunteers for the excellent care that they provide.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors, in conjunction with the senior management team, follow a process to manage the risks to which the company is exposed. They particularly concern themselves with operational and financial risks. They are satisfied that appropriate systems are in place to mitigate against these risks, and limit exposure. Risks are identified and ranked in terms of potential impact, as well as the company's risk control measures. Major risks are those which may have an impact on operational performance, financial sustainability, achievement of aims and objectives and meeting expectations of our patients, funders and supporters. The principal risks and uncertainties that the company faces are:

- **Clinical risks to patients under our care, either as inpatients or in their usual home environment:** These risks are mitigated by the use of appropriately qualified and trained clinical staff, working within safe systems of care, having appropriate equipment which reduces risk, such as automated equipment to prevent human error, having appropriate policies and procedures in place and our incident reporting system which includes reporting near misses so that future incidents can be prevented. We have adequate cover in place for public and clinician liability under State Claims agency and Clinical Indemnity schemes.
- **Failure to comply with Statutory/ Regulatory Requirements:** The company is subject to stringent regulations in areas such as staff competency, staffing levels, health & safety matters and has appropriate processes in place to monitor adherence and compliance with legislation and regulations impacting on its operations.
- **Financial dependency on the HSE:** The company is dependent on the ongoing support of the HSE for funding to deliver care services. Ongoing funding at an appropriate level is fundamental to the company's ability to continue as a going concern. It is company policy to mitigate this risk by developing ongoing relationships with the HSE and agreeing annually our Service Level Agreement.
- **Lack of funding for future development of the campus:** The company has ambitious plans to better utilise the space available on the campus and enhance patient care. There is a risk that insufficient funding will be available to complete the construction as set out in the Master Development Plan.
- **Fundraising and Reputational Risk:** The above development funding risk is linked to a general fundraising risk of potential lower donations or bequests which would impact on our ability to both carry out these developments and also to maintain the same levels of quality and service.
- **General Data Protection Regulation:** Our Lady's Hospice & Care Services continue to implement GDPR regulations in an effort to achieve compliance. Risk assessments and risk minimization actions are put in place to minimize areas of non-compliance and the Board are advised regularly on implementation progress and gap analysis.
- **Insufficient funds to meet pension payments:** The company is dependent on the Department of Health to continue to provide the funds required to pay current pension liabilities, under the VHSS, as they arise into the future. There have been no retirements to date from the Single Public Service Pension Scheme (SPSPS).
- **COVID-19:** The directors have considered the negative impacts of the global COVID-19 virus pandemic on the company. There is a strong possibility that the company's main sources of income will be affected. This is covered in detail under Going Concern below.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. These are disclosed in Note 26 to the financial statements.

RESERVES POLICY

The key principle is that our reserves on non-HSE funded activities should be sufficient to manage a severe situation in which our cash inflows significantly fail to meet our cash outflows. In such a "worst case" scenario, the reserves can be drawn upon in order to meet operating cash shortfalls, specifically the payroll costs associated with non-HSE funded staff members. In addition to this, any additional cash available is primarily held in order to meet future capital expenditure requirements or other needs as may arise from time to time.

RESEARCH AND DEVELOPMENT

The company carries out on-going research to achieve optimum care for patients.

EUROPEAN COMMUNITIES (LATE PAYMENT IN COMMERCIAL TRANSACTIONS) REGULATIONS 2012

The directors have put procedures in place which provide reasonable assurance that the company is complying in all material respects with the Prompt Payments of Account Act, 1997 and European Communities (Late payment in Commercial Transactions) Regulations 2012, in so far as is permitted by cash flow constraints.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report.

The financial statements have been prepared on the going concern basis. The company is dependent on the Health Service Executive (HSE) to fund its activities and the ongoing support of the HSE at an appropriate level is fundamental to the company's ability to continue as a going concern. The HSE has not given any indication that it will withdraw its financial support from the company for the foreseeable future and has continued to provide funding for 2020. The HSE has indicated that funding will be available during 2020 at a level similar to that of 2019.

Subsequent to the financial year end, Ireland was impacted by the global COVID-19 virus pandemic. The directors considered the COVID-19 impact on the company. Given the company's main sources of income were from the healthcare and fundraising activities, there was a strong possibility that the company's operation could be affected if its healthcare and fundraising activities were disrupted for a longer period due to the pandemic.

At the time of reporting, the directors could not estimate the exact impact on the company's operational and financial implications apart from declined fundraising income during the pandemic. These are unprecedented times and with the assumption that the pandemic will last for the duration of Q2 and into early Q3, there are a number of fundraising events and activities that will be directly impacted such as large national events like the *Women's Mini Marathon* and *Hospice Sunflower Days* as well local events such as *Little Flower of Life*. Furthermore, as social distancing and working from home is observed, community fundraisers and corporate events are also not taking place. Should normal activities resume mid Q3, there will likely be a nervousness in the public psyche around gatherings and fundraisers and therefore Q3/Q4 may also experience a significant decline in fundraised income. Of note, the two largest events of the year take place in the latter half of the year; *Ireland's Biggest Coffee Morning for Hospice Together with Bewleys* and our annual flagship in memory event *Light up a Life*. Should both events take place, the fundraising marketplace will be extremely competitive as many events have been postponed to the end of the year. Income loss from campaigns and events and depending upon activity is estimated to be between 50% and 80%.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

GOING CONCERN (CONTINUED)

Funding pressures and breaking even on HSE funded activities remain a concern, coupled with an increased demand for the company's services. Management have reviewed the level of activity and costs of the company and have drawn up plans to deal with the issues associated with the ongoing funding pressures. The company's current operating budget and forecast (assuming no reduction in HSE Funding) show that the company should be able to operate within its available funding for the foreseeable future (at least twelve months from the date of approval of these financial statements).

While the strong reserves position at year-end means that there is no immediate threat to the going concern status of OLH&CS, provision of services remains reliant on funding from the HSE continuing at the same or enhanced levels in the future.

After making due enquiries, reviewing the current operating budget and forecast for the period of at least 12 months of the date of signing the financial statements, the directors have a reasonable expectation that the operating and capital budgets and plans will be achieved and that the company will have adequate resources and sufficient liquidity to continue to operate for the foreseeable future. On that basis, the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

The ongoing support of the HSE at an appropriate level and the generosity of the public are fundamental to the achievement of these plans.

POST BALANCE SHEET EVENTS

It is anticipated that the ownership of Wicklow Hospice will pass to Our Lady's Hospice & Care Services in quarter 2, 2020.

