Registered Charity Number: 20002077

INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND
(A COMPANY LIMITED BY GUARANTEE)

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INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS NON-EXECUTIVE DIRECTORS AND ADVISERS

FOR THE YEAR ENDED 31 DECEMBER 2025

President	Mr Maurice Collins (Non-Director)
Non-Executive Directors	Ms Eimear Christian Mr Aidan Gleeson, (Chairperson, Resigned on 30 June 2025) Ms Emma Horgan (Deputy Chairperson from 1 July 2025) Ms Ann Jackson Mr Ken Jordan Ms Celine McGillycuddy Ms Sinead Murray (Resigned on 27 February 2025) Mr John Byrne Dr Mairead Philips Dr Geraldine Regan (Resigned as Deputy Chairperson on 30 June 2025 and commenced as Chairperson on 1 July 2025) Ms Nicola McGuinness (Appointed on 28 January 2025) Mr Desmond Stark (Resigned on 1 January 2025) Mr William Whitford (Resigned on 29 August 2025) Mr Thomas McGrath (Appointed on 25 February 2025) Mr Thomas MacDonnell (Appointed on 25 March 2025) Ms Johanna Doyle (Board Member from 25 March to 18 July 2025) Mr Julian Maguire (Appointed on 25 November 2025)
Company Registered Number	2346
Charity Revenue Number / Registered Charity Number	1370 20002077
Registered Office	Blackheath Park Clontarf, Dublin 3. D03 AY95
Principal Operating Office	Blackheath Park Clontarf, Dublin 3. D03 AY95
Company Secretary	Ms Michelle Fanning (Retired 27 April 2025) Ms Loraine Kennedy (Appointed 28 April 2025)
Chief Executive Officer	Ms Michelle Fanning (Retired 27 April 2025) Ms Loraine Kennedy (Appointed 28 April 2025
Independent auditors	Azets Audit Services Ireland Limited 3rd Floor, 40 Mespil Road, Dublin 4. D04 C2N4
Bankers	Bank of Ireland College Green Dublin 2
Solicitors	Fieldfisher, The Capel Building, Mary's Abbey, Dublin 7

INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

(A COMPANY LIMITED BY GUARANTEE)

Directors Report
31 December 2025

The Directors present their annual report together with the audited financial statements of the Incorporated Orthopaedic Hospital of Ireland operating as Clontarf Hospital (the Company) for the year ended 31 December 2025. The Directors confirm that the Annual Report and financial statements of the Company comply with the current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland (Effective 1 January 2015).

DIRECTORS RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable laws and regulations. Under law, the Directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and the Financial Reporting Standard (FRS 102).

The Companies Act (2014) and the Charities Amendment Act (2024) require the Directors to prepare financial statements for each financial year. 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 state of affairs of the charitable company and of the incoming resources and of the application of resources, including the income and expenditure of the company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable Irish Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company that enables them to ensure that the financial statements comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the charitable Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STRUCTURES, GOVERNANCE & MANAGEMENT

Structure

Clontarf Hospital is an Irish Company incorporated under the Companies Acts 2014 on the 21 April 1899 and registered as a Charity on 11 August 1925. It is a Company limited by guarantee and does not have a share capital. The principal objective of the Company is the provision of healthcare rehabilitation services and it operates under Section 38 of the Health Act 2004.

Governance and Management

Clontarf Hospital is governed by a voluntary Board of Directors who are elected under the terms of the Hospital's Constitution. The Directors met 8 times during 2025. There were set agendas to address all aspects of the Hospital's business. The agendas and minutes for all Board meetings are filed. Conflict of interest is a standing agenda item at each Board meeting. There was no Conflict of Interest registered in 2025.

The Board of Directors are elected by the Members of the Board of the Incorporated Orthopaedic Hospital of Ireland at the Annual General Meeting. In the interim, the Board has the power to appoint Directors until the next Annual General Meeting. There were five resignations in 2025 and recruitment for new members commenced following a review of the Board's skill mix and expertise at the time of the resignations. There were four new directors elected to the Board in 2025 and co-opted at the June 2025 AGM. The Board have a suite of policies and procedures for the recruitment of new Directors. The nomination and selection of new Directors is the prerogative of Board members through an election process at the Annual General Meeting. The Directors take responsibility for having an appropriate mix of expertise and experience to meet the interests of patients, the safe delivery of services and the business needs of the Hospital. The Board members provide their time on a voluntary basis and receive no remuneration for their work on behalf of the hospital.

Following their appointment, all new Directors complete an induction and training programme to familiarise them with the company and to support them to participate and contribute fully. Ongoing education and training was available to Directors throughout the year on various topics which included such themes as Governance and ESG. A facilitated half day Board workshop was held in the Hospital in October to support Board members contribution and feedback to the development of an implementation plan for the Hospitals Strategic Plan.

The Directors ensure that the activities of the Hospital are consistent with its objectives. The Hospital's Mission Statement is placed on the top of the Board meeting agendas. The Board maintained their compliance with robust corporate and clinical governance procedures across the Hospital throughout the year supported by the Chief Executive Officer (CEO) and the Executive Management Team (EMT). The roles of the Board of Directors and the CEO are well defined and the Board delegated day-to-day operations to the CEO, who with the support of the EMT, worked together throughout the year to achieve the Hospital's strategic objectives and the day-to-day delivery of a safe quality driven rehabilitation service. All actions from the Board of Directors self-appraisal were completed in 2025 and a self-appraisal will be completed in 2026. The Board plans to complete and external Board Appraisal in 2027.

The Hospital has financial policies and procedures in place relevant to organisational needs and risk levels. Financial policies and procedures are drafted in line with the requirements in the Health Service Executive (HSE) National Financial Regulations. To support good governance and the internal control system, the Board has five Board subcommittees:

(i) Audit Committee
(ii) Finance Committee
(iii) Quality, Safety and Risk Management Committee
(iv) Governance Remuneration and Nominations Committee
(v) Ethics Committee

The Committees are chaired by Directors with the relevant expertise and are supported by the CEO and members of the Executive Management Team. The Committees report to the Board on a quarterly basis or more often if required on their activities.

