

REPORTS AND FINANCIAL STATEMENTS

**MERCY UNIVERSITY HOSPITAL
CORK LIMITED**

FOR THE YEAR ENDED 31 DECEMBER 2013

MERCY UNIVERSITY HOSPITAL CORK LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

CONTENTS

	Page
DIRECTORS AND OTHER INFORMATION	2
REPORT OF THE DIRECTORS	4
STATEMENT OF DIRECTORS' RESPONSIBILITIES	7
INDEPENDENT AUDITORS' REPORT	8
PROFIT AND LOSS ACCOUNT	10
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	11
BALANCE SHEET	12
CASH FLOW STATEMENT	13
NOTES TO THE FINANCIAL STATEMENTS	14

MERCY UNIVERSITY HOSPITAL CORK LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Mr. Michael O'Sullivan (Chairman)
Prof. Colin Bradley
Mr. Tim McCarthy
Sr. Veronica Mangan
Ms. Margaret Lane
Mr. Mortimer Kelleher
Ms. Irene O' Donovan
Mr. Neil O'Carroll (appointed 21.10.2013)
Dr. Michele Dillon (appointed 21.10.2013)
Prof. Mary Horgan (appointed 21.10.2013)
Mr. John Buttimer (appointed 21.10.2013)
Mr. Joe O'Shea (appointed 21.10.2013)

COMPANY SECRETARY

L & P Financial Trustees Limited
Mercy Provincial Offices
Bishop Street
Cork

REGISTERED OFFICE

Mercy Provincial Offices
Bishop Street
Cork

AUDITORS

Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
No. 6 Lapp's Quay
Cork

BANKERS

Bank of Ireland
32 South Mall
Cork

SOLICITORS

Barry C Galvin & Son
91 South Mall
Cork

Doyle Solicitors
31 South Bank
Crosses Green
Cork

REGISTERED NUMBER

353064

Mercy University Hospital Cork Limited
(A Company Limited by Guarantee not having a Share Capital)

Directors' Report and Financial Statements

For the year end 31 December 2013

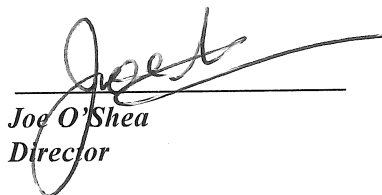
Registration Number: 353064

We hereby certify that the accompanying Directors' Report, Independent Auditor's Report, Statement of Financial Affairs, Balance Sheet and accompanying notes are true copies of that laid or to be laid before the AGM.

Yours faithfully



Michael O'Sullivan
Director



Joe O'Shea
Director

MERCY UNIVERSITY HOSPITAL CORK LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2013.

ACTIVITIES

The company is a company limited by guarantee, not having a share capital.

The activities of the company are charitable;- the relief, cure and the prevention of sickness and to provide, construct and continue the governance, management, control and development of the Mercy University Hospital Cork and all ancillary services and facilities within and associated with the Hospital in accordance with the core values, ethos and philosophy of the Congregation of the Sisters of Mercy.

The company has been granted charitable status by the Revenue Commissioners of Ireland.

FUTURE DEVELOPMENTS

The company plans to continue providing high quality healthcare, together and keeping pace with appropriate developments and improvements in medical and clinical healthcare practices in line with the Hospital's strategy.

BUSINESS REVIEW

	2013	2012
	€	€
Surplus for the financial year	<u>3,018,553</u>	<u>1,787,581</u>

Revenue for the year amounted to €30.1 million (2012: €29.3 million), which is an increase of €800,000 compared with prior year.

Total operating costs for the year amounted to €91 million, compared with €88.7 million in 2012. This represents an increase of €2.3 million. The main factors influencing this are increases in payroll costs.

The Hospital's deficit before determination from the Health Service Executive (HSE) amounted to €60.6 million (2012: €59.3 million), an increase of €1.3 million compared to 2012. The Hospital's determination for the year from the HSE amounted to €63.7 million (2012: €61.2 million).

Surplus on ordinary activities before taxation at €3 million has increased relative to the prior year by €1.2 million.

Net assets are €10.4 million, an increase of €3.1 million on 2012.

DIRECTORS

The present membership of the board is set out on page 2. Prof Fergus Shanahan and Dr. Patrick Murphy resigned on 18 November 2013. Mr. Joe O'Shea, Mr. Neil O'Carroll, Dr. Michele Dillon, Prof Mary Horgan and Mr. John Buttimer were appointed on 21 October 2013.

