



Mater Misericordiae University Hospital

Annual Financial Statements
for the year ended
31 December 2012

MATER MISERICORDIAE UNIVERSITY HOSPITAL

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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MATER MISERICORDIAE UNIVERSITY HOSPITAL

HOSPITAL INFORMATION

BOARD MEMBERS:

Mr. John Morgan (Chairman)
Ms. Mary Day
Mr. Brian Conlan (resigned 31 December 2012)
Ms. Caroline Pigott
Prof. Bill Powderly (resigned 19 December 2012)
Sr. Margherita Rock
Prof. Conor O'Keane
Dr. Brendan Kinsley
Mr. Eamon Clarke (resigned 25 April 2013)
Mr. Martin Cowley
Fr. Kevin Doran
Ms. Nuala Healy (resigned 25 April 2013)
Mr. Don Mahony
Sr. Eugene Nolan
Dr. Mary Carmel Burke
Mr. Kevin Murphy (resigned 5 March 2012)
Mr. Thomas Lynch (appointed 18 December 2012)
Mr. Eddie Shaw (appointed 18 December 2012)

SECRETARY TO THE BOARD:

Mr. Patrick Mahony

REGISTERED OFFICE:

74 Upper Dorset Street
Dublin 1

SOLICITORS:

Mason Hayes & Curran
South Bank House
Barrow Street
Dublin 4

BANKERS:

Bank of Ireland
Drumcondra
Dublin 9

AUDITORS:

Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

MATER MISERICORDIAE UNIVERSITY HOSPITAL

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The Board of the Hospital is responsible for preparing the Annual Financial Statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards laid down by the Department of Health & Children.

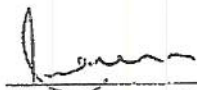
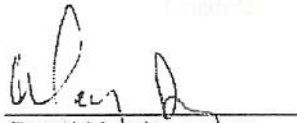
The Board of the Hospital is required by Company Law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Mater Misericordiae University Hospital as at the end of that year and of its surplus or deficit for that year.

In preparing those statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Comply with applicable accountings standards, 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 Hospital will continue in existence.

The Board of the Hospital is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Mater Misericordiae University Hospital and to enable the Hospital Board to ensure that the financial statements comply with Company Law and with the accounting standards laid down by the Minister for Health & Children. The Board is also responsible for safeguarding the assets of the Hospital and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

On behalf of the Hospital Board:


Chairman
Board Member

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATER MISERICORDIAE UNIVERSITY HOSPITAL

We have audited the financial statements of Mater Misericordiae University Hospital for the year ended 31 December 2012 which comprise the Non-Capital Income & Expenditure Account, Capital Income & Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies, and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is the Accounting Standards and the Format of Accounts for Voluntary Hospitals issued by the Department of Health and Children in Ireland.

This report is made solely to the board of directors of the Hospital, as a body. Our audit work has been undertaken so that we might state to the board of directors 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 Hospital and the board of directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of board directors and auditors

As explained more fully in the Statement of the Board of Directors' Responsibilities, the board of directors are responsible for the preparation of financial statements in accordance with the Accounting Standards and the Format of Accounts for Voluntary Hospitals issued by the Department of Health & Children in Ireland. 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 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 in accordance with the Accounting Standards and the Format of Accounts for Voluntary Hospitals issued by the Department of Health & Children in Ireland; the reasonableness of significant accounting estimates made by the board of directors; and the overall presentation of the financial statements.

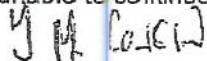
Opinion on financial statements

In our opinion the financial statements give a true and fair view, in accordance with the Accounting Standards and the Format of Accounts for Voluntary Hospitals issued by the Department of Health & Children in Ireland, of the state of the affairs of the Hospital as at 31 December 2012 and of its deficit for the year then ended.

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 Hospital. The financial statements are in agreement with the books of account.

Emphasis of matter – going concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in Note 25 to the financial statements concerning the Hospital's ability to continue as a going concern. These conditions, along with the other matters explained in Note 25 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Hospital's ability to continue as a going concern. The Hospital is dependent on the ongoing support of the HSE to provide adequate funding to enable it to continue to provide services. The HSE has not given any indication that it will withdraw its financial support from the Hospital in the foreseeable future. On that basis the directors have prepared the financial statements of the Hospital on a going concern basis. The financial statements do not include the adjustments that would result if the Hospital was unable to continue as a going concern.



