

BLOOMFIELD CARE CENTRE LIMITED
(A company limited by guarantee and without a share capital)

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

BLOOMFIELD CARE CENTRE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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BLOOMFIELD CARE CENTRE LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Maurice Cohen
Kevin Conlon
John Davey
Glynn Douglas
Shirley Douglas
Robin Goodbody
Helen Haughton
Robert Haughton
Gavin Johnson
Arthur Stewart Jordan
Charles Lamb
John McNeilly
Irwin Pearson
Drewry Pearson
Jonathan Pim
Joy Simpson
Dr. David Thomas
Harold Wann
Erica Allen

SECRETARY

Drewry Pearson

COMPANY NUMBER

412474

CHARITY NUMBER

CHY 4070

REGISTERED OFFICE

Stocking Lane
Rathfarnham
Dublin 16

AUDITORS

Ormsby & Rhodes
Chartered Accountants
Registered Auditors
9 Clare Street
Dublin 2

BUSINESS ADDRESS

Stocking Lane
Rathfarnham
Dublin 16

BANKERS

Ulster Bank Limited
63 Ranelagh
Dublin 6

BLOOMFIELD CARE CENTRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the year ended 31 December 2009.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2009. 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.

BOOKS OF ACCOUNT

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the involvement of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at Stocking Lane, Rathfarnham, Dublin 16.

RESULTS

The surplus for the year amounted to €284,107. (2008 : loss of €244,430).

REVIEW OF THE BUSINESS

The principal activity of the company is the operation of a hospital, nursing home and sheltered housing. The directors consider the result for the year and the year end position to be satisfactory in light of the company's continuing development programme.

DIRECTORS

The number of Directors is 19. The Directors retiring at the 2010 AGM are Shirley Douglas (due to retire by rotation), Irwin Pearson, Dr. David Thomas and Harold Wann (due to retire by rotation). In accordance with the Articles of Association the other Directors due to retire by rotation but willing to be re-appointed are J.Glynn Douglas, Robin B. Goodbody, Gavin Johnson, and Erica Allen (re-nominated on behalf of Ireland Yearly Meeting). The remainder of the directors are not due to retire and continue in office. The proposed replacement directors are Helen Fanning, Harold Hosford (nominated by the Kylemore members of the Company), Loretta O'Brien and Sheilagh Reiper-Reynolds.

BLOOMFIELD CARE CENTRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

POST BALANCE SHEET EVENTS

Investments held by the Kylemore Clinic were transferred to Bloomfield Care Centre Limited on 2 February 2010 at their market value of €47,025. Any remaining cash balances arising from the liquidation of Kylemore Clinic will be transferred during 2010.

FUTURE DEVELOPMENTS

The main activities of the company remain unchanged and the directors anticipate that any future developments would relate to these activities.

AUDITORS

The auditors, Ormsby & Rhodes, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

TAXATION STATUS

The company has charitable status with the Revenue Commissioners. The income and property of the company is exempt from Income/Corporation Tax, Capital Gains Tax and Deposit Interest Retention Tax in accordance with the provisions of Section 207 of the Taxes Consolidation Act, 1997 (as applied to Companies by Section 76, TCA, Section 609 (Capital Gains Tax) and Section 266 (Deposit Interest Retention Tax).

On behalf of the Board

Directors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLOOMFIELD CARE CENTRE LIMITED

We have audited the financial statements on pages 7 to 20 of Bloomfield Care Centre Limited for the year ended 31 December 2009 which comprise the Income and Expenditure Account, the Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described in the statement of directors responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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.

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, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the company and whether the information given in the directors' 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 report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

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

Basis of audit 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BLOOMFIELD CARE CENTRE LIMITED**

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 the company's affairs as at the 31 December 2009 and of its surplus for the year then ended and have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 3 and 4 is consistent with the financial statements.

