

Children's Health Ireland

Board Report and Financial Statements

31st December 2022

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General Information

Address	Children's Health Ireland Block A Herberton St James's Walk Rialto Dublin 8 D08 HP97
Registered Charity Number (RCN)	20202295
Charity CHY (Revenue) Number	22235
Telephone Number	076 695 9192
Bankers	Danske Bank 3 Harbourmaster Place IFSC Dublin 1 Bank of Ireland 6 O'Connell Street Lower Dublin 1 D01 X324 Ulster Bank 33 College Green Dublin 2 D02 DD76
Auditors	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1 D01 PF72
Solicitors	Mason Hayes & Curran Barrow Street Dublin 4 D04 TR29

Governance Statement and Board Members' Report For the year ended 31st December 2022

The Board Members present their annual report and financial statements for the year ended 31st December 2022.

Governance

Children's Health Ireland ('CHI') is the legal entity established on 1 January 2019 under the Children's Health Act 2018 (No 27 of 2018) ('the Act'). The Act gives effect to the integration of the existing paediatric services provided in Our Lady's Children's Hospital Crumlin, Children's University Hospital (Temple Street), and the paediatric services provided at the Adelaide and Meath Hospital, Dublin, incorporating the National Children's Hospital, commonly known as Tallaght University Hospital.

The functions of the Board of CHI are set out in Section 12 of the Act. The Board is accountable to the Minister for Health and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day to day management, control and direction of CHI are the responsibility of the Chief Executive (CE) and the senior management team. The CE and the senior management team must follow the strategic direction set by the Board and must ensure that all Board Members have a clear understanding of the key activities and decisions related to the entity and of any significant risks likely to arise. The CE acts as a direct liaison between the Board and management of CHI.

Board Responsibilities

The work and responsibilities of the Board are set out in CHI's Board Governance Suite. This document contains the matters specifically reserved for Board decision. Standing items considered by the Board include:

- Declaration of interests;
- Reports from the Audit and Risk Committee, Governance and Nominations Committee, Quality and Patient Safety Committee, Organisation and Remuneration Committee, Capital Projects Committee;
- Financial reports / management accounts;
- Risk management;
- Performance reports; and
- Reserved matters.

Matters reserved for the Board are:

- (i) Significant acquisitions, disposals and retirement of assets (including property) of Children's Health Ireland or its subsidiaries. The schedule should specify clear quantitative thresholds for contracts above which Board approval is required;
- (ii) Major investments and capital projects;
- (iii) Delegated authority levels, treasury policy and risk management policies;
- (iv) Approval of terms of major contracts;
- (v) Assurances of compliance with statutory and administrative requirements in relation to the approval of the appointment, number, grading, and conditions of all staff, including remuneration and superannuation;
- (vi) Approval of annual budgets and corporate plans;

Governance Statement and Board Members' Report (continued)

- (vii) Approval of annual reports and financial statements;
- (viii) Appointment, remuneration and assessment of the performance of, and succession planning for, the Chief Executive; and
- (ix) Significant amendments to the pension benefits of the Chief Executive and staff.

Section 10 of the Act requires CHI to prepare the annual financial statements in such form as the Minister for Health may direct and in accordance with accounting standards specified by the Minister.

In preparing the annual financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Disclose and explain any material departures from applicable accounting standards; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CHI will continue in existence for at least one year from the date of signing of the financial statements.

The Members of the Board are responsible for ensuring that accounting records are maintained which disclose, with reasonable accuracy at any time, the financial position of CHI and to enable the Board to ensure that the financial statements comply with the accounting standard laid down by the Minister for Health. The Board is also responsible for safeguarding the assets of CHI and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board Structure

CHI is governed by a Board of twelve members appointed by the Minister for Health. Section 13(2) of the Act provides that Board Members appointed on 'establishment day shall hold office as follows:

- (a) the chairperson shall hold office for a term of 5 years from the date of his or her appointment;
- (b) 5 ordinary members shall hold office for a term of 5 years from the date of appointment;
- (c) 6 ordinary members shall hold office for a term of 3 years from the date of appointment.

Section 13(2) of the Act also provides that the Board shall, at its first meeting, determine by lot the 5 members to serve a term of 5 years and the remaining 6 members to serve a term of 3 years. The Chairman's 5-year term of office is defined in the Act.

Section 14 of the Act deals with Board appointments after establishment day. Section 14(1) states that Board appointments after establishment day shall hold office for a term not exceeding 4 years.

Governance Statement and Board Members' Report (continued)

The table below shows the names of Board Members, their dates of appointment and their terms of appointment.

Board Member	Date of Appointment	Term
Professor Jim Browne (Chairperson)	4th December 2018	5 Years
Con Cronin *	4th December 2021	4 Years
Mary Cryan *	4th December 2021	4 Years
Liam Dowdall **	4th December 2018	5 Years
Professor Martin Elliot *	4th December 2021	4 Years
Catherine Guy *	4th December 2021	4 Years
Dr Anne Kilgallen	4th December 2018	5 Years
Dr Gavin Lavery *	4th December 2021	4 Years
Brigid McManus *	4th December 2021	4 Years
Eleanor O'Neill	16th November 2020	3 years
Turlough O'Sullivan **	4th December 2018	5 Years
Sean Sheehan	4th December 2018	5 Years

* These Board members were originally appointed by the Minister for Health on 4th December 2018 for a three year term of office. They were re-appointed by the Minister for Health on 4th December 2021 for a further four year term of office.

** Liam Dowdall resigned from the Board on 28th February 2022. Turlough O'Sullivan resigned from the Board on 12th January 2023. Bernard Mc Loughlin was appointed to the Board on 31st January 2023.

Schedule of Attendance, Fees and Expenses

In accordance with Part 16 (1) of the Act, the Board is required to hold no fewer than six meetings in a twelve-month period and so many meetings as are necessary. A schedule of attendance at the Board meetings for 2022 is set out below including the fees and expenses received by each member:

	Total Number of Meetings	Total Attended	Fees 2022 *	Expenses 2022 **
Professor James Browne (Chairperson)	15	15	-	1,263
Con Cronin	15	15	-	-
Mary Cryan	15	15	-	-
Liam Dowdall	4	3	-	-
Professor Martin Elliott	15	14	-	-
Catherine Guy	15	15	-	-
Dr Anne Kilgallen	15	13	-	-
Dr Gavin Lavery	15	11	-	387
Brigid McManus	15	13	-	-
Turlough O'Sullivan	15	13	-	-
Sean Sheehan	15	14	-	-
Eleanor O'Neill	15	14	-	-
			-	1,650

Governance Statement and Board Members' Report (continued)

*CHI Board Members receive no remuneration.

** In addition, expenditure was paid by CHI on behalf of the CHI Board members in relation to travel and hotel accommodation as follows:

	2022
	€
Professor James Browne (Chairperson)	2,358
Dr Gavin Lavery	451
	2,809
	2,809

Board Committees

a) Audit and Risk Committee

The Board has established an Audit and Risk Committee ('ARC'). The terms of reference of the ARC, which are reviewed annually, are contained in the CHI Board Governance Suite approved by the Board at its January 2019 meeting. The terms were reviewed and approved in March 2023.

The ARC comprises a minimum of three Board members. The members are Sean Sheehan (Chairperson), Con Cronin, Mary Cryan, all of whom are Board members, and Bernard McLoughlin whom is an external member (who was appointed to the Board on 31st January 2023).

The ARC has a particular role, acting independently of the management of CHI, to ensure that the interests of Government and other stakeholders are fully protected in relation to business and financial reporting and internal control.

The focus of the ARC, in providing its advice to the Board and the Chief Executive, is on oversight of and advice on: (i) CHI's financial reporting and (ii) CHI's systems of internal control and risk management. The ARC also plays a role in promoting good accounting practice, improved and more informed financial decision-making and safeguarding CHI's assets and resources through a focus on improving regularity, propriety and value for money throughout CHI.

The ARC met on thirteen occasions in 2022. In addition, there was one joint meeting of the ARC and the Quality and Patient Safety Committee ('QPSC') took place. Attendance by each member of the Committee at the ARC meetings is set out in the table below:

Member	Total Number of Meetings	Total Attended
Sean Sheehan (Chairperson)	13	13
Con Cronin	13	12
Mary Cryan	13	12
Bernard McLoughlin	13	12

There was one joint meeting of the ARC and the Quality and Patient Safety Committee during the year. These meetings are chaired on an alternate basis by the Chairs of the ARC and QPSC committees. Attendances at this meeting is set out overleaf.

Governance Statement and Board Members' Report (continued)

b) Quality and Patient Safety Committee

The Board has established a Quality and Patient Safety Committee ('QPSC').

The terms of reference of the QPSC, which are reviewed annually, are contained in the CHI Board Governance Suite approved by the Board at its January 2019 meeting.

The QPSC comprises a minimum of three Board members. The members for 2022 were Dr Gavin Lavery (Chairperson), Dr Anne Kilgallen and Sean Sheehan, all of whom are Board members, and Aveen Murray and Dr Colm Costigan, both of whom are external members.

The remit of the QPSC includes:

- Provide a level of assurance to the Board on appropriate governance structures, processes, standards and controls relating to quality and patient safety;
- Oversee the development by the Executive Management Team of a quality improvement plan for the service in line with agreed Quality Improvement Strategy;
- Recommend to the Board a quality and patient safety programme and an Executive Management Team structure, policies and processes that clearly articulates responsibility, authority and accountability for quality, safety and risk management across the service;
- Secure assurance from the Executive Management Team on the implementation of the quality and patient safety programme and the application of appropriate governance structures and processes (e.g. communicating risk) including monitored outcomes through quality indicators and outcome measures;
- Secure assurance from the Executive Management Team that the hospital services are conforming with all regulatory and legal requirements to assure quality, safety and risk management; and
- To consider in greater depth matters referred to the Committee by the Board and referral of issues to the Board for consideration when necessary.

The QPSC met on six occasions in 2022. Attendance by each member of the Committee at these meetings is set out in the table below:

Member	Total Number of Meetings	Total Attended
Dr Gavin Lavery (Chairperson)	6	6
Dr Anne Kilgallen	6	6
Sean Sheehan	6	4
Aveen Murray	6	6
Dr Colm Costigan	6	4

Governance Statement and Board Members' Report (continued)

There was one joint meeting of the ARC and the Quality and Patient Safety Committee during the year. These meetings are chaired on an alternate basis by the Chairs of the ARC and QPSC committees. Attendances at these meetings were as follows:

Member	Total Number of Meetings	Total Attended
Dr Gavin Lavery	1	1
Sean Sheehan	1	1
Dr Anne Kilgallen	1	1
Con Cronin	1	-
Mary Cryan	1	-
Aveen Murray	1	1
Dr Colm Costigan	1	-
Bernard McLoughlin	1	1

c) Governance and Nominations Committee

The Board has established a Governance and Nominations Committee ('GNC'). The terms of reference of the GNC, which are reviewed annually, are contained in the CHI Board Governance Suite approved by the Board at its January 2019 meeting.

The GNC comprises a minimum of three Board members. The members for 2022 were Brigid McManus (Chairperson), Turlough O'Sullivan and Catherine Guy.

The remit of the GNC includes:

- Governance policies and processes;
- Nominations/board reviews;
- Board induction, skills and evaluation; and
- Remuneration, succession and performance evaluation system in respect of the Chief Executive.

The GNC met on six occasions in 2022. Attendance by each member of the Committee at these meetings is set out in the table below:

Member	Total Number of Meetings	Total Attended
Brigid McManus (Chairperson)	6	6
Catherine Guy	6	6
Turlough O'Sullivan	6	6

Governance Statement and Board Members' Report (continued)

d) Organisation and Remuneration Committee

The Board has established an Organisation and Remuneration Committee ('ORC')

The terms of reference of the ORC, which are reviewed annually, are contained in the CHI Board Governance Suite approved by the Board at its January 2019 meeting.