Thomas Cassin
For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin

31 July 2013

Members of
Deloitte Touche Tohmatsu

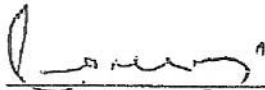
MATER MISERICORDIAE UNIVERSITY HOSPITAL

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRMAN
FOR THE YEAR ENDED 31 DECEMBER 2012

We certify that the financial statements of the Mater Misericordiae University Hospital for the year ended 31 December 2012 as set out herein are in agreement with the books of accounts and have been drawn up in accordance with generally accepted accounting practices and with the accounting standards as laid down by the Minister for Health & Children, except as disclosed on page 5.

These financial statements, which comprise pages 8 to 22 and the statement of accounting policies, pages 6 and 7, give a true and fair view of the state of affairs of the Hospital at 31 December 2012 and of its income and expenditure and cash flow for the year then ended.

SIGNED:


Chairman

SIGNED:


Chief Executive Officer

DATE:

31st July 2013

MATER MISERICORDIAE UNIVERSITY HOSPITAL

SCHEDULE OF NON-COMPLIANCE WITH
DEPARTMENT OF HEALTH & CHILDREN ACCOUNTING STANDARDS
FOR THE YEAR ENDED 31 DECEMBER 2012

Standard 1.8 - Subsidiary/Related Companies/Investments by Hospitals

The Hospital is in the process of restructuring its relationship with subsidiaries and quasi-subidiaries having completed the process of incorporating the Mater Misericordiae University Hospital as a Limited Company. Once the relationships have been fully considered the Board will review the appropriateness of preparing consolidated financial statements.

MATER MISERICORDIAE UNIVERSITY HOSPITAL

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These accounts were prepared on an accruals basis under the historical cost convention, in accordance with the accounting standards laid down by the Minister for Health & Children, except as disclosed on Page 5.

INCOME

Health Service Executive Funding

The Health Service Executive (HSE) provides funding towards the net annual running costs of the Hospital in accordance with the Service Level Agreement. These grants / funding are accounted for on an accruals basis to the extent that they have been approved by the HSE.

Non-grant income other than in-patient income is accounted for on a cash receipts basis. In-patient income is accounted for on an accruals basis.

Out Patient and Road Traffic Accident Income

This income is accounted for on a cash receipts basis.

FIXED ASSETS AND DEPRECIATION

All fixed asset acquisitions are stated at cost less accumulated depreciation. Equipment purchased using Revenue funds are only capitalised if the cost exceeds €3,809 in respect of medical and other equipment and €1,270 in respect of computer equipment.

Fixed assets are depreciated in compliance with the Department of Health & Children accounting standards. The depreciation is matched by an equivalent amortisation of the capital reserve. Depreciation is provided over the assets as follows:

- Owned and Leased Equipment - Over the estimated useful life of 5 years.
- Building additions are transferred to the Company's Parent Company on completion and commissioning.

RETROSPECTIVE PAY AWARDS

The expense is charged in the year in which the Department of Health & Children allows the corresponding revenue allocation and therefore not necessarily in the year to which the expense relates.

STOCKS

Stocks on hand at year end are included in the financial statements at the lower of cost and net realisable value. These are comprised of pharmaceutical stocks held in the Pharmacy and Wards, stocks in the Orthopaedic, Anaesthetic and Cardiovascular Theatres and in the Central Surgical and Central Supplies Departments. All other stocks are held on an ongoing basis and are not included in the accounts.

SUPERANNUATION

The Hospital operates a defined benefits pension scheme in respect of employees eligible for inclusion under the Voluntary Hospital Superannuation Scheme. The Scheme is administered, funded and underwritten by the Department of Health & Children. The Hospital acts as an 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 HSE and the DOH&C, pension contributions received may be offset against pension payments made and the surplus or deficit each year forms part of the funding for the Hospital.

Contributions received are credited to the Non Capital Income and Expenditure Account as they are received. Payments made under the Scheme are charged to the Non Capital Income and Expenditure Account as they fall due.

Refunds of Contributions paid are charged to the Income and Expenditure Account when notification is received from the Department of Health & Children to make a payment to an employee who is leaving the Scheme.

MATER MISERICORDIAE UNIVERSITY HOSPITAL

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

CONTINGENT LIABILITIES

There were no material contingent liabilities at 31st December 2012.

