



# St. Patrick's University Hospital

Financial statements

**Year ended: 31 December 2011**



# St. Patrick's University Hospital

## Financial statements

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# 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 13 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 & Audit Committee is responsible for monitoring the organisation's finances and related matters. 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 (Retired 31<sup>st</sup> January 2011)  
The Most Reverend Dr M Jackson (Elected 2<sup>nd</sup> February 2011)  
Archbishop of Dublin and Primate of Ireland ✕

The Very Reverend R MacCarthy (Retired 25<sup>th</sup> January 2012)  
The Very Reverend Canon V Stacey (Appointed 28<sup>th</sup> February 2012)  
Dean of St Patrick's Cathedral, Dublin ✕

The Very Reverend D. Dunne ♂ (Chairperson Research Ethics Committee)  
Dean of Christ Church Cathedral, Dublin ✕

# St. Patrick's University Hospital

## Legal and administrative information

### 3 Governors

Mr Justice J Murray (Retired 22<sup>nd</sup> July 2011)  
The Hon Mrs Justice S Denham (Appointed 25<sup>th</sup> July 2011)  
The Chief Justice ✕

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

Professor M Webb □ ^  
Dr M Walsh  
Mr Justice R Keane ^  
Mr M Beresford  
Mrs. B Godley  
Mr. D Kitchen \* (appointed 9<sup>th</sup> January 2012)

✕ *Ex Officio*

\* *Member Finance & Audit Committee*  
□ *Member Quality Governance Committee*  
◇ *Member Research Ethics Committee*  
^ *Member Remuneration Committee*

### 4 Executive Management Team

Mr. Paul Gilligan	Chief Executive
Prof. James Lucey	Medical Director
Mr. Frank Byrne	Finance Director
Mr Tom Maher	Director of Services
Mr Brendan Power	Director of Human Resources
Mr Nial Smith	Director of Operations

### 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 2011.

### 1 Activities

St. Patrick's University Hospital is an independently governed not for profit organisation providing quality mental health care services. 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 and in excess of 8,000 visits in the community based Dean Clinics. At year end, the number of staff employed by the Hospital amounted to 681 (or 582 whole time equivalents) over a wide range of disciplines.

### 2 Objectives and developments in 2011

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 challenging 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 2011 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, Sandyford, Cork City and Galway City. The Dean Clinics offer a range of services and are pivotal in providing a multi-disciplinary 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. The Dean Clinic network was expanded during 2011 with the addition of Dean Clinic, Galway and Dean Clinic, Sandyford, Dublin.

#### *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 2011 (*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 "A Vision for Change" and the requirements and standards of the Mental Health Commission. Activity levels during 2011 have been very satisfactory.

#### *Research and training*

St. Patrick's has an ongoing commitment to research and training. The Hospital participates 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 members 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 €3.2 million compared to a surplus of €4.3 million for the corresponding period in 2010. 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 organisation's 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.

# St. Patrick's University Hospital

## Report of the Governors

### 5 Principal Risks and Uncertainties (continued)

#### 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.

#### 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.



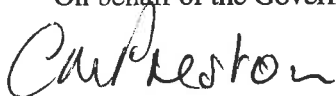
# St. Patrick's University Hospital

## Report of the Governors

### 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.

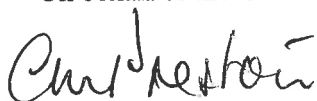
The Governors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland, and the Irish Companies Acts 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 2011 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 2011 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.



Patricia Carroll (Senior Statutory Auditor)  
For and on behalf of KPMG, Statutory auditor  
Chartered Accountants  
1 Stokes Place  
St. Stephen's green,  
Dublin 2

2 April 2012

# St. Patrick's University Hospital

## Statement of accounting policies *for the year ended 31 December 2011*

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.

### **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 2011

## **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
Fixtures and fittings	5% 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**

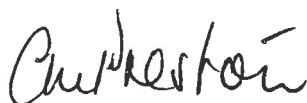
The Hospital is recognised by the Revenue Commissioners as being a body established for charitable purposes within the meaning of Section 207 of the Taxes Consolidation Act, 1997, and is accordingly exempt from corporation tax.