The ORC comprises a minimum of three Board members with additional external members as required. The members for 2022 were Turlough O'Sullivan (Chairperson), Brigid McManus (resigned from the Committee on 29th April 2022), Mary Cryan, Anne Kilgallen (appointed to the Committee on 29th April 2022) and external members, Mary Duff and Derek McGrath.

The remit of the ORC includes:

- Values, Vision and Mission Management;
- Staff Wellbeing and Support;
- Hospital transition and integration activities;
- Succession Planning of the Executive Management Team; and
- Remuneration/Executive and Organisational Performance.

The ORC met on six occasions in 2022. Attendance by each member of the Committee at these meetings is set out in the table below:

Member	Total Number of Meetings	Total Attended
Turlough O'Sullivan (Chairperson)	6	6
Mary Cryan	6	6
Brigid McManus	2	2
Anne Kilgallen	4	3
Mary Duff	6	6
Derek McGrath	6	6

e) Capital Projects Committee

The Board has established a Capital Projects Committee ('CPC').

The terms of reference of the CPC, which are reviewed annually, are contained in the CHI Board Governance Suite approved by the Board at its January 2019 meeting.

The CPC comprises a minimum of three Board members. The members for 2022 were Professor Jim Browne (Chairperson), Catherine Guy, Eleanor O'Neill, Liam Dowdall (resigned 28th February 2022) and Con Cronin (appointed to the Committee on 29th April 2022).

A core remit of the CHI Board is to act as client to the National Paediatric Hospital Development Board for the capital project to design, build, equip and furnish the two Paediatric Outpatient and Urgent Care Centres and new hospital in accordance with the approved Project Brief.

Governance Statement and Board Members' Report (continued)

The CPC's role is to consider strategic and operational issues relating to the client's remit of the capital project, equipping and ICT and to make recommendations to the Board for decision in order to provide inputs and support decisions that reflect the client's requirements in the completed infrastructure.

The CPC met on five occasions in 2022. Attendance by each member of the Committee at these meetings is set out in the table below:

Member	Total Number of Meetings	Total Attended
Professor James Browne (Chairperson)	5	5
Catherine Guy	5	5
Eleanor O'Neill	5	5
Liam Dowdall	1	1
Con Cronin	3	3

f) Future Operating Cost Committee

This was a short term Committee of the Board established to examine the Future Operating Cost Model. Its membership comprised Sean Sheehan (Chairperson), Brigid McManus and Professor Martin Elliott. Having fulfilled its original objective, the Committee did not meet during 2021. The Committee was reinstated by the Board in 2022 but did not meet.

g) Services at Risk Committee

The Board established a short-term Services at Risk Committee on 29th July 2022 to review and consider the challenges associated with the CHI services at risk. Its membership comprises of Professor James Browne (Chairperson), Professor Martin Elliott, Dr Anne Kilgallen and Dr Gavin Lavery. The Committee met on two occasions in 2022. Attendance by each member of the Committee at these meetings is set out in the table below:

Member	Total Number of Meetings	Total Attended
Professor James Browne (Chairperson)	2	2
Professor Martin Elliott	2	1
Dr Anne Kilgallen	2	2
Dr Gavin Lavery	2	2

Board effectiveness evaluation

The Code of Practice for the Governance of State Bodies (2016) (the "Code") states that Board's should undertake self-assessment annual evaluations of its own performance and that of its board committees. An external evaluation should be carried out at least every 3 years.

The last external evaluation was undertaken on 23rd March 2021. An internal evaluation was undertaken in 2022 and an external evaluation is due to be completed in 2023, to comply with the 3 year minimum guideline as set by the Code.

Governance Statement and Board Members' Report (continued)

CHI Aims & Objectives 2022

The 2022 Operational Plan for CHI formed the basis of the Service Level Arrangement between CHI and the HSE. It set out, at a high level, the type and volume of services that CHI sought to provide in 2022, within the allocated resources and the parameters of the Financial Plan. It also considered the statutory and regulatory requirements and the Operational Plans from the HSE and was influenced by the six over-arching strategic objectives as set out in the CHI Statement of Strategy 2021-2025.

The Children's Hospital Programme & Project (CHP & P)

The Children's Hospital Programme & Project (CHP & P) will be delivered through building the new hospital (which is the responsibility of the NPHDB), and the delivery of the Children's Hospital Programme (which is the responsibility of the CHI Board). The Children's Hospital Programme (CHP) is the programme of work for which the CHI Board is responsible. It has three current main pillars: to integrate the three hospitals and develop a strategic plan for paediatric services, develop the ICT solution for the new facilities and to act as client for the build for the new children's hospital (its remit also previously extended to act as client for the build of the Paediatric Outpatient and Urgent Care Centres, which are now complete and open). This includes all the programme activities required to ensure the successful delivery of the Programme.

Review of Performance and Achievements for the Financial Year

The increase in activity in 2022 reflects the reduction in Covid 19 related restrictions, recovery from the significant impact of the 2021 HSE ransomware cyber-attack and the effects of a full year of activity in the Paediatric Outpatient and Emergency Care Unit at CHI at Tallaght (which opened in November 2021). Activity trends were as follows:

- In-patient admissions increased by 17% to 23,002;
- Day cases increased by 6% to 26,325;
- Emergency Department and Urgent Care presentations increased by 29% to 153,533;
- Out-Patient attendances increased by 7% to 142,023; and
- Average length of stay increased from 4.7 to 5.08 days.

There were a number of noteworthy achievements and events during the year. The following are just some examples:

- The Minister for Health, Stephen Donnelly, TD, launched the CHI Healthy Ireland Implementation Plan 2022-2025. CHI encourages and supports staff, patients and families to lead healthy lives. By creating a supportive, wellbeing focused working environment, staff are empowered to take personal responsibility for their own health and wellbeing.
- CHI and its 4 academic partners of UCD, TCD, RCSI and DCU collectively agreed to set up a paediatric academic health sciences centre to drive the vision for integrating health services with research, education and innovation and give better outcomes for patients and attract and retain the best staff.

Governance Statement and Board Members' Report (continued)

- CHI hosted its first conference on "Global Child Health: Communities Healing the world in Crisis" in October. CHI also worked with the European Children's Hospital organisation in providing outreach and supports to the Ukraine crisis. Staff also worked closely with children's hospitals in Poland to support Oncology services for young children from Ukraine.
- CHI welcomed the launch by the National Cancer Control Programme (NCCP) of a framework for the Care and Support of Adolescent and Young Adults (AYA) with cancer in Ireland. This framework (2022-2026) focuses on the specific needs and risks of AYA cancer patients. CHI is the ninth Cancer Centre in the Irish healthcare system, currently providing cancer services for children and adolescents up to 16 years of age as the hub of a network of cancer services.
- CHI continues to implement the model of care as we work towards the new hospital. Our neonatal service (for premature and sick new-born babies) in CHI at Crumlin marked a major step in November 2022 on the way to delivering the neonatal intensive care unit (NICU) in the new children's hospital and providing world-class neonatal care. The unit in CHI at Crumlin has six neonatal high dependency beds for babies with additional care needs. Together with six well-established neonatal high dependency beds in CHI at Temple Street, this will provide long-planned specialised services for a particularly vulnerable group of patients.
- CHI procured the Electronic Healthcare Record (Epic) for the new hospital. This will support safer care, better patient experience and provide a paper light environment as a new Digital Hospital.

Principal risks and uncertainties

CHI strives to ensure that our risk management processes identify, prioritise, manage, monitor and consistently report our risks. There continues to be on-going work in relation to the identification and development of key controls for the complex range of risks that CHI manages on a day to day basis. Our efforts continue to enhance organisational resilience to enable us to deal with disruptive events, such as cyber-attacks or a pandemic, in order to restore services within pre-agreed timeframes to achieve minimal impact on our patients and families.

The eight principal risks to achieving our strategic objectives, including the uncertainties that CHI faces, are set out below:

Patient Safety

- Demand for services beyond resourced levels and physical estate capacity, along with a shortage of clinical workforce, are impacting on provision of services as well as patient and staff safety. This has resulted in on-going challenges in meeting diagnostic and treatment waiting list targets leading to the risk that patients in CHI experience temporary or permanent avoidable harm either by delivered, omitted, delayed or low quality, care or from the healthcare environment.

Access to Care

- The risk of patients not being able to access services in a timely manner due to ageing estate and challenges to the equipment replacement programme, in the context of integrating services prior to moving to the new hospital. CHI activity levels are higher than they need to be because a network of integrated acute paediatric services does not deliver the expected local provision of clinical activity in the regional and local hospitals.
- Risks associated with the merger and integration of the existing children's hospitals in advance of the move to the new children's hospital and developing a single unified operating model of care.

Governance Statement and Board Members' Report (continued)

Finance

- The risk that CHI's core objectives cannot be implemented as a result of key functions, projects or programmes being persistently underfunded or funded in short-term cycles. The risk includes the use of short-term funding for longer-term reoccurring funding which increases the risk of the funding not being returned annually, impacting on effective long-term planning and delivery as well as the recruitment and retention of staff.

Recruitment and Retention

- There are data constraints in our workforce planning. This results in a risk to provision of existing services as well as planning for the new children's hospital. External factors such as accommodation constraints, consultant national pay contracts/agreements and related public sector arrangements and international pressure on healthcare staffing are adding to the challenge to recruit and retain the right people at the right time for the existing organisation and the future children's hospital, with the related risk to our ability to provide services.

Transformational Change and Integration

- The risk of our staff not being supported by change management and integration processes. The organisation is undergoing fundamental change to every aspect of its operations and structures, which is directly impacting on every member of staff in CHI. This change requires the integration of multiple areas under one core management structure, with the standardisation of process and procedures under an initial cross site model, before amalgamation on one site.
- The pace of change within CHI is significant and unrelenting in an already dynamic and highly pressured environment, where an individual's role in the operating model for the new children's hospital may not be defined at this point.

Digital Transformation

- The risk of failure of the digital transformation planned for the new children's hospital and the existing business because of a lack of capability, capacity and culture within the organisation to develop and deliver a fully digital health service.
- Risks associated with historic and on-going State under investment in ICT infrastructure, presenting challenges to integration and cyber-security including the lack of financial investment to develop a Security Operations Centre (SOC). This centralised function within CHI would employ people, processes and technology to continuously monitor and improve an organisation's security posture while preventing, detecting, analysing, and responding to cyber security incidents. CHI continues its efforts to mitigate this risk through the application of internal controls, however, the residual risk is a source of on-going concern.

Information Governance

- The potential loss of control of data and compliance with data regulations and standard which may result in a risk to patient, staff and corporate information. This arises from the lack of a robust information governance framework in CHI, owing partly to the lack of a standardised Information Governance Framework and Strategy.

Governance Statement and Board Members’ Report (continued)

- CHI’s inability to recruit a dedicated Information Governance resource despite a number of recruitment campaigns, deficit in training and fragmented storage of data and information is hindering the ability to retrieve information in line with legislative and regulatory requirements.

Third parties

- Risk to Children’s Health Ireland arising from reliance on third parties for operational service delivery and achievement of strategic objectives. Such parties may include vendors, suppliers, partners, contractors, or service providers, including reliance on other public bodies, who have access to internal data, systems, processes, or other privileged information.
- Lack of consistency in approach for procured and non-procured items may not provide CHI with assurance that contracts with their third parties include terms and conditions to support the management of third-party risk, including business continuity and cyber risk.

Results for the year and financial position

CHI returned a deficit of €945,938 for 2022 (2021: deficit of €2,314,824), thereby resulting in a cumulative deficit at financial year-end of €10,088,032 (2021: €9,142,094). The detailed results and financial position for the year ended 31 December 2022 are set out in the Statement of Revenue Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position and Statement of Cash Flows on pages 26 to 30.