Subsequent to the financial year end, Ireland was impacted by the global COVID-19 virus pandemic. At the financial year-end 31 December 2019 there were no impacts on the recognition and measurements of assets and liabilities as this pandemic impact was considered to be a non-adjusting event.

There were no other subsequent events since the financial year-end.

DIRECTORS AND SECRETARY

The directors and secretary, who served at any time during the financial year except as noted, were as follows:

Directors:

Brian Murray (Chairperson)
Stephen Walsh
Dr. Brendan Clune (resigned 17/06/2019)
Mary Rose Gearty
Sean Dorgan
Helen Nolan
Kay Connolly
Dr. Terry McWade
Eugene Murray
Carole Pollard
Pat Costello
Lorcan Birthistle (appointed 19/11/2019)
Dr. Philip Wiehe (appointed 19/11/2019)

Secretary:

Helen Nolan

The present membership of the Board is set out on page 2.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND SECRETARY (CONTINUED)

In accordance with the Articles of Association, every year, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third shall retire from office.

It has been agreed that on appointment, Directors will receive briefing and comprehensive documents designed to familiarise them with the company's operations, management and governance.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The directors and secretary of the company who held office at 31 December 2019, had no interests in the shares of the company.

DIRECTORS' INTERESTS IN CONTRACTS

There were no contracts or arrangements in relation to the company's business in which the directors or Secretary of the company had any interest.

POLITICAL CONTRIBUTIONS

There were no political donations made during the financial year (2018: €Nil).

ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Harold's Cross, Dublin 6W.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors at the time the directors' report and financial statements are approved:

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

DIRECTORS' COMPLIANCE POLICY STATEMENT

The directors acknowledge that they are responsible for securing compliance by the company with its relevant obligations as outlined in the Companies Act 2014 (the 2014 Act).

The directors confirm:

- (a) that a compliance policy statement, setting out the company's policies that, in the directors' opinion, are appropriate to the company regarding compliance by the company with its relevant obligations (within the meaning of the 2014 Act) has been drawn up;
- (b) appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the company's relevant obligations have been put in place; and
- (c) a review of those arrangements and structures has been conducted during the financial year.

The arrangements and structures include reliance on the assistance and advice of persons employed by the company and by external legal, compliance and tax advisors that the directors consider to have the requisite knowledge and experience to advise on the company's compliance with its relevant obligations.

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:

Brian Murray
Director

Helen Nolan
Director

Date: 26 May 2020

OUR LADY'S HOSPICE & CARE SERVICES

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council* ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company Financial Statements 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 the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record 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, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They 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.

Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OUR LADY'S HOSPICE AND CARE SERVICES

Report on the audit of the financial statements

Opinion on the financial statements of Our Lady's Hospice and Care Services (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as 31 December 2019 and of the net income for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Financial Activities;
- the Balance Sheet;
- the Statement of Cash Flows; and
- the related notes 1 to 32, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements for the financial year ended 31 December 2019, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page/

/Continued from previous page

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OUR LADY'S HOSPICE AND CARE SERVICES

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors 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.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Continued on next page/

/Continued from previous page

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OUR LADY'S HOSPICE AND CARE SERVICES**

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- 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.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Margarita Martin
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

27 May 2020

OUR LADY'S HOSPICE & CARE SERVICES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted € 2019	Restricted € 2019	Total € 2019	Unrestricted € 2018	Restricted € 2018	Total € 2018
<u>INCOME FROM</u>							
Donations and legacies	4	6,124,772	887,351	7,012,123	5,776,347	909,073	6,685,420
Charitable activities	5	347,526	38,571,694	38,919,220	380,843	38,279,264	38,660,107
Investment income	6	26,193	-	26,193	47,653	-	47,653
Other trading activities	7	628,606	-	628,606	563,836	-	563,836
TOTAL INCOME		7,127,097	39,459,045	46,586,142	6,768,679	39,188,337	45,957,016
<u>EXPENDITURE ON</u>							
Raising funds	8	1,867,378	245,546	2,112,924	1,780,867	319,072	2,099,939
Charitable activities	9	3,689,784	38,611,228	42,301,012	4,003,815	38,837,136	42,840,951
TOTAL EXPENDITURE		5,557,162	38,856,774	44,413,936	5,784,682	39,156,208	44,940,890
Net income/ (expenditure) before other recognised (loss)/gain		1,569,935	602,271	2,172,206	983,997	32,129	1,016,126
Loss on financial assets at fair value	11	(13,966)	-	(13,966)	(10,480)	-	(10,480)
Net income before taxation	11	1,555,969	602,271	2,158,240	973,517	32,129	1,005,646
Taxation	13	-	-	-	-	-	-
NET INCOME		1,555,969	602,271	2,158,240	973,517	32,129	1,005,646
Transfer between funds	14	30,711	(30,711)	-	(1,816,186)	1,816,186	-
Total funds at beginning of financial year		27,959,903	21,653,799	49,613,702	28,802,572	19,805,484	48,608,056
Total funds at end of financial year		29,546,583	22,225,359	51,771,942	27,959,903	21,653,799	49,613,702

There were no recognised gains or losses other than those listed above and the net movement in funds for the financial year. All income and expenditure derives from continuing activities.

OUR LADY'S HOSPICE & CARE SERVICES

BALANCE SHEET AS AT 31 DECEMBER 2019

	<i>Notes</i>	2019 €	2018 €
Fixed assets			
Tangible assets	16	79,978,379	82,242,795
Financial assets	17	231,471	282,424
		80,209,850	82,525,219
Current assets			
Stocks	18	313,157	326,966
Debtors: amounts falling due within one year	19	7,324,868	6,103,755
Investment	20	207,840	147,353
Cash at bank and on hand	21	7,538,119	6,856,785
		15,383,984	13,434,859
Creditors: (amounts falling due within one year)	22	(5,183,104)	(7,707,588)
Net current assets		10,200,880	5,727,271
NET ASSETS		90,410,730	88,252,490
Capital and charity funds			
Called up share capital	23	2	2
Share premium	23	38,638,786	38,638,786
Restricted capital funds	28	22,325,961	21,829,618
Restricted deficit	28	(100,602)	(175,819)
Unrestricted funds	28	29,546,583	27,959,903
CHARITY FUNDS		90,410,730	88,252,490

The financial statements were approved and authorised for issue by the Board of directors on 26 May 2020 and signed on its behalf by:

Brian Murray
Director

Helen Nolan
Director

OUR LADY'S HOSPICE & CARE SERVICES

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	<i>Notes</i>	2019 €	2018 €
Net cash outflow from operating activities	24	2,571,623	3,402,471
Cash flows from investing activities			
Interest and similar income received		2,380	36
Interest paid		(36,956)	(68,485)
Payments to acquire tangible fixed assets		(292,047)	(794,971)
Payments to acquire financial assets		(153)	-
HSE capital grant received		496,507	204,664
Proceeds on disposal of financial assets		60,953	123,423
(Payments to acquire investment)/receipts from investment		(60,487)	(121,165)
Net cash flows from investing activities		170,197	(656,498)
Net increase in cash and cash equivalents		2,741,820	2,745,973
Cash and cash equivalents at beginning of financial year		3,971,663	1,225,690
Cash and cash equivalents at end of financial year		6,713,483	3,971,663
Reconciliation to cash and cash equivalents			
Cash at bank and in hand		7,538,119	6,856,785
Bank overdraft		(824,636)	(2,885,122)
		6,713,483	3,971,663
Analysis of changes in net debt			
	At 1/1/2019 €	Cashflows €	At 31/12/2019 €
Cash and Cash Equivalents			
Cash at bank and in hand	6,691,327	668,045	7,359,372
Bank overdrafts	(2,885,122)	2,060,486	(824,636)
3 rd party funds	165,458	13,289	178,747
	<u>3,971,663</u>	<u>2,741,820</u>	<u>6,713,483</u>

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

The significant accounting policies adopted by the company are set out below. These policies have been consistently applied to all financial years presented unless otherwise stated.

General Information and Basis of Financial Statements Presentation

Our Lady's Hospice & Care Services is a company incorporated in Ireland under the Companies Act 2014. The company number is 352404 and the address of the registered office is Harold's Cross, Dublin 6W.

The objectives of the company are charitable in nature and it has been granted charitable tax exemption by the Revenue Commissioners (Charity number CHY1144) and is registered with the Charities Regulatory Authority (CRA number 20001827). The company's operations and its principal activities are set out in the directors' report on pages 3 to 10.

In accordance with Section 1180(8) of the Companies Act, 2014, the company is exempt from including the word "Limited" in its name. The company is a designated activity company limited by shares (DAC) under Part 16 of the Companies Act 2014.

The company has adopted and reported its performance in accordance with the format provided for in the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" as published by the Charity Commission for England and Wales.

The Charity Commission for England and Wales, is recognised by the UK accounting Standards Board (ASB) as the appropriate body to issue SORP's for the charity sector in the UK, and the SORP has heretofore been recognised as best practice for financial reporting by Charities in Ireland.

The financial statements have been prepared in accordance with the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued by the Financial Reporting Council and the Companies Act 2014. The financial statements are presented in euro.

The financial statements are prepared on a going concern basis of accounting in preparing these financial statements, as detailed further in note 2.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are carried at cost (or deemed cost) 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. Tangible fixed assets where the cost is less than €7,000 are expensed, and less than €2,000 for computer equipment.

Land and buildings include freehold properties. Land and buildings are carried at cost. Fixtures and fittings and motor vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent additions are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the economic benefits associated with the asset will flow to the company and the cost can be reliably measured. Assets in the course of construction are carried at cost. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

1. ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets and Depreciation (Continued)

Land is not depreciated. Depreciation on other tangible assets is provided at rates calculated to write off the cost of the assets over their estimated useful lives. The rates and methods of depreciation are as follows:

Building	2%	straight line
Fixtures and equipment	15%	straight line
Motor Vehicles	20%	straight line
Computer equipment	33%	straight line

Assets under construction are not depreciated until they are available for use.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Repairs and maintenance costs are expensed as incurred.

Impairment of Assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced to below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Pensions

The company operates a defined benefits pension scheme in respect of employees eligible for inclusion under the Voluntary Hospitals Superannuation Scheme. The scheme is administered, funded and underwritten by the Department of Health. The company acts as agents in the operation of the scheme and does not make any contributions to the scheme.

Contributions are received from eligible employees only. In accordance with the service plan agreed with the HSE and the Department of Health, pension contributions received may be offset against pension payments made and the surplus or deficit each financial year forms part of the funding for the company. The directors consider that the company has no responsibility for any liability that falls due as a result of any ultimate under funding of the scheme.

Contributions received are credited to the Statement of Income and Retained Earnings as they are received. Payments made under the scheme are charged to the Statement of Income and Retained Earnings as they fall due. Refunds of Contributions are charged to the Statement of Income and Retained Earnings when notification is received from the Department of Health to make a payment to an employee who is leaving the scheme.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

Pensions

A new Single Public Service Pension Scheme (Single Scheme) commenced with effect from 1st January 2013. The Scheme applies to all pensionable first time entrants to the Public Service, as well as former public servants returning to the Public Service after a break of more than 26 weeks. Benefits are calculated by reference to "referable amounts" for each year's service that are uprated by the CPI as notified by the Minister. All contributions deducted from members wages/salaries are remitted to the nominated bank account of the Department of Public Expenditure and Reform and not credited to the Profit and Loss Account. As per Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 44(1) (b), payments arising under this Single Scheme to retiring employees shall be paid from funds provided by the Oireachtas for that purpose.

Certain company employees are members of a defined contribution pension scheme and the assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Financial Activities.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is determined by reference to invoice price including charges such as freight and duty as appropriate. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Foreign Currencies

The functional and presentational currency of the company is considered to be Euro because that is the currency of the primary economic environment in which the company operates.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the balance sheet rate and the exchange differences are dealt with in the Statement of Financial Activities.

Income – Donations and legacies, charitable activities (HSE and other grants), investment and other trading activities

Income is the amount derived from the provision of services. Turnover comprises income from patients (directly and from Private Health Insurers), income from fundraising activities and events, income from the hire of facilities and other income.

- (i) Income from voluntary donations is recognised when received. As with many similar charitable organisations, independent groups from time to time organise fundraising activities and may operate bank accounts in the name of Our Lady's Hospice & Care Services. However, as amounts collected in this way are outside the control of the company, they are not included in the financial statements until received by Our Lady's Hospice & Care Services.
- (ii) Proceeds from the sale of donated goods are recognised in the financial statements in the period in which they are realised. Volunteer time is not included in the financial statements.
- (iii) Grants from the HSE, government and other agencies have been included as income from activities in furtherance of the charity's objects and accounted for on a receivable basis. Revenue grants received and receivable from the HSE are accounted for on the basis of the allocated amount notified by the HSE for that financial year. Capital grants received are recognised as income in the financial year and the depreciation on the related capital asset is charged against the restricted capital fund.
- (iv) Legacies are included when the amount to be received is probable and can be measured with certainty.
- (v) Investment income is recognised on a receivable basis.
- (vi) Patient income comprises income from patients directly and from Private Health Insurers (PHIs) and is recognised on a receivable basis.
- (vii) Other trading activities income comprises income from canteen, shop, coffee shop, rental and educational income is recognised on a receivable basis.

