St John of God Hospitaller Services Group

(A company limited by guarantee, not having a share capital)

Annual Report and Consolidated Financial Statements

Financial Year Ended 31 December 2021

CONTENTS

DIRECTORS AND OTHER INFORMATION

Board of Directors

William M Forkan
John Lennon
Anne Gunning
Mary Collins
Robert Moore
Mary Philomena O'Donovan
Anthony Hanna
William Cunningham
John Gallagher

Solicitors

Porter Morris & Co
10 Clare Street
Dublin 2

Secretary and registered office

Ciaran Cuddihy
Hospitaller House
Stillorgan
Co Dublin

Bankers

Bank of Ireland
College Green
Dublin 2

Company number: 568740

Charity Tax Exemption number: CHY 21436

Charity Reg. number: 20106515

Auditors

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

DIRECTORS' REPORT

The directors (whom are also the trustees for the purposes of Charity Law) present their report and the audited group financial statements for the financial year ended 31 December 2021. The directors confirm that the financial statements of the company comply with the current statutory requirement of the company's governing documents and with the provisions of FRS 102 and the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the financial reporting standard applicable in the Republic of Ireland (FRS102) hereafter denoted as the Charity SORP (FRS102). The Charity SORP (FRS102) is not yet mandatory in the Republic of Ireland and the Irish Charity Regulator has not yet prescribed accounting regulations for Irish Charities. In the absence of such prescriptive guidance this board has adopted the Charity SORP (FRS102) as it is considered best practice.

Statement of directors' responsibilities
The directors are responsible for preparing the directors' report and the group and parent charity financial statements in accordance with Irish law.

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

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

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

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

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

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

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

Principal activities and business review
The main object of the charity is to carry forward the healing ministry of Jesus Christ through the provision of health, welfare and education services that improve the health and quality of life of the individuals served, consistent with the services previously undertaken by the Hospitaller Order of Saint John of God in Ireland, United Kingdom and Africa.

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

DIRECTORS' REPORT

Principal activities and business review - continued
The company took over the activities of the Hospitaller Order of Saint John of God, Western European Province in the provision of mental health, disability and social services in Ireland and Great Britain and commenced to trade on 1 January 2019. The following entities became subsidiaries on 1 January 2019:

- Saint John of God Community Services clg
- Saint John of God Hospital clg
- Saint John of God Foundation clg
- Saint John of God Association clg (NI registered)
- Saint John of God Research Foundation clg
- Saint John of God Health Services clg
- Dundalk Voluntary Housing Association clg

Saint John of God Hospitaller Services UK became a subsidiary on 1 July 2019.

Financial review
The results are set out in the statement of financial activity on pages 17 &18.

The overall group net income for 2021 was €5.2m (2020: net expenditure €1.9m). This is mainly attributable to a surplus of €3.2m achieved by Saint John of God Hospitaller Services UK in the year. The group had net assets of €56.8m (2020: net assets €50.9m) at the balance sheet date. The parent charity has net assets of €54m (2020: €52m).

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

Going concern
The group had net income of €5.2m for the year and is in a net current liability position of €12.6m at 31 December 2021. The Saint John of God Community Services clg entity is the main contributor to the net current liability situation, with net current liabilities of €25.4m (2020: €25.6m) at the Balance Sheet date. The group has net assets of €56.8m at 31 December 2021. The group continues to operate in a very challenging environment.

As set out in further detail in Note 1 to the financial statements, the directors have considered their assessment of the appropriateness of preparing the financial statements on a going concern basis, in light of the financial position of the group's largest trading subsidiary – Saint John of God Community Services clg.

While Saint John of God Community Services clg has Net Liabilities of €6.3m (2020: €6.4m) and net current liabilities of €25.4m (2020 €25.6m), it continues to operate with the support of the HSE and both parties have committed to a Sustainability Impact Assessment ("SIA") process, which has advanced considerably since the balance sheet date. The Directors are satisfied that the MOU which was signed with the HSE on 3 August 2021 in relation to the sustainability assessment, has set a platform for agreement and resolution of the legacy deficits which give rise to the substantial net current liability position, while providing cashflow support in the interim during the period of the SIA process.

The directors have a reasonable expectation that the company and group has adequate resources to continue in operational existence and meet its obligations as they fall due for the 12 month period following the approval of these financial statements based on the various assurances received by Saint John of God Community Services from the HSE through the MOU and in the form of letters of support at the time of signing the 2021 and 2022 Community Services financial statements as well as current cash balances and existing facilitiesThus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

DIRECTORS' REPORT

Research and development
The company did not engage in any research and development activities in the year; however, several of the company's subsidiaries carry out healthcare research thereby ensuring that evidence based best practice informs our delivery of service.

Directors
The names of the persons who were directors at any time during the year ended 31 December 2021 are set out below. Unless indicated otherwise they served as directors for the entire year.

William M Forkan
John Lennon
Anne Gunning
Mary Collins
Robert Moore
Mary Philomena O'Donovan
Anthony Hanna
William Cunningham
John Gallagher
Thomas McConalogue (appointed 30 July 2021 and resigned 21 April 2022)

Attendance at board and finance committee meetings
The attendance of the board of directors' members at meetings is as follows:

	Eligible	Attended
William M Forkan	10	10
John Lennon	10	10
Anne Gunning	10	10
Mary Collins	10	10
Robert Moore	10	10
Mary Philomena O'Donovan	10	9
Anthony Hanna	10	10
William Cunningham	10	10
John Gallagher	10	10

Finance Committee
William Cunningham
John Lennon
David Pierce (External Appointee)

Finance committee
The finance committee has responsibility for:

- reviewing the group's annual financial statements before submission to the board of directors;
- review of the output of the 2021 audit;
- approving and reviewing reports from management and the Auditors on accounting and internal control matters; and
- promoting and supporting the establishment and embedding of risk management through the group.

Directors' and secretary's interests
The directors and secretary and their families had no interest in the company or any other related companies at 31 December 2021.

Events since the end of the financial year
There are no known Post Balance Sheet events at the time of finalising the Annual Financial Statements.

DIRECTORS' REPORT

Principal risks, uncertainties and risk management

The directors confirm that they have identified and considered the major risks to which the group is exposed, the potential impact of individual risks should they materialise and, what mitigating actions are taken or need to be taken, to reduce each risk to a level that the directors consider to be acceptable.

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

Funding

The withdrawal, reduction, or inadequacy of financial support by the main providers of funding and donations to the group is considered the groups principal risk.

Operational Risk

The directors mitigate operational risk exposures through a consistent set of management processes that drive risk identification, assessment, control, and monitoring.

Compliance Risk

Many of the services provided by the group are subject to statutory regulation and inspections from regulatory bodies. The group aims to comply with all applicable regulations and standards. Any failure to meet the standards represents a reputational risk and can lead to sanctions and penalties. Regulatory authorities have an ultimate sanction available of withholding re-registration as an approved service provider.

Liquidity risk

The group meets its day to day working capital requirements with cash generated from operating activities in addition to the use of credit facilities from its banking partners.

While there has been no significant change in the principal risks in the last year, the group operates in a dynamic environment where risks continue to evolve and the group continues to develop mitigation measures to address them. The global inflationary environment has been amplified by the geopolitical volatility caused by the invasion of Ukraine. This has resulted in macroeconomic uncertainty in some of the markets in which we operate, and inflation has adversely impacted energy pricing, raw material costs and supply chains. Senior management are closely monitoring the situation and continue to demonstrate agility and an ability to take appropriate mitigating actions to secure raw materials, maintain production and provide a reliable supply to our customers.

Emerging Risks

Emerging risks are considered as part of the risk assessment process and are identified through continual dialogue with the business and keeping abreast of market and industry changes. Due to the inherent nature of such risks, they can be difficult to quantify given the lack of data or longer time horizons. A summary of emerging risks which are identified through this process is presented to the Board for assessment and these risks continue to be monitored as part of our ongoing risk management processes. Emerging risks we are monitoring include key material and energy availability, ESG regulatory changes and technology innovation and disruption.

Future developments

The group plans to refine and specialise the range of health and social care services provided to persons with intellectual disability and to persons with mental ill health through the activities of its subsidiaries. Further details of future plans are detailed within the annual report on pages 8-13.

Disclosure of information to auditors

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

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

DIRECTORS' REPORT

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

On behalf of the board

Stephen Anthony Hanna
Director

William Cunningham
Director

ANNUAL REPORT

Group Vision, Mission and Values

Our Vision
Our vision is to continue to contribute to a world inspired by "doing good to others". We will be an innovative and responsive family of charities that empower and enable those we serve to participate in a full and healthy life. We aim to be the organization of choice for those in need, for employees, and for funders.

Our Mission
Our mission is to carry forward the values and heritage entrusted to us by the Order of Saint John of God and to be innovative and tireless in assisting individuals in need, with particular focus on intellectual disability and mental health.

Our Values
Our values are inspired by our founder and are grounded in the belief that all people are the creation of God with intrinsic value and inherent dignity. Our values define how we interact with those we serve, with our colleagues, and with the community. Our three core values are Hospitality, Compassion and Respect.

