

Company registration number: 610824

CRA number: 20162221

CHY number: 22308

Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014
Financial Statements
for the year ended 31 December 2019

Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014

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Sage Advocacy CLG
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Directors and Other Information

Directors
Patricia Rickard-Clarke
Denis Cremins (Retired on 12 December 2019)
Mary Laffoy
Brian Ward
Catherine Dunleavy
Cillian Twomey
Angela Mezzetti
James Milton
Eoin Kennelly
Claire Kelly

Secretary Eoin Kennelly

Company Number 610824

Charity Number CHY 22308

CRA Number 20162221

**Registered Office
and Business Address** 24-26 Ormond Quay Upper
Dublin 7

Auditors Mazars
Chartered Accountants
and Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

Bankers Allied Irish Bank
Capel Street
Dublin 7

Solicitors O'Connell Brennan Solicitors
Armitage House
10 Hatch Street Lower
St. Kevin's
Dublin 2

Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014

Directors' Report

The directors present their annual report and the audited financial statements of the company for the 12-month financial period ended 31 December 2019.

Chairperson's report

The year under review has been an extremely challenging one, both operationally and financially. Analysis of activities shows a 26% increase in referrals for advocacy and it is clear that Sage Advocacy continues to 'punch above its weight' despite being underfunded.

2019 was a year in which Sage Advocacy made its first moves to find a common home for advocacy and while the Department of Employment Affairs and Social Protection appreciated the logic of our approach it is regrettable that our request to be funded through that department, rather than through the HSE, was refused. We will continue our efforts to map out, define and advance the independent advocacy sector in a collaborative way and, in this regard, we note the number of people with disabilities that we refer to the National Advocacy Service for People with Disabilities and the number of referrals we are receiving from people with mental health issues.

In a very busy year, a number of significant developments stand out. Perhaps the most significant, with regard to the future of independent advocacy, was the judgement of the Supreme Court on 17 October 2019 in respect of the AC case. With regard to the issue of wardship it stated: "It is essential that the voice of the individual be heard in the process, and if she cannot speak for herself then some person must be found, who is not otherwise involved in any dispute, who can speak for her". The judgement underlines, yet again, the urgent need for legislation to protect the liberties of people in care situations. Another significant development was the request from the Department of Health, via the HSE, for Sage Advocacy to provide support and independent advocacy to the women and bereaved relatives involved in the Cervical Check review undertaken by the Royal College of Obstetricians and Gynaecologists. It is a testament to the capabilities of our organisation that within 30 days of first being asked to assist we were able to assemble a national team of skilled individuals with mainly healthcare backgrounds along with a helpline and an online recording system.

During the year Sage Advocacy launched 'A New Deal' a discussion document on funding long-term care and support. The document received critical attention in the media and it remains the only policy document of substance produced by an Irish NGO during 2019 on an issue which is vital to the wellbeing of current and future generations of older people. The document argued for a continuum between home and congregated care, rather than two separate statutory systems, and for a social insurance-based model supported through the establishment years by use of inheritance tax.

Throughout the year the Statement of Strategy adopted by the Board and the Service Level Agreement with the HSE were implemented by a dedicated team of almost 100 volunteers and 23 staff of whom two were part-time and two were on maternity leave. It is a great tribute to their work and dedication that in spite of a period of considerable concern about the financial stability of the organisation they continued to 'go the extra mile' in line with the 'can do' culture of Sage Advocacy.

Our engagement during the year with our main funders, the HSE, led to important discussions regarding the need to stabilise and improve the funding of our services and to consider how best independent advocacy services might in future be funded independently of the HSE in an equitable manner. I want to put on record my appreciation of the support of the Chief Clinical Officer, Dr Colm Henry, the National and Assistant National Director of the Quality Improvement Division, Dr Philip Crowley and Greg Price and of the Deputy Director of the HSE Anne O'Connor and the National Director of Community Operations David Walsh.

I would like to thank my colleagues on the Board and Committees of Sage Advocacy, including members of the Independent Complaints Review Panel, for the important contribution they have made to the effective governance of the organisation. It was our stated aim in our Statement of Strategy to 'recruit only the best' and, in this regard, I am pleased to say that we have succeeded.

Patricia T Rickard-Clarke
Chairperson

Sage Advocacy CLG
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Directors' Report

Our purpose and activities

The main object for which the company is established is to promote, protect and defend the rights and dignity of vulnerable adults, older people and healthcare patients, the prevention of cruel, inhuman and degrading treatment and deprivation of liberty and the enhancement of personal autonomy and decision making in all care settings and in the transition between them in the Republic of Ireland.