Going Concern

As discussed in more detail in accounting policy d), the Board Members have given careful consideration to the preparation of the financial statements on a going concern basis. The Board is confident that sufficient revenue allocations will be provided by the HSE in a timely manner to ensure that CHI continues as a going concern for a period not less than 12 months from the signing of the financial statements.

Key Personnel Changes

Executive

Name	Role	Commenced/Ceased
Dr Ike Okafor	Clinical Director, CHI at Connolly and Tallaght	Commenced 17 th January 2022
Tracey Wall	Interim Chief Director of Nursing	Ceased 27 th November 2022
Julia Lewis	Director of Transformation	Commenced 1 st December 2022
Fiona Murphy	Deputy CEO and Director of Operations	Commenced 12 th December 2022

Safety, Health & Welfare at Work Act 2005

Each CHI hospital site has established a Health and Safety Statement in accordance with the Safety, Health & Welfare at Work Act 2005.

Governance Statement and Board Members' Report (continued)

Environmental Matters

CHI sought to minimise adverse impacts on the environment from its activities whilst continuing to address health, safety and economic issues. CHI has established an Executive Committee to promote environmental awareness and support green initiatives across all facilities and services. The Green Campus Committee's vision is to develop sustainable business practices and infrastructure to reduce CHI's carbon footprint in terms of water and energy consumption.

Political Donations

There were no political donations made during the financial year.

Charities Regulator Code of Governance

This Code was published in November 2018 and required that charities be fully compliant by 31st December 2020. Following completion of a review of compliance with the Code in 2022 and submission of the required documents to the Charities Regulator, CHI is in compliance with the Code.

Prompt Payments Act and EU Late Payments Regulations

The Prompt Payments of Account Act, 1997 and European Communities (Late Payments in Commercial Transactions) Regulations 2012 impose a legal requirement on bodies to make interest payments in respect of invoices that are paid in excess of 30 days after receipt. It is the policy of CHI that payments to suppliers are made in accordance with the terms and conditions agreed between CHI and its suppliers, provided that all trading terms and conditions have been complied with. Procedures are in place which provide reasonable assurance that CHI is complying in all material respects with the Prompt Payments of Accounts Act, 1997 and European Communities (Late Payments in Commercial Transactions) Regulations 2002. The interest paid under the terms of the regulations amounted to €18,599 in the period.

Post Balance Sheet Events

There are no significant post balance sheet events since the balance sheet date.

Statement of relevant audit information

In the case of each of the persons who are Board Members at the time this report is approved:

- (a) so far as each Board Member is aware, there is no relevant audit information of which the statutory auditors are unaware, and
- (b) each Board member has taken all the steps he or she ought to have taken as a Board Member to make himself or herself aware of any relevant audit information and to establish that the statutory auditors are aware of that information.

Governance Statement and Board Members' Report (continued)

Disclosures required by the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that CHI has complied with the requirements of the Code of Practice for the Governance of State Bodies ('the Code'), as published by the Department of Public Expenditure, NDP Delivery and Reform in August 2016.

Consultancy Costs

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

	2022	2021
	€	€
Legal Advice	1,071,346	688,528
Tax and Financial Advice	156,599	116,491
Other *	576,222	502,790
Total Consultancy Costs	1,804,167	1,307,809
Consultancy Costs charged to Income and Expenditure	1,804,167	1,307,809

* Other consultancy expenditure represents engagement of other consultancy services, excluding those of a legal and financial nature to provide expert analysis and advice that contribute to decision making.

Legal Costs and Settlements

Expenditure incurred in relation to general legal advice received by CHI is disclosed in Consultancy Costs above. There were twelve legal settlements made in 2022, eleven of which were made by the State Claims Agency. The one case not covered by the State Claims Agency involved a settlement of €100,000 and legal fees of €244,648.

Governance Statement and Board Members' Report (continued)

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows

	2022	2021
	€	€
Domestic		
- Board	4,459	875
- Employees	194,492	204,894
International		
- Board	-	-
- Employees	28,692	11,776
Total	227,643	217,545

Hospitality Expenditure

The Statement of Revenue Income and Expenditure includes the following hospitality expenditure

	2022	2021
	€	€
Staff Hospitality	14,917	10,785
Client Hospitality	-	-
Total	14,917	10,785

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code, whilst ensuring any exceptions to this compliance can be appropriately reported upon. CHI can demonstrate compliance with the Code with the exception of procurement matters outlined in the Statement of Internal Control.

Signed on behalf of the Board of Children's Health Ireland



Chairperson
21st November 2023

Statement on Internal Control

For the year ended 31st December 2022

Scope of Responsibility

On behalf of the Board of CHI, I acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated. The responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level, within the risk appetite set by the Board, rather than to eliminate it. The system can therefore provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely manner.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, NDP Delivery and Reform, has been in place in CHI for the year ended 31 December 2022 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Board has established an Audit and Risk Committee (ARC). The terms of reference of the ARC, which are reviewed annually, are contained in the CHI Board Governance Suite approved by the Board at its January 2019 meeting. The terms were reviewed and approved in March 2023.

The ARC comprises a minimum of three Board members. The members throughout 2022 and, except where noted, to date in 2023 were Sean Sheehan (Chairperson), Con Cronin (retired from the Committee on 12th May 2023), Mary Cryan and Bernard McLoughlin (external member for 2022 but whom was appointed to the Board on 31st January 2023).

CHI is committed to the establishment and operation of an Internal Audit function. Pending the appointment of a fully resourced internal team, the ARC engaged the assistance of external audit service providers in 2022. A comprehensive audit plan for 2022-2024, encompassing a wide spectrum of specific audits over the three year period, was approved by the ARC in February 2022. A new Head of Internal Audit joined CHI in November 2022.

A Board Schedule for 2022 was established to prioritise the review of the CHI Enterprise Risk Management Framework, including a CHI Risk Management Policy and Risk Appetite Statement. The ERM Process has been subject to an Internal Audit review and there were no significant findings and the level of maturity (top down) was considered reasonable.

Risk and Control Framework

CHI has continued to develop Risk Registers at different levels of the organisation. The Executive has focused on Level 1 Corporate Risk Register; Level 2 Executive Risk Register and Level 3 CD/Site Risk Registers in 2022. The risks have been evaluated to prioritise action and the allocation of resources to ensure, insofar as is practicable, that risks are managed to an acceptable level in terms of CHI's Risk Appetite.

In Quarter 3 and 4 of 2022, the Executive prioritised the identification of Principal Risks and Key Controls. The process to capture, assess and develop control indicators for this suite of Principal Risks is underway. This is an iterative process and subject to on-going review, alignment and improvement.

A Risk Classification structure is being designed to support aggregation of Risks through different levels of the Organisation.

The Board and ARC review the Level 1 (Corporate) Risk register every quarter.

Statement on Internal Control (continued)

CHI operates a single system and process for the management of all incidents, including the Significant Incident Review Group (SIRG) which commissions more in depth investigation and review of serious incidents, as defined by the HSE Incident Management Framework. The process obligates CHI to report reviews which are not closed within the set HSE timeframes, and sets internal targets for completion times. CHI continues to appropriately report breaches of this HSE timeframe and have initiated a body of work to further develop the internal process to ensure the timely closure of these reviews going forward. There is a single process in place to ensure effective communication with children and families during such reviews.

An Open Disclosure policy, procedures and training have been implemented in CHI. CHI continues to support attendances at the relevant training programmes and to ensure that the dissemination of the related procedures is consistent across the organisation and supports monitoring of same. There is formal confirmation of the Open Disclosure process for all Significant incidents managed through the Significant Incident Review Group.

The manner in which CHI conducts its business has continued to evolve beyond the initial impacts of Covid 19. Examples have included periodic curtailed activity levels, implementation of new ways of working and increased instances of staff working from home. As such practices have evolved, management have considered the scope for increased risk.

I confirm that a control environment containing the following elements is in place:

- Key business processes remain under continuous review and development;
- Financial responsibilities have been assigned at management level with corresponding accountability;
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management and the Board;
- There are systems under development aimed at increasing the security of the information and communication technology systems, with funding requests to further enhance; and
- There are systems in place to safeguard the assets.

CHI at Tallaght operates under a service level agreement between CHI and Tallaght University Hospital. Monitoring and control over CHI at Tallaght transactions is managed through processes, reviews and shared management interactions as provided for within the service level agreement.

On-going Monitoring and Review

Formal procedures have been established, for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board. I confirm that the following on-going monitoring systems are in place:

- Executive review of Principal Risks and Key Controls through the Strategic Executive on a quarterly basis;
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

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

Statement on Internal Control (continued)

Review of Effectiveness

I confirm that CHI has procedures to monitor the effectiveness of its risk management and control procedures and continues to develop in this regard. CHI's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the ARC which oversees their work, and the senior management within CHI responsible for the development and maintenance of the internal control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2022, which was approved in March 2023. The Board also commissioned an independent external review of internal controls to be undertaken.

Internal Control Issues

Prior to 2019, the hospitals comprising CHI operated independent procurement functions using different systems and operating models. CHI commenced the process of consolidation of the procurement functions in 2019. Substantial progress has been made in this regard with, as of January 2023, CHI now on a single finance and procurement system using one common product catalogue and vendor listing.

CHI carried out a review of the procurement of goods and services in 2022, with a total value of €145.6m. The review concluded that goods and services to the value of €140.5m had been procured in a manner that was compliant with EU and national procurement guidelines. The balancing €5.1m was deemed non-compliant with public procurement guidelines. Of this amount, €1.2m relates to external laboratory testing which will ultimately fall within the remit of a tendered managed service arrangement for the new hospital, €1m relates to professional services which have since been tendered for, and, €0.8m relates to ICT expenditure which is critical to supporting the existing underlying ICT infrastructure, and which will also be addressed as part of tendered solutions for the new hospital. The Board acknowledges this non-compliant expenditure and the underlying factors contributing to same. The level of expenditure is subject to ongoing periodic review and the Board expects that the non-compliant element should cease following enactment of the tendered service arrangements and solutions that are being put in place for the opening of the new hospital. The balancing €2.1m is in respect of facilities management, recruitment, medical consumables and professional services and is consistent with areas noted for further review and attention in the prior year's financial statements. CHI has recently appointed a Procurement Compliance lead to further enhance controls, reviews and compliance levels.

During 2022, invoices issued to private insurers to the value of €183,686 were rejected by an insurance company on the basis that the invoices were not submitted within the required timeframe in accordance with underlying agreements. All such amounts had already been fully provided for at time of rejection and thus no incremental charge arose. The cumulative such provision in respect of rejected invoices at the end of 2022 was €274,895.

HSE cyber attack

On 14th May 2021, the HSE suffered a major ransomware cyber-attack which caused its IT systems to be shut down. This in turn had a significant impact on the clinical, operational and financial systems of CHI, resulting in an initial curtailment of activity and contingency arrangements and controls being put in place. The majority of systems were impacted and a major process commenced to restore critical systems over the following months. The attack demonstrated the need for CHI to build its resilience and to develop a CHI wide Business Continuity Management System, which has commenced. CHI is continuing to engage with the HSE on ensuring that enhanced security arrangements are put in place and has replaced a number of the core systems as a result. Risks associated with management and recovery of this attack have been captured and are being managed through the risk management process. Funding applications have been made, where appropriate. While the threat of further cyber-attacks remain under ongoing review and the control framework will continue to evolve in this regard. Over 2022 a number of improvements have been made to CHI systems to make them more resilient from a cyber-security perspective. These include:

Statement on Internal Control (continued)

- A range of upgrades to core infrastructure elements such as end of life servers and storage solutions;
- Upgrades to the network, particularly in CHI at Crumlin;
- A more robust patching and operating system upgrading process;
- Replacement of outdated Firewall;
- A replacement of the outdated tape backup system in CHI@Crumlin for cloud backup solution;
- Implementation of a e-mail Phishing training solution;
- Removal of dormant accounts;
- Implementation of a single cross-site Infrastructure team as part of the overall Operating Model re-design for Digital Health Department.

