

St. Michael's House

Services for People with Disabilities




FINANCIAL STATEMENTS
2020



OUR MISSION

Support individuals with intellectual disabilities to achieve their potential and live as independently as possible in ordinary places in the community connected to natural support networks.



St. Michael's House
(a company limited by guarantee and
not having a share capital)

Reports and Financial Statements
for the financial year ended
31 December 2020





ST. MICHAEL'S HOUSE CLG

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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ST. MICHAEL'S HOUSE CLG

GENERAL INFORMATION

CURRENT DIRECTORS	Anthony Staines (Chairperson) Pat Cullen Ailis Quinlan Niamh Moran Liam O'Donohoe Tom Casey Noel Beecher Dee Moran Máirtín MacAodha
SECRETARY AND REGISTERED OFFICE	Katherina McCaul St Michael's House Administration Building Ballymun Road Dublin 9
AUDITORS	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2
SOLICITORS	Gore & Grimes Cavendish House Arran Court Smithfield Dublin 7
BANKERS	Allied Irish Banks p.l.c. 60 Clonskeagh Road Dublin 14
COMPANY REGISTRATION NUMBER	27628
CHARITY REGISTRATION NUMBER	CHY 5692

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITY

The main sources of funding for services and supports provided by St. Michael's House are the Health Service Executive (HSE).

The principal activity of the company continued to be the provision of a comprehensive service to persons with intellectual disabilities and their families, including the operation of special schools, adult day services, vocational training, social and recreational supports, community residential houses, early services and clinical services.

RESULTS FOR THE YEAR

	2020 €	2019 €
Surplus (Deficit)/ on ordinary activities	1,609,416	(431,234)

The complexity of managing Covid and the challenges of redeploying staff and closing Day Services in a pandemic were significant. We secured additional funding from HSE and this coupled with agency staff savings as a result of day service closures resulted in a surplus in 2020 of €1.6m. Furthermore additional funding from HSE relating to IT investment enhanced our IT infrastructure and enabled staff to work from home.

In the later part of 2020 we reviewed the systems and processes around the management of headcount in such a large organisation and have embarked on the upgrade of our current clocking system to a fully functioning HR Information System.

Our cost base is increasing driven partly by increasing demands of our Ageing service users who require additional supports to deal with their changing needs. In 2020 we redeployed staff from Day Services to both cater for these needs thereby reducing reliance on agency staff and also to support individuals who were not attending their day service.

The issue of accumulated prior year carried forward deficit is being reviewed and the increasing costs of providing services is also being regularly discussed with HSE. Longer term sustainable funding has been subject of discussions with HSE who continue to fund accumulated deficits from a cash flow viewpoint, by means of annual but repayable cash advances.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The St. Michael's House Strategic Plan 2017 – 2021 Building Community; Supporting Independence sets out the refreshed vision of St Michael's House as 'A world where the potential of each individual with an intellectual disability is achieved'.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)

St. Michael's House mission is to 'Support individuals with intellectual disabilities to achieve their potential and live as independently as possible in ordinary places in the community connected to natural support networks'. The Strategic Plan 2017 – 2021 is founded on six high level goals which are designed to carry our mission forward in a structured and measurable manner. While the scope is broad the underlying objectives feed through to every aspect of the lives of the people who St. Michael's House support. Each goal is underpinned by a set of high level key performance indicators and measures of success which ensure that there is clarity about the progress with each one.

The six high level goals are:

1. Ensure that People will be supported to have services and supports that meet their needs;
2. Ensure service change, customisation and reconfiguration to make best use of allocated resources;
3. Ensure St. Michael's House achieves measurable standards of excellence;
4. Ensure that individuals, families, employees and volunteers are skilled, competent and resilient;
5. Develop Strategic alliances to bridge resource and competency gaps and
6. Ensure St. Michael's House achieves measurable standards of excellence.

St. Michael's House has identified the following list of key strategic challenges and opportunities which face the organisation during the period of the plan:

1. To manage, maintain and renew existing services;
2. To manage day, residential and respite service waiting lists and residential emergencies in collaboration with the HSE;
3. To manage, maintain and reconfigure existing services in accordance with the National Policy Framework and operate within allocated resources;
4. To respond to unmet need and individual emergencies in the absence of a National Disability Strategy with an accompanying multi-annual investment fund;
5. To deliver on the national policy Progressing Reconfiguration of Disability Services for Children and Young People as Lead Agency for a number of Network Teams whilst maintaining adequate clinical supports for those over 18 years;
6. To progress our decongregation programme to community life for men and women presently resident at St Mary's Baldoye and the Glens Complex, Ballymun;
7. To be compliant with the provisions of the Health Act Regulations (2013) whilst presenting a balanced budget;
8. To reconfigure existing day services and develop new day services and supports in accordance with the Interim Standards for New Directions (HSE 2015);
9. To meet the needs of young people leaving school and training centres as they grow into adulthood and achieve their potential for independence, further education, health and occupation;
10. To redesign our services for men and women over 18 years enabling them to access leisure, education, occupation and supported living;
11. To meet the changing needs of adult service users over 50 years of age who require increased medical and behavioural supports and retirement programmes;
12. To implement a funded workforce plan including the development of a targeted volunteering programme bringing added value to individuals supported;

BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)

13. To maintain our housing and premises infrastructure ensuring it is fit for purpose and develop strategic partnerships with other housing providers and agencies. St. Michael's House Housing Association, a fellow group company, has made significant progress in 2020;
14. To develop a robust information communications and technology infrastructure to support the delivery of real time business information including an electronic person record system making best use of time and resources;
15. To create and maintain a structured meaningful stakeholder consultation and engagement forum ensuring we are connected with the men, women and families we support and
16. To create and deliver a financially sustainable operating business model over the period 2017 – 2021.

The Strategic Plan, with its goals and tangible objectives, addresses these challenges and opportunities. The plan was drawn up following a very wide consultation process and it is designed to realise the maximum gain from the resources available. In meeting these challenges the organisation's financial resources and the built environment are important but the skills, experience and creativity of our staff is the most valuable asset of the organisation.

The Strategic Plan provided the framework and guidance for all the activities of the organisation in 2019 and this is regularly reviewed. Work is progressing on outlining the next strategic plan.

