

Charity Registration No. 20023201

**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT  
FOUNDATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	Paul Cooke Stephen Eustace Eleanor Garvey James Keany Mairead Kearns Reidy (Appointed 20 June 2019) Alan Molloy (Appointed 20 June 2019) Michael Stephens
<b>Secretary</b>	L&P Trustee Services Limited
<b>Charity registration number</b>	20023201
<b>CHY</b>	9282
<b>Company number</b>	136618
<b>Principal address</b>	National Orthopaedic Hospital Cappagh Finglas D11 R593 Ireland
<b>Auditor</b>	UHY Farrelly Dawe White Limited Unit 4A Fingal Bay Business Park Balbriggan Co. Dublin
<b>Bankers</b>	Allied Irish Banks 53 Main Street Finglas Dublin 11  Bank of Ireland Ballygall Road East Finglas Dublin 11  Allied Irish Bank 100-101 Grafton Street Dublin 2

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# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 8
Statement of Directors' responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 30

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# **CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Cappagh Orthopaedic Hospital Research and Development Foundation trading as Cappagh Hospital Foundation, hereafter called the 'Foundation', present its Directors report and the audited financial statements for the year ended 31 December 2019.

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations. Irish company law requires Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the company.

The Directors confirm that these financial statements have been prepared on the going concern basis.

The Directors have elected to prepare the financial statements in accordance with SORP - Statement of Recommended Practice as per the Charities Regulatory Authority (CRA) requirements SORP, a modular based approach made effective 1st January 2015. The implementation of SORP enables best practice required in the administration of public money and the disbursement of monies raised as per the Foundation's Memorandum and Articles of Association.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company for the financial year end of the result of the company and otherwise comply with the Companies Act 2014.

The Foundations Annual Report encapsulates activities for 2019 and these audited financial statements. Please contact the office or download a copy from [www.chf.ie](http://www.chf.ie).

### **Chairs statement**

2019 was a rewarding and challenging year for the Foundation as we continued to move forward from previous years, and transform through the development of our governance, fundraising activities, raising awareness and staff development.

I was elected to the Board of Cappagh Hospital Foundation in 2015, and in 2019 took on the role as Chair.

The Foundation was privileged once again this year to have the support of so many who tirelessly donated and raised funds for the Hospital.

I am delighted to report that, in 2019, the Foundation, through the generosity of the public raised €641,540. Our tightly controlled expenses and value for euro approach continued and our overhead expenses reduced by 15% compared to 2018. Our bank balance as at December 31st 2019 was €1,036,822 representing a combination of fundraising activities from 2017 – 2020 for restricted and designated projects for the Hospital which are expected to be executed in 2020/2021 by the National Orthopaedic Hospital Cappagh.

Given the entire sector is underpinned by the requirement for transparent governance and accountability, the Board continued its governance journey this year and continued to work closely with, and be guided by our Company Secretary, L & P Cantor and our CEO. We are acutely aware good governance is the foundation for gaining public trust when fundraising. As part of this journey we undertook a review of our Constitution to update them to be in line with the needs of the Hospital.

The Foundations work to date signifies the generosity of people across the country and abroad who have kindly donated to the Foundations four core objectives, Development, Education and Training, Research and Patient Support enabling the Hospital to develop its healthcare facilities to improve lives through medical innovation and enhanced healthcare practice. Our 2017 -2020 Strategy continues to be a living document for our dedicated Team to ensure the Foundation is achieving its core objectives for the Hospital, its Staff and Patients.

In our Annual Report, you will meet some of our donors, supporters and a number of those who have benefited from public donations and the impact that these donations has had on their lives.



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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The Board extends its sincerest thanks to Patrons, Mary O'Rourke and Francis Brennan, the National Orthopaedic Hospital Cappagh Staff, Board and Staff and all our partners who provided incredible support during the year. We extend our greatest thanks to the CEO and the Team at Cappagh Hospital Foundation for their continued commitment, passion and dedication to get it right for our donors, supporters and the Hospital.

I wish to thank my fellow Trustees, in particular James (Shay) Keany, the former Chair, for his stewardship and time over the past two years and want to welcome new Trustees who joined us this year.

### **Principal activity**

Cappagh Orthopaedic Hospital Research and Development Foundation incorporated on 28th October 1988 is a registered Irish charity, No. 9282, trading as Cappagh Hospital Foundation, No. 128584. Since 1988, the Foundation has raised funds to support the National Orthopaedic Hospital Cappagh, formerly Cappagh National Orthopaedic Hospital. It is registered with the Charities Regulatory Authority, No. 20023201. It is a company limited by guarantee, registered under Part 18 of the Companies Act, company registration No. 136618. It is governed by a Memorandum and Articles of Association with its principal activities set out in this report below.

The main objective for which the Foundation is established ('the Main Object') is the relief of sickness by the general improvement of the treatment, care and welfare of patients and the education and training of staff through the provision of facilities, equipment and personnel of Cappagh National Orthopaedic Hospital ('the Hospital') and to raise funds for the benefit of the Hospital.

