

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

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

BLOOMFIELD CARE CENTRE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

CONTENTS

	Page
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 4
AUDITORS' REPORT	5 - 6
INCOME AND EXPENDITURE ACCOUNT	7
BALANCE SHEET	8
CASH FLOW STATEMENT	9
NOTES AND ACCOUNTING POLICIES	10 - 20

BLOOMFIELD CARE CENTRE LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Erica Allen
Maurice Cohen
John Davey
Glynn Douglas
Robin Goodbody
Helen Haughton
Robert Haughton
Gavin Johnson
Arthur Stewart Jordan
Charles Lamb
John McNeilly
Drewry Pearson
Jonathan Pim
Joy Simpson
Hal Hosford
Helen Fanning
Loretta O'Brien
Sheila Reaper-Reynolds

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 2010

The directors present their report and the financial statements for the year ended 31 December 2010.

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 €136,842. (2009 : surplus of €284,107).

REVIEW OF THE BUSINESS

The principal activity of the company is the operation of a psychiatric hospital and nursing home.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company in the present economic environment relate to the maintenance of high bed occupancy levels at current rates together with support from government agencies.

The directors are ever vigilant in monitoring these income streams to ensure that the company will have adequate resources to fund its activities and its commitments.

BLOOMFIELD CARE CENTRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS

The permitted number of Directors is currently 19 but as Kevin Conlon resigned his directorship in December, 2010 and was not replaced the current number of actual directors is 18. The Directors retiring at the 2011 AGM are Helen Haughton and Arthur Jordan (both due to retire by rotation). Other directors due to retire by rotation but willing to be re-appointed are Robert Haughton, R. Joy Simpson, Charles Lamb (re-nominated by Ireland Yearly Meeting), and Drewry Pearson. The remainder of the directors are not due to retire and continue in office. The proposed replacement director for Arthur Jordan is Yvonne Acheson (nominated by the Kylemore members). It will be proposed at the AGM pursuant to Article 51 that the Company by ordinary resolution reduce the number of directors from 19 to 17, and if passed this will mean in effect that Helen Haughton and Kevin Conlon shall not be replaced.

POST BALANCE SHEET EVENTS

Any remaining cash balances arising from the liquidation of Kylemore Clinic will be transferred during 2011.

In 2010 the funding for the Kosher Kitchen ceased to be available. Bloomfield Care Centre are engaging with the Jewish Community and government agencies for funding to secure the future of this service. The operations of the Kosher Kitchen were re-structured in early 2011 to improve its cost efficiency. The outcome of the above negotiations may require further changes to the Kosher Kitchen operations.

FUTURE DEVELOPMENTS

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

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

Drewry Pearson

Robert Haughton

Directors

28 March 2011

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 2010 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 2010 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

18 April 2011

Ormsby & Rhodes

CHARTERED ACCOUNTANTS

REGISTERED AUDITORS

BLOOMFIELD CARE CENTRE LIMITED

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2010

	<u>Notes</u>	<u>2010</u> €	<u>2009</u> €
INCOME	2	7,272,055	6,399,639
Administrative expenses		(7,136,274)	(6,117,389)
OPERATING SURPLUS	3 / 4	135,781	282,250
INTEREST RECEIVABLE AND SIMILAR INCOME	5	1,061	1,857
SURPLUS ON ORDINARY ACTIVITIES	16	136,842	284,107
Surplus/(Deficit) on Samuel Merrin Fund	16	2,087	(1,287)
Transfer to Samuel Merrin Fund	16	(2,087)	1,287
Surplus on Development Fund	16	62,330	48,916
Transfer to Development Fund	16	(62,330)	(48,916)
(Deficit)/ Surplus on Friends of Bloomfield Fund	16	130,686	3,414
Transfer to Friends of Bloomfield Fund	16	(130,686)	(3,414)
RETAINED SURPLUS FOR THE YEAR		136,842	284,107

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.

Drewry Pearson

Robert Haughton

Directors

BLOOMFIELD CARE CENTRE LIMITED

BALANCE SHEET

31 DECEMBER 2010

	<u>Notes</u>	<u>2010</u>		<u>2009</u>	
		€	€	€	€
FIXED ASSETS					
Tangible assets	8	25,105,900		25,461,625	
Financial Investments	9	2,329,575		1,836,527	
Property investment	10	3,000,000		3,000,000	
			<u>30,435,475</u>		<u>30,298,152</u>
DEBTORS: amounts falling due after more than one year					
	11	10,706,460		10,706,460	
CURRENT ASSETS					
Debtors	12	736,850		1,130,416	
Cash at bank and in hand		2,548,644		944,078	
Patient property bank accounts		521,860		427,630	
			<u>3,807,354</u>		<u>2,502,124</u>
CREDITORS: amounts falling due within one year					
Patient property current liabilities	13	(875,938)		(788,432)	
		(521,860)		(427,630)	
			<u>(1,397,798)</u>		<u>(1,216,062)</u>
NET CURRENT ASSETS					
			<u>2,409,556</u>		<u>1,286,062</u>
			43,551,491		42,290,674
CREDITORS: amounts falling due after more than one year					
	14	(15,170,946)		(15,003,731)	
TOTAL NET ASSETS					
			<u>28,380,545</u>		<u>27,286,943</u>
RESERVES					
Capital reserve	16	20,573,985		20,573,985	
Other reserves	16	7,846,387		6,889,627	
Revenue deficit	16	(39,827)		(176,669)	
			<u>28,380,545</u>		<u>27,286,943</u>