The Strategic Plan Year End Review 2020 showed a high level of completion of objectives demonstrating that the plan is built on solid foundations and is being implemented effectively by the Management Team, despite the very significant challenges in 2020.

These achievements in particular stood out as building blocks for future developments:

1 Information and Communications Technology

In 2020 the Information Technology Department were able to start several Infrastructure upgrade projects, which were funded by the HSE. This funding included specific Covid 19 related allocations. The projects, all of which were monitored and prioritised by the ITC governance committee, included;

- Providing Wi-Fi enabled internet access for service users in all units. This allowed service users to use their own Wi-Fi enable devices for communication, entertainment and training.
- Upgrading our main Internet connection for the purpose of hosting additional remote access improving the internet connectivity. This was required as part of the provision of greatly increased remote access to the St. Michaels House IT network for staff working from home.
- Providing staff in units with Chromebook devices to allow Wi-Fi enabled access to our network, applications and shared data. We also migrated most unit based IT documents onto secure centralised shared folders on our network.
- Providing remote-home working solutions for office based staff or staff who were cocooning as required by Covid 19 restrictions. This included introducing a new modern Multifactor Authentication System which provided improved security access controls.
- Providing an additional 250 smart phones for staff with secure access to St. Michaels house e-mail. We also implemented a Mobile Phone Management system to manage and secure the deployment of mobile phones to staff.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)

- Completed phase 1 of our Windows 10 by removing and replacing old Windows 7 PCs from 80% of our remote units. The upgrade of the remaining unit based devices as well as replacing the majority of Desktop PCs with laptops will continue in Q1 and Q2 in 2021.

2 Governance and Compliance

A review of Governance concluded that we should only have one Approved Housing Body in Saint Michaels House Group and we are currently in process of simplification of governance and will close the separate company in 2021 and merge the activities. This will reduce complexity, save costs and simplify compliance with Housing Regulator requirements.

3 Children & Young People's Services

The SMH Key Working Model for Children and Young People's Services Pilot Project (known as the Key Working Pilot Project) was established by SMH in collaboration with Dr Suzanne Guerin, Research Department & UCD Centre for Disability Studies. The purpose of the pilot was to develop, implement and conduct an initial evaluation of a model of key working based on the findings of the Report on the Review of Key Working in St. Michael's House (February 2018). This pilot concluded in November 2020. A final report was approved by the Executive Management Team and shared with the HSE National Office. Feedback on the outcomes of the research was also shared with families and staff and with our partner organisations in CHO9.

A new Steering group will be formed in 2021 to support the roll out of Key Working across the SMH Network Teams.

GOING CONCERN

The Company generated a surplus for the year of €1,609,416 (2019: deficit of €431,234) and at the balance sheet date had net current liabilities of €8,632,193 (2019: €8,920,720).

The Company is almost entirely dependent on the HSE to continue to fund its operations. As at the date of approval of the financial statements, the company has not received any commitments to fund a reduction in its net current liabilities at the balance sheet date. This indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. While the HSE has provided additional funding in 2020, there is no firm commitment received by the Directors at this stage from the HSE regarding additional funding to meet historic deficits.

There is ongoing regular engagement with the HSE regarding analysis and understanding of the various complex cost drivers in St. Michaels House, the need for ongoing sustainable funding matched to demonstrable efficiencies. The historic deficits and the net current liability situation are under review. We provide a key service for very vulnerable people in our society and Directors are optimistic that the continuing discussions with the HSE will result in the provision of necessary funding in 2021 and subsequent years.

GOING CONCERN (CONTINUED)

On the basis of Management's forecast of the Company's cash requirements and on the basis that funding will be made available to meet these cash requirements, the Directors believe they have adequate resources to continue as a going concern for the foreseeable future. The Directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

CORPORATE GOVERNANCE

Board of Directors

The Board ensures that the vision, mission and core values of St. Michael's House as expressed in its constitutional documents are upheld and realised in practice through the adoption and implementation of strategic plans and through regular oversight of their implementation. The Board is responsible for exercising all the powers of the organisation, other than those reserved to its members, and has collective responsibility for all of its operations. As an organisation with professional staff, where Directors have no role in the day-to-day running of the company, the Board of St. Michael's House operates by devolving responsibility for the conduct of its business to a CEO and in turn through her to other staff.

The members of the Board serve on a voluntary basis and understand and identify with the mission and values of St. Michael's House. The Board did not appoint any new Directors in 2020 but all appointees are selected in line with the criteria set out in the Competency Framework of the Corporate Governance Manual. The Framework aims to create a diverse Board which includes men and women of independent mind who are familiar with and/or are sensitive to the work of St. Michael's House, understand its operating environment, and are familiar with the lived experience of service users. The Board have set a target of achieving a minimum of 40% women and 40% men as members of the Board to achieve gender balance.

All Directors receive Induction Training on Corporate Governance. A Code of Conduct outlines the responsibility of each Director and includes procedures for dealing with any potential conflict of interest which may arise between their responsibilities as Directors and their outside interests. The Chairperson sets the agenda for each Board meeting. Executive management attend Board meetings and make regular presentations on the strategies and operations of the organisation. In 2020, the Board had nine scheduled meetings.

The organisation's Corporate Governance Manual identifies those matters which are specifically reserved for decision by the Board. The Board delegates to the CEO the authority to manage the operation of the organisation and in 2020 the Board adopted a Scheme of delegation of accountability to the CEO.

The Board and Management are committed to maintaining a high standard of corporate governance in accordance with the organisation's Corporate Governance Manual, the HSE Annual Compliance Statement for Section 38 Bodies and have used the Code of Practice for the Governance of State Bodies 2016 as a guide in drawing up the Corporate Governance Manual.

CORPORATE GOVERNANCE (CONTINUED)

Risk Management: The Board is committed to ensuring that managing risks is an integral part of the organisation's activities. The principal risks identified at this time relate to management of Covid 19 pandemic and are having sufficient funding to provide on-going services. The Board established an Audit & Risk Committee, which receives regular Risk Management Reports and has developed a policy to ensure that it is advised of significant events which require its attention. In addition the Board receives regular reports on the systems, policies and procedures in place to ensure that services are delivered to a high standard and risks are anticipated and managed. The St. Michael's House corporate Risk Register is now reviewed at every Board meeting.