As objects incidental and ancillary to the attainment of the Main Object, the Company shall have the following subsidiary objects:

- To provide support for the Hospital's strategic development including upgrading and replacement of its buildings, facilities and equipment;
- To provide support for the research of all aspects of orthopaedic surgery to increase knowledge and information on the diagnosis, treatment and all other aspects of orthopaedic and related illnesses and aid in the dissemination of such knowledge by publishing general propagation and practical application of its research and related programmes;
- To promote the education, teaching and training of medical staff in the techniques of research and the acquisition of knowledge and information of all aspects of orthopaedic medicine, healthcare and related illnesses;
- To provide support for patients through the provision of orthopaedic medical facilities, equipment and devices other patient support requirements by operating and maintaining patient support programmes.

The Foundation CEO and Team work within the required remits of the following:

- Charities Regulatory Authority;
- The Governance Code;
- Data Protection Commissioners Frameworks;
- Minimum Notice and Terms of Employment Acts 1973-2001;
- Unfair Dismissal Acts 1977-2001;
- Terms of Employment (Information) Act 1994-2001;
- National Minimum Wages Act 2000 (as amended);
- Health and Safety Acts 1985-2010;
- Organisation of Working Time Act 1997;
- Maternity Protection Act 1994;
- Employment Equality Act 1998;
- Protected Disclosures 2014;

and others to ensure the company adheres to regulatory standards.

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# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Foundation is a separate legal entity to the National Orthopaedic Hospital Cappagh with legally registered governing Board of Directors. Staff are employed by the Foundation.

Cappagh Hospital Foundation is based on the grounds of National Orthopaedic Hospital Cappagh, Finglas, Dublin 11, D11 R593.

Since 1988, the Foundation has built and maintains a high level of public trust. This is not taken for granted and the Board and Staff would like to sincerely thank all of those who have supported this organisation since its inception and continue to do so.

### **Principal risks and uncertainties**

In the first half of 2020, the outbreak of COVID-19 spread through Asia, Europe and Worldwide. The initial impact of this has been severe and has resulted in a significant worldwide slowdown in economic activity. In Ireland, the economic impact of this pandemic has been characterised by the temporary closure of many businesses in 'non-essential' areas to ensure that people's movements are restricted in order to slow down the spread of the virus. The effect of COVID-19 presents many risks for the charity, the effects of which cannot be fully quantified at the time of approving the financial statements. As a result, the directors consider the implications of the COVID-19 pandemic to be a significant uncertainty at the time of approving the financial statements, however the charity has prepared financial statements applying the most up to date information available at this time.

### Risk management

The CEO established a risk register in 2017 and reports the Foundations risks to the Board. The Board has ultimate responsibility for identifying, evaluating and managing all risk categories across the organisation.

### Environmental

At the time of approving the financial statements, the Cappagh Hospital Foundation is exposed to the effects of the COVID-19 pandemic which has resulted in a lowering of incoming resources.

### Financial risk management

All income and expense streams were reevaluated in 2019 as part of the 2017-2020 strategy to identify and reduce areas of risk and appropriate measures implemented. Further evaluation will be required throughout 2020 in response to the COVID-19 pandemic.

### Funding

As the Foundation is a registered charity it is heavily reliant on the generosity of donations, grants and other income streams to raise funds for the Hospital. The majority of this income is restricted and designated. For the Foundation to be able to continue to raise funds for the Hospital, unrestricted operational funding is required to be raised. In the Not for Profit sector, this is recognised as one of the core challenges. The risk, in the Foundations case, should this unrestricted funding be reduced, the Foundation would struggle to continue to be able operate and raise funds for the Hospital.

### Grants to the Hospital

The Grant Policy that had been introduced to enhance the strategic alignment of the Foundation with the Hospital remains in place.



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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### **Financial review**

The surplus for the year after providing for depreciation amounted to €175,758 (2018: €101,799).

At the end of the year, the company had assets of €1,165,843 (2018: €996,853) and liabilities of €25,441 (2018: €32,209). The net assets of the company have increased by €175,758.

The 2017 - 2020 strategy that included reducing costs with a value for money approach, sustaining, generating, diversifying, and developing income streams, continued to be implemented.

Costs were substantially reduced and a value for money approach across all aspects of the business introduced and continues. As part of keeping costs down, the CEO and Finance Operations Manager further took on extra roles to continue to move the organisation forward from a number of legacy matters.

### **Achievements and financial performance**

Further restructuring and the implementation of appropriate financial controls in 2019 took place that reduced costs, continued the prudent spending, in turn increasing the ability to generate and diversify income.

### **Principal funding sources**

Details of all 2019 income are available on page 21 - 22.

### **Governing documents**

The company is a company limited by guarantee, governed by a Memorandum and Articles of Association and is a registered charity.