This will be achieved by: paid staff and trained volunteers engaging directly with clients and groups to provide support and advocacy on issues of an individual and / or systemic nature; promoting self-advocacy by individual clients and advocacy champions within service providing organisations; providing a telephone based information and support / rapid response service; undertaking research; promoting measures to enable people to live, and to die, in the place of their choice and to avoid unnecessary hospitalisation or care in congregated settings; promoting public awareness and professional education regarding issues that are relevant to the rights, dignity and safeguarding of adults who may be vulnerable and healthcare patients.

Structure, governance and management

The members of the company are the directors and there are no other members. There is provision for up to 12 directors and, as at the above date there are 10 members/directors. Currently there is some divergence between company law and charity law and terms such as Director and Memorandum and Articles of Association are used by the Companies Registration Office while the terms Trustee and Constitution are used by the Charities Regulatory Authority.

The Board undertakes its work through a series of Committees. These are:

- Finance*¹
- Risk & Audit*
- Policy & Practice*
- Nominations*
- Patient Advocacy Advisory
- Public Awareness & Media
- Fundraising

The Board appoints the Executive Director and the powers of the Board and Executive are set down in a Board & Staff Manual. The Executive Director is supported by an Executive Group and a Case Management Group oversees the advocacy work of the service. A Service Manager was appointed on 1 April 2019 but was on maternity leave from 1 October 2019.

Achievements and performance

Analysis of data for 2019 shows that it was the busiest year of activity since the service was established in 2014 (1,570 referrals). This is a 26% increase in new referrals for advocacy over 2018 and a 50% increase in advocacy cases opened. Due to changes in recording procedures in early 2019 it is not possible to accurately compare calls for Information and Support but all the indications are of a similar increase in levels of activity. Case length varied: 1-3 months 37%; 4-6 months 21%; 7 months + 42%. It is worth noting that 46% of clients lived at home, 27% in a nursing home and 23% in hospital. Some 56% of clients were female and 44% male. This is consistent with data from all previous years. It is worth noting a 26% decrease in landline calls made and a related 32% increase in mobile calls made by all staff. The distance travelled by all Sage Representatives (staff and volunteers) was 220,638 kms. This is a 12% increase on 2018 and the equivalent of 5.5 times around the world.

An important measure of performance is 'value for money'. Sage Advocacy still delivers roughly the same level of service as comparable organisations but with far less staff and funding.

