



St. Patrick's University Hospital

Financial statements

Year ended: 31 December 2010



St. Patrick's University Hospital

Financial statements

<i>Contents</i>	<i>Page</i>
Legal and administrative information	1
Report of the Governors	3
Statement of Governors' responsibilities	6
Independent auditor's report	7
Statement of accounting policies	9
Income and expenditure account	11
Statement of total recognised gains and losses	12
Note of historical cost surplus and deficit	12
Balance sheet	13
Cash flow statement	14
Notes forming part of the financial statements	15

St. Patrick's University Hospital

Legal and administrative information

1 Legal status

St. Patrick's University Hospital is governed by a trust, the operation of which is set out by the Hospital Charter. The Royal Charter was established in 1746 and supplemented in 1888, 1895 and 1897. The Charter details the Memorandum and Articles of Association. The State adopted the Charter's orders in 1926.

2 Governors, officers and management

The board of Governors are charged with the responsibility of administering the Trust on a "not for profit" basis and in so doing are responsible for overseeing the operations and are accountable for providing quality healthcare services to those individuals under the care of St. Patrick's University Hospital. The board comprises of 14 non executive Governors. Five of the Governors are ex-officio Governors, the appointment of whom is prescribed within the Hospital's charter. The chairman of the board is nominated by the Governors. The Governors in turn nominate a chairperson for the Finance & Audit Committee, Quality Governance Committee, Remuneration Committee and the Research Ethics Committee from their members. The Finance Committee is responsible for monitoring the organisation's finances. The Quality Governance Committee is responsible for the review of quality and regulatory status. The Research Ethics Committee monitors that the Hospital is in compliance with all laws, regulations and best practice guidance in relation to the research activities of the Hospital.

Governors do not receive any remuneration in respect of their services to the charity. Valid business expenses are reimbursed where claimed. The board delegates the day to day management of the organisation to an executive management team led by the Chief Executive. The Chief Executive, Medical Director and Finance Director attend the Board of Governors meetings in an attendance capacity. Members of executive management team attend committee meetings in an attendance capacity at the request of the respective chairman.

3 Governors Mrs. C M Preston * ♦^ (Chairman)

The Most Reverend A Harper
Archbishop of Armagh and Primate
of All Ireland

The Most Reverend J Neill
Archbishop of Dublin and Primate of Ireland

The Very Reverend R MacCarthy
Dean of St Patrick's

The Very Reverend D. Dunne ♦ (Chairperson Research Ethics Committee)
Dean of Christ Church

Mr Justice John Murray
The Chief Justice

St. Patrick's University Hospital

Legal and administrative information

3 **Governors** *(continued)*

Mr W Cotter * ♦ ^ Chairman of Finance & Audit Committee & Quality Governance Committee and Remuneration Committee)

Mr J Mulcahy (Resigned 9th February 2010)

Professor M Webb ♦ ^

Dr M Walsh

Mr Justice R Keane ^

Mr M Beresford

Mrs. B Godley (Appointed 19th April 2010)

* *Member Finance & Audit Committee*

♦ *Member Quality Governance Committee*

◇ *Member Research Ethics Committee*

^ *Member Remuneration Committee*

4 **Executive Management Team**

Mr Paul Gilligan – Chief Executive

Professor James Lucey – Medical Director

Mr. Frank Byrne – Finance Director

Mr Tom Maher – Director of Programmes & Services

Mr Gerry O'Beirne – Director of Business Development (Resigned December 2010)

Mr Brendan Power – Director of Human Resources

Mr Nial Smith – Director of Operations

Mr John Flaherty – Director of Nursing

5 **Auditor**

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

6 **Bankers**

Bank of Ireland
College Green
Dublin 2

7 **Solicitors**

A & L Goodbody
Solicitors
North Wall Quay
IFSC
Dublin 1

St. Patrick's University Hospital

Report of the Governors

The Governors present their annual report and audited financial statements for the year ended 31 December 2010.

1 Activities

St. Patrick's University Hospital is an independently governed not for profit organisation providing quality mental health care. The Hospital is the largest independent provider of mental health services in Ireland providing inpatient, day care and outpatient services through specialty multi-disciplinary programmes at its two locations in Dublin and community based clinics. During the year the Hospital treated approximately 3,000 people on an inpatient and daypatient basis with a further 4,000 attendances at its outpatient clinics. There are in excess of 600 staff employed by the Hospital over a wide range of disciplines.