As a publicly funded body the Hospital is required to comply with the Public Pay Policy. Board members did not receive any remuneration in respect of their services to Clontarf Hospital in 2025. The CEO, the EMT and all employees are remunerated in compliance with the Department of Health Consolidated Salary Scales.

OBJECTIVES, STRATEGY AND ACTIVITY

Objectives
The Hospital's Constitution states that the main objective is:

To own, manage, and operate a hospital providing health services, particularly orthopaedic and rehabilitation treatment and care and other services as may be determined by the Board of Governors, based on principles of good corporate governance, risk assessment, and the prudent application of available financial and other resources.

Strategy
The Board recognises that rehabilitation has become a global health priority, with the World Health Organisation estimating that 1 in 3 people are currently living with a condition that would benefit from rehabilitation. This demand is set to accelerate as people live longer, with a higher prevalence of chronic disease and disability. Census projections for the HSE Dublin North and East Region forecast a significant expansion of the ageing population, which will place sustained pressure on our Hospital's resources. Consequently, proactive and ongoing investment in our rehabilitation infrastructure and staffing is a strategic necessity to ensure we can meet the increasing medical and care requirements of our local community and support patient flow and access for our local Acute Hospital partners and our patient and their families.

The Board of Directors, CEO, Executive Management Team and Staff worked during the latter part of 2024 to draft a new Strategic Plan for the Hospital to guide and direct the Hospital's services for 2025-2028. In December 2024, the new Strategic Plan 2025-2028 was presented and approved by the Board of Directors. This was launched after the AGM on 24 June 2025.

The Hospitals Strategic Plan sets out five clear objectives:

- (i) Enhance the delivery of high-quality, person-centred rehabilitation services underpinned by a robust clinical governance structure
- (ii) Improve patient access to rehabilitation services aligned with a population-based needs approach
- (iii) Continue to build and enhance the Hospital's workforce resources to meet current and future service demands
- (iv) Instigate a programme to develop the Hospital as a clinical research partner in rehabilitation medicine
- (v) Strengthen the Hospital's reputation as a centre of excellence in rehabilitation services through a rebranding and promotional campaign.

The Hospitals Mission Statement, Vision and Values were also reviewed and changes were made to reflect the changing environment in which the Hospital now operates.

Our Mission Statement is "*to provide patients with timely access to personalised, innovative and effective rehabilitation care allowing them to achieve their optimum level of independence, health and wellbeing in their communities*".

Our Vision is "*to be a centre of excellence in rehabilitation patient care supported by skilled and caring staff*".

Our Five Values are listed below and include:

<u>Person Centred</u>
At Clontarf Hospital we care for our patients, their families and staff in ways that are meaningful and valuable to the individual patient, ensuring that they are well informed, involved and supported on their rehabilitation journey.

<u>Integrity</u>
We work in an honest, transparent and professional manner.

<u>Trust</u>
We strive to build trust with our patients, their families, our staff and our partner hospitals through open, honest and collaborative relationships.

<u>Mutual Respect</u>
We are committed to mutual respect between patients, staff and all who visit the Hospital, as well as respect for our environment and for sustainability.

<u>Compassion</u>
We understand and empathise with the unique experiences that have brought each individual patient and their family into our care, without making judgements or assumptions.

The HSE's reorganisation of health services continued in 2025 with the identification of 6 New Regional Healthcare Areas, bringing hospital and community services together to provide a more person-centred approach to healthcare delivery closer to people's homes and communities. Clontarf Hospital is located in HSE Healthcare Region Dublin and North East and, is an integral rehabilitation service to meet the needs of the population we serve in line with our strategic objectives. The Dublin and North East Region has four Integrated Healthcare Areas (IHA) and the Hospital is within IHA Dublin North City and West.

Funding remains key to enable us to continue to deliver our existing level of service, to implement our strategic objectives and to expand our current services. Patient presentation is more complex with higher dependency levels, requiring more intense rehabilitation and medical treatment. To achieve the best outcomes for patients, we need to be funded to meet these growing needs. Costs are increasing annually due to pay increases, inflation, increased regulatory requirements both corporate and clinical and increased patient activity resulting in a higher cost of care for our service. Our annual HSE allocation needs to reflect the increasing costs and demands.

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ACHIEVEMENTS AND PERFORMANCE

The primary aim of our hospital is to provide rehabilitation intervention and treatment so that people can overcome the challenges resulting from trauma, disability, frailty, illness and chronic disease and return to living as healthy and as independently as possible, to participate in everyday activities within their community where possible. While providing much needed rehabilitation following illness or trauma, the hospital also has the additional benefit of relieving pressure on our local acute hospital and frontline services, as well as reducing demand for long term care/residential facilities due to the high percentage of patients who return home. Clontarf Hospital is progressing the development of Consultant led rehabilitation pathways and in 2025 a new part-time permanent Consultant in Rehabilitation Medicine was appointed to support the specialist rehabilitation pathway to Clontarf from the Mater Hospital.

HOSPITAL PATHWAYS

The hospital provides rehabilitation services across six distinct care pathways and these include:

1. Integrated Care for Older Persons (ICPOP) Pathway with the Mater Hospital

This 16-bed unit admits patients aged over 65 years with complex comorbidities, either directly from the Mater Hospital Emergency Department FITT team, thereby avoiding acute hospital admission, or directly from the community, avoiding emergency department presentation. Clinical governance is provided by an ICPOP Consultant Geriatrician. In 2025, this pathway supported 133 admissions. 81% of patients were admitted to Clontarf Hospital directly from the Mater Hospital Emergency Department (FITT team) and 19% of patients were admitted directly from home.