Internal Controls: The Board has established structures, policies and procedures to review and report on internal controls including financial, operational and compliance controls. The operation of these controls has been delegated to the Executive Management Team. The Board approved the revised Executive Governance Structure which set out the key committees and team members who are charged with responsibility for undertaking, completing and monitoring the work necessary to ensure good governance of all services and supports provided by St. Michael's House. The Board of Directors has appointed an external provider of internal audit services in support of the internal control processes.

Quality Assurance: Services provided by St. Michael's House are developed, planned and delivered based on the needs and goals of people with intellectual disabilities and their families. Service users' life choices and wishes are at the core of service delivery and development. Providing services in this way ensures that St. Michael's House is focused on delivering services to best international standards. The Health Information and Quality Authority (HIQA) is responsible for the registration and inspection of all residential services for children and adults with disabilities, including respite services, run by the HSE and private and voluntary services. St. Michael's House has appointed a Director of Quality Development and Risk Improvement and a Quality and Safety Department was established in 2019 with expertise in occupational health, fire safety, quality and standards of service delivery.

As of the 31st of December 2020 the organisation had 77 registered centres.

Health and Safety: St. Michael's House is committed to ensuring the health and safety of service users, their families, staff and members of the public. The organisation takes account of legislative obligations under the Safety, Health and Welfare at Work Act 2005; General Applications Regulations 2007 and all associated legislation; the organisation's Safety Statement describes the management system and details of its structure and how it is resourced. In addition it provides a framework for the development of site-specific safety arrangements in all centres. The organisation's Safety Statement details the responsibilities that staff at all levels have in relation to safety matters. In addition, Safety Representatives form an active part of the organisation's consultation arrangements, bringing employee representations on staff health and safety matters through the forum of the Safety Committee. The organisation's Annual Health and Safety Audit Programme monitors compliance with safety standards across the organisation. The Health and Safety Manager makes an annual report to the Quality and Safety Committee on the Health and Safety Programme for St. Michael's House. This report is provided to the Board as an addendum to the Quality and Safety Report.

CORPORATE GOVERNANCE (CONTINUED)

Board of Directors & Sub-Committees:

Board of Directors: St. Michael's House is governed by a voluntary Board of Directors two of whom are parents of a person with an intellectual disability. Board members work on a voluntary basis and do not receive any remuneration.

Board Members (2020): Anthony Staines, (Chairperson), Pat Cullen, Ailis Quinlan, Niamh Moran, Liam O'Donohoe, Tom Casey, Noel Beecher, Dee Moran and Máirtín MacAodha.

The Board would like to express its sincere appreciation of the commitment and dedication of management and staff to maintaining the quality of existing services in a pandemic and for developing new services for people with an intellectual disability and their families. The Directors are satisfied with the operational performance of the organisation in what is a very challenging pandemic situation coupled with economic constraints and increasing demands.

The terms of reference of the four Board Sub-committees are set out in the Corporate Governance Manual. Each Committee adopted a schedule of meetings and work plan for 2020 and made regular reports to the Board on their work. The Committees kept their terms of reference under review and brought any recommendations for changes to the terms of reference forward to the Board for approval. There are several members of sub- committees who are Ex Board members who thankfully continue to support St. Michael's House by serving on board Sub-Committees.

Finance Committee: The Finance Committee monitors and reviews all aspects of the financial performance of St. Michael's House. The Committee keeps under review the management accounts including the cash flow position of the Company. All property transactions and are reviewed by the finance committee.

Current Committee Members: Pat Cullen (Chairperson), Laura Beausang (Ex- board member) and Dee Moran.

The Board would like to express their gratitude to Michael O' Farrell who sadly passed away on 1st February 2021, he had worked tirelessly on behalf of service users and St. Michael's House in his many years' service as a board member, Chair of finance committee and in 2020 as a member of the St. Michael's House Finance Committee.

Audit & Risk Committee: The Audit & Risk Committee keeps under review the scope and effectiveness of the Company's internal financial controls and risk management systems and the process for monitoring compliance with legislation and regulations associated with financial reporting. The Committee considers and recommends the appointment, re-appointment and removal of the External Auditor. The Committee ensures that risks are properly identified, assessed, reported and controlled. It receives reports on the implementation of the organisation's Procurement Policy and reviews the policy on an annual basis.

Current Committee Members: Noel Beecher (Chairperson), and (3 Ex Board members), Martin Lyes, Rosemary Ryan, Jim Cuddy

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Quality & Safety Committee: The Quality & Safety Committee provides assurance to the Board that there are appropriate and effective systems, structures and processes in place that cover all aspects of clinical, social care and occupational safety, and sets and monitors the delivery of key performance indicators for the quality and safety function at executive and local levels. The Committee ensures that St. Michael's House is operating within the provisions and standards set out in the legislation or regulation which is material to the work of the company.

Current Committee Members: Ailis Quinlan (Chairperson), Liam O'Donohoe, Regina McQuillan (Ex-board member).

Governance Committee: The Governance Committee maintains the constitution of the company under regular review and provides recommendations to the Board as appropriate. It keeps under review the Competency Framework and ensures that the identification and nomination of candidates for approval by the Board for appointment as Directors is carried out in line with the Framework. The Committee acts as a support to the Chairperson in making decisions in emergency circumstances and takes responsibility for the process of recruiting and agreeing contract terms with the Chief Executive Officer for approval by the Board. It acts as the Remuneration Committee ensuring compliance with requirements of regulation.

Current Committee Members: Anthony Staines (Chairperson), Tom Casey, Niamh Moran, Máirtín MacAodha, Ken Gormley (Chair of Housing Association Board)

Board Attendance:

Attendance of Directors at SMH Board Meetings and Committees 2020

	SMH Board		Finance		Quality & Safety		Audit & Risk		Governance	
	A	B	A	B	A	B	A	B	A	B
Prof. A Staines	9	9	8	6					3	3
Máirtín MacAodha	9	9							3	2
Pat Cullen	9	9	8	8						
Dr Ailis Quinlan	9	7			9	9				
Niamh Moran	9	4							3	3
Liam O'Donohoe	9	9			9	8				
Tom Casey	9	9							3	3
Noel Beecher	9	9					5	5		
Martin Lyes	4	3			1	1	3	2		
Dee Moran	9	9	8	7						

CORPORATE GOVERNANCE (CONTINUED)

Table of attendance at Board of Director and Board Sub Committee meetings of St. Michael's House held in 2020.