2 Objectives and developments in 2010

The Board of Governors is committed to providing high quality facilities and care for our service users. Maintaining these high standards continues to be difficult against the deteriorating economic background and with limited financial resources. In February 2008 the Hospital launched its strategic plan, called Mental Health Matters, for the period to 2013. This plan was updated in 2010 with the launch of Mental Health Matters Phase II. This exciting and challenging strategy commits the Hospital to maintaining and developing a range of quality services and to bringing stability and improvement to the Hospital's financial position.

Dean clinics

A key component of the strategy is the provision of multi-disciplinary community mental health services through the Dean Clinics. The clinics are located in the city centre Dublin, Donaghmede, Lucan and Cork City. The Dean Clinics offer a number of services and are pivotal in providing a multi-disciplinary assessment service. The Assessment Service in the Dean Clinics is now the first point of access for new referrals to our services and is particularly important to those who do not require in-patient services and who would not otherwise access assistance from mental health services.

Wellness and recovery centre

Development of the Wellness and Recovery Centre ensures complementary and inter-linking services to provide care services in line with the best practice requirements of the Mental Health Commission. The Wellness & Recovery Service is based on a recovery model of therapeutic intervention fostering positive and coping management skills to enhance the quality of life of those suffering from mental illness.

St. Patrick's University Hospital

Report of the Governors

2 Objectives & Developments in 2010 *(continued)*

Willow Grove Adolescent Unit

The new child and adolescent unit, Willow Grove opened in April 2010. This new state of the art fourteen bed in-patient unit provides services that are in line with best international practice, the aspirations of vision for change and the requirements and standards of the Mental Health Commission. Activity levels since opening have been very satisfactory.

Research and training

St. Patrick's has an ongoing commitment to research and training. The Hospital participates fully in the Dublin University Psychiatric Rotational Training Programme and the large number of training posts provided through this scheme.

Through its close academic and clinical links with a number of third level institutions St. Patrick's also participates in the education and training of a number of mental healthcare disciplines, most notably medicine, nursing, clinical psychology and other mental healthcare disciplines.

Trinity College Dublin

A Memorandum of Understanding with Trinity College, Dublin consolidates St. Patrick's involvement in high quality research. Under the Memorandum of Understanding, the Trading/Business name of the Hospital has been amended to St. Patrick's University Hospital. This strengthens the relationship between Trinity College Dublin and the Hospital. It reflects the scope and complexity of the clinical research activity currently being carried out at the Hospital and affirms an affiliation that signifies state of the art care.

3 Management and staff

During the year, clinical services were strengthened by the employment of additional clinicians and therapists.

The Mental Health Matters strategy was launched following consultation with our staff and it provides for a high level of participation by them. The high quality of care at St. Patrick's is made possible because of the commitment and dedication of all member of staff. This commitment is important in driving the expansion and development of our services to achieve our objective of a seamless mental health care system that provides complementary community and in-patient treatments.

4 Review of financial outcome

The financial results for the year show that the Hospital recorded an Operating Surplus (before pensions finance charge and other items) of €4.3 million compared to a surplus of €1.9 million for the corresponding period in 2009. In order to achieve a surplus the Hospital must operate at or near full capacity with average inpatient occupancy of approximately 85% required.

St. Patrick's University Hospital

Report of the Governors

5 Principal Risks and Uncertainties

The Governors and management give careful consideration to the key risks facing the organisation and how best to mitigate those risks to meet its objectives. This is achieved by the operation of a risk management process. This process involves identifying, prioritising and allocating ownership for risks and developing and implementing where appropriate mitigation plans to address those risks. The complexities inherent in the operation of the organisation together with the highly regulated environment of the provision of mental health services leave the organisation exposed to a number of risks. Many of these risks can be mitigated to a certain degree but remain outside of the organisation's control.

The Governors believe the risks and uncertainties listed below represent those risks that may have the most significant impact on the financial performance and long term financial sustainability of the organisation. This list (presented in alphabetical order) is not intended to be exhaustive.