The Cappagh Hospital Foundation is an Irish Registered Charity, No. 9282. It is a company limited by guarantee, company registration No. 136618. Charities Regulatory Authority Registered No. 20023201.

Cappagh Hospital Foundation is committed to complying with and implementing the relevant legislative requirements.

### **The Governance Code**

The Directors remain on the journey of the Code's implementation. As a charity seeking donations from the public, the Board undertook to start the process to comply with the principles of the Governance Code for a Type C organisation. This outlines to stakeholders the standards our charity operates to, creating a more conducive environment for fundraisers.

The Foundation fundamentally believes that we must be transparent and compliant in all our actions. We have also implemented SORP - Statement of Recommended Practice from 2017. This enables the Foundation to practice the required Charities Regulatory Authority transparency in its dealing with public money raised as per the charities Constitution.

### **Organisational structure and how decisions are made**

#### Decision making

The Board ensures they meet the activities of the Foundation as set out in its legal objectives and aims. There are clear distinctions between the roles of the Board of Directors, who are non-Executive Directors and the CEO and staff. The day-to-day management is delegated to the CEO. Budgets, strategic planning, policies are drafted by the CEO with Finance and Operations Manager and input from external advisors when required. These are presented to the Board for consideration and approval. The Board receive updates from the CEO.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### Meetings

Board Meeting attendance by Directors 2019.

Directors name	Became Director	Years as Director	March 22nd	June 20th	AGM June 20th	Oct 9th	Dec 5th	No Meetings Attended
Prof. Steve Eustace	15/03/2006	14	Y	APOL	APOL	APOL	Y	2
Prof. Michael Stephens	07/09/2009	11	Y	Y	Y	APOL	Y	4
Shay Keany	10/02/2015	5	Y	Y	Y	Y	Y	5
Mr. Paul Cooke	04/03/2015	5	Y	Y	Y	Y	APOL	4
Ms. Eleanor Garvey - Chair	10/04/2015	5	Y	Y	Y	Y	Y	5
Ms. Mairead Kearns	20/06/2019		N/a	Y	Y	Y	Y	4
Mr. Alan Molloy: Hospital Medical Board Rep: Article 4c) of the Articles of Association of the Company.	20/06/2019		N/a	Y	Y	APOL	Y	3
<b>In Attendance:</b>								
Orla Gilroy – CEO, Cappagh Orthopaedic Hospital Research & Develop Fn			Y	Y	Y	Y	Y	
NK/ RG/CC – L&P Trustee Services as Com Sec			Y	Y	Y	Y	Y	
Mr Darren Connolly – BCK Audit, Accounting and Tax Ltd			N/a	N/a	Y	N/a	N/a	

L&P Cantor are the Company Secretary. The Board wish to extend its sincere thanks for their support and work.

BCK were the Auditors in 2018. The Board wish to extend its sincere thanks for their support and work.

FDW are the Auditors in 2019: The Board wish to extend its sincere thanks for their support and work.

### Conflict of interest and loyalty

The Directors have a conflict of interest and loyalty policy.

No contracts or other legal agreements were entered into with any Directors.

### Lobbying

No lobbying or other legal agreements were entered into with any Directors.



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### Management and staff

The ongoing growth of the Foundation's work is due to the Staff's dedication and commitment. We are committed to the development of our staff and will continue to allocate resources annually towards a comprehensive training and development programme.

The directors who served during the year and up to the date of signature of the financial statements were:

Paul Cooke	
Paul Curtin	(Resigned 9 October 2019)
Stephen Eustace	
Eleanor Garvey	
James Keany	
Mairead Kearns Reidy	(Appointed 20 June 2019)
Alan Molloy	(Appointed 20 June 2019)
Michael Stephens	

### Volunteer time

General volunteer time is not accounted for under SORP.

### Transparency and public accountability

The Board believes that Cappagh Hospital Foundation and all charities should be fully accountable to the general public, providing detailed information on where its funds come from and on what they are spent. The Board has provided substantial information on where its funds come from and on what they are spent in this report. The Foundation publish our accounts on our website [www.chf.ie](http://www.chf.ie).

We categorise income and expenditure in line with the categories as per SORP - Statement of Recommended Practice.

As a charity seeking donations from the public, we follow the required guidelines of Charities Regulatory Authority of Ireland and are working towards being fully compliant with the Governance Code.

### Income

The 2017 - 2020 strategy that included sustaining, generating, diversifying, and developing income streams, continued to be implemented.

The majority of donation income came from across the island of Ireland, Northern Ireland, the UK and USA. Donations, gifts and legacies: over 56% was received through public and corporate donations, 23% of income was generated from events and fundraising campaigns and other income in 2019. Car park income: 21% was generated through the car park with costs for security, management and administrative of 6%. See note 5.

### Expenditure

Charitable expenditure comprises costs incurred by the charity in the delivery of its activities and services as per its Memorandum and Articles of Association. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The 2017 - 2020 strategy that included reducing costs with a value for money approach continued to be implemented.