Group structure and activities
Saint John of God Hospitaller Services Group ("HSG") is the parent company to subsidiaries that provide a wide range of services to some of the most disadvantaged people in our society, and to people experiencing mental ill health. HSG is responsible for ensuring the continuation of the mission and work previously carried out by the Brothers of the Saint John of God Order in Ireland and Great Britain.

The group came into existence on 1st January 2019 through the creation of the parent/subsidiary relationship between HSG and the Saint John of God companies based in Ireland. The UK company became a subsidiary midway through the year. The subsidiary companies are:

- Saint John of God Community Services clg
- Saint John of God Hospital clg
- Saint John of God Hospitaller Services
- Saint John of God Research Foundation
- Saint John of God Foundation
- Saint John of God Association

In carrying on the mission the group provides the following services:

- Mental health services and supports for children, adolescents and adults
- Intellectual disability services and supports, including supports for independent living
- Addiction and dementia care services
- Supports to victims of human trafficking.
- Funding for research projects relevant to our services
- Financial and governance supports to Saint John of God projects in Malawi.
- Education and training to undergraduates and postgraduates

While each subsidiary has its own board of directors or trustees, whose success is to be encouraged and promoted, the directors of HSG are tasked with the creation of an overall strategic framework within which the group will operate. Each company within the group creates its own strategy and strategic priorities and HSG ensures that these strategies fit within the broader framework of the group and that they promote the mission for which they, as individual charities, were incorporated. The group strategic framework addresses our core values of hospitality, compassion and respect and how they inform our sense of purpose, our work, and our governance standards. It also addresses how we measure our performance, how we advocate on behalf of those we serve and how we communicate with our stakeholders,

As well as setting group strategy, HSG supports and guides our companies as they promote our values and mission. HSG also oversees the delivery of shared services and group contracts where the central procurement and management of services is beneficial, practically, and economically, and helps to support the mission, reputation and identity of the group. HSG provides a range of shared services which includes, but is not limited to:

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Group structure and activities - continued

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

The companies benefiting from HSG supports and services include not only its wholly owned subsidiaries, but also the Saint John of God Housing Association, the seven Saint John of God schools and the Saint John of God Order.

The Housing Association, in partnership with central and local government, sources capital to build and manage properties to accommodate individuals who are supported by Saint John of God Community Services. In 2020 the Housing Association had 432 housing units.

The Board Members of HSG are also the trustees of the seven Saint John of God schools. The schools provide education to over 500 students with special needs.

Group strategy

To support and complement the individual company strategies the board of HSG has developed a strategic framework for the group. The strategic framework is built around the following six strategic priorities:

- To establish a common sense of purpose, and a clear direction consistent with our mission, with all entities working together to realise our vision
- To make our values integral to everything we do
- To have appropriately resourced boards and effective governance systems
- To establish branding and communication strategies that will support the objective of being the organisation of choice for staff, for service users and for funders.
- To establish measures to demonstrate the effectiveness and impact of our services
- To be proactive in advocating for those we serve; to be their voice

To address each of those priorities and to implement the necessary responses a formal implementation structure has been established with a steering committee comprised of the CEOs of each of the companies and with work teams drawn from across the companies in the group in Ireland and the UK.

Our achievements in 2021

Service delivery

Services are provided by three group companies: Saint John of God Community Services and Saint John of God Hospital in Ireland, and SJOG Hospitaller Services in England.

Saint John of God Community Services works for the personal development, education and advancement of persons with intellectual disability and persons with mental illness through the provision of a range of health-related social care services mainly in community-based settings. These include day, residential and respite services, outpatient clinics, day hospitals and acute inpatient treatment at Saint John of God Hospital.

In 2021 services were provided to over 80,000 children, adolescents, and adults throughput Ireland. The company managed over 92 designated centres with 790 registered places and provided Day Services to 1360 service users. There were over 42,500 attendances at mental health outpatient clinics and 100 people availing of residential services into mental health residential services.

The mission of the Saint John of God Hospital is to respond, in the manner of Saint John of God, to the needs of people requiring mental health and dementia services. Through the provision of a range of mental health and social services individuals are supported and empowered on their recovery journey to live the best possible life that they can. In addition, the company provides education and training to healthcare professionals and to the wider community.

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Service delivery - continued
During 2021 the Hospital had 1,332 residential admissions, treating 1,077 individuals, and throughout the year 2,923 individuals received care in various non-residential settings, ranging from traditional outpatient appointments to group programmes run over several interventions. Mental Health First Aid in its 7th year of operation reached the 10,000 people trained milestone. The St Joseph's facility provided dementia care for 77 residents.

SJOG UK continues to deliver on its transformational agenda. During a worldwide pandemic SJOG UK opened ten new services to meet the needs of people who have been subject to modern day slavery. The charity was recognised in national awards for the quality of its work, and the quality of the team.

Research
The Saint John of God Research Foundation clg is dedicated to providing a research infrastructure and developing a culture of inquiry across the Saint John of God Hospitaller Services Group. Our mission is to support the Hospitaller Services Group in achieving a service informed by research which will identify, respond to and support the needs of all individuals in the manner of Saint John of God. The Research Foundation funds research into mental health, intellectual disability and old age. The Company also supports research throughout Saint John of God Services through its Research Support and Library & Information Services. We advocate for the men, women and children who use our services, we share research findings and we facilitate professional training through our annual conferences and seminar series.

Our major challenges
The major challenge facing the group is to secure the funds necessary to provide services to the required standards. The funds provided by the HSE for the services provided by Saint John of God Community Services clg ("CS") and by the National Treatment Purchase fund for the St Joseph's services, are wholly inadequate.

CS recorded a surplus of €0.1m in 2021 (2020: surplus €1.1m) and had net current liabilities of €25.4 (2020: 25.6m) and total net liabilities of €6.4m (2020: €6.4m) at the end of the year. Despite efforts dating back to 2015, including initiating the dispute resolution mechanism provided for in the contract with the HSE, the systemic underfunding of the services has continued. Consequently, the board of CS, supported by the HSG board, reached the decision to give twelve months' notice to the HSE of termination of the service arrangement and for transfer to the HSE of responsibility for providing the service. That notification was issued in September 2020. In August 2021 the Board of CS agreed a Memorandum of Understanding with the HSE to support its participation in an SIA process. Notice of Termination was deferred and maintained under review to support participation in this process. Both parties entered into the SIA process which is still ongoing and expected to be completed in 2024.

The annual funding of St Josephs' in 2021 was €0.6m (2020: €1.2m) less than the amount required. This is after the HSE, to support the continuation of the service, made a €1.07m contribution towards the incremental costs of the dementia specific service. The remaining shortfall is financed by the Hospital each year, which restricts the funds available to the Hospital for required developments.

Financial review
The Group
The Group recorded a surplus for the year of €5.2m (2020: surplus €1.8m). Surpluses of €1.3m (2020: loss €0.3m) recorded by HSG, €3.3m (2020:0.9m) recorded by SJOG UK and £0.3m by the Foundation, were the main contributors. While the group has fixed assets valued at €70m (2020: €70m) it is reporting net current liabilities of €13m (2020: €19m), because of the impact of the accumulated deficit of €25m (2020: 26m) in CS. The group is reporting consolidated funds of €56m (2020: €51m) carried forward at the end of the financial year.

The parent company
The parent company, HSG, is funded by payments of €2.2m (2020: €2.2m) from subsidiary companies and related entities for services provided, and by €4.1m (2020: €3.6m) from the Saint John of God Foundation. HSG donated €1.6m (2020: €1.7m) to Saint John of God Malawi, to support their various charitable programmes, and funded the operating costs and grants awarded by Saint John of God Research Foundation. The company has fixed assets of €45m (2020: €47m) and recorded a surplus of €1.2m (2020: deficit €0.3m). The parent company had funds of €54m (2020: €52m) carried forward at the end of 2021.

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Financial review – continued

Community Services
The largest company in the Group is **Community Services** (“CS”), a section 38 agency. CS is funded largely by the State through the Health Services Executive. State funding in 2021 amounted to €189m (2020: €182m) of the total funding of €193m (2020: €188m). CS recorded a surplus of €0.1m in 2021, compared with a surplus of €1.1m in 2020. Over 80% of the expenditure is on payroll costs with an average of 2,481 employees during the year. At the end of 2021, CS reported net current liabilities of €26m (2020: €26m), and total net liabilities of €6.3m (2020: €6.4m). Please see below extract from the Community Services 2021 financial statements outlining the directors’ conclusions in relation to going concern. Having considered all the facts and circumstances, the directors concluded at the time of sign off the 2021 financial statements that there were no material uncertainties in relation to going concern. The directors formed a similar conclusion at the time of sign off the 2022 financial statements in October 2023.