CAPITAL RESERVE ACCOUNT

The Capital Reserve Account represents the unamortised value of the funds for fixed assets.

CAPITAL INCOME AND EXPENDITURE ACCOUNT

The Capital Income and Expenditure Account represents the value of capital grants received not yet spent.

FOREIGN CURRENCIES

The euro is the reporting currency of the Hospital. 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 Non-Capital Income & Expenditure Account.

PATIENT PROPERTY

The Hospital includes a statement in the letter of admission that Patients should not bring valuable items or cash on admission as the Hospital will not accept responsibility for the safeguard of valuables. All staff are informed of the Hospital policy and a member of the Hospital Management is responsible for monitoring the Hospital policy.

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NON-CAPITAL INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012


	Note	2012 €	2011 €
Cumulative non-capital deficit brought forward from the previous year		(1,863,714)	(1,866,011)
Pay			
Salaries	1	(170,359,763)	(168,053,465)
Superannuation and Gratuities	1	(13,713,058)	(13,296,562)
		<u>(184,072,821)</u>	<u>(181,350,027)</u>
Non-Pay			
Direct Patient Care	1	(45,951,720)	(44,984,118)
Support Services	1	(21,774,206)	(20,382,791)
Financial and Administration	1	(15,644,260)	(8,532,286)
		<u>(83,370,186)</u>	<u>(73,899,195)</u>
Gross expenditure for the year (Includes deficit brought forward from previous year)		<u>(269,306,721)</u>	<u>(257,115,233)</u>
Income	1	44,160,830	41,643,071
Net expenditure for the year		<u>(225,145,891)</u>	<u>(215,472,162)</u>
HSE determination for the year		207,341,911	213,608,448
		<u>207,341,911</u>	<u>213,608,448</u>
DEFICIT CARRIED FORWARD TO FOLLOWING YEAR		<u>(17,803,980)</u>	<u>(1,863,714)</u>

With the exception of fixed asset depreciation which is dealt with through the Capital Reserve Account, all recognised gains and losses for the year ended 31 December 2012 have been included in the Income and Expenditure Account.

The net deficit in both years arises from continuing operations.

The financial statements, which include the accounting policies and notes, were drawn up in compliance with the accounting standards laid down by the Minister for Health & Children, except as disclosed on Page 5, and were approved by the Hospital Board on 31st Dec 2013.

On behalf of the Hospital Board


Chairman


Chief Executive

Date:

MATER MISERICORDIAE UNIVERSITY HOSPITAL

CAPITAL INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 €	2011 €
Capital Income Sources		
HSE/DOHC - Capital Grants	3,403,847	4,661,060
HSE/ DOHC - Charge on non-capital I&E a/c	561,958	273,595
Leasing Repayments	19,319	78,740
Total Capital Income	3,985,124	5,013,395
Capital Expenditure		
Buildings	(2,654,257)	(2,737,393)
Equipment	(1,311,548)	(2,384,837)
Capital Expenditure - Capitalised	(3,965,805)	(5,122,230)
Movement in Grants Receivable	-	180,375
Net Capital Income for Year	19,319	71,540
Opening Deficit from Previous year	(19,319)	(90,859)
Closing Result/(Deficit) C/F to Following year	-	(19,319)

The financial statements, which include the accounting policies and notes, were drawn up in compliance with the accounting standards laid down by the Minister for Health & Children, except as disclosed on Page 5, and were approved by the Hospital Board on 31st July 2013

On behalf of the Hospital Board


Chairman


Chief Executive

Date:

MATER MISERICORDIAE UNIVERSITY HOSPITAL

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	2012 €	2011 €
FIXED ASSETS			
Tangible Assets	13	21,349,303	15,999,641
Financial Assets		184	184
		<u>21,349,487</u>	<u>15,999,825</u>
CURRENT ASSETS			
Debtors	14	34,264,629	46,120,584
Stocks	15	3,848,860	3,377,716
Cash in Hand and Bank Balances		41,165	-
		<u>38,154,654</u>	<u>49,498,300</u>
CREDITORS: (Amounts falling due within one year)			
Creditors	16	(45,147,935)	(38,956,246)
Bank Loans and Overdrafts	17	(9,657,509)	(11,105,825)
Obligations under Finance Leases		-	(19,319)
		<u>(54,805,444)</u>	<u>(50,081,390)</u>
NET CURRENT LIABILITIES		<u>(16,650,790)</u>	<u>(583,090)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,698,697</u>	<u>15,416,735</u>
CREDITORS: (Amounts falling due after more than one year)			
Bank Loans	17	-	(146,752)
		<u>4,698,697</u>	<u>15,269,983</u>
CAPITAL AND RESERVES			
Non - Capital Income and Expenditure Account - Deficit		(17,803,980)	(1,863,714)
Capital Income and Expenditure Account - Result/(Deficit)		-	(19,319)
Capital Reserve Account	18	22,502,677	17,153,016
		<u>4,698,697</u>	<u>15,269,983</u>