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure

Charitable activities comprise expenditure incurred by the activities in the Harold's Cross and Blackrock Hospices as well as support costs incurred at headquarters that are directly related to the implementation of charities activities. Expenditure is recognised in the period to which it relates. Expenditure incurred but unpaid at the balance sheet date is included in accruals and other creditors. Expenditure on raising funds comprise all expenditure incurred by Our Lady's Hospice & Care Services on raising funds for the company's charitable activities.

Support costs are those functions that assist the work of the company but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the company's healthcare activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 10.

Funds Accounting

Funds held by the charity are classified as unrestricted and restricted. Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the Directors. Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

(i) Financial assets and liabilities

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. These financial assets are subsequently measured at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

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

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets and liabilities are only offset in the balance sheet when and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Balances are classified as payable or receivable within one year if payment or receipt is due within one year or less. If not, they are presented as falling due after more than one year. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Taxation

The company has been granted charitable tax exempt status by the Revenue Commissioners under CHY number 1144 and therefore no provision for Corporation tax is required.

Concessionary loan

Concessionary loan is initially recognised and measured at the amount advanced, with the carrying amount adjusted in subsequent years to reflect repayments.

Comparative figures

Comparative figures have been reclassified on the same basis as the current financial year.

2. GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report.

The financial statements have been prepared on the going concern basis. The company is dependent on the Health Service Executive (HSE) to fund its activities and the ongoing support of the HSE at an appropriate level is fundamental to the company's ability to continue as a going concern. The HSE has not given any indication that it will withdraw its financial support from the company for the foreseeable future and has continued to provide funding for 2020. The HSE has indicated that funding will be available during 2020 at a level similar to that of 2019.

Subsequent to the financial year end, Ireland was impacted by the global COVID-19 virus pandemic. The directors considered the COVID-19 impact on the company. Given the company's main sources of income were from the healthcare and fundraising activities, there was a strong possibility that the company's operation could be affected if its healthcare and fundraising activities were disrupted for a longer period due to the pandemic.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. GOING CONCERN (CONTINUED)

At the time of reporting, the directors could not estimate the exact impact on the company's operational and financial implications apart from declined fundraising income during the pandemic. These are unprecedented times and with the assumption that the pandemic will last for the duration of Q2 and into early Q3, there are a number of fundraising events and activities that will be directly impacted such as large national events like the *Women's Mini Marathon* and *Hospice Sunflower Days* as well local events such as *Little Flower of Life*. Furthermore, as social distancing and working from home is observed, community fundraisers and corporate events are also not taking place. Should normal activities resume mid Q3, there will likely be a nervousness in the public psyche around gatherings and fundraisers and therefore Q3/Q4 may also experience a significant decline in fundraised income. Of note, the two largest events of the year take place in the latter half of the year; *Ireland's Biggest Coffee Morning for Hospice Together with Bewleys* and our annual flagship in memory event *Light up a Life*. Should both events take place, the fundraising marketplace will be extremely competitive as many events have been postponed to the end of the year. Income loss from campaigns and events and depending upon activity is estimated to be between 50% and 80%.

Funding pressures and breaking even on HSE funded activities remain a concern, coupled with an increased demand for the company's services. Management have reviewed the level of activity and costs of the company and have drawn up plans to deal with the issues associated with the ongoing funding pressures. The company's current operating budget and forecast (assuming no reduction in HSE Funding) show that the company should be able to operate within its available funding for the foreseeable future (at least twelve months from the date of approval of these financial statements).

While the strong reserves position at year-end means that there is no immediate threat to the going concern status of OLH&CS, provision of services remains reliant on funding from the HSE continuing at the same or enhanced levels in the future.

After making due enquiries, reviewing the current operating budget and forecast for the period of at least 12 months of the date of signing the financial statements, the directors have a reasonable expectation that the operating and capital budgets and plans will be achieved and that the company will have adequate resources and sufficient liquidity to continue to operate for the foreseeable future. On that basis, the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

The ongoing support of the HSE at an appropriate level and the generosity of the public are fundamental to the achievement of these plans.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and the notes to the financial statements.

(a) Critical judgement in applying the company's accounting policies

The following judgement, apart from those involving estimates, made by the directors has had significant effect on the amounts recognized in the company's financial statements:

(i) Pensions

Certain employees participate in the VHSS operated by the HSE. The VHSS is an unfunded 'pay as you go' scheme underwritten by the Minister for Health and Children. In the judgement of the directors the funds required to pay current pension liabilities, under the VHSS, as they arise will continue to be provided by the Department of Health and Children. Therefore, they believe that it is not necessary for the financial statements to make provision for the net assets/liabilities at the balance sheet date in respect of pension entitlements accrued to that date by the employees of the company, nor the disclosure requirements of the Charities SORP (FRS102). See note 27 for further details.

(b) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the company's 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 amount of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible fixed assets and residual value

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful 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 economic utilisation, technological advancements and the physical condition of the assets. The amortisation rate for capital grants is also reviewed in conjunction with the asset lives review and these are adjusted if appropriate.

(ii) Impairment of debtors

The directors make an assessment at the end of each financial year of whether there is objective evidence that a debtor is impaired. When assessing impairment of debtors and other amounts receivable, the directors consider factors including the age profile of outstanding amounts receivable, recent correspondence and historical experience in cash collectors from debtors.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. DONATIONS AND LEGACIES

	2019 Unrestricted €	2019 Restricted €	Total €	2018 Unrestricted €	2018 Restricted €	Total €
Legacy and Bequest Income	3,177,137	450,609	3,627,746	2,931,935	644,219	3,576,154
Donations	2,947,635	436,742	3,384,377	2,844,412	264,854	3,109,266
	<u>6,124,772</u>	<u>887,351</u>	<u>7,012,123</u>	<u>5,776,347</u>	<u>909,073</u>	<u>6,685,420</u>