“In considering the various facts and circumstances, the directors of Saint John of God Community Services have in reaching their conclusions that it is appropriate to prepare the 2021 financial statements on a going concern basis, have had regard to the following matters:

- the surplus of €0.07m in 2021, with forecast break-even position for 2022 and beyond (Compared to substantial deficit for 2018 and 2019);
- although the substantial net current liability situation of €25.4m remains at 31 December 2021 (2020: €25.6m), the MOU has set a platform for agreement and resolution of this legacy deficit, while providing cashflow support in the interim during the period of the SIA process;
- payments to creditors and suppliers were made on a timely basis during 2021 and into 2022;
- the terms of the MOU with the HSE have been formally agreed by the board on 3 August 2021;
- Cash flow projection indicates that an additional €18m may be required from HSE in the period June to December 2022 to continue to provide services without curtailment. The directors are satisfied based on the MOU and letter of support received from the HSE, that the necessary cash will be received to address this shortfall.

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

Saint John of God Hospital
The Hospital is funded mainly through charges for inpatient mental health services, which generated income of €31.4m in 2021 (2020: €30.7m). Income from non-residential day care services including mental health training and education services contributed €3.0 (2020: €1.7m) with all other sources generating €1.m (2020: €1m). St Josephs is funded mainly through the Fair Deal Scheme. The total income for the Hospital in 2021, Including St Josephs, was €41.2 (2020: €38.4m). The company has 429 employees on average and over 70% of the annual expenditure relates to payroll costs. With expenditure of €41.1 (2020: €38.8m) the Hospital Recorded a surplus of €0.1m (2020: deficit €0.4m) in 2021 and funds carried forward of €4.4m at the end of 2021 compared to €4.3m at the end of 2020. The results for 2021 are broadly in line with the previous year.

The hospital has recorded a deficit of €1.5m in its 2022 financial statements. At the time of signing the 2022 financial statements in November 2023, the hospitals forecasts for 2023 and 2024 indicate that Significant inflationary pressures combined with new IT investments may in the short-term, pending upward adjustments in pricing, require cashflow support from Saint John of God Hospitaller Services Group. Saint John of God Hospitaller Services Group have provided written confirmation that such support will be forthcoming in the event it is required.

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Financial review – continued

SJOG UK
SJOG Hospitaller Services in the UK is funded by NHS Trusts for the provision of accommodation and support to people with intellectual disabilities, and by other charities and religious bodies for the provision of specialist housing support and support for older communities. The total income for 2020 was £20.8m (2020: £18m) and expenditure amounted to £18.0m (2020: £17.2m) resulting in a surplus for the year of £2.8m (2020: £0.8m) and funds of £5.7m (2020: £2.3m) carried forward at the end of the year. The average number of employees was 545 and staff costs accounted for 75% of the annual spend. The financial performance for 2021 represented a continuation of turnaround achieved in 2020 from prior years.

Governance
Saint John of God Hospitaller Services Group is a company limited by guarantee not having a share capital registered with both the Charities Regulatory Authority and Revenue Commissioners. It is governed on behalf of its members through its Constitution. The members of the company are the members of Saint John of God Hospitaller Ministries. This is a canonical body, a 'Public Juridic Person of Pontifical Right' ('PJP') with its own bye laws and statutes whose objectives mirror those of the Saint John of God Order, West European Order and whose members are a mix of religious and lay people. As a canonical body, this entity is not recognised in civil law. It does however control the civil entities through common membership of the PJP and the board of directors of HSG.

Saint John of God Hospitaller Services Group is the sole member of the following subsidiaries;

- Saint John of God Community Services clg (Irl)
- Saint John of God Hospital clg (Irl)
- Saint John of God Hospitaller Services (GB)
- Saint John of God Research Foundation (Irl)
- Saint John of God Foundation (Irl)
- Saint John of God Association (NI)

The independence and autonomy of the boards of Saint John of God companies has always been encouraged and the directors are expected to attend to their fiduciary duties as under relevant laws. HSG, as sole member does, however, reserve the following powers to itself and subsidiaries must bring these matters before the group parent for its consideration;

(a) Any change to the mission or purpose of the company,
(b) Any change to the ethical or religious standards or the guiding principles governing the activities and affairs of the company and the adoption of, and any change to, the formation process for members,
(c) Any request for dissolution of the company,
(d) The incurring by the company of any financial indebtedness of a value in excess of such amount as may from time to time be specified by the sole member,
(e) The entry into by the company of any commitment in respect of the making of any capital expenditure of a value in excess of such amount as may from time to time be specified by the sole member,
(f) The sale or other disposition of any of the assets of the company of a value in excess of such amount as may from time to time be specified by the sole member,
(g) The sale, disposition or other forms of alienation of the fixed assets of the company in excess of the maximum determined by *Saint John of God Hospitaller Ministries* from time to time."

HSG also has the right of approval of membership of the subsidiary boards and also the appointment of CEOs following their selection and referral for approval by those subsidiaries.

Outside of theses reserved matters, the conduct of the business of the SJOG companies is a matter for direction by their respective boards through their chief executive and her/his team in line with best practices of corporate governance. Information under agreed headings flows to the group parent to allow that board and its directors execute their duties of oversight, risk management and responsibilities under law and corporate governance.

HSG Board
The company is under the direction of a board of voluntary and non-executive directors to whom the chief executive reports and receives direction. The board meets at least ten times a year to receive reports from its CEO and subcommittee on finance. These reports include information on the performance of the parent company, and information on group activity including financial reports, risk management, strategy.

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Plans for the future

The primary focus of HSG for the years 2024 and beyond will be to implement the group strategy outlined above. The six strategic priorities address the services to be provided, how they are to be provided and governed, and how our service performance will be measured. We are also committed to be a stronger voice on behalf of those we serve and to ensure that adequate funding is available to enable us to provide services to a standard consistent with their human rights.

On behalf of the directors

Stephen Anthony Hance
Director

William Cunningham
Director

Independent auditors' report to the members of Saint John of God Hospitaller Services Group

Report on the audit of the financial statements

Opinion

In our opinion, Saint John of God Hospitaller Services Group's consolidated financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the group's and the parent company's assets, liabilities and financial position as at 31 December 2021 and of the group's net income and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (Irish GAAP) (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

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

- the Consolidated and Parent Charity Balance Sheet as at 31 December 2021;
- the Consolidated Statement of Financial Activities for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Financial Activities for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

This description forms part of our auditors' report.

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

Other required reporting

Companies Act 2014 opinions on other matters

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

Other exception reporting

Directors' remuneration and transactions

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

Aisling Fitzgerald

Aisling Fitzgerald
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
26 Janaury 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Financial Year Ended 31 December 2021

	Note	Restricted funds 2021 €	Unrestricted funds 2021 €	Endowment funds 2021 €	Total 2021 €
Income and endowments from:					
Donations and legacies	6	6,728,593	2,421,349	-	9,149,942
Earned from charitable activities	7	190,006,650	43,655,631	-	233,662,281
Earned from other trading activities	8	490,984	643,885	-	1,134,869
Other income	9	8,555,077	2,814,756	-	11,369,833
Total income and endowments		205,781,304	49,535,621	-	255,316,925
Expenditure:					
Cost of raising funds	10	1,326,266	472,260	-	1,798,526
Expenditure on charitable activities	11	173,086,397	62,359,418	-	235,445,815
Other expenditure	12	12,880,530	-	-	12,880,530
Total expenditure		187,293,193	62,831,678	-	250,124,871
Net income/(expenditure)		18,488,111	(13,296,057)	-	5,192,054
Other recognised gains		357,024	288,875	-	645,899
Reconciliation of funds:					
Total funds brought forward		(20,127,435)	44,981,260	26,065,069	50,918,894
Total funds carried forward		(1,282,300)	31,974,078	26,065,069	56,756,847

As permitted by Section 304 of the Companies Act 2014, the parent charity is availing of the exemption from presenting its separate statement of profit and loss in the Financial Statements and from filing it with the Registrar of Companies. The parent charity's net income for the financial year is €1,232,795 (2020: net expenditure of €2,226).

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Financial Year Ended 31 December 2020

	Note	Restricted funds 2020 €	Unrestricted funds 2020 €	Endowment funds 2020 €	Total 2020 €
Income and endowments from:					
Donations and legacies	6	1,833,428	4,797,713	-	6,631,141
Earned from charitable activities	7	187,332,544	44,298,449	-	231,630,993
Earned from other trading activities	8	297,739	900,349	-	1,198,087
Other income	9	3,990,110	1,249,377	-	5,239,488
Total income and endowments		193,453,821	51,245,888	-	244,699,709
Expenditure:					
Cost of raising funds	10	1,529,542	585,359	-	2,114,901
Expenditure on charitable activities	11	172,696,302	56,019,735	-	228,716,037
Other expenditure	12	12,020,982	-	-	12,020,982
Total expenditure		186,246,827	56,605,094	-	242,851,920
Net income/(expenditure)		7,206,995	(5,359,206)	-	1,847,789
Reconciliation of funds:					
Total funds brought forward		(27,334,430)	50,340,466	26,065,069	49,071,105
Total funds carried forward		(20,127,435)	44,981,260	26,065,069	50,918,894

As permitted by Section 304 of the Companies Act 2014, the parent charity is availing of the exemption from presenting its separate statement of profit and loss in the Financial Statements and from filing it with the Registrar of Companies. The parent charity's net income for the financial year is €1,232,795 (2020: net expenditure of €2,226).