The financial statements, which include the accounting policies and notes, were drawn up in compliance with the accounting standards laid down by the Minister for Health & Children, except as disclosed on Page 5, and were approved by the Hospital Board on 31st July 2013

On behalf of the Hospital Board


Chairman


Chief Executive

Date:

MATER MISERICORDIAE UNIVERSITY HOSPITAL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 €	2011 €
Net Cash Inflow from Operating Activities	19	759,278	2,813,461
Returns on Investments and Servicing of Finance			
Interest Paid on Loans and Overdraft		(49,778)	(72,606)
Interest Paid re Finance Leases		(3,480)	(3,480)
Interest Received		29,375	40,522
Net Cash Outflow from Servicing of Finance		(23,883)	(35,564)
Capital Expenditure			
Expenditure from HSE/ DOHC Capital		(3,403,847)	(4,661,060)
Add back unpaid Capital Expenditure		-	(1,475,921)
		(3,403,847)	(6,136,981)
Payments, from Non-Capital, re Acquisition of Fixed Assets		(561,958)	(273,595)
Net Cash Outflow from Capital Expenditure		(3,965,805)	(6,410,576)
Net Cash Outflow Before Financing		(3,230,410)	(3,632,679)
Financing			
HSE/ DOHC Capital Grants Received		4,304,685	5,039,457
HSE Revenue Grant in Respect of Capital Expenditure		561,958	273,595
		4,866,643	5,313,052
Cash Flow from Movement in Leasing		(19,319)	(78,740)
HSE Revenue Grant in Respect of Leasing		19,319	78,740
		-	-
Net Cash Flow From Financing		4,866,643	5,313,052
Net Cash Flow		1,636,233	1,680,373
Decrease in Bank Overdrafts	20	(1,493,168)	(1,550,498)
Increase in Short Term Bank Loans	20	3,687	19,335
Decrease in Long Term Bank Loans	20	(146,752)	(149,260)
Decrease in Net Debt		(1,636,233)	(1,680,373)

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Note	2012 €	2011 €
Note 1 – Detailed Non-Capital Income and Expenditure		
PAY		
Management / Administration	17,623,608	17,853,214
Medical / Dental I (NCHDs)	23,672,963	23,829,798
Medical / Dental II (Consultants)	22,367,517	20,349,181
Nursing	71,383,034	71,058,297
Paramedical	23,972,468	22,708,346
Catering & Housekeeping / Support Services	9,118,123	9,811,693
Maintenance / Technical	1,763,672	1,911,794
Other - Pastoral Care	458,378	531,142
	<u>170,359,763</u>	<u>168,053,465</u>
Pensions & Refunds	10,380,112	9,439,564
Gratuities & Lump Sums	3,332,946	3,856,998
	<u>13,713,058</u>	<u>13,296,562</u>
	<u>184,072,821</u>	<u>181,350,027</u>
NON-PAY		
Direct Patient Care		
Drugs & Medicines	14,570,061	14,435,456
Blood & Blood Products	4,362,947	4,160,515
Medical Gases	563,254	516,596
Medical & Surgical Supplies	25,120,442	24,295,841
Other Medical Equipment	473,302	560,820
Other Medical Equipment Supplies / Contracts	861,714	1,014,890
	<u>45,951,720</u>	<u>44,984,118</u>
Support Services		
X-Ray / Imaging Equipment	267,653	(112,208)
X-Ray / Imaging supplies / Contracts	3,975,413	4,144,846
Laboratory Equipment	220,076	339,582
Laboratory Supplies / Contracts	5,323,547	4,718,461
Catering Equipment	85,638	93,956
Catering Provisions / Contracts	1,511,827	1,490,132
Heat, Power & Light	2,847,868	2,374,860
Laundry, Cleaning & Washing supplies / Contracts	5,069,948	5,286,481
Furniture, Crockery & Hardware	234,806	124,897
Bedding & Clothing	47,550	56,078
Maintenance Materials Supplies / Contracts	1,663,069	1,129,785
Travel & Subsistence	49,094	58,350
Transport of Patients	461,068	650,522
Vehicles Supplies / Contracts	16,649	27,049
	<u>21,774,206</u>	<u>20,382,791</u>