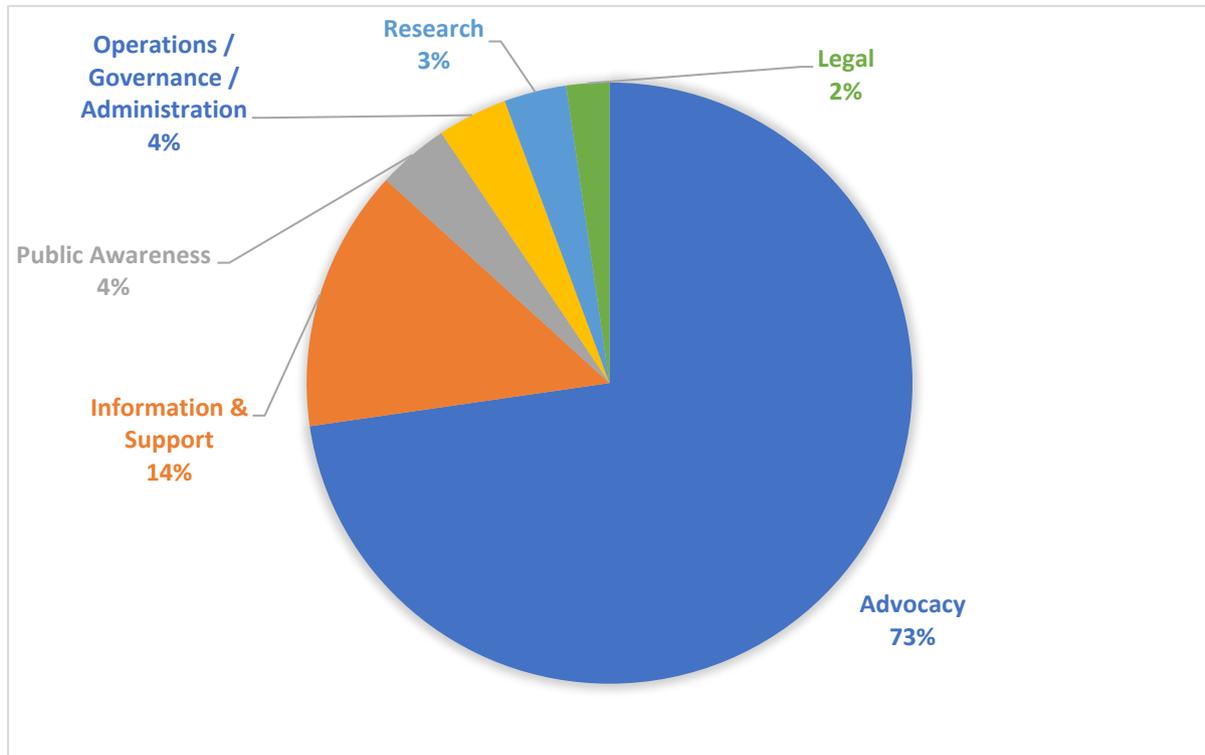
¹ *Denotes Standing Committees

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Directors' Report

Financial review

A breakdown of expenditure for 2019 is set out below based on the strategic priorities of Sage Advocacy. This shows that Advocacy along with Information & Support are the two major areas of expenditure. Given the increasing demands arising from compliance with statutory requirements the figure for Operations / Governance / Administration (4%) is a considerable achievement.



Assets and liabilities and financial position

The total assets of Sage have increased by €207,478, the total liabilities have also increased by €20,881, resulting in an increase in net assets of €186,597.

Future plans

The Board of Sage Advocacy in May 2018 approved a Statement of Strategy 2018 – 2023. This statement is currently being reviewed to reflect developments in relation to patient advocacy, protection of liberties in places of care, safeguarding and proposed changes in the structures of the HSE and the delivery on priorities related to the implementation of Sláintecare. The revised strategy will also reflect the need to develop a long-term national base for the organisation.

Reserves policy

The purpose of the reserves policy for Sage Advocacy CLG is to ensure the stability of the mission, programmes, employment and on-going operations of the organisation. The reserve is intended to provide an internal source for situations such as a sudden increase in expense, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserves are not intended to replace a permanent loss of funds or eliminate an on-going budget gap.

The Board of Sage Advocacy CLG judges that it needs to have a prudent reserves level that allows it to:

- Meet its obligations as an employer by paying redundancy payment to its staff at the statutory minimum level
- Continue to implement its activity plans should an important income stream cease unexpectedly or be delayed
- Address an appropriate level of liability associated with the lease that it has on the office premises

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Directors' Report

The calculations to meet the policy requirements indicated a required target of €425k.

Challenges

A key challenge for Sage Advocacy is the slow progress with regard to the commencement of the Assisted Decision Making (Capacity) Act 2015 and the introduction of legislation on deprivation of liberty in places of care which is likely to include formal recognition of the practice of independent advocacy. Sage Advocacy has undertaken considerable work over the last 4 years in promoting awareness of this legislation and the need for a major shift in both professional and public understanding regarding the rights of people to support when decisions need to be made about control and management of finances, where they should live and who they should live with. The new legislation focuses on respecting the 'will and preference' of the person and makes no mention of 'best interests' which is the term most often used by those who favour making decisions on behalf of others; sometimes influenced by what is in their own 'best interests'.

Risk management

Sage Advocacy maintains a Risk Register which is reviewed on an ongoing basis both by the Finance Committee, the Risk & Audit Committee and the Board. Risk is an agenda item at each meeting of the Board of Directors, of the Executive Group and the Case Management Group and the approaches to managing and mitigating risks are regularly addressed at bi-monthly national staff meetings and regional meetings with volunteers.

Principal risks and uncertainties

Key risks and uncertainties for Sage Advocacy currently include:

- Injury or death of a client arising from engagement with Sage where client took risks that others might regard as unwise
- Allegations of a financial, sexual or other form of abuse or exploitation of a client by a Sage Representative
- Disagreement when supporting a person with lack of capacity
- ICT failure/Cyber attack
- Loss or reduction in HSE Funding
- Cashflow difficulties i.e. timing rather than level of funding

To mitigate these risks, the approaches include:

- Agreed list of policies and guidelines including risk analysis
- Ensuring good case records and evidence trail
- Clear recording and documentation
- Use of Financial Transaction Forms
- Programme of education of professionals and the public to improve public awareness of Sage Advocacy role
- Data management and control guidelines
- Encrypted laptops & smartphones / Cloud storage and back up
- Relationship management with HSE and other key stakeholders
- Cashflow forecast reviewed by Finance Committee at least quarterly

Events after the end of the reporting period

In the context of the national public health emergency created by the Covid-19 coronavirus, Sage Advocacy has had to urgently reconsider its operational and financial situation. Contingency plans for a 'virtual office' and remote working have been activated and plans are in place for decision making systems in the event of the Executive Director and Chair being unable to perform their duties. Plans have also been made for continuity in the payment of staff salaries, expenses and routine service providers.