Conclusion

The Board acknowledges that it has overall responsibility for the system of internal control within CHI and will continue to monitor and support further development of controls. Progress will be reassessed in the 2023 Review of the Effectiveness of the System of Internal Control.

On behalf of the Board of Children's Health Ireland:

A handwritten signature in black ink that reads "Jim Browne". The signature is written in a cursive style with a large initial "J" and "B".

Chairperson

Date: 21st November 2023



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Children's Health Ireland

Qualified opinion on financial statements

I have audited the financial statements of Children's Health Ireland for the year ended 31 December 2022 as required under the provisions of section 10 of the Children's Health Act 2018. The financial statements comprise

- the statement of revenue income and expenditure
- the statement of changes in reserves
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, except for the non-compliance with the requirements of FRS 102 in relation to retirement benefit entitlements referred to below, the financial statements give a true and fair view of the assets, liabilities and financial position of Children's Health Ireland at 31 December 2022 and of its income and expenditure for 2022 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis for qualified opinion on financial statements

In compliance with the directions of the Minister for Health, Children's Health Ireland accounts for the costs of retirement benefit entitlements of staff only as they become payable. This does not comply with FRS 102 which requires that the financial statements recognise the full cost of retirement benefit entitlements earned in the period, and the accrued liability at the reporting date. The effect of the non-compliance on Children's Health Ireland's financial statements for 2022 has not been quantified.

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of Children's Health Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

Children's Health Ireland has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board member's report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

Report of the C&AG (continued)

Non-compliant procurement

The statement on internal control discloses that in 2022 Children's Health Ireland incurred significant expenditure where the procedures followed did not comply with public procurement guidelines. The statement also sets out the steps taken or planned to address this matter.

Out of date claims to insurers

The statement on internal control also discloses that during 2022 private insurers rejected claims to the value of €183,686 from Children's Health Ireland on the basis that they had not been submitted within the required timeframe.

A handwritten signature in blue ink that reads "Seamus McCarthy".

Seamus McCarthy
Comptroller and Auditor General

27 November 2023

Appendix to the report

Responsibilities of Board members

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

- the preparation of annual financial statements in the form prescribed by the Minister for Health under section 10 of the Children's Health Act 2018
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 10 of the Children's Health Act 2018 to audit the financial statements of Children's Health Ireland and to report thereon to the Houses of the Oireachtas.

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

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

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

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Children's Health Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Children's Health Ireland to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I report by exception if, in my opinion,

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

Information other than the financial statements

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

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

Reporting on other matters

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

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

Statement of Revenue Income and Expenditure
for year ended 31 December 2022

	Notes	2022 €	2021 €
Income			
Health Service Executive - Revenue & Capital Grant	2	481,988,309	415,415,222
Patient Income	3	21,555,063	19,143,277
Other Income	4	34,300,551	24,845,033
Total Income for the Year		537,843,923	459,403,532
Expenditure			
<i>Pay & Pensions</i>	7		
- Clinical		(284,767,047)	(246,426,849)
- Non Clinical		(91,780,895)	(80,629,732)
<i>Non Pay</i>			
Direct Patient Care	8	(83,935,400)	(71,188,178)
Support Services	8	(16,083,552)	(13,592,988)
Administrative Costs	8	(39,733,790)	(40,006,700)
Depreciation	11	(13,648,175)	(10,217,031)
Total Expenditure		(529,948,859)	(462,061,478)
Operating Surplus / (Deficit) for the year before appropriations		7,895,064	(2,657,946)
Transfers to Capital Account / Capital Donations Reserve		(8,841,002)	343,122
Deficit for the year		(945,938)	(2,314,824)

All gains and losses have been dealt with through the Statement of Revenue Income and Expenditure and the Statement of Capital Income and Expenditure (Note 10).

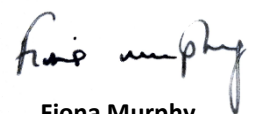
The primary financial statements of CHI comprise the Statement of Revenue Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position and Statement of Cash Flows on pages 26-30. The notes on pages 41 – 58 also form part of these Financial Statements.

On behalf of the Board of Children's Health Ireland



Jim Browne

Chairperson
21st November 2023



Fiona Murphy

Acting Chief Executive
21st November 2023

Statement of Changes in Reserves
for year ended 31 December 2022

2022	Revenue Reserve €	Capital Account €	Donations Account €	Total 2022 €
Balance 1 January 2022	<u>(9,142,094)</u>	<u>126,693,132</u>	<u>7,806,603</u>	<u>125,357,641</u>
<u>Transfer from/(to) Revenue Income and Expenditure:</u>				
Funding allocated to acquire Property, Plant & Equipment:				
- HSE Capital Grants	-	13,113,792	-	13,113,792
- Other sources of capital plan funding	-	-	118,462	118,462
- HSE Revenue Funding applied to purchase assets (note 9)	-	3,491,754	-	3,491,754
			-	-
Fundraising, Donations & Bequests allocated to acquire Property, Plant & Equipment	-	-	5,765,169	5,765,169
	-	16,605,546	5,883,631	22,489,177
<u>Less:</u>				
Net Book Value of Property, Plant and Equipment disposed/impaired in the year	-	-	-	-
Amortisation release in line with Depreciation	-	(12,851,594)	(796,581)	(13,648,175)
		(12,851,594)	(796,581)	(13,648,175)
Net Deficit for the year	(945,938)	-	-	(945,938)
Balance 31 December 2022	<u>(10,088,032)</u>	<u>130,447,084</u>	<u>12,893,653</u>	<u>133,252,705</u>

Note: Capital Account relates to capital grants received from the HSE and other sources allocated to fund project expenditure under the HSE approved capital plan. Capital Donations relates to fundraising income or donations applied in funding expenditure on capitalised assets.

Statement of Changes in Reserves continued


for year ended 31 December 2021

2021	Revenue Reserve	Capital Account	Donations Account	Total 2021
	€	€	€	€
Balance 1 January 2021	<u>(6,827,270)</u>	<u>76,803,232</u>	<u>5,042,511</u>	<u>75,018,473</u>
<u>Transfer from/(to) Revenue Income and Expenditure:</u>				
Funding allocated to acquire Property, Plant & Equipment:				
- HSE Capital Grants	-	3,750,470	-	3,750,470
- Other sources of capital plan funding	-	-	167,173	167,173
- HSE Revenue Funding applied to purchase assets (note 9)	-	2,610,784	-	2,610,784
Fundraising, Donations & Bequests allocated to acquire Property, Plant & Equipment	-	-	3,345,482	3,345,482
	<u>-</u>	<u>6,361,254</u>	<u>3,512,655</u>	<u>9,873,909</u>
<u>Asset Transfers:</u>				
Asset Transfers *	-	52,997,114	-	52,997,114
	<u>-</u>	<u>52,997,114</u>	<u>-</u>	<u>52,997,114</u>
<u>Less:</u>				
Net Book Value of Property, Plant and Equipment disposed/impaired in the year	-	-	-	-
Amortisation release in line with Depreciation	-	(9,468,468)	(748,563)	(10,217,031)
	<u>-</u>	<u>(9,468,468)</u>	<u>(748,563)</u>	<u>(10,217,031)</u>
Net Deficit for the year	(2,314,824)	-	-	(2,314,824)
Balance 31 December 2021	<u><u>(9,142,094)</u></u>	<u><u>126,693,132</u></u>	<u><u>7,806,603</u></u>	<u><u>125,357,641</u></u>

* Asset transfers primarily represent HSE asset transfers from the National Paediatric Hospital Development Board in respect of the new Outpatient and Emergency Care Unit on the grounds of Tallaght University Hospital.

The primary financial statements of Children's Health Ireland comprise the Statement of Revenue Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position and Statement of Cash Flows on pages 26-30. The notes on pages 41 – 58 also form part of these Financial Statements.

On behalf of the Board of Children's Health Ireland


Jim Browne

Chairperson
21st November 2023


Fiona Murphy

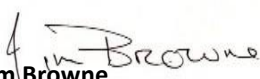
Acting Chief Executive
21st November 2023

Statement of Financial Position
as at 31 December 2022


	Notes	2022	2021
		€	€
Fixed Assets			
Tangible Fixed Assets	11	143,640,978	134,799,976
Current Assets			
Inventories	13	5,803,151	5,544,868
Trade and Other Receivables	14	88,447,804	69,421,571
Cash at Bank	17	7,993,946	5,624,314
		102,244,901	80,590,753
Current Liabilities			
Bank Overdraft	17	(2,343,828)	(2,947,257)
Creditors (amounts falling within one year)	18	(110,289,346)	(87,085,831)
		(112,633,174)	(90,033,088)
Net Current Liabilities		(10,388,273)	(9,442,335)
Net Assets		133,252,705	125,357,641
Capital and Reserves			
Capital Account		130,447,084	126,693,132
Capital Donations		12,893,653	7,806,603
Revenue Reserves	19	(10,088,032)	(9,142,094)
		133,252,705	125,357,641

The primary financial statements of Children's Health Ireland comprise the Statement of Revenue Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position and Statement of Cash Flows on pages 26-30. The notes on pages 41 – 58 also form part of these Financial Statements.

On behalf of the Board of Children's Health Ireland


Jim Browne
Chairperson

21st November 2023


Fiona Murphy
Acting Chief Executive

21st November 2023

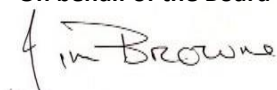
Statement of Cash Flows
for year ended 31 December 2022

	2022	2021
	€	€
Cash Flows from Operating Activities		
Revenue Income & Expenditure	(945,938)	(2,314,824)
Deficit in the year		
Depreciation	13,648,175	10,217,031
Amortisation	(13,648,175)	(10,217,031)
Finance Costs (less interest received) charged to Revenue	32,358	25,746
	(913,580)	(2,289,078)
(Increase) in Trade & Other Receivables	(19,026,234)	(19,590,777)
Increase in Creditors and Accrued Liabilities	23,203,516	16,184,410
(Increase)/Decrease in Inventories	(258,283)	154,161
Net Cash from Operating Activities	3,005,419	(5,541,284)
Cash Flows from Investing Activities		
Capital Expenditure from Capital Grants – capitalised	(18,997,425)	(60,260,239)
Revenue grant applied to fund Capital Project Expenditure	(3,491,752)	(2,610,784)
Interest paid on bank loans, overdrafts and finance leases	(32,358)	(25,746)
Net Cash from Investing Activities	(22,521,535)	(62,896,769)
Cash Flows from Financing Activities		
Capital Grants received from HSE	13,113,792	3,750,470
Capital Grants received from other sources	9,375,385	6,123,439
Asset Transfers	-	52,997,114
Net Cash Flows from Financing Activities	22,489,177	62,871,023
Net Increase/(Decrease) in Cash and Cash Equivalents	2,973,061	(5,567,030)
Cash and Cash Equivalents at 1 January	2,677,057	8,244,087
Cash and Cash Equivalents at 31 December	5,650,118	2,677,057

Note 17

The primary financial statements of Children's Health Ireland comprise the Statement of Revenue Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position and Statement of Cash Flows on pages 26-30. The notes on pages 41 – 58 also form part of these Financial Statements.