Dublin

CHARTERED ACCOUNTANTS

REGISTERED AUDITORS

BLOOMFIELD CARE CENTRE LIMITED

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	<u>Notes</u>	<u>2009</u> €	<u>2008</u> €
INCOME	2	6,271,148	4,769,531
Administrative expenses		<u>(5,988,898)</u>	<u>(5,020,531)</u>
OPERATING SURPLUS/(DEFICIT)	3 / 4	282,250	(251,000)
INTEREST RECEIVABLE AND SIMILAR INCOME	5	<u>1,857</u>	<u>6,570</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES	16	284,107	(244,430)
(Deficit) on Samuel Merrin Fund	16	(1,287)	(235,797)
Transfer to Samuel Merrin Fund	16	1,287	235,797
Surplus/(deficit) on Development Fund	16	41,554	(1,073,765)
Transfer to Development Fund	16	(41,554)	1,073,765
Surplus on Friends of Bloomfield Fund	16	3,414	13,075
Transfer to Friends of Bloomfield Fund	16	<u>(3,414)</u>	<u>(13,075)</u>
RETAINED SURPLUS/(LOSS) FOR THE YEAR		284,107	(244,430)
ACCUMULATED (LOSS) BROUGHT FORWARD		<u>(460,776)</u>	<u>(216,346)</u>
ACCUMULATED (LOSS) CARRIED FORWARD		<u><u>(176,669)</u></u>	<u><u>(460,776)</u></u>

There are no recognised gains or losses other than the results disclosed above and there have been no discontinued activities or acquisitions in the current year.

Directors

BLOOMFIELD CARE CENTRE LIMITED**BALANCE SHEET**

31 DECEMBER 2009

	<u>Notes</u>	<u>2009</u>	€	<u>2008</u>	€
FIXED ASSETS					
Tangible assets	8	25,461,625		27,455,858	
Financial Investments	9	1,829,165		1,794,858	
Property investment	10	3,000,000		-	
		<u>27,290,790</u>		<u>29,250,716</u>	
DEBTORS: amounts falling due after more than one year	11	10,706,460		10,706,460	
CURRENT ASSETS					
Debtors	12	1,130,416		324,706	
Cash at bank and in hand		944,078		708,521	
Patient property bank accounts		427,630		179,011	
		<u>2,502,124</u>		<u>1,212,238</u>	
CREDITORS: amounts falling due within one year	13	(788,432)		(2,662,757)	
Patient property current liabilities		(427,630)		(179,011)	
		<u>(1,216,062)</u>		<u>(2,841,768)</u>	
NET CURRENT ASSETS		1,286,062		(1,629,530)	
		<u>39,283,312</u>		<u>38,327,646</u>	
CREDITORS: amounts falling due after more than one year	14	(15,003,731)		(11,593,622)	
TOTAL NET ASSETS		24,279,581		26,734,024	
RESERVES					
Capital reserve	16	20,573,985		24,756,658	
Other reserves	16	6,882,265		2,438,142	
Revenue deficit	16	(176,669)		(460,776)	
		<u>27,279,581</u>		<u>26,734,024</u>	

Approved by the Board on

Directors

BLOOMFIELD CARE CENTRE LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2009

	<u>Notes</u>	2009 €	2008 €
RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES			
Operating surplus/(deficit)		356,777	(135,265)
Depreciation		751,075	409,567
Amortisation of grant		(394,835)	-
Transfer to refurbishment reserve		461,080	180,000
(Increase) in debtors		(805,710)	(6,223)
Increase/(decrease) in creditors		223,170	(86,432)
		<u>591,557</u>	<u>361,647</u>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		<u><u>591,557</u></u>	<u><u>361,647</u></u>

CASH FLOW STATEMENT

Net cash outflow from operating activities		591,557	361,647
Returns on investments and servicing of finance	21	1,857	6,570
Capital expenditure and financial investment	21	1,734,693	(1,968,647)
		<u>2,328,107</u>	<u>(1,600,430)</u>
Increase/(decrease) in cash in the year		<u><u>2,328,107</u></u>	<u><u>(1,600,430)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (NOTE 22)

INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>2,328,107</u>	<u>(1,600,430)</u>
NET (DEBT)/CASH AT 1 JANUARY 2009		<u>(956,399)</u>	<u>644,031</u>
NET DEBT AT 31 DECEMBER 2009		<u><u>1,371,708</u></u>	<u><u>(956,399)</u></u>

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

1.1. Accounting convention

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in Ireland.