Capital investment

The failure of the organisation to adequately invest in and maintain its capital assets particularly considering the age of various buildings could have a material adverse impact on the future performance, sustainability and reputation of the organisation.

Defined Benefit Pension Scheme

The defined benefit pension scheme (which is closed to new members since 2005) carries a material funding deficit. The organisation is seeking to resolve the affordability and future sustainability of this scheme with employees. A failure to adequately resolve this issue will adversely impact the future financial sustainability of the organisation.

Financial commitments

The organisation carries a limited amount of debt which will need to be repaid and relies on an overdraft facility as part of its working capital management. The organisations ability to finance ongoing operations, capital investment could be affected by a significant change in financial market conditions.

Health Insurance market

As the organisation derives the majority of its income from the various health insurers, the impact of the wider economic environment and the changes in that industry may directly impact on the organisation and the achievement of its strategic objectives and future sustainability. The legislation underpinning the availability of minimum health benefits for the provision of mental health services are significant and any changes in this legislation may adversely impact on the operational and future sustainability of the organisation.

Industrial relations

The organisation operates within a highly unionised environment. Collective bargaining takes place on a regular basis and a breakdown in the bargaining process could disrupt operations and adversely affect the performance of the organisation.

Other service providers

The environment in which the organisation operates contains a number of service providers including the Health Service Executive (HSE). The emergence of new service providers that may or may not be regulated by the Mental Health Commission or the enhancement of services provided by existing providers may impact negatively on the organisation.

St. Patrick's University Hospital

Report of the Governors

Regulation

The organisation operates three Approved Centres under the Mental Health Act(s) and is subject to regulation by the Mental Health Commission. The organisation aims to meet all the regulations and standards set out by the Mental Health Commission on an ongoing basis to ensure the continued provision of high quality services. Failing to meet the standards and regulations could have a negative impact on the organisation.

6 Internal control and corporate governance

The Governors have overall responsibility for internal control procedures to comply with regulations deriving from the Hospital's legal obligations. St. Patrick's is committed to the introduction and maintenance of best practice in medical care, good housekeeping, authorisation and control procedures, as these are fundamental to the continued financial well-being and reputation of the organisation. In particular, St. Patrick's places major emphasis on its annual planning and review processes, and its annual plan is examined and approved in detail by the board. The board retains its control over income and expenditure management through its supervision of monthly management performance reports, and by reviewing and authorising management proposals for changes in income levels and expenditure, during the course of the financial year.

The governance aspects of St. Patrick's are the subject of considerable board and management time and attention. The objective is to determine the issues that need to be addressed to ensure that St. Patrick's governance arrangements are sound, and reflect the present and future needs of the organisation.

7 Accounting records

The Governors believe they have fulfilled their responsibility with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the Hospital are maintained at St. Patrick's University Hospital, James Street, Dublin 8.

8 Going concern

The Governors have considered the financial position of the Hospital and have concluded that the going concern basis continues to be appropriate.

9 Auditor

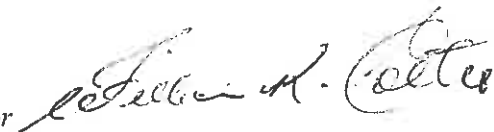
The auditor, KPMG, Chartered Accountants, has indicated its willingness to continue in office.

On behalf of the Governors

Chairman



Governor



St. Patrick's University Hospital

Statement of Governors' responsibilities in respect of the Governors' report and financial statements

The Governors have elected to prepare and accordingly are responsible for preparing the Governors' report and financial statements in accordance with applicable law and regulations.

The Governors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland, and the Irish Companies Acts 1963 to 2009, to the extent necessary to give a true and fair view.

In preparing the financial statements, the Governors are accordingly required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that St. Patrick's University Hospital will continue in operation.

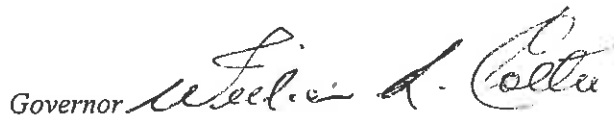
The Governors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of St. Patrick's University Hospital. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of St. Patrick's University Hospital and to prevent and detect fraud and other irregularities.