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Directors' Report

Staff and volunteers with relevant healthcare skills have signed up to assist the national healthcare effort and relevant staff are assisting with other efforts and initiatives of public authorities and local communities. Increasing restrictions on movement are inhibiting access to and contact with clients and the level and quality of service that can be provided during the period of the emergency will inevitably impact on the productivity of the organisation.

Sage Advocacy has signed Part 1 of a Service Level Agreement for 2020 with the Health Service Executive and funding for the first half of the year has been provided based on an indicated additional 'stabilisation funding' of €250,000. The worst case assessment that can be made at the start of the public health emergency is that the necessary and substantial increase in public funding, including funding for health and social care related services, will have to be reigned in substantially at the end of the emergency and that this could result in negative outcomes for Sage Advocacy in the event of a generalised across the board cutback in health expenditure. The order of such cutbacks could be as high as 25% which would require redundancies and likely a decision of the Board to hand responsibility for the governance of the service back to the HSE. The best case assessment is that given the lead role of the health services in the emergency and the need to strengthen public services this could lead to a sustained period of enhanced health spending with accompanying efforts to achieve greater rationalisation of services and systems. In such a scenario Sage Advocacy could possibly benefit as funding to other similar services is reviewed and the HSE and the Departments of Health, Social Protection and Justice develop a greater understanding of the role of independent advocacy in the context of legislative developments related to safeguarding and protection of liberty in places of care which will create a demand for independent advocacy services.

Sage Advocacy has restructured its relationship with its key funder, the Health Service Executive, and relationship management and funding arrangements now lie with the Office of the Chief Operations Officer (Deputy CEO of HSE). This important development signals a desire for a more long-term and considered relationship between the HSE and Sage Advocacy. In line with our financial controls we complete a cash flow forecast on cash position where we monitor it against our approved cash reserve requirement. Having assessed this cash requirement and the worst and best case scenarios in the context of the public health emergency, Sage Advocacy is of the view that, notwithstanding the challenges, it is and will be a going concern.

Political donations

During the 12-month financial period the company made no political donations.

Accounting records

The measures taken by the directors 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 implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are located at 24-26 Ormond Quay Upper, Dublin 7.

Relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 332 of the Companies Act 2014:

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

Auditors

The auditors, Mazars, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

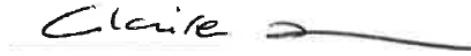
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Company Limited by Guarantee, Pursuant to the Companies Act 2014

Directors' Report

This report was approved by the board of directors on 23/04/2020 and signed on behalf of the board by:



Patricia Rickard-Clarke
Director



Claire Kelly
Director

Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014
Directors' Responsibilities Statement

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

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 net income or expenditure of the company for the financial period and otherwise comply with the Companies Act 2014.

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

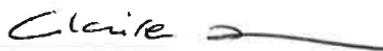
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Patricia Rickard-Clarke
Director



Claire Kelly
Director

Date: 23/04/2020

**Independent Auditor's Report to the Members of
Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sage Advocacy CLG (the “company”) for the period ended 31 December 2019, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 2019 and of its result for the period then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

**Independent Auditor's Report to the Members of
Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

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 and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

**Independent Auditor's Report to the Members of
Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014**

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

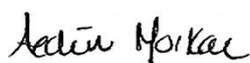
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.



**Aedín Morkan
For and on behalf of
Mazars
Chartered Accountants
And Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2**

Date: 23/4/2020

Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014

Statement of Financial Activities (including income and expenditure account)
For the Year Ended 31 December 2019

	Notes	2019 €	2018 €
Income from:	4		
Donations		10,950	25,800
Charitable activities		1,651,771	1,368,000
Other income		744	109,153
		<hr/>	<hr/>
Total income		1,663,465	1,502,953
 Expenditure on:			
Charitable activities	5	1,476,868	1,103,045
		<hr/>	<hr/>
Net income		186,597	399,908
 Total funds brought forward		399,908	–
		<hr/>	<hr/>
Total funds carried forward		586,505	399,908
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than the net income set out above.