A Represents the number of meetings held during the period the Director was a member of the Board/Committee.

B Represents the number of meetings attended during the period.

No fees or expenses are paid to Directors.

DIRECTORS AND SECRETARY OF THE COMPANY

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

Anthony Staines Chairperson
Martin Lyes until 4th June 2020
Pat Cullen
Ailis Quinlan
Niamh Moran
Liam O'Donohoe
Tom Casey
Noel Beecher
Dee Moran
Máirtín MacAodha

Secretary:

Declan Ryan retired 28th August 2020, Rose Creegan served until 7th Dec 2020, Katherina Mc Caul joined as Company Secretary Dec 7th 2020.

The current directors and secretary are listed on page 2.

DIRECTORS COMPLIANCE STATEMENT

The directors acknowledge that they are responsible for securing the Company's compliance with the Company's "relevant obligations" within the meaning of section 225 of the Companies Act 2014 (described below as the "Relevant Obligations").

The directors confirm that they have:

- drawn up a compliance policy statement setting out the Company's policies (that are, in the opinion of the directors, appropriate to the Company) in respect of the Company's compliance with its Relevant Obligations;
- put in place appropriate arrangements or structures that, in the opinion of the directors, provide a reasonable assurance of compliance in all material respects with the Company's Relevant Obligations; and

DIRECTORS COMPLIANCE STATEMENT (CONTINUED)

- during the financial year to which this report relates, conducted a review of the arrangements or structures that the directors have put in place to ensure material compliance with the Company's Relevant Obligations.

POLITICAL CONTRIBUTIONS

St. Michael's House Group does not make contributions to political parties. The Directors have satisfied themselves that there were no political contributions during the year, which require disclosure under the Electoral Act, 1997

COMPLIANCE WITH PUBLIC PAY POLICY

As a publicly funded body, St. Michael's House is required to comply with Public Pay Policy. Except as noted to the HSE the Directors have satisfied themselves that St. Michael's House is in compliance with this policy.

EVENTS AFTER THE BALANCE SHEET DATE

The decision to recombine Housing Association activities with SMH was taken following year end. This decision was taken in order to remove duplication and complexity whilst allowing us to achieve Housing Regulatory compliance and focus on service user needs.

There were no other significant events after the balance sheet date.

ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the engagement of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at St. Michael's House, Administration Building, Ballymun, Dublin 9.

APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The company's ultimate parent company has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

AUDITORS

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

Approved by the Board on and signed on its behalf by:

Anthony Staines
Director

Dee Moran
Director

Date: _____

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT ON INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

The Board of St. Michael's House acknowledge its responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies.

PURPOSE OF SYSTEM OF INTERNAL CONTROL

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

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

CAPACITY TO MANAGE RISK

St. Michael's House has an Audit and Risk Committee (ARC) comprising one Board member, one is the Chairperson, and two external members with relevant experience. The ARC met six times in 2019.

St. Michael's House has also established an internal audit function using a third party audit firm, which is adequately resourced and conducts a programme of work agreed with the ARC.

St. Michael's House has developed a risk management framework, defined related policies and procedures, and also set out its risk appetite. The risk management procedures includes details on the roles and responsibilities of staff in relation to risk management. The appropriate elements of the risk management policies and procedures have been issued to all personnel in St. Michael's House. This is to alert everyone and management in particular, about emerging risk and control weaknesses, highlighting the requirement for them to take ownership within their own areas of work. St. Michael's House has a Director of Quality Improvement and Safety Development with operational responsibility for administering the risk management framework.

RISK AND CONTROL FRAMEWORK

St. Michael's House has implemented a risk management system which identifies and reports key risks and management actions being taken to address and, to the extent possible and appropriate, mitigate those risks.

Risk management processes have identified key risks facing St. Michael's House and there are risk registers in place which record these risks. The risks have been evaluated and graded according to their significance. The registers are reviewed and updated by the Board and the ARC at each of their meetings. The outcome of these assessments is used to plan and allocate resources to ensure, insofar as is practicable, that risks are managed to an acceptable level.

STATEMENT ON INTERNAL CONTROL (CONTINUED)

RISK AND CONTROL FRAMEWORK (CONTINUED)

The Board confirms that a control environment containing the following elements is in place:

- Procedures for all key business processes have been documented;
 - 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 aimed at ensuring the security of the information and communication technology systems;
 - There are systems in place to safeguard the assets; and
- Control procedures over expenditure to ensure adequate control, approval, monitoring and review and that the expenditure has been applied for the purpose intended.

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. The Board confirms that the following on-going monitoring systems are in place;

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

PROCUREMENT

The Board confirms that there are procedures in place to ensure compliance with current procurement rules and guidelines and that during 2020 St. Michael's House complied with those procedures.

SERVICE USERS

St. Michael's House provided a comprehensive range of necessary services to its service users in 2020. Controls in delivery of services include the following:

- Enhancing the quality of life for service users and in particular assisting them in achieving their full potential;
- Comprehensive identification of needs of service users on an individual basis;
- Communicating closely with service users and their families to ensure that service provision matches expectations;
- Monitoring service provision against recognised best practice;
- Identifying lessons learned and incorporating in future service provision;
- Suitable administrative processes and systems; and
- Infection prevention and control measures to ensure the safety of staff and service users throughout COVID-19.

STATEMENT ON INTERNAL CONTROL (CONTINUED)

RESOURCES

St. Michael's House employed 1512 people in 2020. Controls over resources include the following:

- Ensuring the recruitment of staff with appropriate qualifications and with a strong affinity with the aims and ethos of St. Michael's House;
- Efficient and effective processes and systems;
- Supporting staff through implementation of Training programmes and continued professional development;
- Delivery of effective performance management;
- Making best use of resources; and
- Promoting and supporting high levels of morale.