On behalf of the Board of Children's Health Ireland


Jim Browne

Chairperson

21st November 2023


Fiona Murphy

Acting Chief Executive

21st November 2023

Accounting Policies

The basis of accounting and significant accounting policies adopted by CHI are set out below.

a) General

Children's Health Ireland ('CHI') was established under the Children's Health Act 2018 ('the Act'). The Act gave effect to the integration of the existing paediatric services provided in Our Lady's Children's Hospital Crumlin, Children's University Hospital (Temple Street) and the paediatric services provided at the Adelaide and Meath Hospital, Dublin, incorporating the National Children's Hospital, commonly known as Tallaght University Hospital.

The three children's hospitals and the previous hospital group transitioned from four separate, independently governed entities into one new single organisation legally commenced on 1 January 2019.

CHI began providing treatment to patients at its new paediatric outpatient and urgent care centre at Connolly Hospital, Blanchardstown in 2019. CHI operates this centre in a facility provided by the HSE under a licence agreement, which is to be replaced by a lease agreement in the future. The building was transferred from the National Paediatric Hospital Development Board to the HSE in line with Sections 56 & 62 of the Children's Health Act 2018. The licence agreement is provided to CHI by the HSE at an annual peppercorn fee. The licence agreement is not capitalised in the financial statements as it does not meet the criteria for treatment as a fixed asset. Equipment not integral to the building at Connolly has been transferred from the National Paediatric Hospital Development Board directly to CHI. The equipment has been capitalised in line with the criteria laid out in CHI's fixed asset policy.

The presentation and functional currency of these financial statements is Euro.

CHI is a public benefit entity.

b) Merger Accounting – Amalgamation of the former Section 38 Paediatric hospitals into CHI

FRS 102 provides for public benefit entity combinations that are in substance a gift or a merger to be accounted for using merger accounting. Under merger accounting there is no fair value exercise, although adjustments are made to achieve uniformity of accounting policies. The results and cash flows of all combining entities are brought into the financial statements of the new entity from the beginning of the period in which the merger occurs. Merger accounting was used to determine the adjusted opening balance sheet on 1 January 2019 following combination of the predecessor bodies.

c) Basis of Preparation

The financial statements have been prepared on an accruals basis and under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below.

The financial statements are in the form approved by the Minister for Health with the consent of the Minister for Public Expenditure, NDP Delivery and Reform under Section 10 of the Children's Health Ireland Act 2018.

CHI has adopted Irish and UK Generally Accepted Accounting Principles (GAAP), FRS 102, in accordance with accounting standards issued by the Financial Reporting Council, subject to one exception specified by the Minister, in relation to the accounting treatment of pensions. Pensions are accounted for on a 'pay as-you go' basis. The provisions of FRS 102 'Section 28: Employee Benefits' are not applied and the liability for future pension benefits accrued in the year has not been recognised in the financial statements.

The financial statements reflect the requirements of the Code of Practice for the Governance of State Bodies 2016, which came into effect for accounting periods commencing on or after the 1st September, 2016.

Accounting Policies (continued)

The financial statements do not include the accounts of Children's Health Foundation (a new charitable foundation created by the merger of The Children's Medical Research Foundation and the Temple Street Foundation), a separate legal entity over which CHI exercises no control.

The accounting policies have been applied consistently in dealing with items which are considered material in relation to CHI's Financial Statements.

d) Going Concern

CHI is primarily funded by means of an annual revenue allocation from the Health Service Executive ('HSE'). At 31 December 2022 the cumulative revenue allocation deficit stood at €10,088,032 (2021: €9,142,094). The deficit recorded relates predominantly to legacy issues brought forward and in respect of which there has been detailed discussions with the HSE with a view to securing a funding adjustment.

The Board acknowledge that the continued support and funding by the HSE, both in relation to the annual revenue allocations and also the funding of the cumulative revenue allocation deficit, is critical in ensuring that CHI continues as a going concern. In assessing going concern, the Board has identified that CHI may not have sufficient resources to continue as a going concern over the period from the signing of these financial statements until the receipt of the next scheduled revenue allocation in January 2024. However, the Board are confident that the current engagement with the HSE will continue and that sufficient revenue allocations will be provided by the HSE in a timely manner to ensure that CHI continues as a going concern for a period not less than 12 months from the signing of the financial statements. The financial statements do not include the adjustments that would result if the entity was unable to continue as a going concern.

e) Income Recognition

(i) HSE Revenue and Capital Grant income

The HSE provides grants to CHI in respect of capital and revenue (non-capital) services, under Section 38 of the Health Act, 2004. An annual Service Arrangement is the contractual mechanism governing the relationship between CHI and the HSE, as commissioning and funding authority.

The Annual Service Arrangement between HSE and CHI links service quantum, funding, staffing, quality standards and service user outcomes. The Service Arrangement requires CHI to manage and deliver services within the funding allocation notified by the HSE.

The HSE issues a Letter of Allocation to CHI setting out the maximum level of net expenditure it may incur on the provision of services in the relevant financial year.

Revenue Grant income provided by the HSE in respect of administration and non-capital services is accounted for in the Statement of Revenue Income and Expenditure. The amounts notified by the HSE to CHI at the end of the financial year in the final Letter of Allocation is recognised as income on an accruals basis. Thus, where funding allocated for a specific purpose remains unspent at year-end, the related income may be deferred and matched against the related expenditure in a future period, once incurred.

Capital Grant funding is provided by the HSE in respect of expenditure on capital plan projects. This income is released to the Statement of Revenue Income and Expenditure on a systematic basis over the expected useful life of the asset to which the grant funding relates. Where capital funding for a specific item remains unspent at year-end, the related income may be deferred and matched against the related expenditure in a future period, once incurred.

Accounting Policies (continued)

(ii) Other Hospital Revenue:

(a) Patient Income

Revenue from patient treatments comprise the:

I. Private In-Patient Charge – income from charges levied for in-patient and day-case services provided to private patients under the Health Act, 1970 (as amended by the Health (Amendment) Act, 2013);

II. Public In-Patient Charge – income from charges levied for in-patient and day-case services provided to public patients under the Health Act, 1970 (as amended by the Health (Amendment) Act, 2013);

III. Out-Patient/Emergency Department Charge – income from charges levied for out-patient services provided under the Health Act, 1970 (as amended) at an Accident & Emergency Department, or any other facility providing similar services, as set out in the Health (Out-Patient Charges) Regulations 2019; and

IV. Road Traffic Accident Charge(s) – income from charges levied under the Health (Amendment) Act, 1986 for in-patient and out-patient services provided to a person following a road traffic accident where the person is entitled to receive damages or compensation in respect of such services.

Income for services provided to patients and charged in accordance with the above legislation by, or on behalf of, the HSE is recognised at the point in time the service is provided.

(b) Superannuation Income

Superannuation contributions from staff are recognised when the deduction is made (see pensions accounting policy below).

(c) Other Income

All other hospital revenue is recognised in income when the funding is received or receivable, on the basis that any performance-related conditions are met.

(d) Fundraising, Donations and Bequests

Funds received from Donations, Bequests and fundraising events, without condition or restriction, are recognised as income in the Statement of Revenue Income and Expenditure when there is an unconditional entitlement, the receipt is probable, and the amount can be measured with sufficient reliability.

Donations and bequests being subject to donor imposed conditions that specify how the future economic benefits embodied in the donation should be consumed are deferred within liabilities in the Statement of Financial Position until the performance conditions have been met.

Donations, Bequests and Fundraising recognised as income and applied to the purchase of Property, Plant and Equipment assets are transferred on a deferred basis to the Capital Donations Reserve account in the Statement of Financial Position, and released to the Statement of Revenue Income and Expenditure on a systematic basis over the expected useful life of the asset to which the funding relates. Assets purchased from fundraising, donations and bequest income are capitalised, and the source of such funding is disclosed in the notes to the financial statements.

Accounting Policies (continued)

The transfer of income applied to the purchase of Property, Plant and Equipment assets to a Capital Donations Reserve is being applied from 1 January 2019. Donations, Bequests and Fundraising recognised as income and applied to the purchase of Property, Plant and Equipment assets in prior years is presented in the Capital Account Reserve. The approach being adopted in the implementation of this policy is due to assets, in particular property, which is amortised over a 40 year period, being amortised in one account in prior years in Our Lady's Children's Hospital, Crumlin. While the policy applied in prior years meant that such income was transferred on a deferred basis to the balance sheet (Capital Account) and released to the Statement of Revenue Income and Expenditure on a systematic basis over the expected useful life of the asset, the Capital Account was not analysed by funding source. The application of this policy retrospectively would require investigation as to the sources of funding for each asset over as much as 40 years. Having considered the effort required to apply this policy retrospectively and the value to be derived from such an exercise, CHI has decided to apply this policy from 1 January 2019.

In the event of legacies or endowments that specify a bequest to be administered independently for the benefit of the hospital authority, such funds are to be retained separate from the ordinary funds of the hospital, and not accounted for within the hospital's statutory financial statements.

(e) Research & Development

Income and expenditure in respect of Research and Development is recognised in the Statement of Revenue Income and Expenditure on the basis of expenditure incurred in the year for which funding has or will be provided by a third party. Expenditure incurred for which funding has not been received at year end is shown as a receivable on the Statement of Financial Position. Funding received in respect of which expenditure has not been incurred by year end, is shown on the Statement of Financial Position as deferred income.

f) Fixed Assets

Property, Plant and Equipment (PPE) comprises Land, Buildings, Equipment and Motor Vehicles (as appropriate).

Property, Plant and Equipment are stated at historic cost less accumulated depreciation, adjusted for any provision for accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, Plant and Equipment assets are capitalised based upon the substance and type of Property, Plant and Equipment, and the source of grant funding provided under the HSE capital plan, and minor asset purchases through the hospital revenue allocation, agreed with the HSE. Capitalised assets represent assets that are in use in delivering hospital services, where the service benefit is expected to be used for more than one financial year, and the cost of the asset exceeds certain minimum value thresholds.

Property, Plant and Equipment, where the cost is in excess of €7,000 (or €1,200 for Computer equipment), is capitalised in full.

Assets acquired below the cost thresholds funded from the revenue allocation, including expenditure funded from HSE capital grants of a non-project nature (i.e. ongoing repairs, maintenance or backlog capital works), are expensed under the respective Non-Pay subjective headings in the Statement of Revenue Income and Expenditure.

Accounting Policies (continued)

A breakdown of expenditure on Property, Plant and Equipment expenditure funded from HSE grant income is provided in Note 9 'Purchase of Property, Plant and Equipment in the Statement of Revenue Income and Expenditure in the financial statements.

Donated assets are capitalised at the fair value at time of receipt in accordance with conditions specified by the donor and reviewed for impairment on the same basis as purchased assets.

CHI began providing treatment to patients at its new paediatric outpatient and urgent care centre at Connolly Hospital, Blanchardstown in 2019. CHI operates this centre in a facility provided by the HSE under a licence agreement. The facility provided under this licence agreement comprises a building and equipment. The licence agreement between the HSE and CHI is to be replaced by a lease agreement in the future. The licence agreement is provided to CHI by the HSE at an annual peppercorn fee. The licence agreement is not capitalised in the financial statements as it does not meet the criteria for treatment as a fixed asset.

g) Depreciation

Depreciation is provided on all property, plant and equipment (including donated assets) at rates estimated to write off the cost less any residual value on a straight-line basis over their estimated useful life. The depreciation policy adopted by CHI recognises the value it derives from PPE assets through their usage in the delivery of services at the following rates:

Land	No depreciation
Buildings	2.5% per annum*
Modular buildings (i.e. prefabricated buildings)	10% per annum
Equipment – computers and ICT systems	33% per annum
Equipment – other	10% per annum
Motor Vehicles	20% per annum

* Capital expenditure on Leasehold improvements at CHI at Temple Street is capitalised in accordance with National Financial Regulation 06 – Fixed Asset and Capital Accounting and recorded within Buildings. The expenditure is fully amortised in the year of incurrence on the basis of the limited expected lifespan remaining within the respective leaseholds and that no long term economic benefits are expected to accrue from the expenditure upon surrender of the leases. Certain buildings of CHI at Crumlin acquired pre establishment of CHI are depreciated over a period of up to 60 years following a previous review of their estimated useful life.