As part of keeping costs down, the CEO and Finance and Operations Manager undertook extra roles in a bid to move the organisation forward from a number of legacy matters.

Support costs: These costs relate to several activities i.e. cannot be allocated only one activity. These include Human Resources, Information Technology, Finance and Governance. Governance costs are associated with meeting the constitutional and statutory requirements of the charity by the Charities Regulator Authority.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### Pensions

The organisation established a defined contribution plan in 2018 under which the organisation pays fixed contributions into separate entity. The assets of the plan are held separately from the organisation in independently administered funds. The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts are not paid in accruals as a liability in the Statement of Financial Position.

### Health and safety

Cappagh Hospital Foundation is committed to managing and conducting its work activities in such a way as to ensure - so far as reasonably practicable - the safety, health and welfare at work of its employees and volunteers. The Safety Statement, in accordance with Section 20 of the Safety, Health and Welfare at Work Act 2005, outlines the policy of Cappagh Hospital Foundation in relation to the management of health, safety and welfare.

The following are also adhered to:

- Minimum Notice and Terms of Employment Acts, 1973 - 2001;
- Unfair Dismissals Acts, 1977 - 2001;
- Terms of Employment (Information) Act, 1994 - 2001;
- National Minimum Wages Act, 2000 (as amended);
- Health and Safety Acts, 1985 - 2010;
- Organisation of Working Time Act, 1997;
- Maternity Protection Act, 1994;
- Employment Equality Act, 1994;
- Protected Disclosures, 2014.

### Reserves policy and level

The Board committed to have €250,000 by 31 December 2019. Following a Board meeting on 15 May 2020, the Board revised the reserves policy to be held at €175,000.

### Going Concern

During the first quarter of 2020, the COVID-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland, there are restrictions placed on 'non-essential' businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus. The pandemic is and will have a substantial impact on the ability to fundraise and directors have prepared budgets for the upcoming 12 months which show that the company can continue as a going concern.

The financial statements have been prepared on a going concern basis.

### Events after the reporting period

In February 2020, the international pandemic known as COVID-19 became prevalent in the Republic of Ireland. As the outbreak of the pandemic continues to increase, the charity chose to conform to all public health measures and government recommendations with regards to its services and operations. The CEO continues to act on instruction from these sources. At the date of signing the financial statements, the fallout of this virus on this charity has been substantial with cost saving measures implemented and reduced income predicted.

### Auditors

UHY Farrelly Dawe White Limited were appointed in the year to fill a casual vacancy. In accordance with the company's articles, a resolution proposing that UHY Farrelly Dawe White Limited be reappointed as auditor of the company will be put at a general meeting.

### Taxation Status

No charge to taxation arises as the company has been granted an exemption under Sections 207 and 208 of the Taxes Consolidation Act, 1997.

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# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### Statement of relevant audit information

So far as the directors are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

### Accounting records

The measures taken by the Directors to ensure compliance with the requirements of Section 281 and 285 of the Companies Act 2014, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of qualified accounting personnel with appropriate expertise and the provision of adequate resources to the finance function.

The Board also ratified the implementation of best practice internal controls that ensure transparent effective management control. Coupled with the implementation of Charities SORP (FRS 102) a qualified CPA was engaged by the company in December 2017.

The accounting records of the company are kept at its registered office and principal place of business of Cappagh Hospital Foundation, National Orthopaedic Hospital Cappagh, Dublin 11.

### Future developments

The CEO, Staff and Board are committed to ensuring the Foundation Strategy is aligned with that of National Orthopaedic Hospital Cappagh.

At the time of approving the financial statements, the Cappagh Hospital Foundation is exposed to the effects of the COVID-19 pandemic which has resulted in a lowering of incoming financial resources. In planning future activities, the directors will review this on a regular basis to manage to effects caused by this outbreak.

Globally, it is recognised within the Not for Profit sector, Charity Fundraising is labour intensive, takes time and costs money. For a charity to raise funds, for it to be successful in its objectives, be sustainable and grow, the organisation requires a structure strategic approach that includes a high level of governance, best practice systems and a Staff and Board committed to succeed. A strategic approach is a proactive long-term solution rather than a short term, reactive one. Challenges facing charities are universal for this sector - often, initial solutions are local.

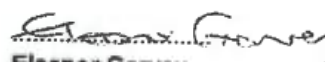
The Directors' report was approved by the Board of Directors.



.....  
**Paul Cooke**

Director

Dated: . 16 Jul 2020 .