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note	2012 €	2011 €
Note 1 – Detailed Non-Capital Income and Expenditure (Continued)		
Financial and Administrative Loan Repayment Principal		
Finance Lease Repayment - Principal Elements	19,319	78,740
Bank & Other Interest		
Overdraft	41,498	72,606
Capital loan	8,280	-
Finance Lease Charges	3,480	3,480
Bank Charges	21,718	58,184
Other		
Insurance - Other	2 533,306	511,338
Audit	72,849	120,951
Legal	79,626	62,006
Office Expense (Rent & Rates, Postage & Telephone)	3,370,270	1,585,574
Office Supplies / Contracts	1,055,219	1,065,182
Computer Equipment	236,069	(73,744)
Computer Supplies / Contracts	1,383,555	1,192,855
Professional Services	1,154,592	819,489
Bad Debts Written Off	2,078,000	445,000
Non-Capital Expenditure on Capital Projects	12 561,958	273,595
Miscellaneous Expenses	4 5,024,521	2,317,030
	<u>15,644,260</u>	<u>8,532,286</u>
TOTAL NON-PAY	<u>83,370,186</u>	<u>73,899,195</u>
TOTAL GROSS EXPENDITURE	<u>267,443,007</u>	<u>255,249,222</u>
<u>INCOME</u>		
Patient Income		
In-Patient	5 18,589,495	16,472,780
Out-Patient	5 736,381	815,347
	<u>19,325,876</u>	<u>17,288,127</u>
Other Income		
Superannuation	9,282,070	9,408,234
Pension Levy	10,570,595	10,461,980
Other Payroll Deductions	4,648	(2,826)
RTA Receipts	10 589,928	1,259,177
Income from External Agencies	6 273,523	175,836
Canteen Receipts	565,379	640,341
Other Income (Non-Capital)	7 3,548,811	2,412,202
	<u>24,834,954</u>	<u>24,354,944</u>
TOTAL INCOME	<u>44,160,830</u>	<u>41,643,071</u>
NET EXPENDITURE	<u>223,282,177</u>	<u>213,606,151</u>

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 2 – Analysis of Insurance

	2012 €	2011 €
Other Insurance		
Combined Liability	318,949	365,029
Property Damage & Business Interruption	120,903	85,284
Directors & Officers	8,645	10,588
Other: Motor	24,143	19,534
Computer	6,109	6,508
Engineering	25,078	14,949
Miscellaneous Policies	29,479	9,446
	<u>533,306</u>	<u>511,338</u>

Note 3 – Analysis of Miscellaneous Non-Capital Expenditure
on Capital Projects

Not applicable

Note 4 – Analysis of Miscellaneous Expenses

	2012 €	2011 €
Security	1,569,480	1,567,651
Membership / Subscriptions etc.	195,384	212,308
Education / Training & Facilities	432,867	606,370
Other	2,826,790	(69,299)
	<u>5,024,521</u>	<u>2,317,030</u>

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 5 – Analysis of Patient Income	2012 €	2011 €
In-Patient		
Statutory In-Patient Charges	1,751,229	1,813,182
Private / Semi Private Charges	13,556,399	11,816,467
National Treatment Purchase Fund	1,235,502	1,013,139
Other In-Patient Charges: Day Cases	1,722,714	1,603,221
Non EU	323,651	226,771
	<u>18,589,495</u>	<u>16,472,780</u>
Out-Patient		
Statutory Accident & Emergency Charges	515,250	521,350
Other Out-Patient Charges	221,131	293,997
	<u>736,381</u>	<u>815,347</u>
TOTAL PATIENT INCOME	<u>19,325,876</u>	<u>17,288,127</u>
Note 6 – Income from External Agencies	2012 €	2011 €
Laboratory	207,523	109,836
Child Guidance Unit - Administration Charge	36,000	36,000
St. Pauls Hospital Beaumont - Administration Charge	30,000	30,000
	<u>273,523</u>	<u>175,836</u>
Note 7 – Other Income (Non-Capital)	2012 €	2011 €
Car Parking	61,419	93,901
Public Telephones	737	(2,927)
Rent / Licences / Franchises, Etc	160,654	137,280
PP Admin. Charges	7,709	3,607
Fundraising	1,531,921	926,478
Sundries	1,756,996	1,213,341
Interest Received	29,375	40,522
	<u>3,548,811</u>	<u>2,412,202</u>