2. Older Persons Rehabilitation Unit with the Mater Hospital

This 32-bed unit provides intensive interdisciplinary rehabilitation to patients aged over 65 years who are transferred from the Mater Hospital following an acute admission for serious illness or injury. Patients on this pathway have defined rehabilitation goals with the aim of discharge home. The service is led by a Consultant Geriatrician.301 patients were supported by this pathway in 2025.

3. Older Persons Rehabilitation Unit with Beaumont Hospital.

This 32-bed unit delivers intensive interdisciplinary rehabilitation to patients aged over 65 years transferred from Beaumont Hospital following an acute admission for serious illness or injury. Patients have specific rehabilitation goals focused on discharge home. Clinical leadership is provided by a Consultant Geriatrician. 261 patients were supported by this pathway in 2025.

4. Specialist Rehabilitation Pathway with the Mater Hospital

A pilot started in September 2024 for a five-bed unit to provide Level 2b specialist rehabilitation for patients aged 18 years and over admitted to the Mater Major Trauma Centre with life-changing injuries. The service continues to operate under the governance of a Consultant in Rehabilitation Medicine and now includes neurorehabilitation. This pathway supports a reduction in acute hospital bed-days, admission avoidance to the National Rehabilitation Hospital (NRH), and a reduction in NRH waiting lists. In 2025, 22 patients were admitted to this pathway.

5. Specialist Rehabilitation Unit with Beaumont Hospital

This 16-bed unit provides Level 2b specialist rehabilitation, including neurorehabilitation and amputee rehabilitation, for patients aged 18 years and over transferred from Beaumont Hospital. Care is delivered under the clinical governance of a Medical Consultant. This pathway contributes to reduced acute hospital bed usage, decreased demand on NRH beds, and a reduction in NRH waiting lists. 130 patients were admitted to this pathway in 2025.

6. Orthopaedic Rehabilitation Pathway

This 43-bed pathway provides rehabilitation for patients aged 18 years and over following elective and trauma orthopaedic surgery. Patients are transferred from multiple acute and scheduled care hospitals and remain under the clinical governance of their referring Consultant Orthopaedic Surgeon.

Hospital Activity
The Directors are pleased with the overall Hospital activity levels in 2025. The Hospital had an overall total of 1,573 patient admissions in 2025, reflecting sustained patient flow activity across six rehabilitation pathways of care. The hospitals overall average length of stay was 31.2 days, while the overall hospital median length of stay was 24 days, reflecting the complexity of the patient case-mix and the hospital's specialist rehabilitative and post-acute care role. Strong multidisciplinary collaboration supported the coordination of admissions from acute hospitals, scheduled hospitals, the community, and directly from the Mater Hospital Emergency Department. Teams focused on the regular review of patient length of stay and proactive discharge planning, in partnership with patients, families and community services. This approach supported patients to progress through a safe, effective and successful rehabilitation journey, maximising functional independence and supporting patients to return home and to their community where possible.

The hospital also supported the HSE Unscheduled Emergency Care (UEC) Programme 2025, providing supplementary capacity (16 beds) to support both the Mater University Hospital and Beaumont Hospital up until the end of July 2025. This was supported by additional funding from the HSE which was stopped in July 2025. A total of 91 patients were admitted through this initiative in 2025. Activity across all departments increased in 2025.

Quality Safe Care
The provision of high-quality safe care is the highest priority for the Directors as we provide services for a frail elderly and vulnerable adult population in the hospital. The Directors receive quality and safety updates at each Board meeting as well as quarterly reports from the Board subcommittee for Quality, Safety and Risk Management. The hospital's risk management procedures are clearly set out and are aligned to the HSE Enterprise Risk Management Policy (2023). Quality Improvement is embedded across all departments and supported by Department Managers through their QI initiatives and projects. Clinical audit and patient satisfaction surveys also drive quality and service improvement. In the annual patient satisfaction survey in 2025 the overall patient satisfaction score for the Hospital was 9.5 out of 10.

External inspections assist the hospital in developing the quality of services being provided. The hospital had an unannounced HIQA inspection in December 2024 and the Inspection Report was published in June 2025. This report indicated a high degree of compliance, with six fully compliant, two substantially compliant and 2 partially compliant findings against the National Standards for Safer better Healthcare (HIQA, 2012). There were no non-compliances. The management team and staff have worked to address all findings and recommendations. The outstanding recommendations to be implemented await approval of funding.

In 2025, the internal governance structures for Quality and Patient Safety were strengthened with the establishment of the Hospital Quality and Patient Safety Committee and the Incident Oversight Group. Staff training programmes for the following were provided: Radiation Safety, Trust in Care Policy, Safeguarding Policy and Fire Safety including fire simulation training. The Catering Department achieved a distinction in the Food Safety Authority Accreditation Audit. There continues to be a significant focus on Infection Prevention and Control and cleaning within the Hospital to keep patients, staff and visitors safe. There is a proactive approach to screening and infection management to prevent outbreaks with the commitment of all staff including clinical, support and administrative to delivering high quality, safe services.

Environmental Social Governance (ESG)
The Board of Directors continued to address its ESG obligations in 2025 with a key achievement being the recruitment of a dedicated Energy Officer for the Hospital in October 2025, which is funded by the HSE. Under the Public Sector Climate Action Mandate (2025), there is a requirement for a 51% reduction in greenhouse gas emissions and a 50% improvement in energy efficiency by 2030. The Hospital continues to focus on achieving these targets. In 2025 the Hospital signed up to the SEAI Partnership and joined the Reduce Your Use Campaign. The Green Committee was rejuvenated and an Environmental Awareness Programme was started. There was ongoing monitoring of energy, water and waste usage and reporting to the CSO. Work was ongoing on the Hospitals Climate Action Roadmap. The Gap to Target Tool was used to develop a Project Pipeline for the Hospital up to 2030 and this was shared with the HSE Energy and Sustainability Departments as securing funding will be a key requirement to progress this work to reach our compliance targets for 2030.