On behalf of the Governors

Chairman



Governor





KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the Governors of St. Patrick's University Hospital

We have audited the financial statements of St. Patrick's University Hospital for the year ended 31 December 2010 which comprise the income and expenditure account, the statement of total recognised gains and losses, the note of historical cost surplus and deficit, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Governors, as a body. Our audit work has been undertaken so that we might state to the Governors 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 St. Patrick's University Hospital and the Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

The Governors' responsibilities for preparing the Governors' report and the financial statements in accordance with applicable law and regulations and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the statement of Governors' responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you whether, in our opinion:

- proper books of account have been kept by St. Patrick's University Hospital; and
- whether the information given in the Governors' report is consistent with the financial statements.

In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account.

We read the Governors' report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to St. Patrick's University Hospital's circumstances, consistently applied and adequately disclosed.



Independent auditor's report to the Governors of St. Patrick's University Hospital
(continued)

Basis of opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of St. Patrick's University Hospital's affairs as at 31 December 2010 and of its surplus for the year then ended.

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion proper books of account have been kept by St. Patrick's University Hospital. The financial statements are in agreement with the books of account.

In our opinion the information contained in the Governors' report is consistent with the financial statements.

KPMG

*Chartered Accountants
Registered Auditor
Dublin*

9 May 2011

St. Patrick's University Hospital

Statement of accounting policies

for the year ended 31 December 2010

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

Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in Ireland under the historical cost convention, as modified by the revaluation of certain property assets, and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland. The Hospitals going concern position has been considered in note 17.

Maintenance and treatment fees

Maintenance and treatment fees comprise amounts in respect of patients' accommodation and treatment provided during the year. Fees are recognised once the service has been provided to the patient.

Investments and interest income

Financial asset investments are stated at the lower of cost and net realisable value. Interest income is accrued in the year to which it relates.

Pensions

Defined Benefit Pension Scheme

The Hospital provides pensions to certain of its employees under a defined benefit scheme.

The amount charged to operating surplus is the actuarially determined cost of pension benefits promised to employees over the year plus any benefit improvements granted to members during the year. Other finance charges/income in the income and expenditure account includes a credit equivalent to the Hospital's expected return on the pension scheme's assets over the year, offset by a charge equal to the expected increase in the scheme's liabilities over the year. The difference between the market value of the scheme's assets and the present value of the scheme's liabilities is disclosed as an asset/liability on the balance sheet. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognised in the statement of total recognised gains and losses.

Defined Contribution Pension Scheme

The Hospital provides for pensions for certain employees through a defined contribution pension scheme.

The amount charged to the profit and loss account in respect of the scheme is the contribution payable in that year. Any difference between amounts charged to the profit and loss account and contributions paid to the pension scheme is included in 'Debtors' or 'Creditors' in the balance sheet.

St. Patrick's University Hospital

Statement of accounting policies *(continued)*
for the year ended 31 December 2010

Tangible fixed assets and depreciation

Tangible assets are shown at historical cost less accumulated depreciation, except for certain Hospital properties which are carried at revalued amount less accumulated depreciation. The Hospital has availed of the transitional provisions of FRS15, *Tangible Fixed Assets*, in continuing to carry such assets in its continuing business at previous revalued amounts, which are not being updated for subsequent changes in value.

Depreciation is charged in the income and expenditure account so as to write off the assets, adjusted for estimated residual value, over the expected useful life of each appropriate category. The remaining useful lives of the assets and their residual values are reviewed on a regular basis.

Depreciation is charged on a straight line basis at the following annual rates:

Hospital properties	2% per annum
Plant, equipment and vehicles	20% per annum

Assets under construction are carried at historical cost and are not depreciated until they are brought into use.

Stocks

Hospital stocks (provisions and drugs) are included at the lower of FIFO cost and net realisable value.

Taxation

The Hospital is recognised by the Revenue Commissioners as being a body established for charitable purposes within the meaning of Section 207 of the Taxes Consolidation Act, 1997, and is accordingly exempt from corporation tax.