5. CHARITABLE ACTIVITIES

	2019 Unrestricted €	2019 Restricted €	Total €	2018 Unrestricted €	2018 Restricted €	Total €
HSE Respite Bed Income	-	156,700	156,700	-	209,100	209,100
VAT Compensation Scheme	31,644	-	31,644	-	-	-
HSE Capital Grant	-	496,507	496,507	-	204,664	204,664
NMPDU Innovation Grant	-	82,370	82,370	-	-	-
HSE Grants for patient Care	-	27,521,126	27,521,126	-	27,487,482	27,487,482
HSE Fair Deal Income	-	3,345,562	3,345,562	-	3,309,928	3,309,928
Patient Income	-	5,268,176	5,268,176	-	5,179,177	5,179,177
Conferences, seminars, research income	315,882	-	315,882	380,843	-	380,843
Superannuation Income	-	915,823	915,823	-	891,791	891,791
Pension Levy Income	-	785,430	785,430	-	997,122	997,122
	<u>347,526</u>	<u>38,571,694</u>	<u>38,919,220</u>	<u>380,843</u>	<u>38,279,264</u>	<u>38,660,107</u>

6. INVESTMENT INCOME – UNRESTRICTED

	2019 Unrestricted €	2019 Restricted €	Total €	2018 Unrestricted €	2018 Restricted €	Total €
Income from financial assets	2,378	-	2,378	21	-	21
Interest received	2	-	2	15	-	15
	<u>2,380</u>	<u>-</u>	<u>2,380</u>	<u>36</u>	<u>-</u>	<u>36</u>
Profit on sale of investments	23,813	-	23,813	47,617	-	47,617
Total Investment Income	<u>26,193</u>	<u>-</u>	<u>26,193</u>	<u>47,653</u>	<u>-</u>	<u>47,653</u>

7. OTHER TRADING ACTIVITIES

	2019 Unrestricted €	2019 Restricted €	Total €	2018 Unrestricted €	2018 Restricted €	Total €
Other Trading Income	628,606	-	628,606	563,836	-	563,836
	<u>628,606</u>	<u>-</u>	<u>628,606</u>	<u>563,836</u>	<u>-</u>	<u>563,836</u>

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

8. EXPENDITURE ON RAISING FUNDS

	2019 Direct Costs €	Support Costs €	2019 Total €	2018 Direct Costs €	Support Costs €	2018 Total €
Salaries and other fundraising costs	1,217,236	2,754	1,219,990	1,194,930	7,056	1,201,986
Bank interest and charges	18,426	-	18,426	21,182	-	21,182
Expenses from trading activity	871,816	-	871,816	874,478	-	874,478
Investment management fees	2,692	-	2,692	2,293	-	2,293
Total Cost of Raising Funds	2,110,170	2,754	2,112,924	2,092,883	7,056	2,099,939
Funded from:	2019 Unrestricted €	Restricted €	2019 Total €	2018 Unrestricted €	Restricted €	2018 Total €
Fundraising costs	1,236,079	2,337	1,238,416	1,214,737	8,431	1,223,168
Expenses from other trading activities	628,607	243,209	871,816	563,837	310,641	874,478
Investment management fees	2,692	-	2,692	2,293	-	2,293
Total Cost of Raising Funds	1,867,378	245,546	2,112,924	1,780,867	319,072	2,099,939

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

9. EXPENDITURE ON CHARITABLE ACTIVITIES

	2019 Direct Costs €	Support Costs €	2019 Total €	2018 Direct Costs €	Support Costs €	2018 Total €
Palliative Care	16,541,474	782,973	17,324,447	16,590,305	747,965	17,338,270
Community Reablement Unit, CRU	2,085,431	104,066	2,189,497	2,248,114	105,668	2,353,782
Care of Older People in Anna Gaynor House	16,322,926	769,423	17,092,349	16,396,954	717,442	17,114,396
Rheumatic & Musculoskeletal Disease Unit, RMDU	4,846,265	227,232	5,073,497	5,020,987	216,101	5,237,088
	39,796,096	1,883,694	41,679,790	40,256,360	1,787,176	42,043,536
Bank Interest and Charges	18,600	-	18,600	47,307	-	47,307
Patient Care and Services	39,814,696	1,883,694	41,698,390	40,303,667	1,787,176	42,090,843
Education & Training	602,622	-	602,622	750,108	-	750,108
Total Charitable Expenditure	40,417,318	1,883,694	42,301,012	41,053,775	1,787,176	42,840,951
	2019 Unrestricted €	Restricted €	2019 Total €	2018 Unrestricted €	Restricted €	2018 Total €
Funded from:						
Patient Care & Services	3,087,162	38,611,228	41,698,390	3,253,707	38,837,136	42,090,843
Education & Training	602,622	-	602,622	750,108	-	750,108
Total Charitable Expenditure	3,689,784	38,611,228	42,301,012	4,003,815	38,837,136	42,840,951

OUR LADY'S HOSPICE & CARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

10. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	Charitable Activities			Raising Funds			Basis of Apportionment of Charitable Activities
	General Support €	Governance Function €	Total €	General Support €	Governance Function €	Total €	
Payroll costs	1,538,660	-	1,538,660	-	-	-	Direct labour costs
General support costs	259,295	-	259,295	-	-	-	Direct labour costs & beds
Audit, legal compliance and regulatory costs	-	85,739	85,739	-	2,754	2,754	Beds
Total Support Costs	1,797,955	85,739	1,883,694	-	2,754	2,754	
2018							
Payroll costs	1,471,724	-	1,471,724	-	-	-	Direct labour costs
General support costs	254,228	-	254,228	-	-	-	Direct labour costs & beds
Audit, legal compliance and regulatory costs	-	61,224	61,224	-	7,056	7,056	Beds
Total Support Costs	1,725,952	61,224	1,787,176	-	7,056	7,056	

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

11. NET INCOME BEFORE TAXATION	2019 €	2018 €
The net income before taxation for the financial year has been arrived at after charging / (crediting):		
Depreciation	2,556,463	2,495,075
Directors' remuneration	-	-
Auditors' remuneration	25,000	19,500
Cost of stock recognised as expense	636,213	698,559
Gain on sale of investments	(23,813)	(47,617)
Loss on fair value movement of financial assets (Note 17)	13,966	10,480
	<hr/> <hr/>	<hr/> <hr/>
(a) Auditors' remuneration disclosures (net of Vat and outlays):		
Audit	25,000	19,500
Other non-audit	-	-
	<hr/> <hr/>	<hr/> <hr/>
(b) Medical Worker Directors		
No salaries or fees are payable to the directors of the company for their services as directors.		

12. INTEREST PAYABLE AND SIMILAR CHARGES

	Healthcare €	Development €	Total 2019 €	Healthcare €	Development €	Total 2018 €
On bank loans, overdrafts and other loans wholly repayable within five years	(18,600)	(18,356)	(36,956)	(47,304)	(21,181)	(68,485)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13. TAXATION

As a result of the company's charitable status, no charge to corporation tax arises.