Capitalised assets that include a number of components with significantly different asset lives, as may apply to certain plant and equipment items, require the substantive components are treated as separate assets and depreciated over their own useful economic lives.

Depreciation methods and useful lives are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which CHI expects to consume an asset's future economic benefits.

Depreciation is charged for a full year in the year of acquisition. No depreciation is recognised in the year of disposal. Depreciation is calculated with reference to the date the asset comes into use (i.e. the purchase date). Where a period of time elapses between the purchase and use of an asset or capital expenditure is classified as Work-in-Progress, no depreciation is charged.

Whenever events or changes in circumstances indicate that the remaining useful life may not be as long as assumed previously, an impairment loss is recognised immediately in the Statement of Revenue Income and

Accounting Policies (continued)

Expenditure to reflect the appropriate adjustment to the asset's accumulated depreciation amount on the Statement of Financial Position.

On the disposal of Property Plant and Equipment, depreciation ceases to be charged and the asset is de-recognised. The asset net book value and unamortised capital grant are released and matched against the disposal proceeds (net of costs) in the Statement of Revenue Income and Expenditure.

h) Capital Account Reserve

The Capital Account Reserve represents the unamortised value of funding for the acquisition of capitalised assets.

Capital grants allocated for the purchase of Property, Plant and Equipment are recognised in the Capital Account Reserve in the Statement of Financial Position on a deferred basis and amortised to the Statement of Revenue Income and Expenditure on a systematic basis over the expected useful life of the asset. Funding included in the Capital plan for non-project/capital expenditure is transferred from the Capital Account (reserve) to match the related expenditure charged to the Statement of Revenue Income and Expenditure.

Revenue grants used for the purchase of Property, Plant and Equipment, the repayment of instalments for capitalised leased assets, or funding allocated to expenditure on assets under the hospital's capital plan are transferred to the Capital Account Reserve on a deferred income basis, and amortised to the Statement of Revenue Income and Expenditure consistent with the rates of depreciation provided on the related asset.

In accordance with Department of Health standard policy, a statement of capital income and expenditure which recognises all sources of income received to fund CHI's capital expenditure in accordance with the HSE approved capital plan is presented in Note 10 to the financial statements.

i) Capital Donations Reserve

The Capital Donations Reserve represents the unamortised value of funding from donations, bequests and fundraising income for the acquisition of capitalised assets.

Donations, Bequests and Fundraising income applied to the purchase Property, Plant and Equipment are recognised in the Capital Donations Reserve account in the Statement of Financial Position on a deferred basis, and amortised to the Statement of Revenue Income and Expenditure on a systematic basis over the expected useful life of the asset.

As outlined in policy e) Income Recognition (ii)(d) above, this policy is being applied from 1 January 2019. Donations, Bequests and Fundraising income applied to the purchase Property, Plant and Equipment in prior years are recognised in the Capital Account Reserve account in the Statement of Financial Position on a deferred basis, and amortised to the Statement of Revenue Income and Expenditure on a systematic basis over the expected useful life of the asset.

j) Leases

(a) Operating Leases

Rentals payable under operating leases are dealt with in the financial statements as they fall due. Lease incentives are recognised over the lease term on a straight line basis.

Accounting Policies (continued)

(b) Finance Leases

Assets purchased by way of finance lease are stated upon initial recognition in Property, Plant and Equipment at an amount equal to the fair value of the leased property, or if lower, the present values of the minimum lease payments at the inception of the lease, depreciated over its useful life. At the inception of a finance lease, the outstanding capital amount as determined at initial recognition is recognised as a finance lease obligation and included in creditors. Interest is calculated using the effective interest rate method and charged to the Statement of Revenue Income and Expenditure over the period of the lease. Under Department of Public Expenditure, NDP Delivery and Reform Public Financial Procedures, public bodies are not permitted to enter into finance lease obligations without prior approval of the HSE, with the consent of the Minister for Health, the Minister for Public Expenditure, NDP Delivery and Reform and the Minister for Finance.

k) Inventories

Inventory is stated at the lower of cost and net realisable value.

l) Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions. The resultant surpluses or deficits are dealt with in the Statement of Revenue Income and Expenditure.

m) Employee Benefits

(a) Short-term Employee Benefits

Salaries, wages and employment-related costs, such as social insurance costs, are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the financial year is recognised as an expense in the financial statements to the extent that employees are permitted to carry-forward leave into the following period, and benefits that are accrued at year-end are included in the Creditors-Payables figure in the Statement of Financial Position.

(b) Pensions

Eligible CHI employees are members of various defined benefit superannuation schemes. Pensions are paid to former employees by CHI. CHI is funded by the State on a pay-as-you-go basis for this purpose. Pension payments under the schemes are charged to the Statement of Revenue Income and Expenditure in the year in which they become payable. Contributions from employees who are members of the schemes are credited to income and expenditure account when received. In accordance with the service plan agreed with the HSE and the Department of Health, pension contributions received may be offset against pension payments made and the surplus or deficit each financial year forms part of the funding for CHI.

The principal pension scheme which operates in CHI is the Voluntary Hospitals Superannuation Scheme ('VHSS'), which is a defined benefits pension scheme for employees eligible for inclusion under Children's Health Ireland Act, 2018.

Accounting Policies (continued)

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 became law on the 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme"). This commenced with effect from 1 January 2013. The Scheme applies to all pensionable first time entrants to the Public Service, as well as former public servants returning to the Public Service after a break of more than 26 weeks. Benefits are calculated by reference to "referable amounts" for each year's service that are uprated by the CPI as notified by the Minister. All contributions deducted from members' wages/salaries are remitted to the nominated bank account of the Department of Public Expenditure, NDP Delivery and Reform.

In previous years, no provision was made in respect of accrued pension benefits payable in future years for members of health service pension schemes funded by the Exchequer. This continues to be the treatment adopted by CHI, following the dissolution and transfer of the former hospital entities into CHI, in accordance with the accounting policy set out by direction of the Minister for Health.

n) Basic Financial Instruments

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through the Statement of Revenue Income and Expenditure, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar instrument. Such assets are subsequently carried at amortised cost using the effective interest rate method.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and CHI intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

Cash and cash equivalents are basic financial assets comprising cash balances and deposits held at call with banks. Bank overdrafts that are repayable on demand forming an integral part of CHI's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows only.

Financial assets are derecognised when, and only when:

- (i) The contractual rights to the cash flows from the financial asset expire or are settled;
- (ii) CHI transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- (iii) CHI, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

Accounting Policies (continued)

o) Patients' Private Property

CHI does not retain or receive monies for safe-keeping from or on behalf of patients.

p) Provisions and Contingent Liabilities

Provisions are recognised when CHI 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 CHI 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.

Material contingent liabilities at 31st December 2022 are set out in note 23.

Under the National Treasury Management Agency (Amendment) Act, 2000 the management of personal injury and third party property damage claims against Delegated State authorities (DSA's) and of the underlying risks was delegated to the National Treasury Management Agency (NTMA). When performing these functions, the NTMA is known as the State Claims Agency ("SCA"). The SCA provides a State indemnity to DSA's in respect of claims for personal injury and/or third-party property damage, arising from the negligence. Where claims are settled by the SCA on behalf of CHI (which is a DSA), the SCA does not, in practice, seek reimbursement from CHI. Accordingly, no provision has been made in respect of any such potential claims arising.

q) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Board is required to make judgements and estimates in preparing financial statements, some of which will have a significant effect on the reported results and financial position.

The financial statements disclose the judgements it has made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in its annual financial statements and information about assumptions made about future, and other major sources of estimation uncertainty at the end of the financial year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The following judgements, apart from those involving estimates, made by the Board have had a significant effect on the amounts recognised in the financial statements:

(i) Going Concern

The Board believes that the financial Statements should be prepared on a going concern basis. See accounting policy d) for further detail.

(ii) Contingent Liabilities

The Board's determination of contingent liabilities is judgemental. See note 23 for further details.

The Board makes estimates and assumptions concerning the future in the process of preparing the financial statements. The resulting accounting estimates will, by definition, seldom equal the related results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are address below:

Accounting Policies (continued)

(i) Useful economic lives of tangible fixed assets

The annual depreciation charge in respect of tangible fixed assets is influenced by changes in the estimated useful lives of those assets. The useful economic lives are reviewed annually, based upon historical experience, expert advice and other factors considered reasonable in the circumstances. Useful economic lives are amended prospectively when necessary to reflect current estimates, based on economic utilisation, technological advancements and the physical condition of the assets. The amortisation rate applied to capital grants is also reviewed in conjunction with the asset economic lives review and these are adjusted if appropriate.

(ii) Accrued Holiday Pay

Salaries, wages and employment related benefits are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the financial year is recognised in the financial statements to the extent that employees are permitted to carry forward unpaid annual leave into the following year. Due to different payroll systems currently in use within the combined group of CHI sites, it was necessary to make assumptions in order to calculate the accrual. The assumptions underlying the holiday pay accrual, for which amounts are recognised in the financial statements, are determined (including employee profiles and the pattern of holidays taken) based on current conditions.

(iii) Impairment of Patient and Other Trade Receivables

CHI makes an assessment at the end of each financial year whether there is objective evidence of impairment such that it may not be possible to collect all amounts outstanding from patient and other trade receivables. In determining the provision for bad and doubtful debts, the estimate includes such factors as the age profile of outstanding accounts receivable, recent correspondence, historical experience of cash collection from patient debtors, and any other impairment indicators. All movements in the provision for bad debts are recognised in the Statement of Revenue Income and Expenditure, while known bad debts are written off and expensed in the period in which they are identified. The level of provisioning is reviewed on an on-going basis and disclosed in the notes to the financial statements.

Notes to the Financial Statements

1. Operating Surplus

The operating deficit for the year is arrived at after charging:

	2022	2021
	€	€
Audit Fees	105,000	71,600
Board Members' Fees *	-	-
Board Members' Expenses	4,459	875
	<u>109,459</u>	<u>72,475</u>

*Board Members of CHI receive no remuneration.

2. HSE Revenue and Capital Grant

	2022	2021
	€	€
Revenue Grant Funding Allocated to CHI	468,874,517	411,664,752
Capital Grant Funding	13,113,792	3,750,470
Total Revenue and Capital Funding	<u>481,988,309</u>	<u>415,415,222</u>

3. Patient Income

	2022	2021
	€	€
Private In-Patient Charges	15,328,893	13,061,078
Public In-Patient Charges	81,399	1,025,085
Out-Patient/Emergency Department Charges	4,069,664	3,708,925
Road Traffic Accident Charges	2,016,713	1,305,209
Non EU & Other Patient Charges	58,394	42,980
Total Patient Income	<u>21,555,063</u>	<u>19,143,277</u>

4. Other Income

	2022	2021
	€	€
Superannuation Income	7,840,016	7,821,481
Additional Superannuation Contributions from Staff	8,681,529	7,695,014
Canteen Receipts	719,188	561,092
Parking	508,095	460,394
Accommodation & Rental Income	988,639	393,334
Donations, Fundraising and Bequest Income	5,879,687	3,512,654
Research & Development	1,036,746	576,891
Miscellaneous Income	8,646,651	3,824,173
Total Other Income	34,300,551	24,845,033

5. Income – Hospital Services and Programme

	Notes	Children's Hospital Services*	Children's Hospital Programme**	Total
		2022	2022	2022
		€	€	€
HSE Grants	2	460,169,626	21,818,683	481,988,309
Patient Income	3	21,555,063	-	21,555,063
Other Income	4	33,721,213	579,338	34,300,551
Transfer from Capital Account - Capital Grant Amortisation/Capital Donations Reserve		(8,841,002)		(8,841,002)
Total Income		506,604,900	22,398,021	529,002,291

*Income from Children's Hospital Services refers to income arising from the ongoing paediatric hospital services and research related activities.