Approved by the Board on 28 March 2011

Drewry Pearson

Robert Haughton

Directors

BLOOMFIELD CARE CENTRE LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2010

	<u>Notes</u>	2010 €	2009 €
RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating surplus		330,884	356,777
Depreciation		662,289	751,075
Amortisation of grant		(409,621)	(394,835)
Transfer to refurbishment reserve		530,991	461,080
Decrease/(increase) in debtors		393,566	(805,710)
Increase/(decrease) in creditors		72,720	(25,449)
		<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,580,829	342,938
		<hr/> <hr/>	<hr/> <hr/>

CASH FLOW STATEMENT

Net cash inflow from operating activities		1,580,829	342,938
Returns on investments and servicing of finance	22	1,061	1,857
Capital expenditure and financial investment	22	22,676	1,734,693
		<hr/>	<hr/>
Increase in cash in the year		1,604,566	2,079,488
		<hr/> <hr/>	<hr/> <hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 23)

INCREASE IN CASH IN THE YEAR		1,604,566	2,079,488
NET CASH/(DEBT) AT 1 JANUARY 2010		944,078	(1,135,410)
		<hr/>	<hr/>
NET CASH AT 31 DECEMBER 2010		2,548,644	944,078
		<hr/> <hr/>	<hr/> <hr/>

The above cashflow statement excludes patient cash accounts as they are funds held in trust for patients.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2010

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
Motor vehicles	-	20% 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 2010

3. OPERATING SURPLUS	<u>2010</u>	<u>2009</u>
	€	€
Operating surplus is stated after charging:		
Staff costs (note 4)	4,121,578	3,452,868
Depreciation of tangible assets	662,289	751,075
	<u> </u>	<u> </u>
and after crediting:		
Amortisation of HSE Grant	(409,621)	(394,835)
	<u> </u>	<u> </u>
4. EMPLOYEES		
Number of employees		
The average monthly numbers of employees during the year were:		
	<u>2010</u>	<u>2009</u>
	Number	Number
Nursing and Administration	97	83
	<u> </u>	<u> </u>
Employment costs	<u>2010</u>	<u>2009</u>
	€	€
Wages and salaries:		
Direct	4,085,516	3,439,199
Indirect	36,062	13,669
	<u> </u>	<u> </u>
	4,121,578	3,452,868
	<u> </u>	<u> </u>
5. INTEREST RECEIVABLE AND SIMILAR INCOME	<u>2010</u>	<u>2009</u>
	€	€
Bank interest	1,061	1,857
	<u> </u>	<u> </u>
6. INVESTMENTS PROVISION	<u>2010</u>	<u>2009</u>
	€	€
Amounts provided for in prior years written back		
- Development Fund	-	(146,172)
- Samuel Merrin Fund	-	(16,160)
	<u> </u>	<u> </u>
	-	(162,332)
	<u> </u>	<u> </u>

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010

8. TANGIBLE ASSETS

	<u>Land and buildings</u> €	<u>Computer equipment</u> €	<u>Fixtures, fittings equipment</u> €	<u>Motor vehicles</u> €	<u>Total</u> €
Cost/revaluation					
At 1 January 2010	25,345,062	160,660	1,158,057	-	26,663,779
Additions during year	162,028	12,514	91,427	40,595	306,564
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2010	25,507,090	173,174	1,249,484	40,595	26,970,343
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 January 2010	877,802	68,928	255,424	-	1,202,154
Charge for the year	492,679	35,555	125,935	8,120	662,289
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2010	1,370,481	104,483	381,359	8,120	1,864,443
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book values					
At 31 December 2010	24,136,609	68,691	868,125	32,475	25,105,900
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2009	24,467,260	91,732	902,633	-	25,461,625
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Fixed Asset Additions

The additions to land & buildings represent €162,028, being Phase I development of €32,010 and Phase II development of €130,018 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 €5,954,034. These additions has been depreciated during the year as the new premises is complete and 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 13.1).

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 €12,885,784 has been been capitalised in relation to this transaction and forms part of the opening balance of €25,345,062.

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. 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 2010

9. INVESTMENTS

	Samuel Merrin		
	Listed	Fund Listed	
	Investments	Investments	Total
	€	€	€
Cost			
At 1 January 2010	2,622,532	473,735	3,096,267
Additions	490,985	2,063	493,048
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2010	3,113,517	475,798	3,589,315
	<u> </u>	<u> </u>	<u> </u>
Provisions for diminution in value:			
At 1 January 2010	1,095,583	164,157	1,259,740
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2010	1,095,583	164,157	1,259,740
	<u> </u>	<u> </u>	<u> </u>
Net book values			
At 31 December 2010	2,017,934	311,641	2,329,575
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2009	1,526,949	309,578	1,836,527
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>
Market Value at 31 December 2010	2,344,285	423,238	
	<u> </u>	<u> </u>	
Market Value at 31 December 2009	1,837,857	383,145	
	<u> </u>	<u> </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.