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MERCY UNIVERSITY HOSPITAL CORK LIMITED

REPORT OF THE DIRECTORS

DIRECTORS' INTEREST IN SHARES

The directors did not hold any interests in the company. The company is limited by guarantee. It does not have share capital.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the end of the financial year.

BOOKS OF ACCOUNT

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act, 1990, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at Mercy University Hospital Cork Limited, Grenville Place, Cork.

TRANSACTIONS INVOLVING DIRECTORS

There were no contracts or arrangements of any significance in relation to the business of the company, as defined in the Companies Act, 1990, at any time during the year ended 31 December 2013.

TAXATION STATUS

The company has been granted charitable status by the Revenue Commissioners of Ireland.

FINANCIAL RISK MANAGEMENT

The company's operations do not expose it to significant financial risks (e.g., effect of changes in debt market prices, foreign exchange risk, credit risk, liquidity risk and interest rate risk). Consequently, the directors have decided that a risk management programme to manage the financial exposures of the company is not necessary.

The directors, after making enquiries, have a reasonable expectation that the company will have adequate resources to continue operating for the foreseeable future. This reflects their assumptions about the company's trading prospects, the level of ongoing support from the HSE as well as initiatives to implement cost containment measures.

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MERCY UNIVERSITY HOSPITAL CORK LIMITED

REPORT OF THE DIRECTORS

POLITICAL DONATIONS

The Electoral Act, 1997, requires companies to disclose all political donations to any individual party over €5,079 in value made during the financial year. The directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the company or any of its subsidiaries.

RESEARCH AND DEVELOPMENT

The company does not engage in significant research and development activities.


PROMPT PAYMENTS OF ACCOUNT ACT, 1997 (As amended)

The directors acknowledge their responsibility for ensuring compliance with the Prompt Payments of Accounts Act, 1997, as amended by the European Communities (Late Payment in Commercial Transactions) Regulations, 2002. Procedures have been implemented to identify dates upon which invoices fall due for payment and for payment to be made on such dates. Accordingly, the directors are satisfied that the company has complied with the provisions of the Act.

AUDITOR

The auditor, Deloitte & Touche, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 160 (2) of the Companies Act, 1963.

Signed on behalf of the Board

)
) DIRECTORS
)
)

Date: 28/4/2014

MERCY UNIVERSITY HOSPITAL CORK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements 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 the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for ensuring that the company complies with the provisions of the Prompt Payment of Accounts Act 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MERCY UNIVERSITY HOSPITAL CORK LIMITED

We have audited the financial statements of Mercy University Hospital Cork Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice 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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements for the year ended 31 December 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 affairs of the company as at 31 December 2013 and of the surplus for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MERCY UNIVERSITY HOSPITAL CORK LIMITED

Emphasis of Matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. At 31 December 2013 the company's net current liabilities amounted to €1,985,166. This indicates the existence of an uncertainty that may cast doubt about the company's ability to continue as a going concern. The company is dependent on an annual income determination from the Health Service Executive ("HSE") to meet the majority of its annual operating costs. Based on the company's projected operating position for 2014, the directors are confident that the HSE will provide adequate funding to enable the company to continue its operations and to provide services for at least one year from the date of approval of the financial statements. On that basis, the directors have prepared the financial statements of the company on a going concern basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Matters on which we are required to report by the Companies Acts, 1963 to 2013

- We have obtained all the information and explanations which 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 is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

John Gilmartin
For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Cork

Date: 2 May 2014


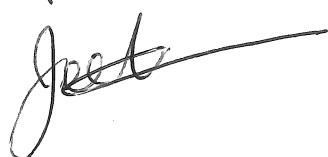
MERCY UNIVERSITY HOSPITAL CORK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 €	2012 €
Revenue for the year - continuing operations	3	<u>30,146,346</u>	<u>29,330,256</u>
Costs			
Payroll and related costs	4	(65,510,418)	(64,951,238)
Non payroll costs		(25,045,131)	(22,730,092)
Depreciation		(3,264,723)	(3,623,834)
Grant amortisation		<u>3,032,768</u>	<u>2,640,060</u>
Total operating costs		<u>(90,787,504)</u>	<u>(88,665,104)</u>
Operating deficit before HSE determination		<u>(60,641,158)</u>	<u>(59,334,848)</u>
HSE determination for the year	5	<u>63,737,593</u>	<u>61,229,226</u>
Operating surplus after HSE determination		3,096,435	1,894,378
Interest expense and similar charges		<u>(77,882)</u>	<u>(106,797)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	3,018,553	1,787,581
Tax on surplus on ordinary activities	7	—	—
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>3,018,553</u>	<u>1,787,581</u>