1.2. Income

Income represents fees from patients and residents, rent and investment income.

1.3. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4. Depreciation of tangible fixed assets

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land	-	not depreciated
Buildings	-	2.5% Straight Line
Computer Equipment	-	25% Straight Line
Fixtures, fittings and equipment	-	10% Straight Line

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value. The provision for diminution in investments is adjusted for any investments disposed of during the year. Every five years the provision is reviewed to take account of any movement between the cost and the market value of investment held at the balance sheet date. The next review will be in 2013.

1.6. Government Grants

Government grants are treated as deferred income in the balance sheet in accordance with SSAP 4 - Accounting for Government Grants. An amount of this deferred income will be credited to the profit and loss account by instalments over the expected useful economic life of the related asset.

2. INCOME

The total income of the company for the year has been derived from its principal activity wholly undertaken in the Republic of Ireland and from rents, dividends and interest.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

3. OPERATING SURPLUS/(DEFICIT)	<u>2009</u>	<u>2008</u>
	€	€
Operating surplus/(deficit) is stated after charging:		
Staff costs (note 4)	3,439,199	2,699,647
Depreciation of tangible assets	751,075	409,567
	=====	=====
and after crediting:		
Amortisation of HSE Grant	(394,835)	-
	=====	=====
 4. EMPLOYEES		
Number of employees		
The average monthly numbers of employees during the year were:		
	<u>2009</u>	<u>2008</u>
	Number	Number
Nursing and Administration	83	65
	=====	=====
 Employment costs		
	<u>2009</u>	<u>2008</u>
	€	€
Wages and salaries	3,439,199	2,699,647
	=====	=====
 5. INTEREST RECEIVABLE AND SIMILAR INCOME		
	<u>2009</u>	<u>2008</u>
	€	€
Bank interest	1,857	6,570
	=====	=====
 6. INVESTMENTS PROVISION		
	<u>2009</u>	<u>2008</u>
	€	€
Amounts written off fixed asset investments:		
- diminution in value (Development Fund) (see note 9)	-	1,241,755
- diminution in value (Samuel Merrin Fund) (see note 9)	-	180,317
Amounts provided for in prior years written back		
- Development Fund (see Note 9)	(146,172)	-
- Samuel Merrin Fund (see note 9)	(16,160)	-
	=====	=====
	(162,332)	1,422,072
	=====	=====

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

7. TAXATION

The company has charitable status with the Revenue Commissioners. The income and property of the company is exempt from Income/Corporation Tax, Capital Gains Tax and Deposit Interest Retention Tax in accordance with the provisions of Section 207 of the Taxes Consolidation Act, 1997 (as applied to Companies by Section 76, TCA, Section 609 (Capital Gains Tax) and Section 266 (Deposit Interest Retention Tax).

BLOOMFIELD CARE CENTRE LIMITED**NOTES AND ACCOUNTING POLICIES (continued)****FOR THE YEAR ENDED 31 DECEMBER 2009****8. TANGIBLE ASSETS**

	Land and buildings	Computer equipment	Fixtures, fittings equipment	Total
	€	€	€	€
Cost/revaluation				
At 1 January 2009	27,630,950	45,437	583,799	28,260,186
Additions during year	1,960,672	115,223	574,258	2,650,153
Disposals (see note below)	(4,246,560)	-	-	(4,246,560)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	25,345,062	160,660	1,158,057	26,663,779
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2009	635,943	28,766	139,619	804,328
On disposals (see note below)	(63,887)	-	-	(63,887)
Prior year adjustment (see note below)	(289,362)			(289,362)
Charge for the year	595,108	40,162	115,805	751,075
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	877,802	68,928	255,424	1,202,154
	<hr/>	<hr/>	<hr/>	<hr/>
Net book values				
At 31 December 2009	24,467,260	91,732	902,633	25,461,625
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2008	26,995,007	16,671	444,180	27,455,858
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fixed Asset Additions

The additions to land & buildings represent €1,960,672, being Phase I development of €33,269 and Phase II development of €1,927,403 in respect of development of the premises at Stocking Lane, Rathfarnham, Dublin 16.