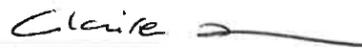
The notes on pages 17 to 26 form part of these financial statements.

All income and expenditure derive from continuing activities from unrestricted sources.

On behalf of the board;



Patricia Rickard-Clarke
Director



Claire Kelly
Director

Date: 23/04/2020

Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014

Balance Sheet
As at 31 December 2019

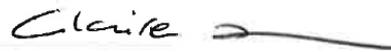
	Notes	2019 €	2018 €
Fixed assets			
Tangible assets	7	9,112	14,305
Current assets			
Debtors	8	12,612	16,643
Cash at bank and in hand	9	665,940	449,238
		678,552	465,881
Creditors: amounts falling due within one year	10	(101,159)	(80,278)
		577,393	385,603
Net current assets		577,393	385,603
Net total assets		586,505	399,908
Funds			
Unrestricted funds	12	586,505	399,908
Total Funds		586,505	399,908

The notes on pages 17 to 26 form part of these financial statements.

These financial statements were approved by the board of directors on 23/04/20 and signed on behalf of the board by:



Patricia Rickard-Clarke
Director



Claire Kelly
Director

Date: 23/04/2020

Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014

Statement of Cash Flows
For the Year Ended 31 December 2019

	Note	2019 €	2018 €
Cash flows from operating activities			
Net income		186,597	399,908
Adjustment for:			
Depreciation	7	8,639	10,091
		<hr/>	<hr/>
Operating income before working capital changes		195,236	409,999
Decrease/ (increase) in debtors		4,031	(16,643)
Increase in creditors		20,881	80,278
		<hr/>	<hr/>
Net cash provided by operating activities		220,148	473,634
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of tangible assets	7	(3,446)	(6,144)
Transfer in of tangible assets		–	(18,252)
		<hr/>	<hr/>
Cash used in investing activities		(3,446)	(24,396)
		<hr/>	<hr/>
Net increase in cash at bank and in hand		216,702	449,238
		<hr/>	<hr/>
Cash at bank and in hand at beginning of year	9	449,238	–
		<hr/>	<hr/>
Cash at bank and in hand at end of year	9	665,940	449,238
		<hr/> <hr/>	<hr/> <hr/>

Sage Advocacy CLG
Company Limited by Guarantee, Pursuant to the Companies Act 2014

Notes to the Financial Statements
For the Year Ended 31 December 2019

1. General information

These financial statements comprising the statement of financial activities, the balance sheet, the statement of cash flows and the related notes 1 to 18 constitute the individual financial statements of Sage Advocacy CLG (the “company”) for the year ended 31 December 2019.

Sage Advocacy CLG is a private company limited by guarantee, incorporated in the Republic of Ireland and is a registered company. The company is a public benefit entity. The registered office and principal place of business is 24-26 Ormond Quay Upper, Dublin 7. The nature of the company’s operations and its principal activities are set out in the Directors’ Report on pages 4 to 9.

Statement of compliance

The financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102). The financial statements have also been prepared in accordance with Statement of Recommended Practice (SORP) (FRS 102) “Accounting and Reporting by Charities”.

Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention modified to include certain items at fair value. The financial reporting framework that has been applied in their preparation is the Companies Act 2014, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and the Statement of Recommended Practice (Charities SORP (FRS102)) as published by the Charity Commission for England and Wales and the Office of the Scottish Regulator which is recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with SORP is considered best practice for charities in Ireland.

Income

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

Income is measured at the fair value of the consideration received or receivable for services rendered.

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any Value Added Tax which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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Governance costs include those costs associated with meeting the constitutional and statutory requirements of the company and include the audit fees and costs linked to the strategic management of the company.

All costs are allocated between the expenditure categories in the note to the financial statements on a basis designed to reflect the use of resources. Costs relating to particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

Tangible assets

Tangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings – 20%
Computer Equipment – 25%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Prepayments

Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to income or expenditure when incurred. Prepayments that are expected to be realised no more than 12 months after the reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets include cash at bank and in hand and debtors (excluding prepayments).

Financial liabilities are initially recognised at the transaction value and subsequently measured at amortised cost. Financial liabilities include creditors (excluding PAYE and social welfare).