St. Patrick's University Hospital

Income and expenditure account for the year ended 31 December 2010

	Notes	2010 €'000	2009 €'000
Income – continuing operations			
Maintenance and treatment fees	1	59,271	55,760
Other income	1	621	523
		<hr/>	<hr/>
		59,892	56,283
Expenditure			
Salaries and wages	2	(42,917)	(39,760)
Establishment and administration expenses		(7,901)	(7,578)
Other operating costs		(3,380)	(5,722)
Depreciation	5	(1,374)	(1,265)
		<hr/>	<hr/>
		55,572	(54,325)
Operating surplus – continuing activities			
		4,320	1,958
Interest payable and similar charges	3	(231)	(194)
Pension finance charge	4	(823)	(1,580)
		<hr/>	<hr/>
Surplus for the year	10	3,266	184
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the Governors

Chairman 

Governor 

St. Patrick's University Hospital

Statement of total recognised gains and losses for the year ended 31 December 2010

	<i>Notes</i>	2010 €'000	2009 €'000
Surplus for the year		3,266	184
Difference between expected and actual return on scheme assets*	<i>14</i>	3,153	6,510
Experience gains and losses on scheme liabilities*	<i>14</i>	831	1,892
Effect of changes in actuarial assumptions*	<i>14</i>	3,595	2,589
		<hr/>	<hr/>
Total recognised gains and losses for the year		10,845	11,175
		<hr/> <hr/>	<hr/> <hr/>
* Defined Benefit Pension Scheme			

Note of historical cost surplus and deficit for the year ended 31 December 2010

	2010 €'000	2009 €'000
Reported surplus for the year	3,266	184
Difference between historical cost depreciation charge on Hospital buildings and the depreciation calculated on the revalued amount	378	378
	<hr/>	<hr/>
Historical cost surplus for the year	3,644	562
	<hr/> <hr/>	<hr/> <hr/>

St. Patrick's University Hospital

Balance sheet at 31 December 2010


	<i>Note</i>	2010 €'000	2009 €'000
Fixed assets	5	26,464	24,946
Financial assets	6	86	86
		<hr/>	<hr/>
		26,550	25,032
Current assets			
Stocks		71	93
Debtors	7	13,885	17,101
Cash at bank and on hand		18	6
		<hr/>	<hr/>
		13,974	17,200
Creditors: amounts falling due within one year	8	(8,671)	(13,626)
		<hr/>	<hr/>
Net current assets		5,303	3,574
		<hr/>	<hr/>
Total assets less current liabilities		31,853	28,606
Creditors: amounts falling due after more than one year	9	(4,967)	(5,374)
		<hr/>	<hr/>
Net assets excluding pension liability		27,886	23,232
Net pension liability	14	(12,631)	(19,822)
		<hr/>	<hr/>
Net assets		14,255	3,410
		<hr/> <hr/>	<hr/> <hr/>
Capital and special funds			
Capital account	10	14,255	3,410
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the Governors

Chairman



Governor



St. Patrick's University Hospital

Cash flow statement

for the year ended 31 December 2010

	<i>Note</i>	2010 €'000	2009 €'000
Net cash inflow from operating activities	<i>11</i>	6,898	1,765
Returns on investments and servicing of finance			
Interest paid		(231)	(194)
Capital expenditure and financial investment			
Purchase of fixed assets		(2,911)	(1,948)
Net cash outflow from capital expenditure and financial investment		(2,911)	(1,948)
Financing			
(Repayment) / Additional bank loans drawn down	<i>12</i>	(467)	986
Increase in cash in the year	<i>12</i>	3,289	609
Reconciliation of net cash flow to movement in net debt			
		2010 €'000	2009 €'000
Increase in cash in the year		3,289	609
Repayment / (draw down) of bank loans, net		467	(986)
Change in net debt resulting from cash flows	<i>12</i>	3,756	(377)
Movement during the year		3,756	(377)
Net debt at start of year		(9,217)	(8,840)
Net debt, at end of year	<i>12</i>	(5,461)	(9,217)

St. Patrick's University Hospital

Notes

forming part of the financial statements

1 Income – continuing operations

Maintenance and treatment fees

	2010 €'000	2009 €'000
Fee income	58,534	52,952
Catchment area revenues	-	1,848
Outpatient and pharmacy	737	960
	<hr/>	<hr/>
Other income	59,271 621	55,760 523
	<hr/>	<hr/>
	59,892	56,283
	<hr/> <hr/>	<hr/> <hr/>