The cost to date of the ongoing development of Phase II of the premises at Stocking Lane, Rathfarnham represents €5,573,043. These additions has been depreciated during the year as the new premises is complete and fully in use. The HSE grant receivable in relation to this development has also been amortised to the profit and loss account during the year (See note 13).

On 15 May 2007 Bloomfield Care Centre Limited exercised its option to acquire title to the freeholds of lands at Stocking Lane, Rathfarnham save the footprint of the Nursing Home (see note 17). An amount of €2,885,784 has been been capitalised in relation to this transaction and forms part of the opening balance of €27,630,950.

Included in Land and buildings and Fixtures, fittings and equipment additions are the costs of the Kitchen refurbishment. Part of this cost was met from the Development Fund (see note 16). However the original cost of the Kitchen has not been written out of the accounts.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

Fixed Asset Disposals

On 17th November 2009, Bloomfield Care Centre Limited transferred its legal ownership of Quaker House to Friends Trust (Eire) Limited pursuant to the directions of the Commissioners of Charitable Donations and Bequests for Ireland in a cy-pres scheme dated 24 January 2006. The amount of €4,246,560 represents the estimated cost of Quaker House and the depreciation of €63,887 represents the estimated accumulated depreciation charged in respect of Quaker House.

Prior year adjustment

The prior year adjustment of €289,362 represents the reclassification of depreciation on land charged in the Income and Expenditure Account in the previous two years to the Refurbishment Reserve.

9. INVESTMENTS

	Listed	Samuel Merrin Fund Listed	Total
	<u>Investments</u>	<u>Investments</u>	<u>Total</u>
	€	€	€
Cost			
At 1 January 2009	2,765,739	451,191	3,216,930
Additions	104,336	52,334	156,670
Disposals	(254,905)	(29,790)	(284,695)
	<u>2,615,170</u>	<u>473,735</u>	<u>3,088,905</u>
Provisions for diminution in value:			
At 1 January 2009	1,241,755	180,317	1,422,072
Amounts written back arising from disposal of investments in year	(146,172)	(16,160)	(162,332)
	<u>1,095,583</u>	<u>164,157</u>	<u>1,259,740</u>
Net book values			
At 31 December 2009	<u>1,519,587</u>	<u>309,578</u>	<u>1,829,165</u>
At 31 December 2008	<u>1,523,984</u>	<u>270,874</u>	<u>1,794,858</u>
Market Value at 31 December 2009	<u>1,837,857</u>	<u>383,145</u>	
Market Value at 31 December 2008	<u>1,442,249</u>	<u>287,992</u>	

10. PROPERTY INVESTMENT

The property originally owned by Kylemore Clinic was transferred to Bloomfield Care Centre Limited on 3 September 2009 at a director's valuation value of €3,000,000.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

11. DEBTORS: amounts falling due after more than one year

	<u>2009</u>	<u>2008</u>
	€	€
Debtors	10,706,460	10,706,460
	<u> </u>	<u> </u>

The amount of €10,706,460 is held by Orpen Franks solicitors in escrow for 'Put and Call Option' entitling Bloomfield Care Centre Limited to acquire the footprint of the Nursing Home at Stocking Lane, Rathfarnham, Dublin 16. This Option can only be exercised at the end of the 10 year period on 24 February 2015 when the tax life of the Nursing Home has expired.