CONSOLIDATED BALANCE SHEET
As at 31 December 2021

	Note	2021 €	2020 €
Fixed assets			
Intangible fixed assets	17	179,702	252,146
Tangible fixed assets	18	70,053,439	69,448,289
Financial assets	19	-	127
		70,233,141	69,700,562
Current assets			
Stocks	20	1,954	3,179
Debtors	21	16,252,894	13,489,432
Cash at bank and in hand	22	11,158,546	6,075,341
		27,413,395	19,567,952
Current liabilities			
Creditors – amounts falling due within one year	23	(40,003,905)	(37,889,397)
Net current liabilities		(12,590,510)	(18,321,445)
Creditors – amounts falling due after one year	23	(885,783)	(460,223)
Net assets		56,756,847	50,918,894
The funds of the charity			
Restricted funds		(1,282,300)	(20,127,435)
Restricted endowment funds		26,065,069	26,065,069
Unrestricted funds		31,974,078	44,981,260
	26	56,756,847	50,918,894

On behalf of the directors

S. A. Hanne
~~William Forkan~~
Director
Stephen Anthony Hanne

William Cunningham
William Cunningham
Director

PARENT CHARITY BALANCE SHEET
Financial Year Ended 31 December 2021

	Note	2021 €	2020 €
Fixed assets			
Tangible fixed assets	18	45,269,905	46,922,052
Financial assets	19	2,778,337	2,778,337
		48,048,242	49,700,389
Current assets			
Debtors	21	1,913,669	2,153,532
Cash at bank and in hand	22	3,669,661	1,948,543
		5,583,329	4,102,075
Current liabilities			
Creditors – amounts falling due within one year	23	(41,239)	(1,444,925)
Net current assets		5,542,091	2,657,150
Net assets		53,590,333	52,357,539
The funds of the charity			
Restricted funds		1,187,026	1,187,026
Unrestricted funds		52,403,307	51,170,513
	26	53,590,333	52,357,539

On behalf of the directors

S. A. HANNA
~~William Forkan~~
Director

Stephe Arthur Hanna

William Cunningham
Director

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

Consolidated

	Unrestricted funds	Restricted funds	Endowment funds	Total
	€	€	€	€
Balance at 1 January 2020	50,340,466	(27,334,430)	26,065,069	49,071,105
Net (expenditure)/income for the year	(5,359,206)	7,206,995	-	1,847,789
Other recognised (losses)/gains	-	-	-	-
Balance at 1 January 2021	44,981,260	(20,127,435)	26,065,069	50,918,894
Net (expenditure)/income for the year	(13,296,057)	18,488,111	-	5,192,054
Other recognised gains	288,875	357,024	-	645,899
Balance at 31 December 2021	31,974,078	(1,282,303)	26,065,069	56,756,847

PARENT CHARITY STATEMENT OF CHANGES IN FUNDS
Financial Year Ended 31 December 2020

	Unrestricted funds	Restricted funds	Total
	€	€	€
Balance at 31 December 2019	51,172,739	1,187,026	52,359,765
Net expenditure for the year	(2,226)	-	(2,226)
Other recognised gains	-	-	-
Balance at 31 December 2020	51,170,513	1,187,026	52,357,539
Net income for the year	1,232,795	-	1,232,795
Other recognised gains	-	-	-
Balance at 31 December 2021	52,403,308	1,187,026	53,590,334

CONSOLIDATED CASH FLOW STATEMENT
Financial Year Ended 31 December 2021

	Note	2021 €	2020 €
Cash flows from operating activities:			
Net cash inflow from operating activities	27	7,400,710	7,433,144
Cash flows from investing activities:			
Interest received		-	1,143
Purchase of property, plant and equipment	18	(3,354,360)	(2,304,366)
Intangible asset additions	17	-	(84,537)
Proceeds on sale of property, plant and equipment		-	1,112
Net cash used by investing activities		(3,354,360)	(2,386,648)
Cash flows from financing activities:			
Fixed term loan (repaid) / received		212,120	500,000
Net cash used by financing activities		212,120	500,000
Change in cash and cash equivalents in the reporting year		4,258,470	5,546,496
Cash and cash equivalents at the beginning of the reporting year		4,471,778	(994,052)
Cash and cash equivalents acquired on charity combination	32	304,660	-
Foreign exchange loss/(gain) on cash and cash equivalents		267,661	(80,666)
Change in cash and cash equivalents		4,258,470	5,546,496
Cash and cash equivalents at the end of the reporting year	22	9,302,569	4,471,778

PARENT CHARITY CASH FLOW STATEMENT
Financial Year Ended 31 December 2021

	Note	2021 €	2020 €
Cash flows from operating activities:			
Net cash inflow from operating activities	27	1,721,118	1,019,120
Change in cash and cash equivalents in the reporting year		1,721,118	1,019,120
Cash and cash equivalents at the beginning of the reporting year		1,948,543	929,423
Change in cash and cash equivalents		1,721,118	1,019,120
Cash and cash equivalents at the end of the reporting year	22	3,669,661	1,948,543

NOTES TO THE FINANCIAL STATEMENTS

1 Going concern

The group incurred net income (before other recognised gains) of €5.2m (2020: €1.8m) for the year and is in a net current liability position of €12.6m (2020: €18.3m) at 31 December 2021. The group has net assets of €56.7m (2020: €50.9m) at 31 December 2021. The group continues to operate in a very challenging environment.

The directors have made their assessment of the appropriateness of preparing the financial statements on a going concern basis in light of the financial position of the group's largest subsidiary - Saint John of God Community Services clg ("SJOG CS").

SJOG CS Financial Position
Over 70% of the group's incoming resources were generated by SJOG CS. This subsidiary recorded a surplus for 2021 of €0.1m (2020: surplus €1.1m), had net current liabilities at 31 December 2021 of €25.5 (2020: €25.4m) and total net liabilities of €6.3m (2020: €6.4m).

SJOG CS is dependent on the HSE to fund its activities and the on-going support of the HSE at an appropriate level is fundamental to its ability to continue as a going concern. However, continued underfunding has resulted in the significant net current liability situation of SJOG CS at the balance sheet date. The directors and management of SJOG CS have engaged in extensive negotiations regarding the ongoing need to re-base the annual funding at a level which would allow SJOG CS to breakeven on an annual basis. As a result of SJOG CS's net current liability position and legacy underfunding, it required several cash accelerations (cash advances) from the HSE in 2019,2020 and 2021 in order to meet their obligations to employees and suppliers as they fell due, and although achieving break-even in recent years has continued to require additional cash support from the HSE in 2022 and 2023 as a result of the accumulated net current liability situation.

The Directors are satisfied that the MOU which was signed with the HSE on 3 August 2021 in relation to the sustainability assessment, has set a platform for agreement and resolution of the legacy deficits which give rise to the substantial net current liability position, while providing cashflow support in the interim during the period of the SIA process.

The directors have a reasonable expectation that the company and group has adequate resources to continue in operational existence and meet its obligations as they fall due for the 12 month period following the approval of these financial statements based on the various assurances received by Saint John of God Community Services from the HSE through the MOU and in the form of of letters of support at the time of signing the 2021 and 2022 Community Services financial statements as well as current cash balances and existing facilities. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Saint John of God Hospital clg
While Saint John of God Hospital generated a marginal surplus in 2021, its 2022 financial statements indicate that it is generated a deficit of €1.53m in 2022 being a hospital deficit of €1.3m (2021: €0.74 surplus) and a Saint Joseph's deficit of €0.23m (2021: €0.65m deficit). During 2023 and 2024 it is likely that the Saint Joseph's service will continue to require cashflow support from the hospital service.

Overall Group Financial Position
The remainder of the entities within the group and the company traded in line with expectations during 2021 and since the year end.

Based on group and subsidiaries forecasts and after making further enquiries, notwithstanding the financial position of SJOG CS as outlined above, the directors have a reasonable expectation that the parent and group has adequate resources to continue in operational existence and meet its obligations as they fall due for the 12-month period following the approval of these financial statements. Consequently. The directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 General information

The main object of the charity is to carry forward the healing ministry of Jesus Christ through the provision of health, welfare and education services that improve the health and quality of life of the individuals served, consistent with the services previously undertaken by the Hospitaller Order of Saint John of God in Ireland, United Kingdom and Africa.

The charity is incorporated as a company limited by guarantee in the Republic of Ireland. The address of its registered office is Hospitaller House, Stillorgan, Co. Dublin.

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the charity's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

3 Statement of compliance

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

4 Summary of significant accounting policies

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

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

(a) Basis of preparation
These consolidated and parent charity financial statements have been prepared on a going concern basis, under the historical cost convention. The consolidated and parent charity financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

Saint John of God Hospitaller Service Group clg meets the definition of a public benefit entity under FRS 102.

The consolidated financial statements and the consolidated cash flow statement include the financial activities of the parent charity and its wholly owned subsidiaries (detailed in Note 18). The financial activities of Saint John of God Hospitaller Services (UK) have been included from 1 July 2019 which is the date that the parent charity became the sole member of Saint John of God Hospitaller Services (UK). Intra-group transactions and balances are eliminated fully on consolidation.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(c) Revenue recognition

Income

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

Contributions, donations and legacies

Income earned from contributions, donations and legacies comprises of:

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

Grant income

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

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

HSE grant income is considered to be restricted income and has been designated as such in the statement of financial activities.