# St. Patrick's University Hospital

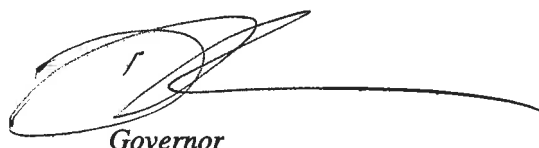
## Income and expenditure account for the year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
<b>Income – continuing operations</b>			
Maintenance and treatment fees	1	59,522	59,271
Other income	1	577	621
		<hr/>	<hr/>
		60,099	59,892
<b>Expenditure</b>			
Salaries and wages	2	(44,740)	(42,917)
Establishment and administration expenses		(7,725)	(7,901)
Other operating costs		(2,917)	(3,380)
Depreciation	5	(1,489)	(1,374)
		<hr/>	<hr/>
		(56,871)	(55,572)
<b>Operating surplus – continuing activities</b>			
		3,228	4,320
Interest payable and similar charges	3	(230)	(231)
Pension finance charge	4	(521)	(823)
		<hr/>	<hr/>
<b>Surplus for the year</b>	10	<b>2,477</b>	<b>3,266</b>
		<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 2011

	<i>Note</i>	<b>2011</b> €'000	2010 €'000
Surplus for the year		2,477	3,266
Difference between expected and actual return on scheme assets	14	(6,352)	3,153
Experience gains and losses on scheme liabilities*	14	(2,573)	831
Effect of changes in actuarial assumptions*	14	5,512	3,595
		<hr/>	<hr/>
<b>Total recognised gains and losses for the year</b>		<b>(936)</b>	<b>10,845</b>
		<hr/> <hr/>	<hr/> <hr/>

\* Defined Benefit Pension Scheme

### Note of historical cost surplus and deficit for the year ended 31 December 2011

	<b>2011</b> €'000	2010 €'000
Reported surplus for the year	2,477	3,266
Difference between historical cost depreciation charge on hospital buildings and the depreciation calculated on the re-valued amount	378	378
	<hr/>	<hr/>
<b>Historical cost surplus for the year</b>	<b>2,855</b>	<b>3,644</b>
	<hr/> <hr/>	<hr/> <hr/>



# St. Patrick's University Hospital

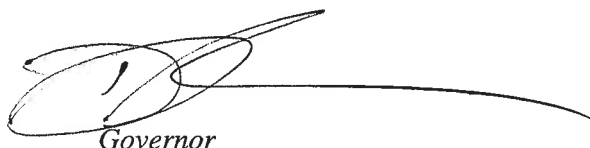
## Balance sheet at 31 December 2011

	<i>Note</i>	<b>2011</b> €'000	<i>Restated</i> 2010 €'000
<b>Fixed assets</b>	5	26,576	26,464
<b>Financial assets</b>	6	86	86
		<hr/>	<hr/>
		26,662	26,550
<b>Current assets</b>			
Stocks		81	71
Debtors	7	15,954	13,885
Cash at bank and on hand		-	18
		<hr/>	<hr/>
		16,035	13,974
<b>Creditors: amounts falling due within one year</b>	8	(9,232)	(8,930)
		<hr/>	<hr/>
<b>Net current assets</b>		6,803	5,044
<b>Total assets less current liabilities</b>		33,465	31,594
<b>Creditors: amounts falling due after more than one year</b>	9	(4,429)	(4,967)
		<hr/>	<hr/>
<b>Net assets excluding pension liability</b>		29,036	26,627
Net pension liability	14	(15,976)	(12,631)
		<hr/>	<hr/>
<b>Net assets</b>		13,060	13,996
<b>Capital and special funds</b>		<hr/>	<hr/>
Capital account	10	13,060	13,996
		<hr/>	<hr/>