Information Communication Technology (ICT)
The Board continued to monitor the implementation of the Hospital's key ICT strategic objectives. The two objectives for 2025 were the replacement of ageing infrastructure and the establishment of cyber security foundations. Significant progress was made in modernising switches, network and server infrastructure and strengthening cybersecurity foundations, thus improving service resilience across Clontarf Hospital. This work will be continued in 2026. This was supported by funding from the HSE CISO. This work will support the Boards obligations under the NIS 2 Directive and keep cybersecurity high on the Boards agenda. The Board and the Hospital's ICT Department received significant support from Mr Ken Jordan, Board Director throughout the year.

FINANCIAL REVIEW

Results for the Financial Year
The Directors note the results for the financial year. The Incorporated Orthopaedic Hospital of Ireland trading as Clontarf Hospital recorded a deficit of -€538,575 in the year to 31st December 2025, compared to a deficit of -€481,985 in the previous year.

Going Concern

We confirm that we have assessed the Hospital's ability to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements, taking into account it's financial position, cash-flow forecasts, funding arrangements and operating environment.

The Hospital is a Voluntary Hospital operating under Section 38 of the Health Act 2004 and is primarily funded by means of an annual revenue allocation from the HSE. As such it is dependent on the HSE providing adequate funding to ensure that it can meet its liabilities as they fall due.

The HSE have changed the funding model in 2026 with the withdrawal of certain cost pressure supports previously received since 2021. For 2026 a projected funding shortfall of -€3.694 million exists due to changes in the funding model. This projected funding gap has been agreed with the HSE who recognise €2.438m of this has arisen as a result of structural issues in how income targets were set in previous years and are outside the control of the Hospital. A joint business case was agreed the HSE and will be submitted to the Department of Health reflecting the shared understanding regarding the nature and cause of the projected deficit position and seeking a permanent baseline funding correction and structural support.

<u>Approval is sought for:</u>

- €2.438m recurring baseline funding in 2026 to address acknowledged non-controllable pressures.
- €0.656m structural support to address unachievable savings targets for 2025 & 2026 that cannot be addressed through efficiency measures alone
- €1.2m additional baseline funding in 2027 to address an identified and unavoidable emerging private income pressure.

Timely approval is required to stabilise the service. Failure to approve this request would present a material risk to the sustainability of system-critical rehabilitation capacity in the Region, adversely impacting acute hospital flow, patient outcomes, and alignment with national health policy and Sláintecare objectives.

We further acknowledge that the Hospital is required to deliver savings in 2026, to address an operational deficit and a part of the national cost savings target. 2025 included a shortfall of -€538,575. The HSE has not given any indication that it will withdraw any further of its financial supports from the Hospital. While these matters give rise to material uncertainties that may cast significant doubt of the Hospital's ability to continue as a going concern, we expect continued State support given the Hospital's critical role in healthcare delivery and are actively engaging with the HSE in respect of funding.

The level of funding determines the level of rehabilitation activity that the hospital can provide and we confirm that mitigating actions are available, including the ability to adjust service levels in the line with funding.

Accordingly, the Directors consider it appropriate to continue to prepare financial statements on a going concern basis. We confirm that the financial statements appropriately disclose the relevant material uncertainties and do not include any adjustments nor disclosures that would result if the Hospital was unable to continue as a going concern.

PRINCIPLE RISKS AND UNCERTAINTIES

The Directors are vigilant in monitoring activity and sources of funding to ensure that the Hospital will have adequate resources to fund its activities and its commitments. As outlined above, there is a clear and increasing need for the provision of rehabilitation care in the HSE Dublin North and East Region and any future significant reductions in HSE funding would require detailed consideration on how the funding would be replaced or the activities changed.The HSE National Service Plan 2026 commits to maintaining public bed capacity. Clontarf Hospital remains a vital, cost-effective partner in the HSE Dublin North East Region with our services aligned to both the HSE Sláintecare Strategy and the World Health Organisation (WHO) Rehabilitation 2030 Strategy.

Reserve Policy

Restricted funds: Restricted funds include capital grants received from the HSE that can only be used for specified capital expenditure in the Hospital and funds which are to be used in accordance with specific restrictions.
Unrestricted funds: General unrestricted funds are for use at the discretion of the Hospital in furtherance of the Hospital's objectives.

Net assets attributable to restricted and unrestricted funds are shown in note 17 on page 33.

RISK MANAGEMENT

The Board have a responsibility for the identification and evaluation of significant risks together with the design and operation of suitable internal controls and the Directors are assured that there are appropriate procedures in place for the assessment of clinical and corporate risk. The provision of clinical rehabilitation for older persons and for neurorehabilitation for adults is by its nature a high-risk activity. The Hospital seeks to minimise this through strong risk management policies / procedures, audit and through robust training and education of staff.

Having external inspections by statutory authorities is one element of assurance on how healthcare facilities manage risk. The hospital had a HIQA inspection in 2024, which included inspection of the Hospital's risk management procedures. The recommendations from this inspection are completed except where there is a dependence on funding to complete actions.

For the hospital's corporate risks, the Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enables them to ensure that the financial statements comply with the Companies Act 2014 and FRS 102. 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 Board Audit Subcommittee approved a three-year internal audit programme in 2023.In 2025, the Climate Change and Environmental Sustainability for the Hospital was audited. There were no high-risk areas identified. Where recommendations were made actions plans to implement the recommendations were made and are ongoing and reported to the Audit Committee throughout the year.

The Board of Directors are also Trustees of the organisation's charity and are committed to maintaining the highest standards of corporate governance with regard to the organisation's charitable status. The Directors welcome the Charities Regulator's introduction of the Charities Governance Code and have established a Charities Governance Code Compliance Folder that is available for inspection should the Charities Regulatory Authority visit the hospital. The Directors are aware of the Charities (Amendment) Act 2024 and of their reporting obligations related to this.

ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's Registered Office at Blackheath Park, Clontarf, Dublin 3.