14. TRANSFER BETWEEN FUNDS

€32,923 of funds were transferred from 2018 capital restricted fund balances to unrestricted funds in 2019 in relation to 2018 restricted depreciation not being deducted from the restricted capital fund balance. There was also a small transfer from unrestricted funds to restricted funds of €2,212.

In the prior year 2018 €1,800,000 of funds were allocated from unrestricted donor funds to restricted HSE funds in order to fund previous deficits on HSE funded healthcare activities where the HSE were only in a position to provide partial funding and Our Lady's Hospice & Care Services required additional funding to ensure delivery of high quality care.

In 2018 €16,186 of funds were transferred from unrestricted donor funds to restricted HSE capital funds to replenish the restricted capital funds for expenditure previously charged to the unrestricted fund in 2017 but since funded by 2018 HSE capital grants. €9,567 of funds were transferred from restricted donor fund balances to restricted donor capital funds in 2018 as projects moved to being capital in nature.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

15. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the financial year was as follows:

	2019	2018
	No.	No.
Management and staff (whole time equivalents)	525	535

The aggregate payroll costs of these persons were as follows:

	Healthcare	Development	Total	Healthcare	Development	Total
	€	€	2019	€	€	2018
			€			€
Wages and salaries	26,492,029	2,131,472	28,623,501	26,313,753	2,378,936	28,692,688
Social welfare costs	2,855,044	63,098	2,918,142	2,753,732	63,906	2,817,638
Superannuation	2,302,769	-	2,302,769	2,634,528	-	2,634,528
Pension costs	-	134,872	134,872	-	149,279	149,279
	31,649,842	2,329,442	33,979,284	31,702,013	2,592,120	34,294,133

Key management compensation

The total remuneration for key management personnel for the financial year amounted to €648,572 (2018:€877,050), and this includes gross salary, ER PRSI, and pension contribution. This reflects both healthcare and fundraising activities.

The gross pay of the CEO for the financial year was €119,690 (2018: €118,145).

The number of employees, including medical staff, whose emoluments, excluding pension contributions, were in excess of €60,000:

	2019	2018
	No.	No.
€60,000 - €69,999	77	72
€70,000 - €79,999	9	11
€80,000 - €89,999	5	4
€90,000 - €99,999	2	2
€110,000 - €119,999	1	1
€120,000 - €129,999	-	3
€140,000 - €149,999	1	-
€170,000 - €179,999	-	1
€200,000 - €209,999	-	2
€210,000 - €219,999	-	1
€230,000 - €239,999	1	-
€240,000 - €249,999	2	-
€250,000 - €259,999	1	-
€290,000 - €299,999	1	-

All pay is aligned with the Department of Health Consolidated Pay Scales. During 2019 there were further pay increases in line with national pay agreements as reflected in the salary and wages bands above.

OUR LADY'S HOSPICE & CARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

16. TANGIBLE FIXED ASSETS

	Land	Buildings	Motor Equipment & Computer Equipment	Vehicles	Total
	€	€	€	€	€
Cost or Valuation:					
At 1 January 2019	10,786,500	92,380,995	11,919,639	140,179	115,227,313
Additions		-	292,047		292,047
At 31 December 2019	10,786,500	92,380,995	12,211,686	140,179	115,519,360
Depreciation:					
At 1 January 2019	-	23,010,767	9,857,902	115,849	32,984,518
Charge for financial year		1,851,534	694,333	10,596	2,556,463
At 31 December 2019	-	24,862,301	10,552,235	126,445	35,540,981
Net Book Value:					
At 31 December 2019	10,786,500	67,518,694	1,659,451	13,734	78,978,379
At 31 December 2018	10,786,500	69,370,228	2,061,737	24,330	82,242,795

17. FINANCIAL ASSETS

	2019 €	2018 €
Listed investments:		
Carrying amount at 1 January	282,424	368,710
Additions	153	-
Disposals	(37,140)	(75,806)
At 31 December	245,437	292,904
Movement in the fair value of listed investments	(13,966)	(10,480)
Investment Portfolio	231,471	282,424

The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the investments on acquisition was €142,957 (2018: €179,944).

18. STOCKS

	2019 €	2018 €
Pharmacy	88,591	98,322
Stores	224,566	228,644
	313,157	326,966

There are no material differences between the replacement cost of stock and the balance sheet amounts.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

19. DEBTORS: Amounts falling due within one year	2019	2018
	€	€
HSE	2,447,801	2,813,426
Patient income	1,747,788	1,649,435
Other debtors	2,100,512	1,519,070
Concessionary loan to Wicklow Hospice Foundation (Note 30)	750,000	-
Prepayments	278,767	121,824
	<u>7,324,868</u>	<u>6,103,755</u>

Included in Other debtors is a balance of €1,707,747 (2018: €1,205,343) relating to legacy income due.

20. INVESTMENT	2019	2018
	€	€
Short-term deposits held as part of trading portfolio	207,840	147,353
	<u>207,840</u>	<u>147,353</u>

21. CASH AT BANK AND ON HAND	2019	2018
	€	€
Funds held on behalf of patients (patient private property account) (Note 22)	132,089	133,609
Funds held on behalf of Together for Hospice (Note 22)	46,658	31,849
Deposit overdraft offset in favour of Bank of Ireland	-	2,000,000
Company funds	7,359,372	4,691,327
	<u>7,538,119</u>	<u>6,856,785</u>

22. CREDITORS: Amounts falling due within one year	2019	2018
	€	€
Bank Overdraft	824,636	2,885,122
Trade Creditors	897,950	1,079,418
Accruals	2,239,749	2,484,508
Other creditors	345,976	403,657
PAYE/PRSI	696,046	689,425
Funds held on behalf of third parties (Note 21)	178,747	165,458
	<u>5,183,104</u>	<u>7,707,588</u>

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

23. CALLED-UP SHARE CAPITAL PRESENTED AS EQUITY	2019 €	2018 €
Authorised:		
100,000 Ordinary shares of €1 each	100,000	100,000
Allotted, called-up and fully paid equity shares:		
2 Ordinary shares of €1 each	2	2
Presented as follows:		
Called up share capital presented as equity	2	2

The company has one class of ordinary shares which carry no right to fixed income.

The share premium reserve of €38,638,786 contains the premium arising on issue of equity shares on incorporation.