The financial statements were approved by the Board of Directors on
and signed on its behalf by:

28/04/2014

)
) DIRECTORS
)
)

MERCY UNIVERSITY HOSPITAL CORK LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**


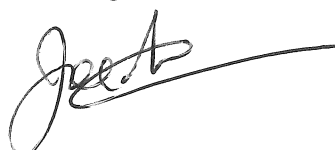
	Notes	2013 €	2012 €
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		3,018,553	1,787,581
Donated assets received	14	<u>65,861</u>	<u>72,739</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>3,084,414</u>	<u>1,860,320</u>

MERCY UNIVERSITY HOSPITAL CORK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 €	2012 €
FIXED ASSETS			
Tangible assets	8	<u>52,967,660</u>	<u>54,771,955</u>
CURRENT ASSETS			
Stocks	9	2,118,130	1,905,740
Debtors	10	12,404,820	14,206,434
Cash at bank and in hand		<u>1,005,742</u>	<u>766,178</u>
		15,528,692	16,878,352
CREDITORS – Amounts falling due within one year	11	<u>(17,513,858)</u>	<u>(23,231,493)</u>
NET CURRENT LIABILITIES		<u>(1,985,166)</u>	<u>(6,353,141)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		50,982,494	48,418,814
CAPITAL GRANTS	12	(40,449,068)	(41,056,135)
Creditors: Amounts falling due after one year	13	<u>(86,333)</u>	<u>-</u>
		<u>10,447,093</u>	<u>7,362,679</u>
CAPITAL AND RESERVES			
Profit and loss account	14	(2,137,589)	(5,884,342)
Revaluation reserve	14	12,041,075	12,708,807
Donated assets reserve	14	<u>543,607</u>	<u>538,214</u>
SHAREHOLDERS' FUNDS	16	<u>10,447,093</u>	<u>7,362,679</u>

The financial statements were approved by the Board of Directors on 28/04/2014
and signed on its behalf by:



) DIRECTORS
)
)

MERCY UNIVERSITY HOSPITAL CORK LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 €	2012 €
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	19	(2,558,006)	2,619,018
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest expense and similar charges		(77,882)	(106,797)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE		(77,882)	(106,797)
CAPITAL EXPENDITURE			
Receipts on disposal		-	782
Payments to acquire tangible assets		(1,252,631)	(3,178,234)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(1,252,631)	(3,177,452)
Net cash outflow before financing		(3,888,519)	(665,231)
FINANCING			
Finance lease payments		(21,119)	-
Capital grants received		2,425,701	3,178,234
		2,404,582	3,178,234
(DECREASE)/INCREASE IN CASH	21	(1,483,937)	2,513,003

MERCY UNIVERSITY HOSPITAL CORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013 and on a going concern basis.

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention except as otherwise mentioned below.

INCOME

Income includes the invoice value of services provided by the Hospital. Accident and emergency and road traffic accident income is accounted for on a cash receipts basis.

The Health Service Executive (HSE) determination is the excess of the expenditure over income determination and is receivable from the HSE (provided that the Hospital operates within the agreed allocation) and is treated as income in the financial statements.

TANGIBLE ASSETS

Buildings are stated at 1993 replacement valuation together with additions thereafter at cost. Plant and equipment is shown at 1991 replacement valuation with additions thereafter at cost.

In accordance with the transitional provisions of Financial Reporting Standard 15 "Tangible Fixed Assets", the book values of previously revalued assets have been retained.

The foregoing bases differ from standard accounting practice whereby fixed assets are valued either at cost or at open market value for existing use.

- Grant aided asset additions are capitalised under normal accounting practice.
- Non-grant aided capital additions with a value in excess of €3,809 are capitalised under fixed asset additions.
- Depreciation is calculated in order to write off tangible assets other than freehold land over their estimated useful lives by equal annual amounts, on the following bases and rates:

Buildings	2.5% straight line
Plant and equipment	10% straight line
Fixtures and fittings	10% straight line
- Development in progress is not subjected to annual depreciation charges until the asset is brought into use but is stated net of impairment.