On behalf of the Governors



Chairman



Governor

# St. Patrick's University Hospital

## Cash flow statement for the year ended 31 December 2011

	<i>Note</i>	2011 €'000	2010 €'000
<b>Net cash (outflow) / inflow from operating activities</b>	<i>11</i>	(25)	6,898
<b>Returns on investments and servicing of finance</b>			
Interest paid		(230)	(231)
<b>Capital expenditure and financial investment</b>			
Purchase of fixed assets		(1,601)	(2,911)
<b>Net cash outflow from capital expenditure and financial investment</b>		(1,601)	(2,911)
<b>Financing</b>			
Repayment of bank loans		(516)	(467)
<b>(Decrease)/increase in cash in the year</b>	<i>12</i>	(2,372)	3,289
<b>Reconciliation of net cash flow to movement in net debt</b>			
		2011 €'000	2010 €'000
(Decrease)/increase in cash in the year		(2,372)	3,289
Repayment of bank loans		516	467
<b>Change in net debt resulting from cash flows</b>	<i>12</i>	(1,856)	3,756
Movement during the year		(1,856)	3,756
Net debt at start of year		(5,461)	(9,217)
<b>Net debt, at end of year</b>	<i>12</i>	(7,317)	(5,461)

# St. Patrick's University Hospital

## Notes

*forming part of the financial statements*

### 1 Income – continuing operations

#### Maintenance and treatment fees

	2011 €'000	2010 €'000
Fee income	59,037	58,534
Outpatient and pharmacy	485	737
	<hr/>	<hr/>
	59,522	59,271
Other income	577	621
	<hr/>	<hr/>
	60,099	59,892
	<hr/> <hr/>	<hr/> <hr/>

### 2 Expenditure – salaries and wages

	2011 €'000	2011 €'000
Salaries and wages	36,794	35,151
Social welfare costs	3,773	3,578
Pension costs – current service costs (note 14)*	2,580	2,547
Pension costs – defined contribution cost (note 14)	1,593	1,641
	<hr/>	<hr/>
	44,740	42,917
	<hr/> <hr/>	<hr/> <hr/>

\* Defined Benefit Scheme

### 3 Interest payable and similar charges

	2011 €'000	2010 €'000
Interest payable on overdrafts and bank loans	230	231
	<hr/>	<hr/>
	230	231
	<hr/> <hr/>	<hr/> <hr/>

# St. Patrick's University Hospital

Notes (continued)

## 4 Pension finance income, net

	2011 €'000	2010 €'000
Expected return on scheme assets (note 14)	4,514	4,086
Interest on scheme liabilities (note 14)	(5,035)	(4,909)
	<u>(521)</u>	<u>(823)</u>

## 5 Fixed assets

	Hospital properties €000	Plant, equipment and vehicles €000	Fixtures and fittings €000	Total €000
<i>Cost or valuation:</i>				
At beginning of year	44,773	7,518	-	52,291
Additions in year	432	960	209	1,601
	<u>45,205</u>	<u>8,478</u>	<u>209</u>	<u>53,892</u>
<i>Analysed as:</i>				
Revalued amount	32,337	8,478	209	41,024
Original cost	12,868	-	-	12,868
	<u>45,205</u>	<u>8,478</u>	<u>209</u>	<u>53,892</u>
<i>Depreciation</i>				
At beginning of year	19,865	5,962	-	25,827
Charge for year	880	604	5	1,489
	<u>20,745</u>	<u>6,566</u>	<u>5</u>	<u>27,316</u>
<i>Net book value</i>				
At 31 December 2011	<u>24,460</u>	<u>1,912</u>	<u>204</u>	<u>26,576</u>
At 31 December 2010	<u>24,908</u>	<u>1,556</u>	<u>-</u>	<u>26,464</u>

# 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

	2011 €'000	2010 €'000
<i>Long-term investments</i>		
3,150 shares in Progressive Genetics Co-operative Society Limited, at cost	3	3
Loan notes in Charlemont Clinic Limited, at cost	83	83
	<hr/> 86	<hr/> 86

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

### 7 Debtors

	2011 €'000	2010 €'000
Trade debtors	18,708	17,413
Less: provision for bad debts	(3,262)	(3,960)
	<hr/> 15,446	<hr/> 13,453
Other debtors and prepayments	508	432
	<hr/> 15,954	<hr/> 13,885