Pension levy income

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

Long stay income

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

Residential income (inpatient)

Earnings are recognised as the service is performed i.e. for each bed day utilised by a patient admitted to Hospital or a resident admitted to Saint Josephs. Revenue is calculated as the product of days utilised, and a daily rate agreed with the funder.

Day care income

Earnings are recognised as the service is performed i.e. Revenue is recognised for each completed daily attendance on a program. Revenue is calculated as the product of days utilized and a daily attendance fee agreed with the funder.

Rental income

Rental income is recognised on a straight-line basis over the term of the rental agreement.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(c) Revenue recognition - continued

Earned from other trading activities

Income earned from other trading activities includes sales of food in canteens, pharmacy income, garden centre income and income from people paying to use the swimming pool. Such income is recognised as the point where the goods and services have been delivered to the customer.

Other income

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

Donated services and facilities

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

Deferred income

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

(d) Funds

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

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

Restricted funds

Income is treated as restricted where the donor has specified that it may only be used for a particular purpose or where it has been raised for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted.

Unrestricted funds

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

Endowment funds

Endowment funds are a permanent fund whereby the initial capital amount invested will not be accessed but rather the return on the initial investment will provide funding or access to fixed assets on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

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

- Costs of raising funds comprise the costs incurred by group charities in raising funds for its charitable purposes. It includes the costs of all fundraising activities and events and the sale of donated goods from the various centre workshops. It also includes advertising and marketing costs.
- Expenditure on charitable activities includes the costs incurred in undertaking the various charitable activities which are performed for the benefit of group charities beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. It also includes the costs of grants made to other charitable organisations.
- Other expenditure represents those items not falling into any other heading and is comprised predominantly of the NHASS payments made in the year.

(f) Allocation of support costs
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. The basis on which support costs have been allocated is set out in note 13.

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

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

(ii) Defined contribution pension plans
The Group provides pensions to participating employees through a number of different schemes. Superannuation benefits for the employees of Saint John of God Community Services clg and Saint John of God Hospital clg are governed by the Nominated Health Agencies Superannuation Scheme (NHASS) or the Single Public Service Pension Scheme (SPSPS). The NHASS and SPSPS are regarded as state plans for the purposes of FRS 102.

NHASS
The NHASS is administered, funded and underwritten by the HSE/Department of Health. The directors believe that the groups subsidiaries (Saint John of God Community Services clg & Saint John of God Hospital clg) operate as agents in the operation of the scheme and do not contribute financially to the scheme.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(g) Employee benefits - continued

(ii) Defined contribution pension plans - continued

SPSPS

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

Other pensions

The Group provides pensions to participating employees of other group undertakings through defined contribution plans. Company contributions payable in respect of the defined contribution plan are charged as incurred. The assets of these schemes are held separately from those of the group in independently administered funds. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Defined contributions payable in respect of defined contribution plans are charged to the statement of financial activities as incurred.

(h) Income tax

The company has been granted charitable tax exemption by the Revenue Commissioners and is recognised as a charity under Section 207 of the Tax Consolidation Act 1997, registered number CHY 21436.

(i) Tangible fixed assets

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

(i) Land and buildings

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

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

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

(iii) Depreciation and residual values

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

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

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

(iv) Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies – continued

(j) Intangible assets

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight-line basis. Software is not considered to have a residual value.

Where factors, such as technological advancement or changes in market prices, indicate that the software's useful life has changed, the useful life is amended prospectively to reflect the new circumstances.

Intangible fixed assets are reviewed for impairment if there is an indication that the intangible fixed asset may be impaired.

(k) Investments

Fixed asset investments are stated at fair value at the balance sheet date. Any realised or unrealised gains and losses are shown in the SOFA. Gains and losses are calculated with reference to market values as at the beginning of the year or cost if purchased during the year. Current investments are shown at cost less any provision for expected losses.

Investment in subsidiary undertakings

The parent charity's investments in subsidiaries are carried at historical cost less accumulated impairment losses.

(l) Stocks

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

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

(m) Cash and cash equivalents

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

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

(n) Provisions and contingencies

Provisions are liabilities of uncertain timing or amount.

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

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

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

4 Summary of significant accounting policies - continued

(o) Financial instruments

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

(*i*) *Financial assets*

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

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

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

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

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

(*ii*) *Financial liabilities*

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

(p) Foreign currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

(q) Charity Combinations

Charity combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the charity combination. For combinations at nil or nominal consideration which are in substance a gift, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the statement of financial activities ("SOFA"). On acquisition, fair values are attributed to the identifiable assets, liabilities and contingent assets.

Since the parent charity is a charitable company, it is subject to the restriction in the Companies Act that prohibits the recognition of unrealised gains in the profit and loss account. In circumstances where the fair value of the assets received exceeds the fair value of the liabilities assumed, only the element of the gain which relates to the realised profits is recognised as 'other income' in the SOFA. The element of the gain which relates to unrealised profits is recognised as 'other recognised gains' in the SOFA.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Critical accounting judgements and estimation uncertainty

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

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

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

(ii) Valuation of non-exchange transactions
The financial statements include a number of non-exchange transactions where the group has benefited from the donation of time and other goods and services from various donors. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Other donated goods and services are included in the financial statements at their estimated value. As there is some judgement required in estimating the value of such non-cash donations, this is considered to be a key estimate.

(iii) Fair value of properties transferred
On 22 December 2015, the West European Province of Saint John of God transferred a number of property assets to Saint John of God Community Services clg for a nominal consideration. As the receipt of the properties is considered to be a donation from a connected party, the properties have been included in the financial statements of Saint John of God Community Services clg at their fair value. Fair value was determined by management using the assistance of independent professional valuers CBRE and is based on the market value of the relevant properties calculated on an existing use basis and applying the red book valuation rules on the date of transfer.

The assets transferred related only to assets which had previously been grant funded by a grant awarding body. In some cases, only part of the relevant assets had been grant funded, and in these cases, only the element of the asset which was grant funded was transferred and included at a valuation in the Saint John of God Community Services clg accounts. Property valuations and the assumptions used to arrive at such valuations are by their nature judgemental.

(iv) Tangible fixed assets depreciation
Useful economic lives of tangible fixed assets
The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 17 for the carrying amount of the tangible fixed assets.

The significant judgements made by the directors include:

(i) Going concern
The directors have concluded that despite uncertainties in respect of the future funding of a group subsidiary, Saint John of God Community Services clg, they conclude that the group will continue as a going concern for a period of at least 12 months from the date of signing the financial statements. See note 1 for more information on this judgement.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Critical accounting judgements and estimation uncertainty – continued

Significant judgements – continued

(ii) Charity Combinations

Charity combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the charity combination. For combinations at nil or nominal consideration which are in substance a gift, any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the statement of financial activities (“SOFA”). On acquisition, the fair values are attributed to the identifiable assets, liabilities and contingent assets.

Since the parent charity is a charitable company, it is subject to the restriction in the Companies Act that prohibits the recognition of unrealised gains in the profit and loss account. In circumstances where the fair value of the assets received exceeds the fair value of the liabilities assumed, only the element of the gain which relates to the realised profits is recognised as ‘Other income’ in the SOFA. The element of the gain which relates to unrealised profits is recognised as ‘Other recognised gains’ in the SOFA.

The directors are satisfied that there existed unrealised profits within the net assets acquired in regard to charity combinations in 2019, and therefore the total gain is included within “Other recognised gains” in the SOFA.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Income from donations and legacies

	Restricted	Unrestricted	2021 Total	2020 Total
	€	€	€	€
Donations and fundraising	5,342,037	1,764,208	7,106,245	6,508,468
Legacies	1,386,556	3,349	1,389,905	100,078
Contribution from Hospitaller Ministries	-	653,792	653,792	22,595
Total	6,728,593	2,421,349	9,149,942	6,631,141

7 Income from charitable activities

	Restricted	Unrestricted	2021 Total	2020 Total
	€	€	€	€
Health Service Executive Allocation/Income	176,912,003		176,912,003	172,067,554
Inpatient Residential	5,996,975	29,096,725	35,093,700	28,886,570
Housing & specialist accommodation support	2,245,096	11,202,885	13,447,981	13,132,773
Outpatient income	-	1,653,701	1,653,701	7,795,193
Pension Levy Income	-	-	-	6,086,362
Contributions from residents	-	-	-	1,892,766
Dept of Social Protection funding	-	-	-	737,534
Leisure educational and occupational services	277,566	1,702,313	1,979,879	219,242
Management Charges – related parties	4,445,657	7	4,445,664	406,260
Grant income	129,353	-	129,353	356,670
Dept of Education funding	-	-	-	50,069
Total	190,006,650	43,655,631	233,662,281	231,630,993