MERCY UNIVERSITY HOSPITAL CORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF ACCOUNTING POLICIES - continued

OTHER INCOME

- a) Revenue determination: The HSE determination allocation in respect of the Hospital's operating expenditure is taken to income on an accruals basis.
- b) Capital grants: Grants in respect of capital expenditure are deferred and are amortised to income over the life of the related asset.

DONATED FIXED ASSETS

Donated fixed assets are capitalised at their current value on receipt, and this value is credited to the donated asset reserve. Donated fixed assets are depreciated as for purchased assets. Each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the profit and loss reserve.

STOCKS

Stocks are valued at cost. Cost is determined by reference to invoice cost. Provision is made for defective and obsolete stock.

PENSIONS

Eligible employees of the hospital are members of the Voluntary Hospitals Superannuation scheme. This is a defined benefits pension scheme which is administered, funded and underwritten by the Department of Health. The company acts as agent in the operation of the scheme and does not make any contributions to the scheme. Contributions are received from eligible employees only.

In accordance with the service plan agreed with the Department of Health, pension contributions received may be offset against pension payments made and the surplus or deficit each year forms part of the funding for the company. The directors consider that the company has no responsibility for any liability that falls due as a result of any potential under funding of the scheme.

Contributions received from employees who are members of the scheme are credited to the profit and loss account as they are received. Pension payments made under the Scheme are charged to the profit and loss account as they fall due.

Refunds of contributions paid are charged to the profit and loss accounts when notification is received from the Department of Health to make a payment to an employee who is leaving the scheme.

MERCY UNIVERSITY HOSPITAL CORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. STATEMENT OF ACCOUNTING POLICIES - continued

FOREIGN CURRENCIES

The Euro is the reporting currency of the company. Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction dates. Assets and liabilities denominated in foreign currencies are translated into Euro at the exchange rate ruling at the balance sheet date, with a corresponding charge or credit to the profit and loss account.

FINANCE LEASES

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge. Rentals in respect of all other leases are charged to the profit and loss account as incurred.

2. BASIS OF PREPARATION – FINANCIAL STATEMENTS

The directors acknowledge that the company earned a financial surplus of €3,018,553 in the year ended 31 December 2013. However as of that date, the company's net current liabilities amounted to €1,985,166. This indicates the existence of a uncertainty that may cast doubt on the company's ability to continue as a going concern.

The company is dependent on annual income determination from the Health Service Executive (HSE) to meet the majority of its annual operating costs. The management is working closely with the HSE with the aim of ensuring the company operates within budget for 2014 and future years and accordingly management is confident that the HSE will be in a position to provide sufficient funds to enable the company to continue in operation for at least one year from the date of approval of the financial statements.

The directors have considered this position, and, having reviewed cash flow projections and budgetary expectations for the forthcoming year, are satisfied that adequate resources will be available to the company to allow it to continue trading for a period of at least 12 months from the date of signing of these financial statements.

Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

MERCY UNIVERSITY HOSPITAL CORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. REVENUE

Revenue comprises the invoiced value of services supplied by the company within the Republic of Ireland. It comprises:

	2013 €	2012 €
Patient income	21,409,908	22,014,625
Pension contributions and levy	6,111,658	6,110,834
Other income	<u>2,624,780</u>	<u>1,204,797</u>
	<u>30,146,346</u>	<u>29,330,256</u>

4. EMPLOYEES

The average number of employees during the year were:

	2013 No.	2012 No.
Management & administration	179	174
Medical/dental	129	124
Nursing	382	368
Health and social care professionals	124	117
General support services	90	89
Other patient and client care	<u>88</u>	<u>88</u>
	<u>992</u>	<u>960</u>

PAYROLL AND RELATED COSTS

	2013 €	2012 €
Wages and salaries	57,169,158	56,267,441
Pensions and refunds	3,056,304	2,917,472
Gratuities and lump sums	388,722	849,325
Social welfare costs	<u>4,896,234</u>	<u>4,917,000</u>
	<u>65,510,418</u>	<u>64,951,238</u>

5. HSE DETERMINATION

	2013 €	2012 €
HSE determination for the year	<u>63,737,593</u>	<u>61,229,226</u>

MERCY UNIVERSITY HOSPITAL CORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2013 €	2012 €
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Surplus on ordinary activities before taxation is stated after charging/(crediting)

Directors' remuneration	-	-
Auditors Remuneration		
- audit of individual accounts	20,295	19,375
- taxation advisory services	-	-
- non audit services	-	-
- other services	-	-
Depreciation of tangible assets	3,264,723	3,623,834
Amortisation of capital grant	<u>(3,032,768)</u>	<u>(2,640,060)</u>

7. TAXATION

No taxation liability arises as the company is a charitable body and its entire funds are committed to the objectives of the charity.