.....  
**Eleanor Garvey**

Director

Dated:.....16 July 2020



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

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

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company can continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the board



**Paul Cooke**  
Director

Date: 16 Jul 2020



**Eleanor Garvey**  
Director

Date: 16 Jul 2020

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

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#### Opinion

We have audited the financial statements of Cappagh Orthopaedic Hospital Research & Development Foundation (the 'company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the Companies Act 2014, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Charities SORP, FRS 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE DIRECTORS OF CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

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#### Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

#### Matters on which we are required to report by exception

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

We have nothing to report in respect of our obligations under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

#### Responsibilities of directors

As explained more fully in the statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

#### Use of our report

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



**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT  
FOUNDATION**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE DIRECTORS OF CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH &  
DEVELOPMENT FOUNDATION**

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**Richard Berney**  
**for and on behalf of UHY Farrelly Dawe White Limited**

**Chartered Certified Accountants**  
**Statutory Auditor**  
**Unit 4A**  
Fingal Bay Business Park  
Balbriggan  
Co. Dublin

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# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds 2019 €	Restricted funds 2019 €	Total 2019 €	Total 2018 €
<b><u>Income from:</u></b>					
Donations, gifts and legacies	3	124,535	234,609	359,144	304,161
Charitable activities	4	20,623	253,540	274,163	250,306
Investment income	4	154	-	154	1,138
Other income	4	8,079	-	8,079	-
<b>Total income</b>		<b>153,391</b>	<b>488,149</b>	<b>641,540</b>	<b>555,605</b>
<b><u>Expenditure on:</u></b>					
Raising funds	5	9,758	78,035	87,793	124,943
Charitable activities	5	110,706	267,283	377,989	328,863
<b>Total charitable expenditure</b>		<b>120,464</b>	<b>345,318</b>	<b>465,782</b>	<b>453,806</b>
<b>Net movement in funds</b>		<b>32,927</b>	<b>142,831</b>	<b>175,758</b>	<b>101,799</b>
Fund balances at 1 January 2019		784,570	180,074	964,644	862,845
<b>Fund balances at 31 December 2019</b>		<b>817,497</b>	<b>322,905</b>	<b>1,140,402</b>	<b>964,644</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.


# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

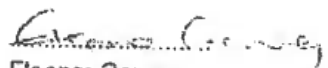
## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		€	€	€	€
<b>Fixed assets</b>					
Tangible assets	10		30,718		41,353
<b>Current assets</b>					
Stocks	11	454		-	
Debtors	12	97,849		79,853	
Cash at bank and in hand		1,036,822		875,647	
		1,135,125		955,500	
<b>Creditors: amounts falling due within one year</b>	13	(25,441)		(32,209)	
<b>Net current assets</b>			1,109,684		923,291
<b>Total assets less current liabilities</b>			1,140,402		964,644
<b>Income funds</b>					
Unrestricted funds			817,497		784,570
Restricted funds			322,905		180,074
			1,140,402		964,644

The financial statements were approved by the Directors on 11th July 2020 for the period 2019

  
Paul Cooke  
Director

  
Eleanor Garvey  
Director



**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT  
FOUNDATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 €	€	2018 €	€
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	22		161,175		(39,418)
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(783)	
<b>Net cash used in investing activities</b>			-		(783)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			161,175		(40,201)
Cash and cash equivalents at beginning of year			875,647		915,848
<b>Cash and cash equivalents at end of year</b>			<u>1,036,822</u>		<u>875,647</u>

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Charity information

Cappagh Orthopaedic Hospital Research & Development Foundation is a company limited by guarantee incorporated in Republic of Ireland. Cappagh Orthopaedic Hospital Research & Development Foundation, Cappagh Hospital, Finglas, Dublin 11, is the registered office, which is also the principal place of business of the company. The nature of the company's operations and its principle activities are set out in the Directors' Report.

#### 1.1 Accounting convention

The financial statements are prepared in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. The company has applied recommendations contained in Charities Statement of Recommended Practice (SORP) (FRS 102) effective 1 January 2015.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

During the first quarter of 2020, The Covid-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "nonessential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus. The pandemic is and will have a substantial impact on the ability to fundraise and directors have prepared budgets for the upcoming 12 months which show that the company can continue as a going concern.

The financial statements have been prepared on a going concern basis.

#### 1.3 Charitable funds

Unrestricted funds are general funds which have not been earmarked and may be used generally to further the charity's objects.

Restricted funds are funds held for a purpose as specified by the donor. These funds cannot be used for any other purpose.

Designated funds are unrestricted funds that have been earmarked for a particular purpose by the Trustees.

#### 1.4 Incoming resources

Income constitutes all money that is donated by or collected from independent external groups who organise fundraising activities, give voluntary donations or generate similar income, outside the control of the Foundation, and are not recognised in the accounts until received by the Foundation. These include, but not limited to: companies, individuals, legacies, trustees, major donor, public and other.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

The Foundations core income is generated from its own fundraising events and fundraising campaigns. All income is recognised when received.

Legacies are recognised on receipt or otherwise if the Foundation has been notified of an impending distribution, the amount is known, and receipt is expected.

Other income is recognised in the period in which it is earned or received. Interest income is recognised in the period in which it is earned and is received gross.