STRATEGIC PLANS AND FINANCE

Controls in relation to the Strategic Plan and finance include the following:

- Continued implementation and monitoring of progress to ensure the delivery of St. Michael's House Five – Year Strategic Plan 2017-2021;
- Endeavouring to ensure adequate funding is made available to carry out the programme of work;
- Work closely with the HSE and various agencies and institutions to ensure that there is a clear understanding of St. Michael's House's goals and support for the agency's strategies to achieve those goals;
- Management and on-going development of relationships with third parties;
- Exploring other possible funding opportunities and increasing the level of funding from current sources;
- Ensuring value for money in all expenditure incurred;
- Ensuring efficient and effective processes and systems are in place including the procurement process; and
- Continual management monitoring and review.

REVIEW OF EFFECTIVENESS

The Board confirms that St. Michael's House has procedures to monitor the effectiveness of its risk management and control procedures. St. Michael's House 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 St. Michael's House responsible for the development and maintenance of the internal control framework.

The Board conducted an annual review of the effectiveness of the internal controls for 2020 in June 2021.

STATEMENT ON INTERNAL CONTROL (CONTINUED)

INTERNAL CONTROL ISSUES

No weaknesses in internal control were identified in relation to 2020 that require disclosure in the financial statements.

Approved by the Board and signed on its behalf by:

Anthony Staines

Dee Moran

Date: _____

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. MICHAELS HOUSE CLG

Report on the audit of the financial statements

Opinion on the financial statements of St Michael's House CLG (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2020 and of the surplus for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Income Statement;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 23, including a summary of significant accounting policies as set out in note 1.

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

Basis for Opinion

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

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

Material Uncertainty Related to Going concern

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

We draw attention to note 1 to the financial statements concerning the company's ability to continue as a going concern. As at the balance sheet date the company had net current liabilities of €8,632,193. The company is dependent on the HSE to continue to fund its operations. As at the date of approval of the financial statements, the company has not received any commitments to fund a reduction in its net current liabilities at the balance sheet date. As stated in note 1, these events or conditions, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. MICHAELS HOUSE CLG

Other Information

The other information comprises the information included in the Reports and Financial Statements for the financial year ended 31 December 2020, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. MICHAELS HOUSE CLG

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Opinion on Other Matters Prescribed by the Companies Act 2014

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

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are Required to Report by Exception

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

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

Use of our Report

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

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

Date:

ST. MICHAEL'S HOUSE CLG

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<i>Notes</i>	2020 €	2019 €
INCOME	3	109,992,052	105,897,175
EXPENDITURE		(108,382,636)	(106,328,409)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES	6	<u>1,609,416</u>	<u>(431,234)</u>

ST. MICHAEL'S HOUSE CLG

BALANCE SHEET FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Notes	2020 €	2019 €
FIXED ASSETS			
Tangible Assets	10	46,906,900	48,137,801
		<u>46,906,900</u>	<u>48,137,801</u>
CURRENT ASSETS			
Receivables and prepayments	11	7,607,496	6,032,778
Cash at Bank		755,136	-
		<u>8,362,632</u>	<u>6,032,778</u>
CREDITORS: Amounts falling due within one year			
Creditors and accruals	12	(15,842,109)	(13,819,496)
Bank Overdraft	14	(819,633)	(800,919)
Term Loan	15	(333,083)	(333,083)
		<u>(16,994,825)</u>	<u>(14,953,498)</u>
NET CURRENT LIABILITIES		<u>(8,632,193)</u>	<u>(8,920,720)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>38,274,707</u>	<u>39,217,081</u>
CREDITORS: (Amounts falling due after more than one year)			
Term Loan	15	(2,112,999)	(2,480,709)
NET ASSETS		<u>36,161,708</u>	<u>36,736,372</u>
CAPITAL AND RESERVES			
Capital reserves	16	42,735,010	44,521,136
Revenue deficit		(6,573,302)	(7,784,764)
		<u>36,161,708</u>	<u>36,736,372</u>

The financial statements were approved and authorised for issue by the Board of Directors on and signed on its behalf by:

Anthony Staines
Director

Dee Moran
Director

ST. MICHAEL'S HOUSE CLG

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

<i>Note</i>	<i>Notes</i>	Capital Reserve	Revenue Deficit	Total
		€	€	€
Balance at 1 January 2019		46,503,687	(7,063,132)	39,440,555
Deficit for the financial year		-	(431,234)	(431,234)
Grants amortised in the year		(2,312,949)	-	(2,312,949)
Grants received in the year		40,000	-	40,000
Transfers between reserves	17	290,398	(290,398)	-
At 31 December 2019		44,521,136	(7,784,764)	36,736,372
Surplus for the financial year			1,609,416	1,609,416
Grants amortised in the year	16	(2,334,080)		(2,334,080)
Grants received in the year	16	150,000		150,000
Transfers between reserves	17	397,954	(397,954)	-
At 31 December 2020		42,735,010	(6,573,302)	36,161,708

ST. MICHAEL'S HOUSE CLG

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<i>Notes</i>	2020 €	2019 €
NET CASH INFLOW FROM OPERATING ACTIVITIES	<i>13</i>	2,501,704	4,008,285
CASHFLOWS FROM INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets	<i>10</i>	(1,340,533)	(886,425)
Net interest payable		(67,762)	(71,380)
Cash proceeds from Sale of Assets		10,720	-
Net cash flows from investing activities		<u>(1,397,575)</u>	<u>(957,805)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Term loan repaid		(367,707)	(364,449)
Net increase in cash and cash equivalents		<u>736,422</u>	<u>2,686,031</u>
Net cash at beginning of financial year		<u>(800,919)</u>	<u>(3,486,950)</u>
Net cash at end of financial year		<u><u>(64,497)</u></u>	<u><u>(800,919)</u></u>
Net Cash Reconciliation			
Cash at bank		755,136	-
Overdraft at beginning of financial year		(819,633)	(800,919)
Overdraft at end of financial year		<u><u>(64,497)</u></u>	<u><u>(800,919)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding year.

General Information and Basis of Accounting

St. Michael's House is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is St. Michael's House, Administration Building, Ballymun Road, Ballymun, Dublin 9. The nature of the company's operations and its principal activities are set out in the directors' report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Companies Act 2014 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. Where appropriate, comparative balances have been re-classed in line with current year classifications.

The functional currency of St. Michael's House is the euro (€).