Cash at bank and in hand

Cash consists of cash on hand, demand deposits and cash held on behalf of clients. Cash held on behalf of clients is to provide a temporary banking facility to clients who meet specific eligibility criteria and are unable to open and/or manage a bank account themselves during a finite period of time.

Unrestricted funds

Unrestricted funds represent amounts which are expendable at the discretion of the directors in the furtherance of the overall objectives of the company and which have not been designated for other purposes. Such funds may be held in order to finance working capital or capital expenditure.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year they are payable.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Taxation

The company's operations are not for profit and accordingly the company avails of the charities' exemption from corporation tax.

Judgements and key sources of estimation uncertainty

Going concern.

The company holds surplus funds in the amount of €586,505 at 31 December 2019.

Sage Advocacy has restructured its relationship with its key funder, the Health Service Executive, and relationship management and funding arrangements now lie with the Office of the Chief Operations Officer (Deputy CEO of HSE). This important development signals a desire for a more long-term and considered relationship between the HSE and Sage Advocacy.

In line with our financial controls, management completes a cash flow forecast on cash position where cash is monitored against the approved cash reserve requirement. The directors also continue to monitor costs. Having assessed this cash requirement and the worst and best case scenarios in the context of the public health emergency (as described in the directors' report), Sage Advocacy is of the view that, notwithstanding the challenges, that the company will be able to continue in operation for the foreseeable future and that it is and will continue to be a going concern.

Based on committed grant income over the next 12 months and cash at bank, the directors are satisfied that the company has adequate resources to continue for at least 12 months from the date of approval of these financial statements and it is appropriate to adopt the going concern basis in the preparation of the financial statements.

Determining lease commitment – Company as a lessee. The company holds a lease for its business premises at 24-26 Ormond Quay Upper, Dublin 7. The company has determined that the risks and benefits of ownership related to the leased property are retained by the lessor. Accordingly, the lease is accounted for as an operating lease.

Estimating useful lives of tangible assets. The company reviews annually the estimated useful lives of tangible assets based on the asset's expected utilisation, market demands and future technological development. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives.

3. Limited by guarantee

The company is limited by guarantee and not having a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up while she/he is a member, or within one year after she/he ceased to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of contributors themselves, such as may be required.

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4. Income

	2019	2018
	€	€
Income from Donations	10,950	25,800
Income from Charitable activities		
Health Service Executive (including Patient Focus)	1,651,771	1,368,000
Other Income		
Transfer from Third Age Foundation (see Note 15)	–	109,153
Others	744	–
	744	109,153
	1,663,465	1,502,953

All donations are considered unrestricted income unless there are specific performance related conditions attached. In the absence of such performance related conditions, it can be assumed the donation is to be used for the general objectives of the company.

All grants received in the current period were unrestricted.

All donations received in the current period were unrestricted.

All income is derived in the Republic of Ireland.

5. Analysis of charitable expenditure

Current Year

	Direct Costs €	Support Costs €	Staff Expenses €	Volunteer Expenses €	Total €
Information & Support	177,102	17,589	10,916	2,553	208,160
Advocacy	888,711	90,289	92,782	2,089	1,073,871
Legal	30,848	2,931	–	–	33,779
Research	48,034	1,173	–	–	49,207
Public Awareness	49,932	1,172	5,458	–	56,562
Operations / Governance / Administration	51,185	4,104	–	–	55,289
Total	1,245,812	117,258	109,156	4,642	1,476,868

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Prior Year

	Direct Costs €	Support Costs €	Staff Expenses €	Volunteer Expenses €	Total €
Information & Support	187,597	21,727	8,395	2,784	220,503
Advocacy	550,312	71,390	71,360	2,278	695,340
Legal	40,488	5,173	–	–	45,661
Research	35,651	1,035	–	–	36,686
Public Awareness	51,723	1,035	4,198	–	56,956
Operations / Governance / Administration	44,795	3,104	–	–	47,899
Total	910,566	103,464	83,953	5,062	1,103,045

Staff expenses mainly include travel costs. Regional Coordinators and Advocacy staff work across 10 regions in the country.

Support costs include VAT inclusive amounts paid to the statutory auditor as follows:

	2019 €	2018 €
Statutory audit	6,150	6,150
Other assurance services	3,075	3,075
	<u>9,225</u>	<u>9,225</u>

6. Staff costs

The average number of persons employed by the company during the financial year was as detailed below. Due to the part time nature of some roles, the numbers have been rounded to the nearest whole number.