2 Expenditure – salaries and wages

	2010 €'000	2009 €'000
Salaries and wages	35,151	34,795
Social welfare costs	3,578	3,435
Pension costs – current service costs (note 14)*	2,547	2,742
Pension costs – curtailment (note 14)*	-	(2,059)
Pension costs – defined contribution cost (note 14)	1,641	847
	<hr/>	<hr/>
	42,917	39,760
	<hr/> <hr/>	<hr/> <hr/>

* Defined Benefit Scheme

3 Interest payable and similar charges

	2010 €'000	2009 €'000
Interest payable on overdrafts and bank loans		
- repayable by instalments after five years	231	194
	<hr/>	<hr/>
	231	194
	<hr/> <hr/>	<hr/> <hr/>

St. Patrick's University Hospital

Notes (continued)

4 Pension finance income, net

	2010 €'000	2009 €'000
Expected return on scheme assets (note 14)	4,086	3,333
Interest on scheme liabilities (note 14)	(4,909)	(4,913)
	<u>(823)</u>	<u>(1,580)</u>

5 Fixed assets

	Hospital properties €'000	Plant, equipment and vehicles €'000	Asset under construction €'000	Total €'000
<i>Cost or valuation</i>				
At beginning of year	41,470	6,644	1,285	49,399
Additions in year	326	648	1,918	2,892
Transfer to other classifications	2,977	226	(3,203)	-
	<u>44,773</u>	<u>7,518</u>	<u>-</u>	<u>52,291</u>
<i>Analysed as follows:</i>				
At cost	31,905	7,518	-	39,423
At valuation	12,868	-	-	12,868
	<u>44,773</u>	<u>7,518</u>	<u>-</u>	<u>52,291</u>
<i>Depreciation</i>				
At beginning of year	18,998	5,455	-	24,453
Charge for year	867	507	-	1,374
	<u>19,865</u>	<u>5,962</u>	<u>-</u>	<u>25,827</u>
<i>Net Book Value</i>				
At 31 December 2010	<u>24,908</u>	<u>1,556</u>	<u>-</u>	<u>26,464</u>
At 31 December 2009	<u>22,472</u>	<u>1,189</u>	<u>1,285</u>	<u>24,946</u>

In the current period, the adolescent unit was completed and brought in to operation. The asset was transferred at cost from Asset under construction to Buildings and plant machinery

St. Patrick's University Hospital

Notes (continued)

5 Fixed assets (continued)

The St. Patrick's and St. Edmundsbury Hospital properties, with the exception of buildings completed since 1 January 1984, were valued at 1 January 1990 by Lisney on an existing use basis. Subsequent additions are stated at cost. The Governors consider that there has been no impairment of the property, on an existing use basis.

6 Investments

	2010 €'000	2009 €'000
Long term investments:		
3,150 shares in Progressive Genetics Co-operative Society Limited, at cost	3	3
Loan notes in Charlemont Clinic Limited, at cost	83	83
	<u>86</u>	<u>86</u>

The Governors consider that there has been no impairment to the above investments, which are held for long term, strategic purposes.

7 Debtors

	2010 €'000	2009 €'000
Trade debtors	17,413	18,650
Less: provision for bad debts	(3,960)	(2,748)
	<u>13,453</u>	<u>15,902</u>
Other debtors and prepayments	432	1,199
	<u>13,885</u>	<u>17,101</u>

8 Creditors: amounts falling due within one year

	2010 €'000	2009 €'000
Bank overdrafts and loans (note 9)		
Bank overdrafts	-	3,277
Current portion of long-term loans	512	572
	<u>512</u>	<u>3,849</u>
Other creditors and accruals	8,159	9,777
	<u>8,671</u>	<u>13,626</u>

St. Patrick's University Hospital

Notes (continued)

9 Creditors: amounts falling due after more than one year

	2010 €'000	2009 €'000
Bank loans, secured	5,479	5,946
Less: amount due within one year	(512)	(572)
	<u>4,967</u>	<u>5,374</u>

Maturity analysis of bank loans is as follows:

	2010 €'000	2009 €'000
Bank loans are repayable as follows:		
Within one year	512	572
Between one and two years	534	577
Between two and five years	1,734	1,759
After five years	2,699	3,038
	<u>5,479</u>	<u>5,946</u>

During 2009, the board renegotiated its borrowing facilities and agreed a term loan facility of €6 million to be made available to the Hospital, together with overdraft facilities of €5 million. Both facilities bear interest at commercial rates and are secured by fixed charges on various fixed assets, together with a floating charge on specified debtors. During 2009 the facility was finalised and the loan is now classified according to its repayment terms, which is due by instalments over a ten year period.