These financial statements are separate financial statements.

St Michael's House meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. St Michael's House is consolidated in the financial statements of its ultimate parent, St Michael's House Group. Exemptions have been taken in these separate company financial statements in relation to related party transactions, financial instruments and remuneration of key management personnel.

Going Concern

The Company generated a surplus for the year of €1,609,416 (2019: deficit of €431,234) and at the balance sheet date had net current liabilities of €8,632,193 (2019: €8,920,720).

The Company is almost entirely by the HSE and to continue to fund its operations. As at the date of approval of the financial statements, the company has not received any commitments to fund a reduction in its net current liabilities at the balance sheet date. This indicates the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. While the HSE has provided significant additional funding in 2020, there is no firm commitment received by the Directors at this stage from the HSE regarding additional funding to meet historic deficits.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (CONTINUED)

Going Concern (Continued)

On the basis of Management's forecast of the Company's cash requirements and on the basis that funding will be made available to meet these cash requirements, the Directors believe they have adequate resources to continue as a going concern for the foreseeable future. The Directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Financial Instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Taxation

There is no charge to taxation as the company has been granted charitable status by the Revenue Commissioners.

Government Grants

Government grants specifically received for capital purposes are credited to the capital grants reserve. This reserve is amortised over the expected useful life of the asset to which it relates.

Revenue Grants

Revenue grants received and amounts receivable within one year of the balance sheet date are taken to the income and expenditure account.

Income - Sales

Sales are accounted for using the accruals basis of accounting.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

Income - Fund Raising

Fund raising and donations income are accounted for on a cash receipts basis and are stated net of costs incurred in raising that income. A significant proportion of fund raising and donations income, determined by the Board, is designated for capital purposes and is credited to a capital expenditure reserve. Funds raised for specific capital projects and not spent at year end are deferred to match the related expenditure in the following year. Where fund raising income is designated for specific revenue based expenditure, the income is credited to the income and expenditure account and matched with the related revenue expenditure.

Capital Grants Reserve

Government grants specifically received for capital purposes are credited to the capital grants reserve. This reserve is amortised over the expected useful lives of the assets to which it relates.

Capital Expenditure Reserve/European Social Fund Grant Reserve

Income and grants designated for capital purposes, excluding Government Grants dealt with above, are credited to the Capital Expenditure Reserve. The Capital Expenditure Reserve is amortised over a period of 20 years and the European Social Fund grant reserve is amortised over a period of 40 or 10 years, as appropriate.

Fixed Assets and Depreciation

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and in the case of assets donated in kind, at the best estimate of cost at the date of receipt less accumulated depreciation.

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives, where all assets have a residual value of nil, as follows:

Freehold and long leasehold property	40 years
Furniture, equipment and computers	5 - 10 years
Motor vehicles	5 years

A half year's charge for depreciation is made in the year of acquisition and year of disposal.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to the net realisable value. Cost includes all expenditure that has been incurred in the normal course of business in bringing them to their present location and condition.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

Leasing

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pensions

Nominated Health Agencies and Voluntary Hospitals Superannuation Schemes are in operation for the employees of St. Michael's House and St. Mary's Hospital, Baldoyle. No provision has been made in respect of the benefits payable under the scheme as the liability is underwritten by the Minister for Health and Children.

Contributions from the employees who are members of the scheme are credited to the income and expenditure account when received. Pension payments under the scheme are charged to the income and expenditure account when paid.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that the Directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- The depreciation rates are based on expected useful lives of the relevant assets. The estimates and underlying assumptions are reviewed on an ongoing basis and could have a material impact on both result for the year and financial position if altered
- Certain accruals are subject to estimate and judgement and the final cash outflow may not equate to the existing carrying value of the accrual
- The Directors have prepared the financial statements on a going concern basis of accounting. This assumption is subject to judgement and the company being able to meet its liabilities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. INCOME	2020	2019
	€	€
HSE Allocation for service provision (S38 Health Act funding)	91,448,157	89,422,033
HSE Allocation Superannuation Funding (S38 Health Act funding)	3,379,021	2,133,158
HSE Meath for service provision (S38 Health Act funding)	627,036	679,289
HSE Dublin North East Invoiced services (S38 Health Act funding)	5,988,373	3,613,655
HSE Training and Travel Grant	17,976	22,427
Superannuation Contributions to NHASS / VHASS	2,233,871	2,194,520
Public Service Pension Levy (Section 38 Health Act funding)	1,775,176	1,972,088
Department of Education & Skills - Schools Capitation Grants	30,000	170,451
Department of Education & Skills - Schools Vocational Training Grants	99,856	85,046
Department of Education & Skills - Minor Grants	-	26,882
Department of Education & Skills – Capital Grants	-	49,864
Department of Education & Skills - Secretaries Grants	-	153,097
Department of Education & Skills - Rents	-	354,712
Department of Education & Skills - Escort Grants	-	398,703
Department of Education & Skills - CIE School Transport Grants	-	(1,015)
Department of Education & Skills - Teaching Aids	-	4,589
Department of Education & Skills - Other Grants	-	76,553
Dublin City Council – School Meals in Special National Schools	18,337	42,056
Sub Total State Funding	105,617,803	101,398,108
Rent & Long Stay Charges	342,607	331,869
Open Training College Course Fee Income	940,101	1,180,139
Grants from fellow Group Companies	-	-
Sundry	50,211	130,384
Sub Total Income	106,950,722	103,040,500
Fundraising Income	707,249	543,726
Capital Reserve Amortisation	2,334,081	2,312,949
Total Available for Revenue Expenditure	109,992,052	105,897,175

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. STAFF NUMBERS, COSTS AND BANDS

The whole time equivalent of all staffing employed in providing the services of St. Michael's House including overtime, additional hours and agency at 31 December was 1,587 (2019: 1,583).