8 Income from other trading activities

	Restricted	Unrestricted	2021 Total	2020 Total
	€	€	€	€
Canteen and catering receipts	-	349,636	349,636	402,431
Swimming pool rental income	-	102,664	102,664	83,471
Other sundry income	490,495	35,458	525,953	303,833
Pharmacy income	-	153,708	153,708	180,159
Garden centre income – UK	-	-	-	216,593
Workshop income	489	2,419	2,908	11,600
Total	490,984	643,885	1,134,869	1,198,087

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Other income

	Restricted €	Unrestricted €	2021 Total €	2020 Total €
HSE allocation	4,161,813	-	4,161,813	-
Employee pension contributions (Nominated Health Agencies Superannuation Scheme)	5,056,692	-	5,056,692	3,725,647
Additional superannuation contribution	3,665,188	-	3,665,188	-
Other income	(4,330,906)	2,758,631	(1,572,275)	1,459,481
Rental Income	2,290	56,125	58,415	54,360
Total	8,555,077	2,814,756	11,369,833	5,239,488

10 Expenditure on raising funds

	Restricted €	Unrestricted €	2021 Total €	2020 Total €
Staff costs	663,926	275,679	939,605	1,374,889
Fundraising activities directly undertaken	259,410	38,391	297,801	334,069
Support costs	402,930	158,190	561,120	387,493
Governance costs	-	-	-	18,450
Total	1,326,266	472,260	1,798,526	2,114,901

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Expenditure on charitable activities

	Restricted	Unrestricted	2021 Total	2020 Total
	€	€	€	€
Staff costs	146,349,644	33,374,652	179,724,296	181,779,762
Drugs, nursing and medical supplies	(5,398,287)	918,042	(4,480,245)	3,453,022
Catering	1,610,467	(8,908)	1,601,559	1,660,669
Heat, Power and Light	2,069,730	18,009	2,087,739	2,195,915
Cleaning and Washing	1,196,292	7,016	1,203,308	1,225,327
Furniture Crockery and Hardware	783,826	371	784,197	524,433
Bedding and Clothing	142,224	-	142,224	95,701
Maintenance	4,001,825	30,360	4,032,185	3,355,195
Transport and Travel	247,783	-	247,783	392,285
Transport of patients	2,250,887	15,457	2,266,344	1,973,703
Vehicle costs	-	-	-	221,004
Bank Charges	27,589	-	27,589	20,068
Insurances	216,656	372,662	589,318	204,137
Computer and Office Equipment	428,662	63,556	492,218	392,965
Rent and Rates	1,584,575	(860)	1,583,715	1,500,035
Professional Services	482,913	379,607	862,520	441,427
Education and Training	333,585	103,759	437,344	635,263
Psychiatric In-Hospital Beds	7,104,572	-	7,104,572	588,133
Recruitment and Advertising	7,890	-	7,890	41,926
Office Expenses	1,133,271	-	1,133,271	1,334,447
Nursing Diploma	331,992	-	331,992	331,992
Fire and Security Alarms	592,596	-	592,596	636,428
Depreciation	629,608	2,082,444	2,712,052	2,393,636
Breaks away for Clients	82,614	-	82,614	113,082
Donations	3,608,467	1,814,426	5,422,893	2,308,122
Miscellaneous	2,290,392	6,011,785	8,302,177	-
Support Costs	826,796	17,198,525	18,025,321	20,463,264
Governance Costs	149,828	(21,485)	128,343	434,096
Total	173,086,397	62,359,418	235,445,815	228,716,037

12 Other expenditure

	Restricted	Unrestricted	2021 Total	2020 Total
	€	€	€	€
Pension payments (Nominated Health Agencies Superannuation Scheme)	12,880,530	-	12,880,530	12,020,982

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Analysis of governance and support costs

	Support	Governance	Total	2020
	€	€	€	€
Staff	13,837,393	-	13,837,393	13,117,862
Computers & office	2,581,182	-	2,581,182	6,879,171
Professional services	248,847	236,253	485,100	958,232
Transport & travel	46,758	451	47,209	471,290
Other support costs	6,934,941	6,312	6,941,253	2,976,694
Total	23,649,121	243,016	23,892,137	24,403,249

14 Operating expenses

	2021	2020
	€	€
The following operating expenses have been recognised:		
Depreciation	3,606,949	3,419,960
Operating lease expense	1,405,305	1,357,755
Impairment loss – debtors	-	-
Amortisation of intangible fixed assets	-	74,394
Loss on disposal of tangible fixed assets	-	1,124
Foreign exchange losses	267,661	(80,666)

Auditors Remuneration

Remuneration (including expenses) for the statutory audit of the group and subsidiary entity financial statements and other services carried out for the group by the group's auditors is as follows;

	2021	2020
	€	€
Audit of the group and subsidiary financial statements – PwC	245,585	326,250
Audit of subsidiary financial statements – Other	46,924	38,119
Other non-audit services - PwC	-	12,632
	292,509	377,001

Group audit consists of fees payable for the consolidated and statutory audits of the Group and its subsidiaries. Included in group audit are fees of €42,000 (2020: €45,000) which are due to the group's auditor in respect of the parent charity – Saint John of God Hospitaller Group clg.

15 Tax

The company has been granted charitable tax exemption by the Revenue Commissioners and is recognised as a charity under Section 207 of the Tax Consolidation Act 1997, registered number CHY 21436.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Employees and directors

(i) Employees

The average number of persons employed by the group during the financial year was 3,481 (2020: 3,418).

	2021 Number	2020 Number
Group		
Community services	2,481	2,428
Hospital services	334	345
St Josephs	95	96
UK	545	524
Foundation	10	12
Association	1	1
Research foundation	5	3
HSG	10	9
	3,481	3,418

Staff costs comprise:	2021 €	2020 €
Wages and salaries	173,564,676	168,207,517
Social insurance costs	17,548,084	17,076,403
Redundancies	81,801	262,337
Other retirement benefit costs	15,020,461	14,232,426
Staff costs	206,215,022	199,778,683

	Number of employees 2021	Number of employees 2020
Salary range (excluding pension contributions):		
340,000 - 350,000	-	1
330,000 - 340,000	-	-
320,000 - 330,000	-	-
300,001 – 310,000	-	1
290,001 – 300,000	-	1
280,001 – 290,000	1	2
270,001 – 280,000	1	1
260,001 – 270,000	1	3
250,001 – 260,000	1	2
240,001 - 250,000	3	1
230,001 – 240,000	-	1
220,001 - 230,000	6	3
210,001 - 220,000	3	3
200,001 - 210,000	5	1
190,001 - 200,000	2	2
180,001 - 190,000	2	3
170,001 - 180,000	-	3
160,001 - 170,000	-	1
150,001 - 160,000	1	2
140,001 - 150,000	3	2
130,001 - 140,000	-	-
120,001 - 130,000	5	5
110,001 - 120,000	4	2
100,001 - 110,000	4	6
90,001 - 100,000	18	13
80,001 - 90,000	62	39
70,001 - 80,000	145	88
60,001 - 70,000	343	322
	610	507

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Employees and directors - continued

(ii) Directors
Directors of the charity and its subsidiaries received no remuneration (2020: €Nil) and incurred expenses of €Nil (2020: €Nil) during the reporting period in carrying out their duties

There were no loans advanced to directors during the year and no loans outstanding at 31 December 2021.

(iii) Key management compensation
The key management personnel of the group comprise the directors; chief executive; company secretary, SJOG Hospital management team; SJOG Community Services central and regional management; and SJOG UK management team. The compensation paid or payable to key management for employee services is shown below:

	2021	2020
	€	€
Group		
Total key management compensation	6,798,613	6,262,626

17 Intangible fixed assets

	Computer Software
	€
Group	
At 31 December 2020 - Note (i)	298,710
Additions	-
At 31 December 2021	298,710
Accumulated amortisation	
At 31 December 2020 - Note (i)	59,504
Charge for the year	59,504
At 31 December 2021	119,008
Carrying amount	
At 31 December 2020 - Note (i)	239,206
At 31 December 2021	179,702

The useful life of the software is based on its expected utilisation by the group and is consistent with historical experience of use patterns for similar software packages.

Note (i) Opening cost and opening accumulated depreciation have been adjusted for the impact of the movement in the £/€ exchange rate to the carrying values of the UK Assets between the rates at 31/12/20 and 31/12/21 in accordance with FRS102. The rates were 0.90 in 2020 and 0.84 in 2021.

Parent charity
The parent charity had no intangible assets at 31 December 2021 (2020: €Nil).