12. DEBTORS: amounts falling due within one year

	<u>2009</u>	<u>2008</u>
	€	€
Trade debtors	274,979	210,078
Other debtors (see below)	793,326	82,620
Prepayments and accrued income	62,111	32,008
	<u> </u>	<u> </u>
	1,130,416	324,706
	<u> </u>	<u> </u>

Included in Other Debtors at 31 December 2009 are the following:

	<u>2009</u>	<u>2008</u>
	€	€
Goodbody Deposits - Bloomfield Care Centre Limited	783,694	37,743
Goodbody Deposits - Samuel Merrin Fund	8,213	44,877
Sundry debtors	1,419	-
	<u> </u>	<u> </u>
	793,326	82,620
	<u> </u>	<u> </u>

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

13. CREDITORS: amounts falling due within one year	<u>2009</u> €	<u>2008</u> €
Bank loans (see 13.2 below)	-	1,843,931
Trade creditors	160,119	149,380
PAYE/PRSI	16,098	61,034
Other creditors	2,416	9,763
Accruals	214,964	198,869
Deferred Income (see 13.1 below)	394,835	399,780
	<hr/> 788,432 <hr/>	<hr/> 2,662,757 <hr/>

13.1 On 14 December 2007 Bloomfield Care Centre Limited entered into a 30 year agreement with the Health Service Executive whereby the Health Service Executive agreed to provide a grant in the amount of €7,000,000 to Bloomfield Care Centre Limited for the construction of a new health care facility at Stocking Lane, Rathfarnham (Phase II). An instalment of €3,799,999 was received from the Health Service Executive during the year ended 31 December 2009 which is included in the accounts as deferred income in accordance with SSAP 4 - Accounting for Government Grants. This grant may become repayable to the Health Service Executive in the event of certain conditions not being met. According to SSAP 4 - Accounting for Government Grants an amount of the deferred income must be credited to the profit and loss account on a basis consistent with the depreciation policy for land and buildings. The depreciation for Phase II development has commenced since the building is complete and fully in use (see note 8) and therefore the amortisation of the deferred income has also begun at this stage.

13.2 The bank borrowings were secured by:

1. A First Legal Mortgage over the 9.5 acres of land at Stocking Lane exclusive of
 - the ground floor footprint of the existing 79 bed care centre and
 - the footprint of the proposed 76 bed extension (which will be charged to the HSE)
 but inclusive of the first floor and overhead airspace of the existing 79 bed care facility (Phase I)

2. First Legal Mortgage over the leasehold interest in the ground floor of the existing 79 bed facility (Phase I) - subject to the necessary letter of consent from the freehold owner

3. First Legal Charge over the 'Put and Call' option to buy the freehold interest of the ground floor 79 bed facility (Phase I)

4. At 31 December 2009 Bloomfield Care Centre Limited had no bank borrowing.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

14. CREDITORS: amounts falling due after more than one year	<u>2009</u> €	<u>2008</u> €
Deferred Income (see 13.1)	15,003,731	11,593,622
	=====	=====
Opening Balance	11,993,402	1,720,284
Grant received during the year	3,799,999	10,273,118
Amortisation during the year	(394,835)	-
	-----	-----
Closing Balance	15,398,566	11,993,402
	=====	=====
Deferred Income		
Due within one year	394,835	399,780
Due more than one year	15,003,731	11,593,622
	-----	-----
	15,398,566	11,993,402
	=====	=====

15. SHARE CAPITAL

The company is limited by guarantee and without a share capital.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

16. EQUITY RESERVES

	Development Fund <u>reserve</u> €	Refur- bishment <u>reserve</u> €	Income and expenditure <u>account</u> €	Capital <u>reserve</u> €	Samuel Merrin fund <u>reserve</u> €	Friends of Bloomfield <u>reserve</u> €	<u>Total</u> €
At 1 January 2009	1,659,480	345,000	(460,776)	24,756,658	349,802	83,860	26,734,024
Retained Surplus for the year	41,554	-	284,107	-	(1,287)	3,414	327,788
Prior year adjustment re depreciation on land (see note 8)		289,362					-
Kylemore Reserves (see note 16.1)	3,633,529	-	-	-	-	16,471	3,650,000
Capital Reserve movement (see note 16.2)	-	-	-	(4,182,673)	-		(4,182,673)
Transfer to Refurbishment Reserve (see note 16.3)	-	461,080	-	-	-	-	461,080
At 31 December 2009	5,334,563	1,095,442	(176,669)	20,573,985	348,515	103,745	27,279,581

16.1 Kylemore Reserves

Bloomfield Care Centre Limited received €650,000 cash from Kylemore Clinic due to its transfer of operations to Bloomfield Care Centre Limited in May 2009. Of the total cash received, €6,471 was transferred to Friends of Bloomfield as it relates to the McCracken Legacy and Kylemore Matrons Fund.