The average number in whole-time equivalents of persons employed by the company during the year, analysed by category is as follows:

	2020	2019
	Number	Number
Management and administrative	111	104
Medical	10	11
Nursing	287	320
Clinical	696	661
Support services	408	432
	<u>1,512</u>	<u>1,528</u>
	<u><u>1,512</u></u>	<u><u>1,528</u></u>

The aggregate payroll costs of these employees were as follows:

	2020	2019
	€	€
Wages and salaries	76,860,033	73,884,539
Social welfare costs	8,062,612	7,613,007
Retirement benefit costs (Note 20)	5,124,733	4,277,564
	<u>90,047,378</u>	<u>85,775,110</u>
Agency payroll	1,949,927	3,816,610
	<u>91,997,305</u>	<u>89,591,720</u>
	<u><u>91,997,305</u></u>	<u><u>89,591,720</u></u>
Bands of wages and salaries over €60,000		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. STAFF NUMBERS, COSTS AND BANDS (CONTINUED)

To ensure complete transparency in relation to salary bands and staff numbers the following information on staff aggregate remuneration is presented. Staff salaries inclusive of overtime, additional hours as per their individual P35, expressed in bands of €10,000 are as follows:

	2020	2019
	Number	Number
€60,000 - €70,000	161	156
€70,001 - €80,000	76	60
€80,001 - €90,000	31	20
€90,001 - €100,000	7	12
€100,001 - €110,000	7	3
€110,001 - €120,000	1	1
€120,001 - €130,000	-	2
€130,001 - €140,000	3	1
€140,001 - €150,000	1	1
€150,001 - €160,000	-	-
€160,001 - €170,000	-	-
€170,001 - €180,000	-	-
€180,001 - €190,000	-	-
€190,001 - €200,000	-	-
€200,001 - €210,000	1	1
€210,001 - €220,000	1	1
€230,001 - €240,000	1	-
€280,001 - €290,000	1	-
€300,001+	1	-
Total number of staff	292	258

The salary of the Chief Executive is determined by the HSE and is currently €115,655 (2019: €110,566).

Management Team Salaries

The St Michael's House management team comprises the ten staff as follows: the Chief Executive, the Directors of Operations, Finance and Human Resources, the Service Directors, Director of Clinical Services, College Director, Director of Psychiatry and Director of Quality Improvement and Safety Development. The annual cost of the management team salaries in 2020 was €1,295,078 (2019, €1,049,193). This figure was higher than 2019 due to the Agency arrangement of the Interim Finance Director for 6 months in 2020 paid at higher rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5. SUMMARY PAY ANALYSIS	2020	2019
	€	€
Management Administration	6,657,669	5,985,875
Medical Dental (Consultants)	2,648,402	2,272,651
Nursing	17,470,903	16,888,083
Paramedical	6,354,787	5,805,197
Catering, Housekeeping and Support Services	53,740,812	54,362,350
Pensions	3,386,666	3,315,494
Lump Sums	1,738,067	962,070
	<u>91,997,306</u>	<u>89,591,720</u>

This includes salaries attributable to agency staff totalling €1,949,927 (2019: €3,816,610)

6. SURPLUS ON ORDINARY ACTIVITIES	2020	2019
	€	€
The surplus on ordinary activities is stated after charging:		
- Depreciation: Owned assets	2,564,390	2,447,883
- Directors' emoluments	-	-
- Interest payable:		
- On bank loans and overdrafts repayable within five years	52,235	51,048
- On long-term loans	15,527	20,332
- Hire and rentals payable under operating leases	713,459	746,134
- Loss on disposal of assets	(3,677)	15,205
and after crediting:		
- Grants amortised	<u>2,334,081</u>	<u>2,312,949</u>

7. DIRECTORS' REMUNERATION AND TRANSACTIONS

The directors of St. Michael's House undertake their roles in a voluntary capacity. They do not receive any benefit from the holding of the post.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. LEGAL, CONSULTANCY AND PROFESSIONAL FEES, TRAVEL AND HOSPITALITY

	2020	2019
	€	€
PR and Advertising	385	362
Legal	93,337	1,039
Other (e.g. IT, architects, investigations)	563,382	600,351
Travel and subsistence – staff mileage	171,263	306,311
Travel and subsistence – staff travel*	3,714	14,288
Hospitality	-	-
	<u>832,081</u>	<u>922,351</u>

*No expenditure on international travel was incurred.

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

St. Michael's House is a registered charity and is exempt from Corporation tax.

10. TANGIBLE ASSETS

	Freehold & Long Leasehold Property €	Motor Vehicles €	Furniture, Equipment & Computers €	Total €
Cost:				
1 January 2020	76,412,416	5,720,083	10,107,665	92,240,164
Additions	275,572	728,003	336,958	1,340,533
Disposals	-	(49,830)	(434,894)	(484,724)
31 December 2020	<u>76,687,988</u>	<u>6,398,256</u>	<u>10,009,729</u>	<u>93,095,973</u>
Depreciation:				
1 January 2020	30,677,493	5,159,629	8,265,241	44,102,363
Charge for year	1,903,779	260,904	399,707	2,564,390
Disposals	-	(49,830)	(427,850)	(477,680)
31 December 2020	<u>32,581,272</u>	<u>5,370,703</u>	<u>8,237,098</u>	<u>46,189,073</u>
Net book value:				
31 December 2020	<u>44,106,716</u>	<u>1,027,553</u>	<u>1,772,631</u>	<u>46,906,900</u>
Net book value:				
31 December 2019	<u>45,734,923</u>	<u>560,454</u>	<u>1,842,424</u>	<u>48,137,801</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE ASSETS (CONTINUED)

Certain buildings included under property above, are built on land owned by the State or its related agencies. Such buildings may not be sold or used other than for their current purpose.

Mortgages have been registered or title deeds have been deposited with lenders in respect of certain properties costing approximately €7,874,172 (2019: €7,874,172) as security for long term loans. The current value of these loans is €2,446,082 (2019: €2,813,792) of which €333,083 (2019: €333,083) is payable within one year. The balance of these will be payable within the next 10 years with an approximate interest rate of 1.1% (2019: 1.11%)

In respect of certain properties costing approximately €32,059,326 (2019: €32,059,326) for which grants have been received from the Department of the Environment via the relevant public authority, there is a contingency to repay those amounts if the properties are sold. The related contingency is disclosed in Note 22.