PLANS FOR FUTURE PERIODS

Future Developments

In December 2024, the Directors approved a new three-year Strategic Plan for the Hospital following engagement with internal and external stakeholders. The new strategy sets out five new measurable strategic objectives to ensure the hospital's services meet the current and emerging healthcare needs of the populations it serves in its surrounding communities. The strategy is very much in line with the Government's Sláintecare plans to move care away from the current acute hospital centric focus by increasing the availability of community-based care by providing the right care, in the right place, at the right time at the least level of complexity.

Our vision is to be a centre of excellence for rehabilitation care and our pathways of care are aligned to National Programmes of Care including the Integrated Care Programme and the National Clinical Programme for Older People and the National Neurorehabilitation and the National Orthopaedic and Trauma Care Programmes. The Board of Directors will continue to develop our services aligned to these programmes. The Specialist Rehabilitation Pathways support younger people living in our catchment area who currently have limited access to inpatient rehabilitation.

Following collaboration and planning with the Mater Hospital, in late 2024, the hospital commenced a pilot Trauma Rehabilitation Pathway of Care. The results after one year were very positive with all patient outcome measures (FIM/FAM and Barthel) showing improved patients' function from admission to discharge, demonstrating added value to this cohort of patients. This project has added value to the Mater Hospital by saving bed-days (480 bed-days in the first six months of the pilot). 95% of patients went home directly and 5% went to assisted living. The RCS-e (Rehab Complexity Scale) Score improved for all patients. There was added value to National Rehabilitation Hospital (NRH) by preventing inpatient admissions and reducing NRH inpatient wait list. Clontarf Hospital trialled and established links with IWA Vocational Rehab and Driving Assessment Services which adds further value to overall outcomes for U65 patients rehabbing following a life changing injury but who may not be eligible to access these services in NRH. Additional resources will be required to further develop this pathway.

The Hospital continued to support the HSE Unscheduled Emergency Care (UEC) Programme in 2025, providing supplementary capacity (16 beds) to support both the Mater University Hospital and Beaumont Hospital Older Persons Care Pathway up until the end of July 2025. A total of 91 older persons benefitted from this pathway in 2025. This was supported by additional funding from the HSE which was stopped in July 2025. Any future consideration for opening these beds will require a commitment for permanent funding from the HSE.

The Directors are confident that demands for post-acute rehabilitation services will continue and management at the Hospital will continue to engage collaboratively and proactively with our external stakeholders to provide rehabilitation services to meet increasing complexity aligned to our funding in 2026.

The Board will continue to support the independence of voluntary hospitals through its membership of the Irish Voluntary Hospital Association. The importance of voluntary organisations has been recognised in the Independent Review Group Report (established in 2017 by Government to examine the role of voluntary organisations in the operation of health and social services in Ireland into the future). This clearly recognises the substantial and important role that voluntary healthcare organisations play in Irish society and this will support the Board to continue to direct the hospital's activities and strategic direction as a voluntary independent organisation both now and into the future.

The Directors have made reasonable assumptions, that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial statements. Inflationary and pay cost pressures were a key factor in 2025 and this is expected to continue in 2026. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The national healthcare sector recognise that current and emerging infectious conditions will continue to affect healthcare services for many years to come. The hospital has shown that it can respond successfully to the changes required to prevent harm to patients and staff while providing uninterrupted service delivery which it has achieved successfully to date. Challenges continue to exist for healthcare service providers and the Directors believe that they can meet these challenges in to the future. The main challenges are:

- Change by the HSE to the funding model for Clontarf Hospital in 2026

- Loss of Private Health Insurance income
- Increased costs due to increased medical complexity, inflation and increased regulatory and compliance requirements.

Post Balance Events
Following a request from the HSE in December 2025, to meet the increasing demand for Older Persons Rehabilitation and to support patient flow for the Mater Hospital, Clontarf Hospital agreed to repurpose 8 orthopaedic beds for this pathway. These beds remained open for Older Persons from January to March 2026.

As set out above under "Going Concern" the projected funding gap for 2026 will be escalated to Department of Health in a joint business case with the HSE reflecting the shared understanding between the HSE and Clontarf Hospital regarding the nature and cause of the projected deficit position and the need for a permanent baseline correction rather than continued short-term cash flow measures.

Despite these challenges, the Board of Directors remain committed to their work in continuing to direct Hospital Services to meet the healthcare needs of those we serve.

Auditors
The auditors, Azets Audit Services Ireland Limited were appointed by the Directors for the current year and will remain in office in accordance with section 383 of the Companies Act 2014.

DISCLOSURE OF INFORMATION TO AUDITORS
Each of the persons who are Directors at the time when this Directors report is approved has confirmed that:

•so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
•that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

This report was approved by the Directors on and signed on their behalf by:

Signed: John Byrne Date: 26/5/26.

Signed: Geraldine Regan Date: 26/5/2026

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

Report on the audit of the financial statements

Opinion on the financial statements of Incorporated Orthopaedic Hospital of Ireland ("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 2025 and of the net movement in funds for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Financial Activities (incorporating an Income and Expenditure Account);
- the Balance Sheet;
- the Statement of Cash Flows; and
- the related notes 1 to 24 including a summary of significant accounting policies as set out in note 2.

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
We draw attention to Note [2.4] in the financial statements, which indicates that the Company is dependent on funding from the Health Service Executive (HSE) and, as outlined in the Directors' Report, a number of events and conditions exist, including projected funding deficits and potential changes to the HSE funding model. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

As stated in Note [2.4], the Directors have prepared the financial statements on a going concern basis, having considered cash flow forecasts, ongoing funding discussions with the HSE, and planned mitigating actions. On this basis, the Directors consider that the Company will have adequate resources to continue in operational existence for the foreseeable future.

In auditing the financial statements, we have concluded that the Board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. However, should the Company be unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from this uncertainty. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

Other information
The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. 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 judgement and maintain professional scepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

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.

DocuSigned by:
Keith Doyle
A6DAA001FDA5428...