Capital grants received and receivable are treated as deferred income and amortised to the Statement of Financial Activities annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Statement of Financial Activities when received.

### 1.5 Resources expended

Expenditure is recognised when a liability is incurred. Funding provided through contractual agreements and performance related grants which are recognised as goods and services supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being an avoidable commitment.

Expenditure is analysed, as per SORP requirements, between a) raising funds and b) charitable activities. Each item is individually disclosed analysed based on a) and b) incorporating all items funded in the pursuit of the objectives of Cappagh Orthopaedic Hospital Research & Development Foundation in supporting the hospitals mission to provide high quality integrated care for people with musculo-skeletal disorders through funds raised for hospital development, research, education, teaching, training and the provision of strategic patient support programmes.

#### Cost of raising funds

Raising funds costs include expenditure directly associated with generating fundraising income. Examples are salaries, printing, production and distribution of all fundraising material, web site development, donor acquisition programmes, marketing and event costs.

#### Support costs

Support costs are costs related to several activities. These include Human Resources, Information Technology, Finance and Governance. Governance costs are associated with meeting the constitutional and statutory requirements of the charity.

#### Reserves

It is the policy of the Board to maintain an adequate level of reserves. Reserves are held to fund working capital, to fund unexpected events and to accumulate resources against unexpected changes in the funding environment so that the Foundation can continue to fulfil its agreed commitments to the hospital. The Board committed to have €250,000 by 31 December 2019. Following a Board meeting on 15 May 2020, the Board revised the reserves policy to be held at €175,000.



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies (Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% Straight line
Fixtures and fittings	20% Straight line
Computers	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.9 Cash and cash equivalents

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

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Taxation

As a result of the organisations charitable status, no charge to corporation tax arises under the provisions of Section 207 of the Taxes Consolidation Act 1997.

#### 1.12 Employee benefits

The organisation provides a range of benefits to employees. A defined contribution plan was set up in 2018 under which the organisation pays fixed contribution into a separate entity. Once the contributions have been paid, the organisation has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the organisation in independently administered funds.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leasing

Rentals payable under operating leases are dealt with in the Statement of Financial Activities as incurred over the period of the rental agreement.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 1.15 Departures from Companies Act 2014 Presentation

The directors have elected to present a Statement of Financial Activities instead of a Profit and Loss Account in these financial statements as this company is a not-for-profit entity.

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	€	€	€	€
Payroll giving	74,694	-	74,694	96,356
Collection boxes	6,738	-	6,738	7,164
Legacies	-	-	-	10,000
Corporate donations	30,000	60,000	90,000	33,500
Donations from non CHF events	1,800	87,854	89,654	19,406
Donations - Nationwide campaign	7,870	-	7,870	8,115
Donations - 30th anniversary	-	-	-	1,420
Donations - Other	3,433	2,512	5,945	8,097
Donations - CHF events	-	10,743	10,743	14,683
Major donations	-	10,000	10,000	43,066
MRI Donations from NOHC	-	63,500	63,500	62,354
	<u>124,535</u>	<u>234,609</u>	<u>359,144</u>	<u>304,161</u>



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Charitable activities

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total 2019 €	Total 2018 €
Spring raffle event	-	17,581	17,581	18,678
Golf classic event	-	9,750	9,750	15,570
Sports lunch event	-	91,443	91,443	70,201
Cappagh walk a mile for CK event	1,547	11,842	13,389	165
Sweets campaign	-	-	-	7
Miscellaneous events	2,776	-	2,776	992
Cuppa for Cappagh	-	2,314	2,314	2,499
	<u>4,323</u>	<u>132,930</u>	<u>137,253</u>	<u>108,112</u>
Car park income	16,300	120,610	136,910	142,194
	<u>20,623</u>	<u>253,540</u>	<u>274,163</u>	<u>250,306</u>
<b>Other income</b>				
Other income	8,079	-	8,079	-
	<u>8,079</u>	<u>-</u>	<u>8,079</u>	<u>-</u>
<b>Investment income</b>				
Interest	154	-	154	1,138
	<u>154</u>	<u>-</u>	<u>154</u>	<u>1,138</u>