11. RECEIVABLES AND PREPAYMENTS

	2020	2019
	€	€
Other prepayments and receivables	3,364,803	1,665,011
Amounts due from group companies	4,242,693	4,367,767
	<u>7,607,496</u>	<u>6,032,778</u>

12. CREDITORS: Amounts falling due within one year

	2020	2019
	€	€
Health Service Executive advance	4,553,888	4,028,270
PAYE and PRSI	2,475,227	2,318,712
Trade and other creditors	1,110,187	1,221,564
Accruals	5,353,530	3,621,936
Deferred income	2,349,277	2,629,014
	<u>15,842,109</u>	<u>13,819,496</u>

Included in deferred income is an amount of €1,635,028 (2019: €1,813,260) which arises on fundraising for capital expenditure where the fundraising is not yet complete or the asset has not yet been purchased.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. CASH FLOW STATEMENT*Reconciliation of surplus to cash generated by operations*

	2020	2019
	€	€
(Deficit)/surplus for financial year	1,609,416	(431,234)
Adjustment for:		
Depreciation	2,564,390	2,447,883
Loss on disposal of fixed assets	(3,677)	15,205
Interest paid	67,762	71,380
Grants amortised	(2,334,081)	(2,312,949)
Capital grants received	150,000	40,000
	<u>2,053,806</u>	<u>(169,715)</u>
Operating cash flows before movement in working capital:		
Increase/(Decrease) in debtors	(1,574,719)	649,751
Increase in creditors	2,022,613	3,528,249
Cash generated by operations	<u>2,501,704</u>	<u>4,008,285</u>

14. BANK OVERDRAFT

The bank overdraft facility of the parent company is secured by a registered deposit of leasehold interests in a number of properties. This deposit of title deeds is separate from those outlined in Note 10.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. TERM LOANS	2020	2019
	€	€
Loans wholly repayable	2,446,082	2,813,792
	<u> </u>	<u> </u>
Included in current liabilities	333,083	333,083
Included in long term liabilities	2,112,999	2,480,709
	<u> </u>	<u> </u>

Bank loans amounting to €2,446,082 (2019: €2,813,792) are repayable as follows:

	2020	2019
	€	€
Within one year	333,083	333,083
From two to five years	1,332,333	1,332,333
Over five years	780,666	1,148,376
	<u> </u>	<u> </u>
	<u>2,446,082</u>	<u>2,813,792</u>

16. CAPITAL RESERVES

	Capital Expenditure Reserve €	E.S.F. Grant Reserve €	Capital Grants Reserve €	Total €
Balance at 1 January 2020	4,158,164	1,274,492	39,088,480	44,521,136
Transfer from Income and Expenditure Account	397,954	-	-	397,954
Grants amortised during year	(476,495)	(152,968)	(1,704,617)	(2,334,080)
Grants received during year	-	-	150,000	150,000
Balance at 31 December 2020	<u>4,079,623</u>	<u>1,121,524</u>	<u>37,533,863</u>	<u>42,735,010</u>

The transfer from income to reserves of €397,954 (2019: €290,338) is made up of fundraising income.

In the financial statements all fundraising monies are reflected in income; however the amount of monies raised in respect of capital projects is transferred separately to the capital expenditure reserve fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. FUND RAISING INCOME	2020	2019
	€	€
Fund raising income comprises:		
- Unit and central fund raising	513,608	629,879
- Bequests and donations	15,000	5,000
- Parents' subscriptions	591	13,330
Total fundraising income for year	529,199	648,209
Net increase in deferred expenditure	178,051	(104,483)
Total fundraising income recognised in year	707,250	543,726
Fundraising used for revenue related expenditure	(309,296)	(253,328)
Fundraising transferred to capital expenditure reserve	397,954	290,398

18. LEASE COMMITMENTS	2020	2019
	€	€
Analysis of lease commitments in respect of:		
Operating leases:		
Amounts payable during the next twelve months in respect of operating leases which expire:		
- within one year	666,273	713,459
- between two and five years	1,923,017	2,112,911
- after five years	2,505,038	2,981,418
	5,094,328	5,807,788

The leases in respect of land and buildings are both cancellable and non-cancellable lease agreements and are for a period of 3 to 25 years with the final agreement expiring in 2033.

19. CAPITAL COMMITMENTS

There were no capital commitments at the year end 31 December 2020 (2019: €Nil).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

20. RETIREMENT BENEFIT SCHEMES

The company operates the following pension schemes:

Nominated Health Agencies and Voluntary Hospitals Superannuation Schemes

The employees of St. Michael's House are members of the Nominated Health Agencies and Voluntary Hospitals Superannuation Schemes. No provision has been made in respect of the benefits payable under the scheme as the liability is administered and underwritten by the Minister for Health. The scheme is a contributory scheme and is non-funded in common with other public sector schemes. Contributions from employees who are members of the scheme are credited to the income and expenditure account when received. Pension payments under the scheme are charged to the income and expenditure account when paid.

In the year ending 31 December 2020, €2,233,871 (2019: €2,194,520) was retained and treated as income and €5,124,733 (2019: €4,277,564) to be paid to pensioners. The company has credited €3,379,021 (2019: €2,133,158) of HSE allocation income as funding received to fund the superannuation deficit.

Single Public Service Pension Scheme

The Single Public Service Pension Scheme (SPSPS) applies to all employees who are joining the public sector as new entrants after January 2013. In line with the guidance of this scheme, all employee contributions are paid over to the state pension account and not included in the income and expenditure account. The Department of Public Expenditure and Reform ('DPER') is responsible for the SPSPS and under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 44(1) (b), payments arising under this Single Scheme to retiring employees shall be paid from funds provided by the Oireachtas for that purpose.

21. RELATED PARTY TRANSACTIONS

The directors have availed of the exemption available under Section 33 FRS 102 "Related Party Disclosures", which permits subsidiaries 100% of whose voting rights are controlled within the group, not to disclose transactions with other wholly owned entities of the group.

22. CONTINGENT LIABILITY

There is a contingent liability to repay capital grants amounting to €57,420,503 (2019: €57,270,503) if the company does not adhere to the terms and conditions of the grant agreements, which include provision for the use of the assets as originally intended.

23. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events post 31.12.2020.

NOTES

NOTES



St. Michael's House
Ballymun Road, Ballymun, Dublin 9.
T: (01) 884 0200 | E: info@smh.ie
Registered Charity No: CHY 5692

Website:
www.smh.ie

CHILDREN'S SERVICES



ADULT SERVICES