10 Reconciliation of capital account

	2010 €'000	2009 €'000
Balance, start of the year	3,410	(7,765)
Surplus for the year	3,266	184
Net actuarial gain arising in the year (note 14)	7,579	10,991
	<u>14,255</u>	<u>3,410</u>
Balance, end of the year	<u>14,255</u>	<u>3,410</u>

St. Patrick's University Hospital

Notes (continued)

11 Reconciliation of surplus to net cash outflow from operating activities

	2010 €'000	2009 €'000
Operating surplus	4,320	1,958
Depreciation	1,374	1,265
Decrease in creditors and accruals	(1,618)	(776)
Decrease in stocks	22	20
Decrease in debtors	3,216	941
Pension costs – current service cost	2,547	2,742
Current service contributions	(2,963)	(2,326)
Pension costs – curtailments	-	(2,059)
	<hr/>	<hr/>
Net cash inflow from operating activities	6,898	1,765
	<hr/> <hr/>	<hr/> <hr/>

12 Analysis of changes in net debt

	At 1 January 2010 €'000	Cash flows €'000	Non cash movement €'000	At 31 December 2010 €'000
Cash at bank and in hand	6	12	-	18
Bank overdraft	(3,277)	3,277	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash	(3,271)	3,289	-	18
	<hr/>	<hr/>	<hr/>	<hr/>
Bank loans repayable within one year	(572)	467	(407)	(512)
Bank loans repayable after one year	(5,374)	-	407	(4,967)
	<hr/>	<hr/>	<hr/>	<hr/>
	(9,217)	3,756	-	(5,461)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13 Capital commitments

The Hospital has €Nil million contracted capital commitments at 31 December 2010 (2009: €1.5 million).

St. Patrick's University Hospital

Notes (continued)

14 Pensions

Pensions for certain employees are funded through a defined benefit pension scheme, the assets of which are vested in independent trustees for the sole benefit of employees and their dependents.

The valuations of the defined benefit scheme used for the purpose of the FRS 17 disclosures have been based on the most recent actuarial valuations and updated by independent actuaries to take account of the requirements of FRS 17 in order to assess the liabilities at each balance sheet date. Scheme assets are stated at their market value at each balance sheet date.

	2010 €'000	2009 €'000
Present value of funded defined benefit obligations	(90,219)	(88,600)
Fair value of plan assets	77,588	68,778
	<hr/>	<hr/>
Pension liability	(12,631)	(19,822)
	<hr/> <hr/>	<hr/> <hr/>

Movement in present value of defined benefit obligation

	2010 €'000	2009 €'000
At 1 January	(88,600)	(88,580)
Current service cost	(2,547)	(2,742)
Interest cost	(4,909)	(4,913)
Plan members' contributions	(673)	(727)
Experience gains and losses on scheme liabilities	831	1,892
Effect of changes in actuarial assumptions	3,596	2,589
Benefits paid	2,083	1,822
Curtailements*	-	2,059
	<hr/>	<hr/>
At 31 December	(90,219)	(88,600)
	<hr/> <hr/>	<hr/> <hr/>

* The curtailment in the prior year related to a gain arising on the transfer of a number of active members of the scheme to the Health Services Executive for the provision of future service benefits.