Property originally owned by Kylemore Clinic was transferred to Bloomfield Care Centre Limited on 3 September 2009 at a director's valuation of €3,000,000.

16.2 Capital Reserve

A loss on disposal of €4,182,673 was incurred during the year. This loss was a result of the disposal of Quaker House at no consideration (See Note 9).

16.3 Refurbishment Reserve

The directors reserve an amount under a Refurbishment Reserve at their discretion to provide for future refurbishment of Bloomfield Care Centre Limited.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

17. EXCHANGE OF PROPERTIES

On 24 February 2005 Bloomfield Hospital disposed of its property at Bloomfield Avenue, Donnybrook, Dublin 4 to Edward Commercial Assets Limited (part of the Radical Properties Limited Group) in exchange for a property at Stocking Lane, Rathfarnham, Dublin 16.

Total consideration on disposal of the property at Donnybrook was €27,302,903 (exclusive of VAT).

The agreement included a VAT indemnity for Bloomfield Hospital i.e. that it would not be exposed to a VAT liability in respect of this transaction.

At 31 December 2008 and 31 December 2009 a balance of €10,706,460 was held in escrow for Bloomfield Care Centre Limited by Orpen Franks Solicitors in respect of this transaction. (See note 11)

On exercise of the Options Bloomfield Care Centre Limited would endorse the cheque back to Edward Commercial Assets Limited.

During the period of the "Put and Call" option the company has a leasehold interest in property it occupies at Stocking Lane at a nominal annual rent.

18. CONTINGENT LIABILITIES

18.1 Bloomfield Care Centre Limited must continue to trade as a registered, certified nursing home for 10 years from 28 January 2005. In the event of a default by Bloomfield Care Centre Limited resulting in the Radical Properties Limited Group suffering a claw back of capital allowances claimed, there will be a clawback in the amount of the €1,006,053.

18.2 In addition if claw back arises due to default by Bloomfield Care Centre Limited it will be obliged to pay fees to Radical Properties Limited Group subject to a maximum of €50,000 (inclusive of VAT).

19. RELATED PARTY DISCLOSURES

19.1 Related party disclosures

Related party disclosures have been dealt with in notes 8, 9, 10, 17 and 18.

20. POST BALANCE SHEET EVENTS

Investments held by the Kylemore Clinic were transferred to Bloomfield Care Centre Limited on 2 February 2010 at their market value of €47,025. Any remaining cash balances arising from the liquidation of Kylemore Clinic will be transferred during 2010.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2009

21. GROSS CASH FLOWS

	<u>2009</u>	<u>2008</u>
	€	€
Returns on investments and servicing of finance		
Interest received	1,857	6,570
	<u> </u>	<u> </u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(2,650,153)	(12,495,466)
Payments to acquire investments	(156,670)	(49,769)
Receipts from sales of investments	91,517	303,470
Receipt of funds from Kylemore Clinic	650,000	-
Receipt of grant	3,799,999	10,273,118
	<u> </u>	<u> </u>
	1,734,693	(1,968,647)
	<u> </u>	<u> </u>

22. ANALYSIS OF CHANGES IN NET DEBT

	<u>Opening</u>	<u>Cash</u>	<u>Closing</u>
	<u>balance</u>	<u>flows</u>	<u>balance</u>
	€	€	€
Cash at bank and in hand	708,521	235,557	944,078
Patient property bank accounts	179,011	248,619	427,630
	<u> </u>	<u> </u>	<u> </u>
	887,532	484,176	1,371,708
	<u> </u>	<u> </u>	<u> </u>
Debt due within one year	(1,843,931)	1,843,931	-
	<u> </u>	<u> </u>	<u> </u>
Net debt	(956,399)	2,328,107	1,371,708
	<u> </u>	<u> </u>	<u> </u>