Keith Doyle
For and on behalf of
Azets Audit Services Ireland Limited
Statutory Audit Firm
3rd Floor
40 Mespil Road
Dublin 4
D04 C2N4

Date: 27 May 2026 | 15:40 BST

INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Restricted funds 2025 €	Unrestricted funds 2025 €	Total funds 2025 €	Total funds 2024 €
INCOME FROM:					
Charitable activities	4	**27,588,154**	**550**	**27,588,704**	26,364,616
TOTAL INCOME		**27,588,154**	**550**	**27,588,704**	26,364,616
EXPENDITURE ON:					
Charitable activities	5,6	**28,125,831**	**1,448**	**28,127,279**	26,846,601
TOTAL EXPENDITURE		**28,125,831**	**1,448**	**28,127,279**	26,846,601
NET INCOME/(EXPENDITURE)	15	**(537,677)**	**(898)**	**(538,575)**	(481,985)
Transfers		403,107	(403,107)	0	0
NET MOVEMENT IN FUNDS		**(134,570)**	**(404,005)**	**(538,575)**	(481,985)
RECONCILIATION OF FUNDS:					
Total funds brought forward	15	**180,503**	**17,123,753**	**17,304,256**	17,786,241
Net movement in funds		**(134,570)**	**(404,005)**	**(538,575)**	(481,985)
TOTAL FUNDS CARRIED FORWARD		**45,933**	**16,719,748**	**16,765,681**	17,304,256

The Statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 15 to 32 form part of these financial statements.

INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 2346

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Note		2025 €		2024 €
FIXED ASSETS					
Tangible assets	10		**16,555,975**		16,559,614
			16,555,975		16,559,614
CURRENT ASSETS					
Stocks	11	**107,026**		104,947	
Debtors	12	**2,053,647**		2,431,127	
Cash at bank and in hand		**267,901**		410,370	
		2,428,574		2,946,444	
Creditors: amounts falling due within one year	13	**(2,218,868)**		(2,201,802)	
NET CURRENT ASSETS			**209,706**		744,642
TOTAL NET ASSETS			**16,765,681**		17,304,256
CHARITY FUNDS					
Restricted funds	15		**45,933**		180,503
Unrestricted funds	15		**16,719,748**		17,123,753
TOTAL FUNDS			**16,765,681**		17,304,256

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Geraldine Regan

Dr Geraldine Regan

Mr John Byrne

Date: 26 May 2026

The notes on pages 15 to 33 form part of these financial statements.

INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 €	2024 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	18	**385,440**	27,068
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets	10	**(527,909)**	(111,694)
NET CASH USED IN INVESTING ACTIVITIES		**(527,909)**	**(111,694)**
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH PROVIDED BY FINANCING ACTIVITIES		**-**	**-**
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**(142,469)**	**(84,626)**
Cash and cash equivalents at the beginning of the year		**410,370**	494,996
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**267,901**	410,370

The notes on pages 19 to 36 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Incorporated Orthopaedic Hospital of Ireland is a company limited by guarantee and is incorporated in the Republic of Ireland. The registered office of the Company is Castle Avenue, Clontarf, Dublin 3. The principal objective is the provision of rehabilitation healthcare services.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

The functional and presentational currency of the financial statements is Euro.

The financial statements have been prepared in full compliance with Financial Reporting Standard 102 and the Charities Statement of Recommended Practice.

Incorporated Orthopaedic Hospital of Ireland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 COMPANY STATUS

The Company is a company limited by guarantee. The members of the Company are the Directors named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to €1.27 per member of the Company.

2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

2.4 GOING CONCERN

The financial statements have been prepared on a going concern basis. The Directors have assessed the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

The Company is dependent on funding from the Health Service Executive (HSE). As outlined in the Directors' Report, a number of events and conditions exist, including projected funding deficits and changes to the HSE funding model, which may cast significant doubt on the Company's ability to continue as a going concern.
The Directors have considered cash flow forecasts, funding discussions with the HSE and planned mitigating actions. Based on this assessment, the Directors have a reasonable expectation that the Company will have

adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of approval of these financial statements.

Accordingly, the financial statements have been prepared on a going concern basis. However, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

2.5 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Governance costs are those incurred in connection with administration of the Company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Company's operations, including support costs and costs relating to the governance of the Company apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

A review for impairment of a fixed asset is carried out if events of changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2.5% reducing balance
Equipment	- 10 - 25% straight line
Fixtures and fittings	- 10% straight line

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 PENSIONS

<u>Voluntary Hospitals Superannuation Scheme (1969)</u>
The liability in respect of pensions payable to employees who are members of the Voluntary Hospitals Superannuation Scheme (1969) has been underwritten by the Minister for Health. Accordingly, no provision is required in the financial statements to cover the liability in respect of pensions payable to employees in future years.
Contributions from employees who are members of the scheme are credited to the Statement of Financial Activities when received. Pension payments under the scheme are charged to the Statement of Financial Activities when paid.

<u>Single Public Service Pension Scheme effect from 1 January 2013</u>
The Single Scheme applies to all first-time new entrants to the public service, as well as to former public servants returning to the public service after a break of more than 26 weeks. It is the responsibility of the hospital to collect and remit Single Scheme members contributions for the benefit of the Exchequer. A public bank account has been established to receive Single Scheme member contribution receipts from bodies that are not part of

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES (CONTINUED)

central Government. As per Public Service Pensions (Single Scheme and Other Provisions) Act 2012, Section 44(1)(b), payments arising under this Single Scheme to retiring employees shall be paid from funds provided by the Oireachtas for that purpose.

2.14 HEALTH SERVICE EXECUTIVE GRANTS

Capital

The Health Service Executive grants received in respect of capital expenditure are shown as restricted income in the Statement of Financial Activities. They are taken to the restricted fund and maintained in a separate bank account.

Operational

The Health Service Executive allocation is respect of the Hospital's operating expenditure is taken to the Statement of Financial Activities on an accruals basis.