### 8 Creditors: amounts falling due within one year

	2011 €'000	<i>Restated</i> 2010 €'000
<b>Bank overdrafts and loans</b>		
Bank overdrafts	2,354	-
Current portion of long-term loans (note 9)	534	512
	<hr/> 2,888	<hr/> 512
<b>Other creditors and accruals</b>	6,344	8,418
	<hr/> 9,232	<hr/> 8,930

# St. Patrick's University Hospital

## Notes (continued)

### 9 Creditors: amounts falling due after more than one year

	2011 €'000	2010 €'000
Bank loans, secured	4,963	5,479
Less: amount due within one year	(534)	(512)
	<hr/> 4,429	<hr/> 4,967

#### *Maturity analysis of bank loans is as follows:*

	2011 €'000	2010 €'000
Bank loans are repayable as follows		
Within one year	534	512
Between one and two years	556	534
Between two and five years	1,809	1,734
After five years	2,064	2,699
	<hr/> 4,963	<hr/> 5,479

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. The loan is classified according to its repayment terms, which is due by instalments over a ten year period from the date of the revised agreement.

### 10 Reconciliation of capital account

	2011 €'000	<i>Restated</i> 2010 €'000
Balance, start of the year – as previously reported	14,255	3,410
Prior year adjustment (note 17)	(259)	(259)
	<hr/> 13,996	<hr/> 3,151
Balance, start of the year – restated	13,996	3,151
Surplus for the year	2,477	3,266
Net actuarial (loss)/gain arising in the year (note 14)	(3,413)	7,579
	<hr/> 13,060	<hr/> 13,996

# St. Patrick's University Hospital

Notes (continued)

## 11 Reconciliation of surplus to net cash outflow from operating activities

	2011 €'000	2010 €'000
Operating surplus	3,228	4,320
Depreciation	1,489	1,374
Decrease in creditors and accruals	(2,074)	(1,618)
(Increase)/decrease in stocks	(10)	22
(Increase)/decrease in debtors	(2,069)	3,216
Pension costs – current service cost	2,580	2,547
Current service contributions	(3,169)	(2,963)
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(25)</b>	<b>6,898</b>

## 12 Analysis of changes in net debt

	At 1 January 2011 €'000	Cashflows €'000	Non cash movement €'000	At 31 December 2011 €'000
Cash at bank and in hand	18	(18)	-	-
Bank overdraft	-	(2,354)	-	(2,354)
<b>Net cash</b>	<b>18</b>	<b>(2,372)</b>	<b>-</b>	<b>(2,354)</b>
Bank loans repayable within one year	(512)	516	(538)	(534)
Bank loans repayable after one year	(4,967)	-	538	(4,429)
	(5,461)	(1,856)	-	(7,317)

## 13 Capital commitments

The Hospital has €Nil contracted capital commitments at 31 December 2011 (2010: €Nil).

# 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.

	2011 €'000	2010 €'000
Present value of funded defined benefit obligations	(93,145)	(90,219)
Fair value of plan assets	77,169	77,588
	<hr/>	<hr/>
<b>Pension liability</b>	<b>(15,976)</b>	<b>(12,631)</b>
	<hr/> <hr/>	<hr/> <hr/>

#### *Movement in present value of defined benefit obligation*

	2011 €'000	2011 €'000
At 1 January	(90,219)	(88,600)
Current service cost	(2,580)	(2,547)
Interest cost	(5,035)	(4,909)
Plan members' contributions	(697)	(673)
Experience gains and losses on scheme liabilities	(2,573)	831
Effect of changes in actuarial assumptions	5,512	3,595
Benefits paid	2,447	2,084
	<hr/>	<hr/>
<b>At 31 December</b>	<b>(93,145)</b>	<b>(90,219)</b>
	<hr/> <hr/>	<hr/> <hr/>