24. RECONCILIATION OF NET INCOME TO NET CASH GENERATED BY OPERATIONS	2019 €	2018 €
Net income before taxation	2,158,240	1,005,646
Investment income	(26,193)	(47,653)
Interest payable and similar charges	36,956	68,485
Loss on financial assets at fair value	13,966	10,480
Depreciation	2,556,463	2,495,075
Capital grant recognised in Statement of Financial Activities	(496,507)	(204,664)
Operating cash flow before movement in working capital	4,242,925	3,327,369
Decrease in stock	13,809	29,064
Increase in debtors	(1,221,113)	(164,452)
(Decrease)/increase in creditors	(463,998)	210,490
CASH GENERATED BY OPERATING ACTIVITIES	2,571,623	3,402,471

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL INSTRUMENTS

The carrying values of the company's financial assets and liabilities are summarised by category below:

	2019 €	2018 €
Financial assets		
Measured at fair value through profit or loss		
• Financial asset listed investments (Note 17)	231,471	282,424
Measured at undiscounted amount receivable		
• Trade and other debtors (Note 19)	6,296,101	5,981,931
• Concessionary loan to Wicklow Hospice Foundation (Note 19)	750,000	-
• Investment (Note 20)	207,840	147,353
	<hr/> <hr/>	<hr/> <hr/>
Financial liabilities		
Measured at undiscounted amount payable		
• Bank overdraft (Note 22)	824,636	2,885,122
• Trade and other creditors (Note 22)	1,243,926	1,483,075
• Funds held on behalf of third parties (Note 22)	178,747	165,458
	<hr/> <hr/>	<hr/> <hr/>

The company's income, gains and losses in respect of financial instruments are summarised as follows:

	2019 €	2018 €
Fair value gains and losses		
Loss on financial assets (including listed investments) measured as fair value through Statement of Financial Activities	(13,966)	(10,480)
	<hr/> <hr/>	<hr/> <hr/>

There were no derivative financial instruments outstanding at 31 December 2019 or 31 December 2018.

26. CREDIT, MARKET AND LIQUIDITY RISKS

Credit risk

The company manages its financial assets and liabilities to ensure it will continue as a going concern. The principal financial assets of the company are bank and cash balances, investments, and trade and other receivables, which represent the maximum exposure to credit risk in relation to financial assets. The principal financial liabilities of the company are bank overdraft and trade and other payables.

The credit risk within the company is primarily attributable to its trade receivables, cash at bank and investments. The amounts presented in the statement of financial position are net of provisions for impaired receivables, estimated by management, based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is mitigated by the spreading of deposits over a number of financial institutions.

The credit risk on investments arising is managed by a reputable external investment manager whose investment policy is to invest over a broad range of equity securities of high quality. The risk is monitored by regular reporting by the investment manager to the company.

The exposure from trade and other receivables arises primarily from amounts due from health insurance companies.

Market risk

(i) Interest rate risk

The company uses the bank overdraft for short-term borrowings.

As part of its risk management process, the company identified the risk of exposure on the bank overdraft to interest becoming unaffordable due to rate increases during the term of the bank overdraft facility.

(ii) Foreign currency exchange rate risk

Some portion of the company's investments is denominated in pounds sterling or US dollars. The company's functional currency is euro. The company has no material exposure to foreign currencies. The policy is to maintain no significant foreign currency exposure by the investment manager.

(iii) Price risk

The company is exposed to equity securities price risk. To manage its price risk arising from investments in equity securities, the company diversifies its portfolio.

(iv) Cash flow and Liquidity risk

The bank overdraft liquidity risk is managed by regular reviews of cash flow forecasts and regular monitoring of cash balances and short-term liquidity trends.

27. PENSION COMMITMENTS

The company administers a defined benefits pension scheme in respect of employees eligible for inclusion under the Voluntary Hospitals Superannuation Scheme (VHSS). The financial statements do not include pension liabilities and assets of those staff who are members of the Voluntary Hospitals Superannuation Scheme (VHSS), as required by Financial Reporting Standard 102 "Employee Benefits" (FRS102). The majority of staff are members of the VHSS, which the directors believe is a scheme underwritten by the Minister for Health.

The directors of the company believe that the funds required to pay current pension liabilities, under the VHSS, as they arise into the future, will be provided by the Department of Health. The directors have arrived at this opinion having taken account of precedent set on the closure of certain other Healthcare facilities in recent years where pension payments (including retirement lump sum payments) have been honoured by the Department of Health. Therefore, they believe that it is not necessary for the financial statements of the company to make provision against the net assets at the balance sheet date in respect of pension entitlements accrued to that date by employees of the company, nor the other disclosure requirements of FRS 102.

The VHSS closed to new members with effect from 31 December 2012. In the financial year ending 31 December 2019, €2,302,769 (2018: €2,634,528) was paid to pensioners of the VHSS scheme, of which €306,405 related to lump sum payments (2018: €658,826).

Whilst the VHSS scheme is a defined benefit scheme, the company has availed of the multi-employer scheme exemption from the disclosure requirements relating to defined benefit schemes in FRS 102, on the grounds that the company's deemed contributions, as determined by the Department for Health, are set in relation to the current service period only (i.e. are not affected by a surplus or deficit relating to the past service of its own employees or any other members of the scheme). On this basis the scheme is considered for disclosure purposes as a defined contribution scheme and no further disclosures are required.

A new Single Public Service Pension Scheme (Single Scheme) commenced with effect from 1st January 2013. The Scheme applies to all pensionable first time entrants to the Public Service, as well as former public servants returning to the Public Service after a break of more than 26 weeks. Benefits are calculated by reference to "referable amounts" for each year's service that are uprated by the CPI as notified by the Minister. All contributions deducted from members wages/salaries are remitted to the nominated bank account of the Department of Public Expenditure and Reform and not credited to the Profit and Loss Account. As per Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 44(1) (b), payments arising under this Single Scheme to retiring employees shall be paid from funds provided by the Oireachtas for that purpose.

The amount deducted from employees in 2019 and paid over to DPER amounted to €369,056 (2018: €309,271). The amount payable to DPER at the financial year end was €26,575 (2018: €50,632).

The company operates an externally operated defined contribution scheme. The pension cost is charged to the statement of financial activities in the financial year in which it arises €134,872 (2018: €149,279). There was an amount payable at the financial year end of €9,890 (2018: €23,476).