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

5 Resources expended	Unrestricted funds		Restricted funds		Total 2019 €	Total 2018 €
	2019 €		2019 €			
<b>Raising funds</b>						
Spring raffle expenses	-	6,763	-	6,763	6,697	
Golf classic event	-	4,310	-	4,310	5,927	
Sports lunch event	-	47,974	-	47,974	36,880	
Cappagh walk event/campaign	-	3,072	-	3,072	-	
Expenses for Non-CHF event	1,669	5,905	-	7,574	2,367	
Collection box expenses	994	-	-	994	719	
Fundraising and development	5,875	8,112	-	13,987	35,211	
Cuppa for Cappagh events	-	957	-	957	2,500	
30th Anniversary event	-	-	-	-	10,046	
Major gifts campaign costs	-	942	-	942	24,424	
Miscellaneous events	1,220	-	-	1,220	172	
	<u>9,758</u>	<u>78,035</u>		<u>87,793</u>	<u>124,943</u>	
<b>Charitable activities</b>						
Wages and salaries	78,049	109,681	-	187,730	175,176	
Employers PRSI contributions	8,933	12,378	-	21,311	18,353	
Pension costs	3,586	4,530	-	8,116	7,426	
Staff training and recruitment	1,540	2,125	-	3,665	9,410	
Redundancy costs	-	41,212	-	41,212	-	
Office expenses	746	1,030	-	1,776	1,275	
Security charges	508	3,242	-	3,750	3,768	
Insurance	696	962	-	1,658	3,462	
Hire of office equipment	1,023	1,412	-	2,435	6,820	

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

5 Resources expended					(Continued)
Telephone and postage	1,094	1,511	2,605	2,931	
IT Costs	1,023	1,413	2,436	4,508	
Motor expenses	79	108	187	368	
Governance costs	4,653	6,425	11,078	10,148	
Staff travel and subsistence	144	199	343	620	
Legal and professional	(909)	(1,256)	(2,165)	256	
HR Support service	554	765	1,319	1,741	
Audit and accountancy	2,247	3,103	5,350	5,062	
Bank charges	1,843	3,554	5,397	4,461	
General expenses	43	61	104	402	
Health and Safety costs	-	-	-	1,001	
Maintenance & Security costs re Car park CNOH	-	25,000	25,000	25,000	
Grants to CNOH - re Development/Upgrading	-	2,000	2,000	-	
Grants to CNOH - re Research	-	10,000	10,000	-	
Grants to CNOH - re Other	-	31,125	31,125	-	
Subscriptions	387	535	922	2,122	
Depreciation	4,467	6,168	10,635	10,635	
	<u>110,706</u>	<u>267,283</u>	<u>377,989</u>	<u>294,945</u>	
<b>Total resources expended</b>	<u>120,464</u>	<u>345,318</u>	<u>465,782</u>	<u>419,888</u>	

## CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 6 Performance by activity

	Fundraising, donations, gifts and legacies 2019 €	Other 2019 €	Total 2019 €	Total 2018 €
Income	496,397	145,143	641,540	555,605
Salaries	(188,054)	(20,983)	(209,037)	(193,529)
Direct expenditure	(87,793)	(38,524)	(126,317)	(153,711)
Support costs	(70,875)	(16,428)	(87,303)	(72,648)
Disbursements	(43,125)	-	(43,125)	(33,918)
	<u>106,550</u>	<u>69,208</u>	<u>175,758</u>	<u>101,799</u>
Operating surplus/(deficit)				

The strategic review of income and costs that took place in 2017 continued to be activated throughout 2019 with further cost reductions. The diversification of income streams was enhanced with new campaigns and the value for money on all expenditure continued. The company further strengthened its skillset with an experienced Communications Manager and Senior Fundraising Manager in the last quarter of the year.



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>7 Operating surplus/(deficit)</b>		
	<b>2019</b>	<b>2018</b>
	€	€
<b>Operating surplus/(deficit) is stated after charging:</b>		
Depreciation of property, plant and equipment	10,635	10,635
Surplus/(deficit) on disposal of property, plant and equipment	-	-
Operating lease rentals:		
- Office equipment	2,435	6,820
- Auditor remuneration	5,350	5,062
	<u>          </u>	<u>          </u>

<b>8 Key management compensation</b>		
	<b>2019</b>	<b>2018</b>
	€	€
Wages and salaries	80,000	75,000
Pension	4,000	3,750
Social welfare costs	8,760	8,137
	<u>          </u>	<u>          </u>
	<u>92,760</u>	<u>86,887</u>

Key management comprised of the CEO. The directors are not compensated for their voluntary time. A number of the directors donate to the Foundation, support fundraising initiatives and are instrumental in raising funds for the organisation.

<b>Staff salary bands</b>		
	<b>2019</b>	<b>2018</b>
€60,000 - €70,000	-	-
€70,001 - €80,000	1	1
€80,001 - €90,000	-	-
€90,001 - €100,000	-	-
€100,001 and above	-	-

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
<b>Management, operations and fundraising</b>		
CEO	1	1
Finance and Operations manager	0.74	0.6
<b>Fundraising and operations</b>		
Events director	0.4	0.8
Fundraising and Communications executive	0.5	1
Communications manager	0.4	-
Senior Fundraising manager	0.3	-
<b>Employment costs</b>	<b>2019</b>	<b>2018</b>
	€	€
Wages and salaries	188,054	175,176
Redundancy	41,212	-
Social security costs	20,983	18,353
Other pension costs	8,120	7,426
	<u>258,369</u>	<u>200,955</u>