NOTES TO THE FINANCIAL STATEMENTS - continued

18 Tangible Assets	Buildings	Leasehold buildings & Improvement	Motor vehicles	Equipment, fixtures & fittings	Total
Group	**€**	**€**	**€**	**€**	**€**
Tangible Fixed assets					
Cost					
At 31 December 2020 (note i)	70,804,280	4,779,611	1,358,598	2,890,763	79,833,252
Gifted	714,048	-	-	38,085	752,133
Additions	-	1,994,122	707,380	652,858	3,354,360
At 31 December 2020	71,518,328	6,773,733	2,065,979	3,581,706	83,939,745
Accumulated Depreciation					
At 31 December 2020 (note i)	5,362,086	2,302,543	644,981	1,969,747	10,279,357
Charge for the year	2,069,656	694,957	251,425	590,911	3,606,949
At 31 December 2021	7,431,741	2,997,500	896,406	2,560,568	13,886,305
Net book value					
At 31 December 2020 (note i)	65,442,194	2,447,068	713,617	921,016	69,553,895
At 31 December 2020	64,086,587	3,776,233	1,169,572	1,021,048	70,053,439

Note (i) Opening cost and opening accumulated depreciation have been adjusted for the impact of the movement in the £/€ exchange rate to the carrying values of the UK Assets between the rates at 31/12/20 and 31/12/21 in accordance with FRS102. The rates were 0.90 in 2020 and 0.84 in 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued

18 Tangible fixed assets – continued

	Buildings €	Total €
Parent charity		
Cost		
At 1 January 2021	50,226,344	50,226,344
At 31 December 2021	50,226,344	50,226,344
Accumulated depreciation		
At 1 January 2021	3,304,293	3,304,293
Charge for the year	1,652,146	1,652,146
At 31 December 2021	4,956,439	4,956,439
Net book value		
At 1 January 2021	46,922,052	46,922,052
At 31 December 2021	45,269,905	45,269,905

On 31 December 2018 a number of directions were signed between the Hospitaller Order of Saint John of God, West European Province and the parent charity which transferred the beneficial ownership of various properties which were previously in the beneficial ownership of Hospitaller Order of Saint John of God, West European Province for a consideration of €20 to the parent charity.

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

There were some restrictions noted in relation to the grants, principally around the fact that a future sale of the asset within a specific time period would trigger an obligation to repay the grant to the funder. It was agreed, as part of the directions transferring the assets, that Saint John of God Hospitaller Services Group would take over the obligation in relation to any future clawbacks arising as a result of any decision to sell the assets. These obligations are considered to be contingent liabilities and are disclosed as same in note 28 of these financial statements.

The charity used a valuation (on the basis of Fair Value for existing use) as the deemed cost for the land and buildings which were transferred by the Order on 31/12/2018. The deemed cost of the freehold land and buildings will be depreciated over the remaining useful lives of the freehold land and buildings. The properties were valued at 31/12/2018 by an external valuer (CBRE 3rd Floor Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6).

NOTES TO THE FINANCIAL STATEMENTS - continued

19 Financial assets

Group	Unlisted Investments €
Cost or valuation	
At 1 January 2021	2,230
At 31 December 2021	2,230
Impairment	
At 1 January 2021	2,103
Impairment losses	127
At 31 December 2021	2,230
Carrying amount	
At 1 January 2021	127
At 31 December 2021	-

Parent charity	Subsidiaries €
Cost	
At 1 January 2020	2,778,337
At 31 December 2020	2,778,337
Carrying amount	
At 1 January 2021	2,778,337
At 31 December 2021	2,778,337

In the opinion of the directors, the value of the investments is not less than the book value as shown above.

All subsidiary undertakings are included in the consolidation. Details of subsidiary undertakings are outlined below.

NOTES TO THE FINANCIAL STATEMENTS - continued

19 Financial assets – continued

Parent charity

The parent entity holds an interest in the following subsidiary undertakings:

Subsidiary Undertaking name	Address of registered office	% Control	Company Number	Charity Number
Saint John of God Community Services clg	Granada, Stillorgan, Co Dublin	100%	430744	20069865
Saint John of God Hospital clg	Granada, Stillorgan, Co Dublin	100%	430743	20069858
Saint John of God Hospitaller Services clg (UK)	Yarn, Lingfield House Lingfield Point, Darlington, County Durham	100%	05324279 (UK)	1108428 (UK)
Saint John of God Research Foundation clg	Flavian House, Granada, Stillorgan, Co Dublin	100%	177986	20069872
Saint John of God Foundation clg	Granada, Stillorgan, Co Dublin	100%	18005	20069841
Saint John of God Association clg (NI)	Aurther House, 41 Aurther St., Belfast, Co Antrim	100%	20856 (NI)	NIC 102440

20 Stocks

	2021	2020
	€	€
Finished goods and goods for resale	1,954	3,179
Raw materials and consumables	-	-
	1,954	3,179

An impairment loss of €nil (2019: €nil) has been recognised in profit or loss in relation to inventory.

No stock was held in the parent charity.

21 Debtors

	Group 2021	Group 2020	Parent Charity 2021	Parent Charity 2020
	€	€	€	€
Trade debtors	13,586,019	7,256,881	-	-
Accrued income	-	1,893,712	-	-
Prepaid expenses	-	1,414,132	-	111,353
Sundry Debtors	-	277,872	-	-
Amounts owing from HSE	1,309,125	2,646,835	-	-
Amounts due from fellow subsidiary undertakings	8,257	-	1,913,669	2,042,179
Amounts due from related parties	1,349,493	-	-	-
	16,252,894	13,489,432	1,913,669	2,153,532

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

Trade debtors are after provision for impairment of €Nil (2020: €1,869,889).

22 Cash

	Group 2021	Group 2020	Parent Charity 2021	Parent Charity 2020
	€	€	€	€
Cash at bank and in hand	11,158,546	6,075,341	3,669,661	1,948,543
Total cash and cash equivalents	11,158,546	6,075,341	3,669,661	1,948,543
Bank overdrafts (note 23)	(1,855,977)	(1,603,563)	-	-
Cash and cash equivalents per cashflow statement	9,302,569	4,471,778	3,669,661	1,948,543

Bank overdrafts are included within creditors due within 12 months (Note 23) in the group balance sheet.

22 Cash - continued

Foreign currency exposure
The group's currency exposure in respect of cash and cash equivalents relates to balances in currencies other than Euro. The balances as at 31 December 2021 and 2020 are set out below:

Non-Euro denominated cash and cash equivalents	Group 2021 £	Group 2020 £
Pound sterling	3,198,601	2,346,080

No non- Euro denominated cash and cash equivalents in the parent charity.

23 **Creditors -** amounts falling due within one year

	Group 2021 €	Group 2020 €	Parent Charity 2021 €	Parent Charity 2020 €
Trade creditors	6,310,883	2,865,338	(534,023)	-
Amounts in advance from HSE	9,121,276	11,913,368	-	-
Bank overdrafts	1,855,977	1,603,564	-	-
Accruals	6,730,713	7,855,171	-	320,982
Deferred income	6,856,672	2,492,881	-	-
Other creditors including tax and social insurance	6,515,179	10,540,031	33,871	5,397
Amounts owed to subsidiary undertakings	541,391	-	541,391	1,004,999
Amounts owed to related parties	2,071,814	579,267	-	113,546
Loan repayable within 12 months	-	39,777	-	-
	40,003,905	37,889,397	41,239	1,444,924

Trade and other creditors are payable at various dates after the end of the financial year in accordance with the creditors usual and customary credit terms.

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

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

Other creditors including tax and social insurance comprise:	Group 2021 €	Group 2020 €	Parent Charity 2021 €	Parent Charity 2020 €
PAYE/PRSI	4,991,846	4,835,832	33,871	5,397
Other taxation and social security	769,545	258,729	-	-
VAT	6,033	5,718	-	-
Other creditors	747,755	5,439,752	-	-
	6,515,179	10,540,031	33,871	5,397

NOTES TO THE FINANCIAL STATEMENTS - continued

23 Creditors – continued

Creditors - amounts falling due after one year	Group 2021 €	Group 2020 €	Parent Charity 2021 €	Parent Charity 2020 €
Loan repayable after 12 months	885,783	460,223	-	-
	885,783	460,223	-	-

During 2020 the Hospitaller Order of Saint John of God — West European Province advanced an interest-bearing loan of €500,000 to Saint John of God Hospital clg. The purpose of the loan was to contribute to the costs of upgrade and refurbishment to the 12 bedded Carrigdubh suite. The principal plus accumulated interest is repayable over a four-year period. Repayments commence one year after the receipt of the principal and repayable by monthly instalments over the following three years. All interest and principal amounts to be fully repaid by September 2024. There is no security or charges attached to the loan. The principal amount repayable over the next 12 months is €168,289.

24 Post-Employment Benefits

Group

(a) Defined Contribution Schemes

The group operates a number of defined contribution pension schemes, and the assets of these schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the fund and an amount of €t.b.c. was paid during the year (2020: €476,861).

(b) Nominated Health Agencies Superannuation Scheme (NHASS)

Some employees of Saint John of God Community Services clg & Saint John of God Hospital clg are member of the NHASS pension scheme.

The directors believe that the NHASS is a 'pay as you go' state plan administered, funded and underwritten by the Department of Health. It is the directors' understanding that the funds required in the future to pay pension benefits under the NHASS, as they arise into the future, will be reimbursed to the group in full by the Department of Health. In the year ending 31 December 2021 the group received €5,065,692 (2020: €5,351,501) in contributions from members of the NHASS. The group also received €3,665,188 (2020: €3,496,743) from the HSE in respect of the NHASS costs, this amount is included with the main revenue grant received from the HSE during the year. €12,880,530 (2020: €12,020,979) was paid out in lump sums, death gratuities and pensions during the year. All of these amounts are included in the statement of financial activities.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Post-Employment Benefits – continued

(c) Single Public Service Pension Scheme (SPSPS)

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

Parent charity

(a) Defined Contribution Schemes

Employees of the parent charity participate in a defined contribution pension scheme which is operated by a related entity. The assets of this scheme are held separately from those of the related entity in independently administered funds. The pension cost charge represents contributions payable by the parent charity to this fund and amounted to €188,328 (2020: €38,783).