BLOOMFIELD CARE CENTRE LIMITED

MANAGEMENT INFORMATION

DETAILED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	<u>2009</u>		<u>2008</u>	
	€	€	€	€
INCOME				
Fees from patients and residents	6,207,802		4,727,895	
Rent receivable	31,120		20,467	
Other Income	32,226		21,169	
	<u>6,271,148</u>		<u>4,769,531</u>	
Direct Salaries	3,439,199	2,699,647		
Nursing Agency Fees	21,461	88,874		
Catering and Cleaning	947,975	788,672		
Rent and rates	42,194	31,679		
Insurance	60,475	39,114		
Gas	64,327	93,625		
Electricity	90,845	83,474		
Repairs and maintenance	117,646	114,467		
Security	61,475	131,420		
Printing, postage and stationery	26,418	11,643		
Telephone	18,926	14,303		
Medical Expenses	111,251	116,472		
Transport	10,430	9,856		
Nursing Costs	58,821	62,237		
Legal and professional	14,733	64,902		
Patients' incidentals	7,097	4,273		
Audit and accountancy	17,000	30,630		
Bank charges	386	307		
Bad debts	45,769	12,034		
General expenses	15,150	33,335		
Provision for Refurbishment (Note 16.3)	461,080	180,000		
Depreciation on buildings	595,108	342,920		
Depreciation on computer equipment	40,162	10,946		
Depreciation on fixtures, fittings & equipment	115,805	55,701		
	<u>(6,383,733)</u>		<u>(5,020,531)</u>	
	(112,585)		(251,000)	
Amortisation of HSE Grant	394,835		-	
OPERATING SURPLUS/(DEFICIT) (SEE NOTE 16)	<u>282,250</u>		<u>(251,000)</u>	

BLOOMFIELD CARE CENTRE LIMITED

SAMUEL MERRIN FUND

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	<u>2009</u>	<u>2008</u>
	€	€
INCOME		
Investment income and interest received	10,638	20,750
Loss on disposal of investments	(22,734)	(70,405)
	<hr/>	<hr/>
	(12,096)	(49,655)
EXPENDITURE		
Disbursements to patients	(3,326)	-
Nurse training	-	(3,034)
Management Fees	(2,025)	(2,791)
	<hr/>	<hr/>
	(17,447)	(55,480)
Amounts written off fixed asset investments		
- diminution in value (see notes 9 & 16)	-	(180,317)
- amounts provided for in prior years written back	16,160	-
	<hr/>	<hr/>
DEFICIT FOR THE YEAR (SEE NOTE 16)	(1,287)	(235,797)
	<hr/> <hr/>	<hr/> <hr/>

BLOOMFIELD CARE CENTRE LIMITED

DEVELOPMENT FUND

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	<u>2009</u>	<u>2008</u>
	€	€
INCOME		
Investment income and interest received	75,411	104,072
(Loss)/profit on disposal of investments	(170,444)	80,255
	<hr/>	<hr/>
	(95,033)	184,327
EXPENDITURE		
Management fees	(9,585)	(16,337)
	<hr/>	<hr/>
	(104,618)	167,990
Amounts written off fixed asset investments		
- diminution in value (see notes 9 & 16)	-	(1,241,755)
- amounts provided for in prior years written back	146,172	-
	<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR (SEE NOTE 16)	41,554	(1,073,765)
	<hr/> <hr/>	<hr/> <hr/>

BLOOMFIELD CARE CENTRE LIMITED

FRIENDS OF BLOOMFIELD FUND

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	<u>2009</u>	<u>2008</u>
	€	€
INCOME		
Donations received	25,330	33,142
	<hr/>	<hr/>
	25,330	33,142
EXPENDITURE		
Expenses	(21,916)	(20,067)
	<hr/>	<hr/>
SURPLUS FOR THE YEAR (SEE NOTE 16)	3,414	13,075
	<hr/> <hr/>	<hr/> <hr/>