8. TANGIBLE FIXED ASSETS	Land & Buildings €	Development in progress €	Plant & Equipment €	Fixtures & Fittings €	Total €
Cost/Valuation					
At 1 January 2013	69,521,401	11,593,500	31,666,871	13,016,782	125,798,554
Additions	<u>1,321,650</u>	<u>-</u>	<u>149,921</u>	<u>(11,143)</u>	<u>1,460,428</u>
At 31 December 2013	<u>70,843,051</u>	<u>11,593,500</u>	<u>31,816,792</u>	<u>13,005,639</u>	<u>127,258,982</u>
Accumulated depreciation					
At 1 January 2013	25,784,294	6,593,500	27,031,561	11,617,244	71,026,599
Depreciation charge for year	<u>1,738,742</u>	<u>-</u>	<u>434,174</u>	<u>1,091,807</u>	<u>3,264,723</u>
At 31 December 2013	<u>27,523,036</u>	<u>6,593,500</u>	<u>27,465,735</u>	<u>12,709,051</u>	<u>74,291,322</u>
Net book value					
At 31 December 2013	<u>43,320,015</u>	<u>5,000,000</u>	<u>4,351,057</u>	<u>296,588</u>	<u>52,967,660</u>
At 31 December 2012	<u>43,737,107</u>	<u>5,000,000</u>	<u>4,635,310</u>	<u>1,399,538</u>	<u>54,771,955</u>

Fixed Assets that have been funded by the Minister for Health are the property of the Hospital, but may not be disposed of or applied to any other purpose without the Minister's prior consent.

MERCY UNIVERSITY HOSPITAL CORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. TANGIBLE FIXED ASSETS – continued

Fixtures and fittings include assets with a net book value of €127,742 which were acquired by way of finance lease.

9. STOCKS	2013 €	2012 €
Drugs and medicines	403,809	530,113
Medical and surgical supplies	<u>1,714,321</u>	<u>1,375,627</u>
	<u>2,118,130</u>	<u>1,905,740</u>

The replacement cost of stock does not differ materially from its balance sheet value.

10. DEBTORS – Amounts falling due within one year	2013 €	2012 €
HSE – amounts receivable	4,219,811	6,233,059
Patient debtors	6,213,461	6,226,762
Other debtors	1,363,750	1,267,225
Prepayments	<u>607,798</u>	<u>479,388</u>
	<u>12,404,820</u>	<u>14,206,434</u>

11. CREDITORS – Amounts falling due within one year	2013 €	2012 €
Trade creditors	7,750,058	4,960,360
PAYE and social welfare	1,548,378	3,045,764
VAT	43,328	5,299
Accrued expenses and deferred income	4,464,861	13,237,490
Professional services withholding tax	7,343	1,638
Other creditors	103,469	142,506
Finance lease creditor	34,484	-
Bank overdraft	<u>3,561,937</u>	<u>1,838,436</u>
	<u>17,513,858</u>	<u>23,231,493</u>
Creditors for taxation and social welfare included above	<u>1,599,049</u>	<u>3,052,701</u>

MERCY UNIVERSITY HOSPITAL CORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. CAPITAL GRANTS	2013 €	2012 €
Grants received from HSE:		
Balance at 1 January	41,056,135	40,517,961
Approved during the year	2,425,701	3,178,234
Transfer to profit and loss account	<u>(3,032,768)</u>	<u>(2,640,060)</u>
Balance at 31 December	<u>40,449,068</u>	<u>41,056,135</u>

13. CREDITORS: Amounts falling due after one year	2013 €	2012 €
Finance lease creditor	<u>86,333</u>	<u>-</u>

14. RESERVES	Profit & loss account €	Revaluation reserve €	Donated assets reserve €
Balance at 1 January 2013	(5,884,342)	12,708,807	538,214
Surplus for the year	3,018,553	-	65,861
Transfer from donated assets reserve	60,468	-	(60,468)
Transfer from revaluation reserve	<u>667,732</u>	<u>(667,732)</u>	<u>-</u>
Balance at 31 December 2013	<u>(2,137,589)</u>	<u>12,041,075</u>	<u>543,607</u>