**Income from Children's Hospital Programme refers to the grants from the Health Service Executive (HSE) to fund the integration of paediatrics services at CHI at Temple Street, Crumlin, Tallaght and Connolly respectively. The income was primarily spent in its entirety on wages and salaries and professional fees in respect of commissioning, clinical operations, digital health, development of an electronic healthcare record and corporate /general support.

6. Staff Numbers

The average number of persons (including key management personnel) employed by the Company was as set out below:

Employees by Category	2022	2021
Medical	613	564
Nursing	1,551	1,524
Allied Health and Social Care Professionals	667	670
General Support Staff and other Patient & Client Care	417	406
Administration & Management *	861	809
Total CHI Employees	4,109	3,973

* The Administration and Management category include staff with ICT, technical and other professional skills and qualifications as required for the significant ongoing integration projects and operations.

Short-term benefits in excess of €60,000 are categorised into the following bands:

Salary Range		Number of personnel	
From Euro	To Euro	2022	2021
60,000	69,999	642	484
70,000	79,999	283	189
80,000	89,999	172	118
90,000	99,999	98	52
100,000	109,999	41	46
110,000	119,999	38	20
120,000	129,999	37	22
130,000	139,999	14	17
140,000	149,999	10	8
150,000	159,999	11	9
160,000	169,999	14	18
170,000	179,999	17	17
180,000	189,999	19	16
190,000	199,999	28	22
200,000	209,999	11	12
210,000	219,999	13	13
220,000	229,999	22	27
230,000	239,999	16	23
240,000	249,999	17	12
250,000	259,999	20	4
260,000	269,999	17	14
270,000	279,999	8	5
280,000	289,999	8	4
290,000	299,999	7	2
300,000	309,999	3	1
310,000	319,999	2	1
320,000	329,999	0	0
330,000	339,999	1	1
340,000	349,999	1	0
350,000	359,999	1	0
360,000	369,999	2	0
370,000	379,999	1	0
380,000	380,000+	0	0

Note: For the purposes of this disclosure, short term employee benefits in relation to services rendered during the reporting period include salary, overtime, allowances and other payments made on behalf of the employee, but exclude employer's PRSI. The increase in numbers falling within the above categories reflects the impact of pay restoration and awards in line with national agreements.

Key personnel consists of the Chief Executive Eilish Hardiman and a senior management team of ten.

Key Personnel

	2022	2021
	€	€
Salary Key Personnel	2,044,854	1,713,561
Total	2,044,854	1,713,561

The salary of the Chief Executive in 2022 was €177,390. Pension entitlements also accrue under the approved pension schemes as set out under accounting policy m (b). The CEO's pension entitlement does not extend beyond the standard public sector pension arrangements. Vouched expenses reimbursed to the CEO amounted to €2,252.

7. Summary Analysis of Pay Costs

	Patient Care	Support Services	Administrative	Total
	2022	2022	2022	2022
	€	€	€	€
Basic Pay	207,339,162	7,319,463	49,245,278	263,903,903
Allowances	9,383,991	315,341	875,761	10,575,093
Overtime	12,909,302	1,107,257	587,934	14,604,493
Night Duty	3,790,494	28,507	105,453	3,924,454
Weekends	8,345,161	127,097	262,040	8,734,298
On-Call	5,931,140	46,472	74,980	6,052,592
Arrears	2,877,364	71,649	416,485	3,365,498
Wages & Salaries	250,576,614	9,015,786	51,567,931	311,160,331
Employer PRSI	25,151,182	951,519	4,793,258	30,895,959
Superannuation*	-	-	20,372,634	20,372,634
Total CHI Pay	275,727,796	9,967,305	76,733,823	362,428,924
Agency Pay	9,039,251	1,220,631	3,859,136	14,119,018
Overall Total	284,767,047	11,187,936	80,592,959	376,547,942

*Children's Health Ireland
Board Report and financial statements
31 December 2022*

	Patient Care	Support Services	Administrative	Total
	2021	2021	2021	2021
	€	€	€	€
Basic Pay	187,121,883	6,897,339	44,691,483	238,710,705
Allowances	5,497,227	88,508	94,497	5,680,232
Overtime	10,078,817	970,201	633,848	11,682,866
Night Duty	3,401,040	25,385	98,720	3,525,145
Weekends	6,173,036	124,619	196,703	6,494,358
On-Call	6,253,661	37,373	101,113	6,392,147
Arrears	1,042,857	5,456	(15,192)	1,033,121
Wages & Salaries	219,568,521	8,148,881	45,801,172	273,518,574
Employer PRSI	22,180,591	854,367	4,239,708	27,274,666
Superannuation*	-	-	18,756,490	18,756,490
Total CHI Pay	241,749,112	9,003,248	68,797,370	319,549,730
Agency Pay	4,677,737	1,296,114	1,533,000	7,506,851
Overall Total	246,426,849	10,299,362	70,330,370	327,056,581

***Superannuation**

Eligible staff employed in CHI are members of a variety of defined benefit superannuation schemes.

Superannuation entitlements (i.e. pensions) of retired staff are paid out of current income and are charged to income and expenditure in the year in which they become payable. The Pension charge to the Statement of Revenue Income and Expenditure for 2022 was €20,372,634 (2021: €18,756,490), which included payments in respect of once-off lump sums and gratuity payments on retirement of €4,392,199 (2021: €4,541,763).

Superannuation costs for all staff are shown above under Administrative.

8. Non Pay Expenditure

Patient Care	2022	2021
	€	€
Drugs & Medicine	29,925,627	25,935,406
Blood & Blood Products	4,542,846	5,155,187
Medical Gases	538,036	475,201
Medical & Surgical Supplies	25,681,059	23,070,172
Other Medical Equipment Costs	3,219,776	1,947,311
X-Ray & Imaging	1,463,691	569,014
Laboratory (incl. genetics)	14,466,196	11,835,426
Professional Services (e.g. therapy costs, radiology etc.)	2,827,754	1,490,493
Education & Training	1,270,415	709,968
Total Patient Care	83,935,400	71,188,178
Support Services	2022	2021
	€	€
Catering	1,965,634	1,664,243
Heat, Power & Light	2,958,123	2,370,904
Cleaning, Washing & Infection Control	10,171,347	8,676,371
Furniture, Crockery & Hardware	617,720	494,246
Bedding & Clothing	370,728	387,224
Total Support Services	16,083,552	13,592,988
Administrative Costs	2022	2021
	€	€
Maintenance	5,060,584	5,547,710
Security	2,730,719	2,530,749
Finance Costs	32,358	25,746
Prompt Payment Interest & Compensation	18,599	35,674
Insurance	351,320	323,286
Audit	163,329	82,032
Legal	1,239,441	759,185
Professional Fees*	11,747,360	10,870,358
Bad & Doubtful Debts	4,538,030	5,965,807
Training & Recruitment	1,175,196	1,807,971
Travel & Subsistence	420,268	634,209
Patient Transport	962,706	758,612
Record Storage & Retrieval	1,100,868	884,250
Office Expenses / Rent & Rates	6,264,810	5,605,340
Computers & Systems Maintenance	3,928,202	4,175,771
Total Administrative	39,733,790	40,006,700

*Professional Fees in 2022 includes an amount of €8,352,097 (2021: €7,927,252) relating to the Children's Hospital Programme.

9. Property, Plant and Equipment expenditure in the Statement of Revenue Income and Expenditure

	2022		2021	
	Expensed	Capitalised	Expensed	Capitalised
(a) Assets purchased from revenue funding	€	€	€	€
Land & Buildings		2,037,847	-	773,349
Other Medical Equipment		1,291,849	-	1,613,347
Laboratory Equipment		50,420	-	62,683
Maintenance Equipment		60,873	-	26,481
Computer Equipment		50,765	-	134,924
Total		3,491,754		2,610,784
(b) Expenditure on Capital Plan	2022		2021	
Revenue Funded	Expensed	Capitalised	Expensed	Capitalised
Land & Buildings		2,037,847		773,349
Plant & Equipment		1,453,907		1,837,435
Total	-	3,491,754	-	2,610,784

10. Statement of Capital Income & Expenditure

Capital Income Sources	2022	2021
	€	€
HSE Capital Grant	13,113,792	3,750,470
(Deficit) / Surplus on Capital Income and Expenditure Brought Fwd	-	-
	<u>13,113,792</u>	<u>3,750,470</u>
HSE Revenue funding allocated to capital projects	3,491,754	2,610,784
Asset Transfers	-	52,997,114
Grants – Other	118,462	167,173
- Charitable Foundations	5,765,169	3,345,482
Total Capital Income	<u>22,489,177</u>	<u>62,871,023</u>
Capital Expenditure	2022	2021
	€	€
Buildings	5,772,666	52,918,810
Equipment	12,842,653	9,952,213
WIP	3,873,858	-
Capital Expenditure - Capitalised	<u>22,489,177</u>	<u>62,871,023</u>
Capital Expenditure - Not Capitalised	-	-
Total Capital Expenditure	<u>22,489,177</u>	<u>62,871,023</u>
Capital Deficit / (Surplus) for the year	-	-
Closing Deficit / (Surplus) Carried Forward to following year	<u>-</u>	<u>-</u>

11. Fixed Assets

	Land	Buildings	Work in Progress	Equipment	Total
	€	€	€	€	€
Cost					
At beginning of year	3,806,675	203,178,182	-	138,616,242	345,601,099
Additions in Year	-	5,772,666	3,873,858	12,842,653	22,489,177
Impairments/Disposals	-	-	-	(157,951)	(157,951)
At 31 December 2022	<u>3,806,675</u>	<u>208,950,848</u>	<u>3,873,858</u>	<u>151,300,944</u>	<u>367,932,325</u>
Depreciation					
At beginning of year	-	(99,719,149)	-	(111,081,974)	(210,801,123)
Charge for year	-	(5,718,313)	-	(7,929,862)	(13,648,175)
Impairments/Disposals	-	-	-	157,951	157,951
At 31 December 2022	<u>-</u>	<u>(105,437,462)</u>	<u>-</u>	<u>(118,853,885)</u>	<u>(224,291,347)</u>
Net Book Value					
At 31 December 2022	<u>3,806,675</u>	<u>103,513,386</u>	<u>3,873,858</u>	<u>32,447,059</u>	<u>143,640,978</u>
<i>At 31 December 2021</i>	<u>3,806,675</u>	<u>103,459,033</u>	<u>-</u>	<u>27,534,268</u>	<u>134,799,976</u>

Building additions include an amount of €2,670,613 in respect of Leasehold improvements at CHI at Temple Street. In accordance with the depreciation policy, such expenditure is fully amortised in the year in which the expenditure is incurred.

Asset disposals in 2022 relates to assets that are fully depreciated resulting in the values for cost and depreciation being the same (€157,951).