### 10 Tangible fixed assets

	Plant and equipment €	Fixtures and fittings €	Computers €	Total €
<b>Cost</b>				
At 1 January 2019	67,013	59,230	43,445	169,688
Disposals	(23,963)	(45,971)	(41,359)	(111,293)
At 31 December 2019	<u>43,050</u>	<u>13,259</u>	<u>2,086</u>	<u>58,395</u>
<b>Depreciation and impairment</b>				
At 1 January 2019	32,573	53,204	42,558	128,335
Depreciation charged in the year	8,610	1,608	417	10,635
Eliminated in respect of disposals	(23,963)	(45,971)	(41,359)	(111,293)
At 31 December 2019	<u>17,220</u>	<u>8,841</u>	<u>1,616</u>	<u>27,677</u>
<b>Carrying amount</b>				
At 31 December 2019	<u>25,830</u>	<u>4,418</u>	<u>470</u>	<u>30,718</u>
At 31 December 2018	<u>34,440</u>	<u>6,026</u>	<u>887</u>	<u>41,353</u>

**CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT  
FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**11 Stocks**

	<b>2019</b>	<b>2018</b>
	€	€
Raw materials and consumables	454	-
	<u>454</u>	<u>-</u>

**12 Debtors**

	<b>2019</b>	<b>2018</b>
	€	€
<b>Amounts falling due within one year:</b>		
Receivables and accrued income	92,653	74,174
Prepayments	5,196	5,679
	<u>97,849</u>	<u>79,853</u>

**13 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	€	€
Other taxation and social security	7,023	5,950
Accruals	18,418	26,259
	<u>25,441</u>	<u>32,209</u>



# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 14 Project commitments

The board have committed to funding the following projects which are expected to be fulfilled as outlined below:

	€	Expiry year
<u>Supporting Hospital Development</u>		
Computed tomography scanner	466,000	2020/2021
Patient Family room	60,000	2021
Refurbishment of 6/8 bed rooms	12,000	2020/2021
Musculoskeletal oncology app	3,500	2021
Cappagh Kids Dept of Paediatrics	106,000	2020/2021
*HDU	6,000	2022
<u>Supporting Hospital Education, Teaching, Training</u>		
Fellowship	60,000	2020
<u>Supporting Orthopaedic Research</u>		
Hip and Knee Joint Register research project	4,500	2020
<u>Supporting patients</u>		
Various projects in support of patients	10,000	2020
	728,000	
	728,000	

\* The figure reported in 2018 Financial Statements included a legacy of €98,000. This legacy donation was kindly reallocated to be used to enable the computed tomography scanner to move towards completion.

### 15 Contingent liabilities

There were no material contingent liabilities as at the balance sheet date 31 December 2019.

### 16 Operating lease commitments

The company currently has an operating lease for a photocopier machine. The lease agreement commenced 01 April 2019 and ceases 01 April 2022. The total payments recognised as an expense in 2019 amounts to €2,435.

At the reporting end date the had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 €	2018 €
Within one year	3,247	-
Between two and five years	4,871	-
	8,118	-
	8,118	-

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 16 Operating lease commitments

(Continued)

### 17 Capital commitments

There were no material capital commitments as at the balance sheet date 31 December 2019.

### 18 Events after the reporting date

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily.

At the time of approving the financial statements, there is uncertainty regarding how the balance sheet may be impacted based on events since the year end and as a result an estimate of its financial effect cannot be made.

### 19 Related party transactions

There were no material related party transactions during the year ended 31 December 2019.

### 20 Financial risk management

The objective of the Foundation in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows. At the year end the Company has significant cash reserves to cover current and non-current liabilities.

### 21 Cash and cash equivalents

	2019	2018
	€	€
Cash and bank balances	1,036,822	875,647
	<u>1,036,822</u>	<u>875,647</u>

# CAPPAGH ORTHOPAEDIC HOSPITAL RESEARCH & DEVELOPMENT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>22</b>	<b>Cash generated from operations</b>		<b>2019</b>	<b>2018</b>	
			€	€	
	Surplus for the year		175,758	101,799	
	Adjustments for:				
	Depreciation and impairment of tangible fixed assets		10,635	10,635	
	Movements in working capital:				
	(Increase) in stocks		(454)	-	
	(Increase)/decrease in debtors		(17,996)	2,297	
	(Decrease) in creditors		(6,768)	(154,149)	
	<b>Cash generated from/(absorbed by) operations</b>		<b>161,175</b>	<b>(39,418)</b>	
<b>23</b>	<b>Reconciliation of funds</b>				
		<b>Opening balance</b>	<b>Income</b>	<b>Expenditure</b>	<b>Closing balance</b>
		€	€	€	€
	Restricted	180,074	488,149	(345,318)	322,905
	Unrestricted	784,570	153,391	(120,464)	817,497
		<u>964,644</u>	<u>641,540</u>	<u>(465,782)</u>	<u>1,140,402</u>

## 24 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on  
*16 July 2020*  
 GCR