	2019 Number	2018 Number
Legal/ Research/ Public Awareness	1	–
Administrative	1	1
Information and Support	3	3
Advocacy Service	17	9
Total Average	<u>22</u>	<u>13</u>

The aggregate payroll costs incurred during the financial year were:

	2019 €	2018 €
Wages and salaries	1,002,960	719,528
Pension costs	18,775	–
Social insurance costs	109,831	78,026
	<u>1,131,566</u>	<u>797,554</u>

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No directors received any remuneration during the period.

The key management personnel of the company comprise the Executive Director, who earned a salary of €66,450 in 2019 (2018: €65,000). No other employee earned in excess of €60,000.

The pay of key management personnel is set by approval of the Board.

No directors or any other persons related to the company had any personal interest in any contracts or transactions entered into by the company during the financial period.

All of the amounts stated above were recognised as an expense of the company in the financial year. No amount was capitalised into assets.

7. Tangible assets

	Fixtures and Fittings	Computer Equipment	Total
	€	€	€
Cost			
At 1 January 2019	15,327	36,176	51,503
Additions	–	3,446	3,446
At 31 December 2019	<u>15,327</u>	<u>39,622</u>	<u>54,949</u>
Depreciation			
At 1 January 2019	13,275	23,923	37,198
Charge during the year	2,016	6,623	8,639
At 31 December 2019	<u>15,291</u>	<u>30,546</u>	<u>45,837</u>
Carrying amount			
At 31 December 2019	<u><u>36</u></u>	<u><u>9,076</u></u>	<u><u>9,112</u></u>
At 31 December 2018	<u><u>2,052</u></u>	<u><u>12,253</u></u>	<u><u>14,305</u></u>

8. Debtors

	2019	2018
	€	€
Trade debtors	–	524
Prepayments and accrued income	<u>12,612</u>	<u>16,119</u>
	<u><u>12,612</u></u>	<u><u>16,643</u></u>

All debtors are due within one year. Trade debtors are shown net of impairment in respect of doubtful debts.

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9. Cash at bank and in hand

	2019	2018
	€	€
Cash at bank and in hand	630,898	420,081
Cash held on behalf of clients (Note 11)	35,042	29,157
	<u>665,940</u>	<u>449,238</u>

10. Creditors: amounts falling due within one year

	2019	2018
	€	€
Trade and other creditors	7,465	14,142
Accruals	13,809	6,622
PAYE and social welfare	30,763	29,497
Pension liability	14,080	860
Cash held on behalf of clients (Note 11)	35,042	29,157
	<u>101,159</u>	<u>80,278</u>

Trade, other creditors and accruals are payable at various dates in the next three months in accordance with the suppliers' usual terms and conditions.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

11. Cash held on behalf of clients

The Sage Client (Agency) Account, formerly Third Age (Sage) Client Agency Account, was opened on 22 August 2016 as a Corporate Current Account with Ulster Bank. On 19 July 2018, the account was transferred from Third Age Foundation Ltd to Sage Advocacy CLG. The purpose of this account is to provide a temporary banking facility for Sage Advocacy clients who meet specific eligibility criteria and are unable to open and/or manage a bank account themselves during a finite period of time.

The Case Management Group reviews and discusses the account's activity regularly and minutes any activity and its current balance when it meets every fortnight.

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12. Movement in funds

Current Year

	Balance at 1 Jan 2019 €	Income €	Expenditure €	Balance at 31 Dec 2019 €
Unrestricted funds				
<i>General funds</i>				
Other general funds	399,908	1,663,465	(1,476,868)	586,505
Total unrestricted funds	<u>399,908</u>	<u>1,663,465</u>	<u>(1,476,868)</u>	<u>586,505</u>
Total funds	<u><u>399,908</u></u>	<u><u>1,663,465</u></u>	<u><u>(1,476,868)</u></u>	<u><u>586,505</u></u>

Prior Year

	Balance at 1 Jan 2018 €	Income €	Expenditure €	Balance at 31 Dec 2018 €
Unrestricted funds				
<i>General funds</i>				
Other general funds	–	1,502,953	(1,103,045)	399,908
Total unrestricted funds	<u>–</u>	<u>1,502,953</u>	<u>(1,103,045)</u>	<u>399,908</u>
Total funds	<u><u>–</u></u>	<u><u>1,502,953</u></u>	<u><u>(1,103,045)</u></u>	<u><u>399,908</u></u>