# St. Patrick's University Hospital

## Notes (continued)

### 14 Pensions (continued)

#### *Movement in fair value of plan assets*

	2011 €'000	2010 €'000
At 1 January	77,588	68,778
Expected return on plan assets	4,514	4,086
Actual return less expected return on plan assets	(6,352)	3,153
Employer contributions	3,133	2,963
Member contributions	697	673
Benefits paid from plan	(2,411)	(2,065)
	<hr/>	<hr/>
<b>At 31 December</b>	<b>77,169</b>	<b>77,588</b>
	<hr/> <hr/>	<hr/> <hr/>

#### *Expense recognised in income and expenditure account*

	2011 €'000	2011 €'000
Current service cost	(2,580)	(2,547)
Interest cost	(5,035)	(4,909)
Expected return on plan assets	4,514	4,086
	<hr/>	<hr/>
<b>Total pension expense recognised in income and expenditure account</b>	<b>(3,101)</b>	<b>(3,370)</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2011 €'000	2010 €'000
Salaries and wages (note 2)	(2,580)	(2,547)
Pension finance expense, net (note 4)	(521)	(823)
	<hr/>	<hr/>
<b>Total pension expense recognised in income and expenditure account</b>	<b>(3,101)</b>	<b>(3,370)</b>
	<hr/> <hr/>	<hr/> <hr/>

The total loss recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is €3.4m (2010: gain €7.6m).

# St. Patrick's University Hospital

## Notes (continued)

### 14 Pensions (continued)

The allocation of plan assets is as follows:

	2011 %	2010 %
Equities	64	65
Bonds	14	13
Property	3	4
Other	19	18
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>
<b>Actual return on plan assets</b>	<b>(1,838)</b>	<b>7,239</b>
	<hr/>	<hr/>

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:

	2011 %	2010 %
Discount rate	5.75	5.60
Price inflation	2.00	2.00
Rate of compensation increase	2.00	3.75
Rate of increase for in-payment benefits	3.00	3.00
Expected return on plan assets	5.67	5.76
	<hr/>	<hr/>

In valuing the liabilities of the pension fund at 31 December 2011, 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 2011 would have increased by circa €2.5 m.

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)

	2011 Years	2010 Years
Male member age 65 (current life expectancy)	21.80	20.33
Female member age 65 (current life expectancy)	23.40	23.01
Male member age 40 (life expectancy at age 65)	24.90	23.20
Female member age 40 (life expectancy at age 65)	26.10	25.85

### History of plan

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

	2011 €000	2010 €000	2009 €000	2008 €000	2007 €000
Defined benefit obligation	(93,145)	(90,219)	(88,600)	(88,580)	(89,664)
Fair value of plan assets	77,169	77,588	68,778	58,169	79,332
Deficit	(15,976)	(12,631)	(19,822)	(30,411)	(10,332)
<b>Difference between expected and actual return on plan assets</b>					
Amount	(6,352)	3,153	6,510	(30,815)	(9,260)
% of plan assets	(8.2%)	4.1%	9.5%	(52.9%)	(11.7%)
<b>Experience gains/(losses) on plan liabilities</b>					
Amount	(2,573)	831	1,892	6,859	(6,465)
% of plan liabilities	(2.8%)	1.0%	2.0%	7.7%	(7.2%)
<b>Total actuarial gains and losses</b>					
Amount	5,512	3,595	2,577	614	(19,241)
% of plan liabilities	5.9%	4.0%	2.9%	0.7%	(21.5%)

The Hospital expects to contribute approximately €3.1 million to its pension plan in 2012. As at 31 December the Hospital has contributions of €nil 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 €1,593,000 (2010: €1,641,000).

### 15 Related party transactions

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

	2011 €'000	2010 €'000
Amounts due from Association of Friends of St Patrick's Hospital Limited for administrative expenses paid on behalf of the Association	7	64

### 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 Prior year adjustment

During the current financial year the Hospital paid all outstanding defined benefit pension contributions, in relation to periods prior to 2010. Arising from this payment it was uncovered that €259k had been under accrued in prior years, and as a result of this the prior year numbers have been restated.

### 18 Events since the year end

There have been no significant events since the year end, which would require the adjustment of or disclosure in the financial statements.

### 19 Approval of financial statements

The Governors approved these financial statements on 2<sup>nd</sup> April 2012.