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

28. FUNDS	Unrestricted Funds €	Restricted Funds €	Restricted Capital Funds €	Total Funds €	
(a) Reconciliation of funds:					
Fund balances at 1 January 2019	27,959,903	*(175,819)	21,829,618	49,613,702	
Net income/ (expenditure)	1,555,969	73,005	529,266	2,158,240	
Transfer of funds	30,711	2,212	(32,923)	-	
Fund balances at 31 December 2019	29,546,583	* (100,602)	22,325,961	51,771,942	
	Unrestricted Funds €	Restricted Funds €	Capital Funds €	Total Funds €	
(b) Analysis of net assets between funds:					
Tangible fixed assets	59,898,469	-	20,079,910	79,978,379	
Financial assets	231,471	-	-	231,471	
Current assets	8,260,747	5,177,186	1,946,051	15,383,984	
Current liabilities	(205,316)	(5,277,788)	300,000	(5,183,104)	
Called up share capital	(2)	-	-	(2)	
Share premium	(38,638,786)	-	-	(38,638,786)	
Fund balances at 31 December 2019	29,546,583	(100,602)	22,325,961	51,771,942	
(c) Movements in funds:	Balance as at 01/01/2019 €	Income €	Expenditure €	Transfers €	Balance as at 31/12/2019 €
Unrestricted funds	27,959,903	7,127,097	(5,571,128)	30,711	29,546,583
Restricted funds	(175,819)	38,103,265	(38,030,260)	2,212	(100,602)
Restricted capital funds	21,829,618	1,355,780	(826,514)	(32,923)	22,325,961
Total funds	49,613,702	46,586,142	(44,427,902)	-	51,771,942
In respect of prior financial year:					
	Unrestricted Funds €	Restricted Funds €	Restricted Capital Funds €	Total Funds €	
(b) Analysis of net assets between funds:					
Tangible fixed assets	61,542,700	-	20,700,095	82,242,795	
Financial assets	282,424	-	-	282,424	
Current assets	7,023,985	5,281,351	1,129,523	13,434,859	
Current liabilities	(452,635)	(7,254,953)	-	(7,707,588)	
Inter-fund transfers outstanding	(1,797,783)	1,797,783	-	-	
Called up share capital	(2)	-	-	(2)	
Share premium	(38,638,786)	-	-	(38,638,786)	
Fund balances at 31 December 2018	27,959,903	*(175,819)	21,829,618	49,613,702	
(c) Movements in funds:	Balance as at 01/01/2018 €	Income €	Expenditure €	Transfers €	Balance as at 31/12/2018 €
Unrestricted funds	28,802,572	6,768,679	(5,795,162)	(1,816,186)	27,959,903
Restricted funds	(1,599,149)	38,038,116	(38,405,219)	1,790,433	(175,819)
Restricted capital funds	21,404,633	1,150,221	(750,989)	25,753	21,829,618
Total funds	48,608,056	45,957,016	(44,951,370)	-	49,613,702

* Of this restricted fund balance of €100,602 (2018:€175,819), the HSE restricted balance is €191,526 (2018:€273,043) while the donor related restricted balance is €90,924 (2018:€97,224).

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

29. COLLABORATIVE ARRANGEMENTS

All Ireland Institute of Hospice and Palliative Care

Our Lady's Hospice & Care Services is part of a Collaboration Agreement governing the All Ireland Institute of Hospice and Palliative Care (AIIHPC), along with 26 other parties.

The AIIHPC is a leading organisation with national and international influence driving excellence in palliative care. AIIHPC is a collaborative of hospices, health and social care organisations and universities on the island of Ireland. AIIHPC advances education, research and practice to improve the palliative care experience of people with life limiting conditions and their families.

As the palliative care sector's institute, AIIHPC involves service users, carers and communities in palliative care delivery and development; works to integrate palliative care across the health system so people are supported as early as possible; and supports the development of specialist palliative care services for everyone who needs them.

Our Lady's Hospice & Care Services holds the position of Host Institution for AIIHPC. On behalf of all parties, the Host Institution will provide administrative support to the AIIHPC on an agreed basis in consultation with the other parties. AIIHPC have separate governance structures, policies and financial management.

Separate to this collaboration agreement, Our Lady's Hospice & Care Services has a commercial rental agreement with AIIHPC to the value of €25,000 (2018: €25,000).

Together for Hospice (formerly Support your Local Hospice) – The National Hospice Movement

Our Lady's Hospice & Care Services acts as host site and administrator for Together for Hospice – The National Hospice Movement (TFH). TFH was previously known as Support your Local Hospice (SYLH). TFH coordinates two national fundraising campaigns: 'Hospice Sunflower Days' and 'Ireland's Biggest Morning for Hospice Together with Bewleys.' All monies raised locally through these campaigns by individual hospices and specialist palliative homecare providers remain locally within the individual groups.

As per notes 21 and 22, monies are held by Our Lady's Hospice & Care Services on behalf of TFH with a corresponding creditor. In its position as host site, Our Lady's Hospice & Care Services employs the TFH National Projects Manager but this is funded through TFH and all monies are reimbursed to Our Lady's Hospice & Care Services. Local hospices or specialist palliative homecare providers around Ireland pay a membership contribution to TFH which is then used to run and promote the above national events and to cover salary and other costs. Any remaining funds are for the future use of TFH. There is oversight of TFH through a Governance Committee whose members are two Voluntary Health Group (VHG) CEO's, of which Our Lady's Hospice & Care Services is one member, and two national representatives from local groups.

30. RELATED PARTY TRANSACTIONS

Wicklow Hospice Foundation (WHF) is a company limited by guarantee with no beneficial owners. WHF is a related party of the company as it has two common directors. During the financial year the company provided a loan to WHF of €750k in order to help to achieve the completion of the new 15 bed Wicklow Hospice. This interest-free loan was made against the background of the firm intention of WHF to transfer the site and buildings of Wicklow Hospice to the company after its completion. The company has a conflict of interest register and when a potential conflict of interest arises, there are policies and procedures in place to address such issues. Therefore these two common directors were excluded from the decision process of WHF when the decision related to the loan to WHF was made.

It is anticipated that the ownership of Wicklow Hospice will pass to Our Lady's Hospice & Care Services in quarter 2, 2020. When this takes place, it is likely that the €750k outstanding loan balance will be offset against the value of the land and buildings resulting in the recognition of a donated asset equivalent to the net figure.

OUR LADY'S HOSPICE & CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

31. CAPITAL COMMITTEMENTS

The company had no capital expenditure committed at the balance sheet date (2018:€nil)

32. POST BALANCE SHEET EVENTS

It is anticipated that the ownership of Wicklow Hospice will pass to Our Lady's Hospice & Care Services in quarter 2, 2020.

Subsequent to the financial year end, Ireland was impacted by the global COVID-19 virus pandemic. At the financial year end 31 December 2019 there were no impacts on the recognition and measurements of assets and liabilities as this pandemic impact was considered to be a non-adjusting event.

There were no other subsequent events since the financial year end.