2.15 IMPAIRMENT OF ASSETS, OTHER THAN FINANCIAL INSTRUMENTS

Where there is objective evidence that recoverable amounts of an asset are less than it's carrying value the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the profit and loss account, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the profit and loss account, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in equity.

The recoverable amount of tangible fixed assets, goodwill and other intangible fixed assets is the higher of the fair value less cost to sell of the asset and its value in use. The value in use of these assets are the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the company which is considered by the directors to be a single cash generating unit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Recoverability of debtors

Estimates are made in respect of the recoverable value of patient and other debtors. When assessing the level of provisions required, factors including current experience, historical experience and the ageing profile of debtors are considered.

b) Carrying value of stock

Stock represents finished goods and is measured at the lower of cost and net realisable value. Net realisable value is the estimated selling prices in the ordinary course of business, less the estimated costs necessary to make the sale. Provision is made for obsolete and slow-moving stock based on historical experience.

c) Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2025 €	Unrestricted funds 2025 €	Total funds 2025 €	Total funds 2024 €
HSE Capital grants	425,321	0	**425,321**	96,856
Patient income	1,238,002	0	**1,238,002**	794,558
HSE revenue grant	20,301,301	0	**20,301,301**	18,807,578
RTA receipts	44,977	0	**44,977**	109,196
Deduction from payroll / superannuation	617,730	0	**617,730**	600,746
Canteen receipts and other income	127,378	0	**127,378**	119,669
HSE other income	3,513,445	0	**3,513,445**	4,465,329
Unrestricted charity income	0	550	**550**	50,684
Beaumont Hospital income	1,320,000	0	**1,320,000**	1,320,000
	27,588,154	550	**27,588,704**	26,364,616
TOTAL 2024	26,313,932	50,684	26,364,616	

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2025 €	Unrestricted funds 2025 €	Total funds 2025 €	Total funds 2024 €
Charitable activities	28,125,831	1,448	**28,127,279**	26,846,601

6. EXPENDITURE ON CHARITABLE ACTIVITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Activity	**Restricted Costs €**	**Unrestricted Costs €**	**Total 2025 €**	Total 2024 €
Staff costs (see Note 8)	21,719,396	0	21,719,396	20,372,532
Drugs and medicines	430,712	0	430,712	436,329
Medical equipment, gases, supplies	398,292	0	398,292	429,746
X-ray	13,541	0	13,541	8,125
Laboratory supplies and contracts	673,598	0	673,598	693,981
Catering equipment and provisions	616,693	0	616,693	608,228
Heat, power and light	347,658	0	347,658	369,732
Cleaning, laundry, bedding, furniture	713,608	0	713,608	697,716
Maintenance and grounds	157,921	0	157,921	176,117
Transport of patients	60,322	0	60,322	55,845
Courier services	22,233	0	22,233	22,062
Staff Training	61,963	0	61,963	59,713
Miscellaneous	79,128	1,448	80,576	72,532
Total Direct Costs	25,295,065	1,448	25,296,513	24,002,658
Support Costs (see below))	2,806,256	0	2,806,256	2,822,943
Governance costs - Audit	24,510	**0**	24,510	21,000
Total Charitable Expenditure	28,125,831	**1,448**	28,127,279	26,846,601

ANALYSIS OF SUPPORT COSTS

	2025 €	2024 €	**Basis of allocation**
Charitable activities:			
Staff and related costs	1,371,271	1,375,005	*Administration Staff*
Insurance, legal and professional fees	291,131	284,277	
Computer equipment and contracts	360,513	382,049	
Office supplies and contracts	249,603	243,762	
Bank interest and charges	2,190	1,663	
Provision for bad debts on patient income	0	18,640	
Depreciation	531,548	517,547	
Total	2,806,256	2,822,943	

7. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of €24,510 (2024 - €21,000).

8. STAFF COSTS

	2025	2024
	€	€
Payroll and agency costs	**19,019,199**	18,208,583
Employer's PRSI contribution	**2,032,662**	1,885,317
Other pension costs	**2,038,806**	1,653,637
	23,090,667	21,747,537

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

	2025	2024
	No.	No.
Employees	**345**	346

The number of employees whose employee benefits (excluding employer pension costs) exceeded €60,000 was:

	2025	2024
	No.	No.
In the band €60,000 - €70,000	52	47
In the band €70,000 - €80,000	47	36
In the band €80,000 - €90,000	19	15
In the band €90,000 - €100,000	7	8
In the band €100,000 - €110,000	1	0
In the band €110,000 - €120,000	1	1
In the band €120,000 to €130,000	1	1
In the band €160,000 to €170,000	1	0

During the year an amount of €588,621 was paid to Key Management personnel (2024 - €535,918).

9. DIRECTORS' REMUNERATION AND EXPENSES

During the year, no Directors received any remuneration or other benefits (2024 - €NIL-).

In accordance with the Board of Directors Expense Policy, the Directors received reimbursement of expenses in 2025 amounting to €1,102 (2024 - €1,101).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

10. TANGIBLE FIXED ASSETS

	Freehold property €	Plant and machinery €	Fixtures and fittings €	Total €
COST OR VALUATION				
At 1 January 2025	**28,259,673**	**2,045,379**	**555,532**	**30,860,584**
Additions	**35,100**	**456,817**	**35,992**	**527,909**
At 31 December 2025	**28,294,773**	**2,502,196**	**591,524**	**31,388,493**
DEPRECIATION				
At 1 January 2025	**12,254,554**	**1,588,666**	**457,750**	**14,300,970**
Charge for the year	**401,005**	**115,418**	**15,125**	**531,548**
At 31 December 2025	**12,655,559**	**1,704,084**	**472,875**	**14,832,518**
NET BOOK VALUE				
At 31 December 2025	**15,639,214**	**798,112**	**118,649**	**16,555,975**
At 31 December 2024	16,005,119	456,713	97,782	16,559,614