15. COMPANY STRUCTURE

The Mercy University Hospital Cork Limited is a company limited by guarantee, not having a share capital. It is guaranteed by members to the extent of €1 per member.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2013 €	2012 €
Total recognised gains and losses relating to the year	3,084,414	1,860,320
Opening shareholders' funds	<u>7,362,679</u>	<u>5,502,359</u>
Closing shareholders' funds	<u>10,447,093</u>	<u>7,362,679</u>

MERCY UNIVERSITY HOSPITAL CORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

17. RELATED PARTY TRANSACTIONS

There are no related party transactions within the definitions of Financial Reporting Standard 8 - "Related Party Transactions" (FRS 8), that require disclosure in these financial statements.

18. PENSIONS

Eligible employees of the hospital are members of the Voluntary Hospitals Superannuation scheme. This is a defined benefits pension scheme which is administered, funded and underwritten by the Department of Health. The company acts as agent in the operation of the scheme and does not make any contributions to the scheme. Contributions are received from eligible employees only.

In accordance with the service plan agreed with the Department of Health, pension contributions received may be offset against pension payments made and the surplus or deficit of contributions each year forms part of the funding for the company.

The directors believe that the funds required in the future to pay current liabilities, as they arise in the future, will be provided by the Department of Health under the Voluntary Hospitals Superannuation Scheme, 1969. The directors have arrived at this opinion having taken into account precedent set on the closure of certain other healthcare facilities in recent years where pension payments (including retirement lump sum payments) have been honoured by the Department of Health.

Therefore, they believe that it is not necessary for the financial statements of the company to include the liability at the balance sheet date in respect of the pension entitlements accrued to that date by employees of the company, nor the other disclosure requirements of Financial Reporting Standards 17 - 'Retirement Benefits' (FRS 17) - because the directors believe that the liability rests with the Department of Health. The above issue is similar to that applying in the majority of other publicly funded hospitals in Ireland.

In accordance with the accounting policy, contributions received from employees of €2,496,634 (2012: €2,539,573) were credited to the profit and loss account and pension payments of €3,056,304 (2012: €2,917,472) and lump sum payment of €385,722 (2012: €849,325) were charged to the profit and loss account.

MERCY UNIVERSITY HOSPITAL CORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

**19. RECONCILIATION OF OPERATING SURPLUS TO NET CASH
(OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2013 €	2012 €
Operating surplus	3,096,435	1,894,378
Depreciation	3,264,723	3,623,834
Amortisation of grant	(3,032,768)	(2,640,060)
Increase in stock	(212,390)	(514,271)
Decrease/(increase) in debtors	1,801,614	(4,620,662)
(Decrease)/increase in creditors	(7,475,620)	4,875,879
Net cash (outflow)/inflow from operating activities	<u>(2,558,006)</u>	<u>2,619,018</u>

20. ANALYSIS OF DEBT

	At 01.01.13 €	Cash Flows €	Non cash Movement €	At 31.12.13 €
Cash in hand and at bank	766,178	239,564	-	1,005,742
Bank overdraft	(1,838,436)	(1,723,501)	-	(3,561,937)
Finance lease	<u>-</u>	<u>21,119</u>	<u>(141,936)</u>	<u>120,817</u>
Total	<u>(1,072,258)</u>	<u>(1,462,818)</u>	<u>(141,936)</u>	<u>(2,677,012)</u>

**21. RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET DEBT**

	2013 €	2012 €
Finance lease payments	21,119	-
(Decrease)/increase in cash in the year	<u>(1,483,937)</u>	<u>2,513,003</u>
Change in net debt resulting from cash flow	(1,462,818)	2,513,003
Non cash movement	(141,936)	-
Net debt at start of year	<u>(1,072,258)</u>	<u>(3,585,261)</u>
Net debt at end of year	<u>(2,677,012)</u>	<u>(1,072,258)</u>

MERCY UNIVERSITY HOSPITAL CORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

22. LEASE COMMITMENTS

(i) Operating Leases

At the balance sheet date the company had annual commitments under non cancellable operating leases in respect of land and buildings which expire:

	€
Less than one year	153,516
Between two and five years	25,000
After five years	<u>177,001</u>

(ii) Finance Leases

	€
Due within one year	34,484
Due after one year	<u>86,333</u>
	<u>120,817</u>

23. COMPARATIVE FIGURES

The comparative figures have been presented on a basis comparable with this years presentation.

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 28/07/2014