25 Financial instruments

	Group		Parent Charity	
	2021	2020	2021	2020
The entity has the following financial instruments:	€	€	€	€
Financial assets at fair value through profit or loss				
Financial assets	-	127	-	-
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	13,586,019	7,256,881	-	-
Amounts owing from HSE	1,309,125	2,646,835	-	-
Other debtors	-	-	-	111,353
Amounts due from fellow subsidiary undertakings	8,257	-	1,623,723	2,042,179
Amounts due from related parties	1,349,493	-	-	-
Cash	11,165,923	6,075,341	3,669,661	1,948,543
Financial liabilities measured at amortised cost				
Trade creditors	6,310,883	2,865,337	-	-
Amounts in advance from HSE	9,121,276	11,913,368	-	-
Bank overdrafts	1,890,489	1,603,564	-	-
Other creditors	20,068,051	10,540,031	-	-
Amounts owed to subsidiary undertakings	541,391	579,267	541,391	985,561
Amounts owed to related parties	1,761,480	-	-	113,546
Loan repayable with subsidiary undertaking	310,334	500,000	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

26 Funds of the charity

Restricted funds
Income is treated as restricted where the donor has specified that it may only be used for a particular purpose or where it has been raised for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted.

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

Restricted Capital Endowment funds
Restricted Capital Endowment funds are a permanent fund whereby the initial capital amount invested will not be accessed but rather the return on the initial investment will provide funding or access to fixed assets on an annual basis. The properties transferred from Hospitaller Order of Saint John of God, West European Province are considered to be restricted endowment funds. The balance on each restricted fund at the end of the year represents the asset held by the organisation for particular purposes specified by the donors. The balance of the unrestricted fund at the end of the year represents the assets held by the organisation for general use in furtherance of its work. Endowment funds represent amounts held for investment or specific charitable purpose. Income from these principal amounts will either by (a) unrestricted and used for general purposes, or (b) restricted by the donor or by the Board.

27 Note to cash flow

	2021	2020	Parent charity 2021	Parent charity 2020
	€	€	€	€
Net income/(expenditure) for the reporting year	5,192,054	1,847,789	1,232,795	(2,225)
Adjustments for:				
Interest income	-	(18)	-	-
Depreciation	3,606,949	3,419,960	1,652,146	1,652,146
Amortisation	-	74,394	-	-
Impairment of investments	-	2,103	-	-
Decrease/(increase) in debtors	(99,076)	(424,920)	239,863	(1,601,796)
Decrease in stocks	1,225	4,153	-	-
(Decrease) / increase in creditors	(1,300,442)	2,509,683	(1,403,686)	970,995
Net cash provided by operating activities	7,400,710	7,433,144	1,721,118	1,019,120

NOTES TO THE FINANCIAL STATEMENTS - continued

28 Continent liability

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

There are encumbrance's, principally liens, noted in relation to the receipt of capital grants on certain properties, principally around the fact that a future sale of the asset within a specific time period would trigger an obligation to repay the grant to the funder. Of the total properties at end December 2021 with an historical cost of €20,577,936 (Net Book Value 31 December 2021, €18,108,584), properties with an historical cost value of €5,298,384 (Net Book Value 31 December 2021, €4,662,578) are encumbered by liens attaching to these assets securing the capital grants received. As at 31 December 2021 the unamortised value of these liens totals €1,095,426. It was agreed as part of the directions transferring the properties, that Community Services would take over the obligation in relation to any future claw backs arising as a result of any decision to sell the assets. These obligations are considered to be contingent liabilities and are therefore disclosed as same in this note to the financial statements..

Saint John of God Hospital Clg and Saint John of God Community Services currently in discussions with the Department of Health and the Health Service Executive (HSE) in relation to the clarification of some matters which have arisen concerning employee membership in the Single Public Service Pension Scheme (SPSPS) and the employer’s share of the contributions in respect of same. The discussions in relation to this complex matter are still at a relatively early stage, and both sides are engaging with their respective legal advisors to clarify their respective responsibilities in relation to same. At this stage it is too early to estimate whether the outcome of these discussions will result in any outflow for the Company, or to estimate any potential liability which might arise with any degree of reliability. On that basis no provision has been included in the financial statements in relation to same.

29 Capital and other commitments

(i) Capital commitments
At the balance sheet date, the group had not entered into any commitments in respect of capital expenditure

(ii) Operating leases
Future minimum lease payments under non-cancellable operating leases at the end of the financial year were:

	2021	2020
Payments due:	€	€
No later than one year	627,172	968,821
Later than one year and not later than five years	2,104,067	2,135,632
Later than five years	1,425,715	1,805,276

NOTES TO THE FINANCIAL STATEMENTS - continued

30 Related party transactions

In accordance with FRS 102, the charity discloses related party transactions that were recognised in the SOFA. The members of the group are exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

Expenses reimbursed to directors are disclosed in note 15 of the financial statements. Remuneration of key management personnel is disclosed under note 15 of the financial statements.

During the current financial year, Porter Morris LLP Solicitors provided professional services to HSG for an amount of €Nil (2020: €25,676) and WEP for an amount of €47,873 (2020: €42,846). This company is related through key management. These services are provided under normal commercial terms.

During the current financial year rent amounting to €Nil (2020: €Nil) was paid to Saint John of God (Community Developments) Ltd, a company of which one of the trustees of Saint John of God Hospitaller Services is also a director. There was €Nil outstanding at the year-end (2020: €nil).

Amounts due from related parties	Group 2021 €	Group 2020 €	Parent Charity 2021 €	Parent Charity 2020 €
Hospitaller Order of Saint John of God, West European Province	324,604	-	324,604	-
	324,604	-	324,604	-

Amounts due to related parties	Group 2021 €	Group 2020 €	Parent Charity 2021 €	Parent Charity 2020 €
Hospitaller Order of Saint John of God, West European Province	570,302	579,266	526,134	113,546
Hospitaller Order of Saint John of God, West European Province (Loan) (note 22)	460,223	500,000	-	-
	1,030,525	1,079,266	526,134	113,546

Income transactions with Hospitaller Order of Saint John of God, West European Province in 2021
A number of employees on the payroll of Saint John of God Hospital clg provide services to the Hospitaller Order of Saint John of God, West European Province, an amount of €74,654 (2020: €106,917) was charged to the Hospitaller Order of Saint John of God, West European Province to recover costs incurred by Saint John of God Hospital clg.

The Hospital invoiced WEP €290,918 (2020: €398,944) for Nursing, Catering Horticulture and Allied Health Agency costs procured on behalf of West European Province during the year.

Saint John of God Hospital clg recovered non payroll costs of €53,119 (2020: €77,473) incurred on Catering, Library and Infrastructure materials procured by Saint John of God Hospital clg.

Saint John of God Hospital clg invoiced €13,123, (2020: €12,805) for the provision of Pharmacy, Laundry and catering services to WEP.

NOTES TO THE FINANCIAL STATEMENTS - continued

30 Related party transactions - continued

Expenditure transactions with Hospitaller Order of Saint John of God, West European Province in 2020

For the use of Land & Buildings in Stillorgan, The Hospitaller Order of Saint John of God, West European Province charged Saint John of God Hospital clg a rental of €1,376,892 (2020 €1,376,892).

Interest fees of €20,154 (2020: €6,821) was accrued on a loan of €500k from WEP.

31 Controlling party

The members consider the Hospitaller Order of Saint John of God, General Curia, Rome to be the controlling body.

Public Juridic Person (PJP)

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

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

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

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

32 Combinations

On 1 January 2019 Saint John of God Hospitaller Services Group became the sole member of the following charitable entities:

- Saint John of God Community Services clg
- Saint John of God Hospital clg
- Saint John of God Foundation clg
- Saint John of God Association clg (NI registered)
- Saint John of God Research Foundation clg
- Saint John of God Health Services clg
- Dundalk Voluntary Housing Association clg

On 1 July 2019 Saint John of God Hospitaller Services Group became the sole member of a UK registered charitable entity - Saint John of God Hospitaller Services UK ("SJOG UK").

The respective boards of directors for each of the above entities passed a special resolution amending the company constitution which took effect on 1 January 2019 (1 July 2019 in the case of SJOG UK only). The constitution amendment resulted in there been 1 registered member for each entity and Saint John of God Hospitaller Services Group is this sole member. As a result, Saint John of God Hospitaller Services Group acquired control of each of the above entities, with the exception of SJOG UK, on 1 January 2019. Control of SJOG UK was acquired on 1 July 2019. No consideration was exchanged for these acquisitions.

NOTES TO THE FINANCIAL STATEMENTS - continued

33 Events since the end of the financial year

There have been no significant events affecting the company since the year-end.

34 Approval of financial statements

The financial statements were approved and authorised by the directors on 26/1/2024 and were signed on its behalf on that date.