12. Fixed Asset Additions

	Land	Buildings	Work in Progress	Equipment	Total
	€	€	€	€	€
Additions financed by:					
HSE Capital Grants	-	3,409,077	3,873,858	5,830,857	13,113,792
HSE Revenue Grants	-	2,037,847	-	1,453,907	3,491,754
Asset Transfers	-	-	-	-	-
CH Foundation	-	280,987	-	5,484,182	5,765,169
Other Charitable Donations	-	44,755	-	73,707	118,462
At 31 December 2022	-	<u>5,772,666</u>	<u>3,873,858</u>	<u>12,842,653</u>	<u>22,489,177</u>

13. Inventories

	2022	2021
	€	€
Medical and Surgical Supplies	4,321,138	4,139,027
Pharmacy Supplies	1,442,012	1,274,202
Other	40,001	131,639
	<u>5,803,151</u>	<u>5,544,868</u>

14. Trade and Other Receivables

	2022	2021
	€	€
Patient Debtors	29,485,963	26,488,516
Less: Provision for Bad & Doubtful Debts	(23,429,793)	(19,479,140)
	<u>6,056,170</u>	<u>7,009,376</u>
Sundry Trade Debtors & Prepayments	18,258,486	12,340,312
Revenue Grants Receivable (Note 16)	64,133,148	50,071,883
	<u>88,447,804</u>	<u>69,421,571</u>

15. Patient Accounts Receivables/Debtors Reconciliation

(i) In-Patients	Statutory In-Patient Charges	Private / Semi Private Charges	Long Stay Charges	Other In-Patient Charges	Total this Year	Total previous Year
	€	€	€	€	€	€
Balance due 1 January	955,785	6,053,591	-	-	7,009,376	4,125,054
Bills issued during year	81,399	15,328,893	-	58,394	15,468,686	14,129,143
Cash received during year	(806,856)	(14,631,426)	-	(58,394)	(15,496,676)	(8,350,207)
Provision for doubtful debts	(48,256)	(876,960)	-	-	(925,216)	(2,894,614)
Balance Due 31 December	<u>182,072</u>	<u>5,874,098</u>	-	-	<u>6,056,170</u>	<u>7,009,376</u>
(ii) Out-Patients			Statutory Out-Patient Charges (ED)	Other Out-Patient Charges	Total this year	Total previous year
			€	€	€	€
Balance due 1 January			-	-	-	-
Bills issued during year			4,069,664	-	4,069,664	3,708,925
Cash received during year			(2,805,088)		(2,805,088)	(1,660,726)
Provision for doubtful debts			(1,264,576)	-	(1,264,576)	(2,048,199)
Balance Due 31 December			-	-	-	-
(iii) Road Traffic Accident Balances				Road Traffic Accident	Total this year	Total previous year
				€	€	€
Balance due 1 January				-		-
Bills issued during year				2,016,713	2,016,713	1,305,209
Cash received during year				(255,851)	(255,851)	(282,215)
Provision for doubtful debts				(1,760,862)	(1,760,862)	(1,022,994)
Balance Due 31 December				-	-	-
Total Patient Debtors					<u>6,056,170</u>	<u>7,009,376</u>

16. Statement of Capital and Revenue Receivables due from HSE

	2022	2021
	€	€
Revenue Grants		
Total Approved Revenue Determination for the year	471,795,991	413,776,434
Less: Remittances for Revenue Grants in the year	<u>(407,662,843)</u>	<u>(363,704,551)</u>
Balance Due from HSE in respect of the year	<u>64,133,148</u>	<u>50,071,883</u>
Balance Due from HSE re: Previous years as at 1 January	50,071,883	35,970,238
Less: Remittances from HSE in year re: previous year(s)	<u>(50,071,883)</u>	<u>(35,970,238)</u>
Balance Due from HSE re: previous year(s) as at 31st December	<u>-</u>	<u>-</u>
Total Balance of Approved Revenue Determinations due from HSE	<u>64,133,148</u>	<u>50,071,883</u>
Capital Grants		
Total Capital Grants notified by HSE for the year	15,446,985	4,327,841
Less: Remittances for Capital Grants in the year	<u>(15,446,985)</u>	<u>(4,327,841)</u>
Balance due from HSE in respect of the year	-	-
Balance Due from HSE re: Previous years as at 1st January	-	-
Less: Remittances from HSE in year re: previous year(s)	<u>-</u>	<u>-</u>
Balance Due from HSE re: previous year(s) as at 31 December	<u>-</u>	<u>-</u>
Total Balance of Capital Grants due from HSE	<u>-</u>	<u>-</u>
Gross Total Revenue and Capital Grants Due from HSE	<u>64,133,148</u>	<u>50,071,883</u>

Revenue Grants

Total Approved Revenue Determination in respect of 2022 is €471,795,991. This figure is the HSE Revenue Grant recognised in the year per note 2 in respect of 2022 of € 468,874,517 plus net Revenue Grants deferred in respect of 2022 of €2,921,474.

Total Approved Revenue Determination in respect of 2021 is €413,776,434. This figure is the HSE Revenue Grant recognised in the year per note 2 in respect of 2021 of € 411,664,752, plus net Revenue Grants deferred in respect of 2021 of €2,111,682.

Capital Grants

Total Capital Grants notified and remitted by HSE in respect of 2022 is €15,446,985. HSE Capital Grants recognised per note 2 in respect of 2022 is €13,113,792. The difference in respect of 2022 of €2,333,193 represents remittances received in respect of capital expenditure of prior or future years. Where expenditure relates to future years, it is deferred. Total Capital Grants notified and remitted by HSE in respect of 2021 is €4,327,841. HSE Capital Grants recognised per note 2 in respect of 2021 is €3,750,470. The difference in respect of 2021 of €577,371 represents remittances received in respect of prior or future years.

17. Cash and Cash Equivalents

	2022	2021
	€	€
Cash at Bank	7,993,946	5,624,314
Bank Overdraft	(2,343,828)	(2,947,257)
	5,650,118	2,677,057
	5,650,118	2,677,057

18. Creditors (amounts falling due within one year)

	2022	2021
	€	€
Payables - Revenue	25,277,018	18,976,186
Accruals Non Pay - Revenue	34,217,283	22,756,888
Accruals Pay	27,811,245	19,006,945
Taxes and Social Insurance	1,005,377	6,829,182
Deferred Capital Grants	4,335,424	4,248,749
Deferred Revenue	17,642,999	15,267,881
	110,289,346	87,085,831
	110,289,346	87,085,831

19. Income & Expenditure Account – Statutory Funding Reconciliation

	2022 €	2021 €
Deficit carried forward (First Charge)	9,142,094	6,827,270
	-	-
Total Pay Expenditure	376,547,942	327,056,581
Total Non-Pay Pay Expenditure <i>(including asset appropriations)</i>	162,776,302	141,128,336
Gross Expenditure per Income Statement (including First Charge)	548,466,338	475,012,187
Hospital Income (Patient Charges/Other Incomes/Revenue Donations etc.)	(55,855,614)	(43,988,310)
Appropriation from Capital and Donations Reserve - Grant amortisation	(13,648,175)	(10,217,031)
Hospital Net Expenditure	478,962,549	420,806,846
<u>Funding received:</u>		
Health Service Executive - Revenue Grants	(468,874,517)	(411,664,752)
- Capital Grants	(13,113,792)	(3,750,470)
Other Funding - Donations & Fundraising (Capital)	(5,765,169)	(3,512,655)
Less: Appropriation to Capital Account/Donation Reserves - Capital funded Assets	13,113,792	3,750,470
- Revenue funded Assets	5,765,169	3,512,655
Revenue (Determination) Funding	(468,874,517)	(411,664,752)
Revenue Deficit at the end of the Year	10,088,032	9,142,094
<u>Income Statement Deficit analysed as follows:</u>		
(i) Differences between Funding provision and Income statement recognition		
Provisions/charges not provided for in grant funding:		
- Depreciation /Bad Debts movements/ Other non-cash expense items etc.	13,648,175	10,217,031
Deduct:		
Funding provision recognised on a deferred income/revenues basis:		
- Capital grant amortisation (deferred income) etc.	(13,648,175)	(10,217,031)
(ii) Revenue Expenditure Outturns		
Deficit carried forward from previous financial year	9,142,094	6,827,270
Service expenditure in excess of current year Funding Allocation	-	-
Funding Allocation in excess of Service Spending in the current year	945,938	2,314,824
	10,088,032	9,142,094
Revenue Deficit at the end of the Year	10,088,032	9,142,094

20. Capital Commitments

	2022	2021
	€	€
Future Property, Plant and Equipment purchase commitments:		
Within one year	5,564,091	4,604,480
After one year but within five years	-	-
After five years	-	-
	<u>5,564,091</u>	<u>4,604,480</u>
Contracted for but not provided in the financial statements	5,564,091	4,604,480
Included in the Capital Plan projects but not contracted for	-	-
	<u>5,564,091</u>	<u>4,604,480</u>

CHI prepares multi-annual capital investment in co-ordination and with the approval of projects included within the HSE national capital plan. The contractual commitments identified above are in respect of the total cost of projects for which specific funding budgets have been approved at year end. These contractual commitments may involve costs in years after 2022 for which budgetary funding has yet to be approved and therefore are estimated.

21. Lease Commitments

Operating Leases	2022	2021
	€	€
Operating lease rentals charged to the Statement of Revenue Income and Expenditure :-		
Land and Buildings	630,640	630,640
Equipment	-	-
Motor Vehicles	-	-
	<u>630,640</u>	<u>630,640</u>
CHI has the following total amounts payable under non-cancellable operating leases split between amounts due:-		
Within one year	524,720	630,640
In the second to fifth years inclusive	1,204,750	829,470
In over five years	1,800,000	-
	<u>3,529,470</u>	<u>1,460,110</u>

CHI operates its paediatric outpatient and urgent care centre at Connolly Hospital, Blanchardstown, in a facility provided by the HSE under a licence agreement. The facility provided under this licence agreement comprises a building and equipment. The licence agreement between the HSE and CHI is to be replaced by a lease agreement in the future.

22. Financial Instruments

The carrying value of financial assets and liabilities are summarised by category below:

Financial Assets	Notes	2022	2021
		€	€
Trade and Other Receivables	14	88,447,805	69,421,571
Cash at Bank		7,993,946	5,624,314
		96,441,751	75,045,885

Financial Liabilities	Notes	2022	2021
		€	€
Bank Overdraft		2,343,828	2,947,257
Creditors	18	110,289,346	87,085,831
		112,633,174	90,033,088

23. Contingent Liabilities

Capital Grants

CHI has assumed responsibility for undertakings signed with the HSE to enter into a Grant and Subsidy Agreement in respect of all capital grants received. The underlying agreement states that the unamortised value of capital grants advanced may become repayable in certain circumstances. At 31st December 2022, the current value of such unamortised grants amounted to €11,613,019. No provision has been made in the financial statements in respect of this amount as the Board believes that the likelihood of crystallisation at this time is remote.

Dilapidations

CHI has entered into various lease arrangements in respect of buildings where the underlying lease agreements include clauses relating to dilapidation provisions. As at 31 December 2022, no provision has been made in the financial statements in respect of any amount which may become payable in the future, as the amount, timing and extent of any such liability that may arise in the future cannot be determined with any degree of certainty at this time.

Other

The Board is satisfied that there are no other contingent liabilities at 31st December 2022.

24. Post Balance Sheet Events

There are no significant post balance sheet events since the balance sheet date.

25. Related Parties

CHI adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure, NDP Delivery and Reform covering the personal interests of Board members. In the normal course of business, CHI may approve grants or enter into other contractual arrangements with entities in which CHI Board members are employed or are otherwise interested.

In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request of all such instances.

During the year, CHI was invoiced €1,722 (2021: €3,690) by a company providing HR services. Mr. Turlough O'Sullivan was a Board Member of CHI throughout 2022 and also a director of this company. There was no amount owing to this company at 31 December 2022.

Children's Health Foundation (CHF) is a fundraising body which raises funds in support of the work of CHI. CHF is a company limited by guarantee, is not under the control of CHI and has no common director/board members with CHI. CHF was formed on 1 January 2019 following the merger of Children's Medical Research Foundation (CMRF) and Temple Street Foundation.

During 2022, Children's Health Foundation provided CHI with €8,051,618 (2021 €4,496,016) in respect of fundraised capital grants and other non-capital amounts.

26. Approval of Financial Statements

The financial statements were approved by the Board on 27th October 2023.