St. Patrick's University Hospital

Notes (continued)

14 Pensions (continued)

Movement in fair value of plan assets

	2010 €'000	2009 €'000
At 1 January	68,778	58,169
Expected return on plan assets	4,086	3,333
Actual return less expected return on plan assets	3,153	6,510
Employer contributions	2,963	1,861
Member contributions	673	727
Benefits paid from plan	(2,065)	(1,822)
	<hr/>	<hr/>
At 31 December	77,588	68,778
	<hr/> <hr/>	<hr/> <hr/>

Expense recognised in income and expenditure account

	2010 €'000	2009 €'000
Current service cost	(2,547)	(2,742)
Curtailment benefit	-	2,059
Interest cost	(4,909)	(4,913)
Expected return on plan assets	4,086	3,333
	<hr/>	<hr/>
Total pension expense recognised in income and expenditure account	(3,370)	(2,263)
	<hr/> <hr/>	<hr/> <hr/>

The total expense above is recognised in the following line items in the income and expenditure account:

	2010 €'000	2009 €'000
Salaries and wages (note 2)	(2,547)	(683)
Pension finance expense, net (note 4)	(823)	(1,580)
	<hr/>	<hr/>
Total pension expense recognised in income and expenditure account	(3,370)	(2,263)
	<hr/> <hr/>	<hr/> <hr/>

The total gain recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is €7,579,000 (2009: loss €10,991,000).

St. Patrick's University Hospital

Notes (continued)

14 Pensions (continued)

The allocation of plan assets is as follows:

	2010 %	2009 %
Equities	65	62
Bonds	13	15
Property	4	4
Other	18	19
	<hr/> 100%	<hr/> 100%
Actual return on plan assets	<hr/> 7,239	<hr/> 9,843

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2010 %	2009 %
Discount rate	5.65	5.60
Price inflation	2.00	2.00
Rate of compensation increase	3.75	3.75
Rate of increase for in-payment benefits	3.00	3.00
Expected return on plan assets	5.76	5.75

In valuing the liabilities of the pension fund at 31 December 2010, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of reported liabilities at 31 December 2010 would have increased by circa €2.7m.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables. The assumptions are equivalent to a 65 year old to live for a number of years as follows:

St. Patrick's University Hospital

Notes (continued)

14 Pensions (continued)	2010 Years	2009 Years
Male member age 65 (current life expectancy)	20.33	20.22
Female member age 65 (current life expectancy)	23.01	22.90
Male member age 40 (life expectancy at age 65)	23.20	23.08
Female member age 40 (life expectancy at age 65)	25.85	25.73

History of plan

The history of the plan for the current and prior years is as follows:

	2010 €000	2009 €000	2008 €000	2007 €000	2006 €000
Defined benefit obligation	(90,219)	(88,600)	(88,580)	(89,664)	(99,562)
Fair value of plan assets	77,588	68,778	58,169	79,332	82,717
Deficit	(12,631)	(19,822)	(30,411)	(10,332)	(16,845)
	2010 €000	2009 €000	2008 €000	2007 €000	2006 €000
Difference between expected and actual return on plan assets:					
Amount	3,153	6,510	(30,815)	(9,260)	4,622
% of plan assets	4.1%	9.5%	52.9%	11.7%	5.6%
Experience gains/(losses) on plan liabilities:					
Amount	831	1,892	6,859	(6,465)	(1,601)
% of plan liabilities	1.0%	2.0%	7.7%	(7.2%)	(1.6%)
Total actuarial gains and losses					
Amount	3,595	2,577	614	(19,241)	(4,396)
% of plan liabilities	4.0%	2.9%	0.7%	(21.45%)	(4.41%)

The Hospital expects to contribute approximately €2.9 million to its pension plan in 2011. As at 31 December the Hospital has contributions of €2.7 million payable to the scheme.

St. Patrick's University Hospital

Notes (continued)

14 Pensions (continued)

Defined contribution pension scheme

The Hospital operates a defined contribution pension scheme to satisfy the pension arrangements in respect of certain employees.

The pension cost charged for the year was €1,641,000 (2009: €847,000).

15 Related party transactions

The related parties of the Hospital, as defined by FRS 8 "Related Party Transactions" are summarised below:

	2010 €'000	2009 €'000
Amounts due from Association of Friends of St Patrick's Hospital Limited for administrative expenses paid on behalf of the Association	64	316

16 Contingent liabilities

The Hospital is engaged in litigation arising in the ordinary course of its business. Management does not believe that any such litigation will individually or in aggregate have a material adverse effect on the financial condition of the Hospital. Should the Hospital be unsuccessful in these litigation actions, management believes the possible liabilities then arising cannot be determined but are not expected to materially adversely affect the Hospital's results of operations or financial position.

17 Approval of financial statements

The Governors approved these financial statements on 9th May 2011.