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

	2010	2009
	€	€
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.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

12. DEBTORS: amounts falling due within one year

	<u>2010</u>	<u>2009</u>
	€	€
Trade debtors	271,547	274,979
Other debtors (see below)	419,533	793,326
Prepayments and accrued income	45,770	62,111
	<u>736,850</u>	<u>1,130,416</u>

Included in Other Debtors at 31 December 2010 are the following:

	<u>2010</u>	<u>2009</u>
	€	€
Goodbody Deposits - Bloomfield Care Centre Limited	402,065	783,694
Goodbody Deposits - Samuel Merrin Fund	15,851	8,213
Sundry debtors	1,617	1,419
	<u>419,533</u>	<u>793,326</u>

13. CREDITORS: amounts falling due within one year

	<u>2010</u>	<u>2009</u>
	€	€
Trade creditors	213,339	160,119
PAYE/PRSI	87,499	16,098
Other creditors	19,671	2,416
Accruals	145,808	214,964
Deferred Income (see 13.1 below)	409,621	394,835
	<u>875,938</u>	<u>788,432</u>

- 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 €17,000,000 to Bloomfield Care Centre Limited for the construction of a new health care facility at Stocking Lane, Rathfarnham (Phase II). An instalment of €591,622 was received from the Health Service Executive during the year ended 31 December 2010 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.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

14. CREDITORS: amounts falling due after more than one year	2010 €	2009 €
Deferred Income (see 13.1)	15,170,946	15,003,731
Opening Balance	15,398,566	11,993,402
Grant received during the year	591,622	3,799,999
Amortisation during the year	(409,621)	(394,835)
Closing Balance	15,580,567	15,398,566
Deferred Income		
Due within one year	409,621	394,835
Due more than one year	15,170,946	15,003,731
	15,580,567	15,398,566

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 2010

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 2010	5,341,925	1,095,442	(176,669)	20,573,985	348,515	103,745	27,286,943
Retained surplus/ (deficit) for the year	62,330	-	136,842	-	2,087	130,686	331,945
Kylemore Reserves (see note 16.1)	230,666	-	-	-	-	-	230,666
Reserve (see note 16.2)	-	530,991	-	-	-	-	530,991
At 31 December 2010	5,634,921	1,626,433	(39,827)	20,573,985	350,602	234,431	28,380,545

16.1 Kylemore Reserves

Bloomfield Care Centre Limited received €230,666 during the year (2009 - €550,000) cash from Kylemore Clinic due to its transfer of operations to Bloomfield Care Centre Limited in May 2009.

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 (see note 10).

16.2 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 2010

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 2009 and 31 December 2010 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 €0,000 (inclusive of VAT).

19. RELATED PARTY DISCLOSURES

19.1 Related party disclosures

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

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

20. POST BALANCE SHEET EVENTS

Any remaining cash balances arising from the liquidation of Kylemore Clinic will be transferred during 2011.

In 2010 the funding for the Kosher Kitchen ceased to be available. Bloomfield Care Centre are engaging with the Jewish Community and government agencies for funding to secure the future of this service. The operations of the Kosher Kitchen were re-structured in early 2011 to improve its cost efficiency. The outcome of the above negotiations may require further changes to the Kosher Kitchen operations.

21. CHANGE OF ACCOUNTING PRESENTATION

In previous years the cost of Kosher catering for Jewish residents was netted against an identical amount of sales revenue being the recharge for this catering to the Jewish Home of Ireland.

This year the directors have taken the view that the accounting treatment should be changed to reflect the cost of Kosher catering in Cost of Sales and the recharge for this facility to the Jewish Home of Ireland in Income.

The comparative figures have been restated on a basis consistent with the current year. As the amount included in Income is the same as the amount included in Cost of Sales, the restatement of the comparative figures has not changed the stated amount of Retained Surplus for the year in the comparative figures.

BLOOMFIELD CARE CENTRE LIMITED

NOTES AND ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2010

22. GROSS CASH FLOWS

	<u>2010</u> €	<u>2009</u> €
Returns on investments and servicing of finance		
Interest received	1,061	1,857
	<u>1,061</u>	<u>1,857</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(306,564)	(2,650,153)
Payments to acquire investments	(493,048)	(156,670)
Receipts from sales of investments	-	91,517
Receipt of funds from Kylemore Clinic	230,666	650,000
Receipt of grant	591,622	3,799,999
	<u>22,676</u>	<u>1,734,693</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	<u>Opening balance</u> €	<u>Cash flows</u> €	<u>Closing balance</u> €
Cash at bank and in hand	944,078	1,604,566	2,548,644
	<u>944,078</u>	<u>1,604,566</u>	<u>2,548,644</u>

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 28 March 2011.