13. The funds of the charity comprise the following:

Current Year

	Unrestricted €	Restricted €	Total €
Tangible fixed assets	9,112	–	9,112
Debtors	12,612	–	12,612
Cash at bank and in hand	665,940	–	665,940
Liabilities	(101,159)	–	(101,159)
Total net assets	<u><u>586,505</u></u>	<u><u>–</u></u>	<u><u>586,505</u></u>

Previous Year

	Unrestricted €	Restricted €	Total €
Tangible fixed assets	14,305	–	14,305
Debtors	16,643	–	16,643
Cash at bank and in hand	449,238	–	449,238
Liabilities	(80,278)	–	(80,278)
Total net assets	<u><u>399,908</u></u>	<u><u>–</u></u>	<u><u>399,908</u></u>

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14. Financial instruments

The carrying amount for each category of financial instruments is as follows:

	2019	2018
	€	€
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	–	524
Cash at bank and in hand	630,898	420,081
Cash held on behalf of clients	35,042	29,157
	665,940	449,762
	665,940	449,762
	2019	2018
	€	€
Financial liabilities measured at amortised cost		
Trade and other creditors	7,465	14,142
Accruals	13,809	6,622
Cash held on behalf of clients	35,042	29,157
	56,316	49,921
	56,316	49,921

15. Related parties

The related parties of the company are considered to be the directors, their close family members and entities which they control or in which they have a significant interest as well as members of the company.

In 2019, the company received an anonymous donation amounting to €10,000 from a related party by virtue of having a common director.

Transactions with Key Management Personnel

Other than as set out at Note 6 there were no transactions with key management personnel during the current financial period.

16. Operating Leases

Operating leases charged in arriving at the net income attributable to the company amounted to €22,500.

Obligations payable at 31 December 2019 on operating lease agreements in place at 31 December 2019, amounted to €61,875 analysed as follows:

	2019	2018
	€	€
Within one year	22,500	22,500
After one year but no more than five years	39,375	61,875
More than five years	–	–
	61,875	84,375
	61,875	84,375

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17. Pension costs – defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

18. Events after the balance sheet date

In the context of the national public health emergency created by the Covid-19 coronavirus, Sage Advocacy has had to urgently reconsider its operational and financial situation. Contingency plans for a 'virtual office' and remote working have been activated and plans are in place for decision making systems in the event of the Executive Director and Chair being unable to perform their duties. Plans have also been made for continuity in the payment of staff salaries, expenses and routine service providers.

Staff and volunteers with relevant healthcare skills have signed up to assist the national healthcare effort and relevant staff are assisting with other efforts and initiatives of public authorities and local communities. Increasing restrictions on movement are inhibiting access to and contact with clients and the level and quality of service that can be provided during the period of the emergency will inevitably impact on the productivity of the organisation.

Sage Advocacy has signed Part 1 of a Service Level Agreement for 2020 with the Health Service Executive and funding for the first half of the year has been provided based on an indicated additional 'stabilisation funding' of €250,000. The worst case assessment that can be made at the start of the public health emergency is that the necessary and substantial increase in public funding, including funding for health and social care related services, will have to be reigned in substantially at the end of the emergency and that this could result in negative outcomes for Sage Advocacy in the event of a generalised across the board cutback in health expenditure. The order of such cutbacks could be as high as 25% which would require redundancies and likely a decision of the Board to hand responsibility for the governance of the service back to the HSE. The best case assessment is that given the lead role of the health services in the emergency and the need to strengthen public services this could lead to a sustained period of enhanced health spending with accompanying efforts to achieve greater rationalisation of services and systems. In such a scenario Sage Advocacy could possibly benefit as funding to other similar services is reviewed and the HSE and the Departments of Health, Social Protection and Justice develop a greater understanding of the role of independent advocacy in the context of legislative developments related to safeguarding and protection of liberty in places of care which will create a demand for independent advocacy services.

Sage Advocacy has restructured its relationship with its key funder, the Health Service Executive, and relationship management and funding arrangements now lie with the Office of the Chief Operations Officer (Deputy CEO of HSE). This important development signals a desire for a more long-term and considered relationship between the HSE and Sage Advocacy. In line with our financial controls we complete a cash flow forecast on cash position where we monitor it against our approved cash reserve requirement. Having assessed this cash requirement and the worst and best case scenarios in the context of the public health emergency, Sage Advocacy is of the view that, notwithstanding the challenges, it is and will be a going concern.

19. Approval of financial statements

The board of directors approved these financial statements for issue on 23/04/2020