11. STOCKS

	2025 €	2024 €
Finished goods	**107,026**	104,947

The difference between purchase price and their replacement cost is not material.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

12. DEBTORS

	2025 €	2024 €
Patient debtors	**182,888**	144,732
HSE debtor	**1,629,723**	2,194,180
Prepayments and accrued income	**241,036**	92,215
Department of Health debtor	**0**	0
	2,053,647	2,431,127

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 €	2024 €
Bank overdrafts	**468,008**	422,929
Trade creditors	**705,943**	492,112
HSE creditor	**0**	0
Other taxation and social security	**505,815**	494,067
Accruals and deferred income	**539,102**	792,694
	2,218,868	2,201,802

Other taxation and social security

	2025 €	2024 €
PAYE/PRSI control	**504,274**	492,598
VAT control	**1,541**	1,469
	505,815	494,067

INCORPORATED ORTHOPAEDIC HOSPITAL OF IRELAND
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

14. FINANCIAL INSTRUMENTS

	2025	2024
	€	€
Financial assets that are debt instruments measured at amortised cost:		
Patient debtors	**182,888**	144,732
HSE debtor	**1,629,723**	2,194,180
	1,812,611	2,338,912

	2025	2024
	€	€
Financial liabilities measured at amortised cost:		
Bank overdrafts	**468,008**	422,929
Trade creditors	**705,943**	492,112
	1,173,951	915,041

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2025	**Income**	**Expenditure**	**Transfers in/out**	**Balance at 31 December 2025**
	€	**€**	**€**	**€**	**€**
RESTRICTED FUNDS					
HSE Restricted Funds	**180,503**	**27,588,154**	**(28,125,831)**	**403,107**	**45,933**
UNRESTRICTED FUNDS					
Charity Restricted Fund	**17,123,753**	**550**	**(1448)**	**(403,107)**	**16,719,748**
TOTAL OF FUNDS	**17,304,256**	**27,588,704**	**(28,127,279)**	**0**	**16,765,681**

The Charity Unrestricted Fund was created to fund activities of the hospital. The movements between funds for the year consists of fixed asset additions of €527,909 and a further transfer of €124,802 to address the funding deficit in the restricted reserves.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January2024	Income	Expenditure	Transfers in/out	Balance at 31 December 2024
	€	€	€	€	€
RESTRICTED FUNDS					
HSE Restricted Fund	227,952	26,313,932	(26,839,711)	478,330	180,503
UNRESTRICTED FUNDS					
Charity Restricted Fund	17,558,289	50,684	(6,890)	(478,330)	17,123,753
TOTAL OF FUNDS	17,786,241	26,364,616	(26,846,601)	0	17,304,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2025 €	**Income €**	**Expenditure €**	**Transfers in/out €**	**Balance at 31 December 2025 €**
Restricted funds	**180,503**	**27,588,154**	**(28,125,831)**	**403,107**	**45,933**
General funds	**17,123,753**	**550**	**(1,448)**	**(403,107)**	**16,719,748**
	17,304,256	**27,588,704**	**(28,127,279)**	**-**	**16,765,681**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2024 €	Income €	Expenditure €	Transfers in/out €	Balance at 31 December 2024 €
Restricted funds	227,952	26,313,932	(26,839,711)	478,330	180,503
General funds	17,558,289	50,684	(6,890)	(478,330)	17,123,753
	17,786,241	26,364,616	(26,846,601)	-	17,304,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2025 €	**Unrestricted funds 2025 €**	**Total funds 2025 €**
Tangible fixed assets	0	16,555,975	**16,555,975**
Current assets	45,933	2,382,641	**2,428,574**
Creditors due within one year	0	(2,218,868)	**(2,218,868)**
TOTAL	45,933	16,719,748	**16,765,681**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2024 €	Unrestricted funds 2024 €	Total funds 2024 €
Tangible fixed assets	0	16,559,614	16,559,614
Current assets	180,503	2,765,941	2,946,444
Creditors due within one year	0	(2,201,802)	(2,201,802)
TOTAL	180,503	17,123,753	17,304,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CAH FLOW FORM OPERATING ACTIVITIES

	2025	2024
	€	€
Net income for the period (as per Statement of Financial Activities):	(538,575)	(481,985)
ADJUSTMENTS FOR:		
Depreciation charges	**531,548**	517,547
Decrease/(increase) in stocks	**(2,079)**	(732)
Decrease/(increase) in debtors	**377,480**	(315,250)
Increase/(decrease) in creditors	**17,066**	307,488
NET CASH PROVIDED BY/ (USED IN) OPERRATING ACTIVITIES	**385,440**	27,068

19. CAPITAL COMMITMENTS

The Board have not approved any capital expenditures to date in 2026.

19. PENSION COMMITMENTS

The Company operates a defined benefits pension scheme in respect of employees eligible for inclusion under the Voluntary Hospital Superannuation Scheme, as described in Note 2.

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

The VHSS pension costs amount to €2,011,616 (2024: €1,584,410).

The Single Public Service Pension Scheme (Single Scheme) commenced with effect from 1 January 2013, as described in Note 2.

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

The Single Scheme pension deductions from employees of €656,310 (2024: €591,091) were payable to DPER.

20. RESTRICTED FUNDS CAPITAL GRANTS

Restricted reserves balance as per the balance sheet is the accumulated reserves from Capital Grant income. The Company recognised Capital Grants in the Statement of Financial Activity in the years that they were received. The cost of depreciation has been allocated against these reserves over the useful life of the relevant assets.

	2025	2024
	€	€
HSE (Capital Grants)	45,933	180,503
	45,933	180,503

In the current year the Board re-allocated unrestricted reserves to align the accumulated restricted reserve with the current net book value of the reserves.

22. POST BALANCE SHEET EVENTS

There have been no significant events since the balance sheet date.

23. RELATED PARTY TRANSACTIONS

There were no related party transactions during the financial year (2024: None).

24. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 26 May 2026.