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 8 – Summary of Pay (Memorandum Only)	2012 €	2011 €
Basic Pay	128,519,298	126,361,601
Overtime	14,450,689	13,968,302
Premium Payments	8,907,526	10,102,707
On Call / Standby	3,442,230	2,910,568
PRSI Employer	13,860,014	13,442,031
Other (Benchmarking Arrears and Other Payments)	1,180,006	1,268,256
	<u>170,359,763</u>	<u>168,053,465</u>

Note 9 – Reconciliation of Expenditure to Costs of Services (Memorandum Only)	Note	2012 €	2011 €
Net Expenditure - Current Year	1	<u>223,282,177</u>	<u>213,606,151</u>
Deduct			
Purchase of Equipment from Non-Capital	12	561,958	273,595
Funding of Capital Projects from Non-Capital	3	(561,958)	(273,595)
Total Deductions		<u>-</u>	<u>-</u>
Sub-Total		<u>223,282,177</u>	<u>213,606,151</u>
Add Back			
Depreciation Charge for the Year	13	4,914,737	2,784,532
Running cost of Service		<u>228,196,914</u>	<u>216,390,683</u>

Note 10 – Road Traffic Accident Memorandum Account	2012 €	2011 €
Balance at 1st January	6,111,676	7,355,731
Bills Issued in Respect of the Year	1,598,049	1,429,469
Less Cash Received during the Year	(589,928)	(1,259,177)
Less waivers and other write-offs	(1,366,087)	(1,414,347)
Balance at 31st December	<u>5,753,710</u>	<u>6,111,676</u>

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 11 – Statement of Advances & Balances Due From HSE (Non-Capital & Capital)	2012 €	2011 €
Non-Capital		
Total notified non-capital determination for the year	207,341,911	213,608,448
Less: Remittance from HSE Non-Capital in the year	(187,507,723)	(192,198,701)
Balance due from HSE in respect of the year	<u>19,834,188</u>	<u>21,409,747</u>
Balance due from HSE re previous years as at 1 January	21,409,747	20,552,312
Less: Remittance from HSE in year re previous year	(21,409,747)	(20,552,312)
Balance due from HSE re previous years as at 31 December	-	-
Total Balance of Non-Capital Grants due from HSE	<u>19,834,188</u>	<u>21,409,747</u>
Capital		
Total Capital Grants notified by HSE for the year	3,403,847	4,661,060
Less: Remittance from HSE Capital in the year	(4,304,685)	(5,039,457)
Balance due to HSE in respect of the year	<u>(900,838)</u>	<u>(378,397)</u>
Balance due from HSE re previous years as at 1 January	900,838	1,279,235
Balance due from HSE re previous years as at 31 December	-	1,279,235
Total Balance of Capital Grants Due from HSE	<u>-</u>	<u>900,838</u>
Gross Total Due from HSE - Capital and Non-Capital	<u>19,834,188</u>	<u>22,310,585</u>
Note 12 – Purchase of Equipment from Non-Capital Account (Amounts Capitalised)	2012 €	2011 €
Other Medical Equipment	306,869	203,638
X-Ray / Imaging Equipment	30,936	66,293
Laboratory Equipment	98,870	107,497
Computer Equipment	125,283	(103,833)
	<u>561,958</u>	<u>273,595</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 13 - Schedule of Fixed Assets and Depreciation

	Buildings €	Owned Equipment €	Leased Equipment €	Total €
Cost or Valuation at 01/01/2012	-	44,912,874	6,007,270	50,920,144
Sub-Total				
Additions From Capital	2,654,257	749,590	-	3,403,847
Additions From Non-Capital	-	561,958	-	561,958
Transfers from MCHD	-	8,952,850	-	8,952,850
Transfer to Parent Company	(2,654,257)	-	-	(2,654,257)
Obsolete & Written Off Equipment	-	(1,143,468)	-	(1,143,468)
Cost / Valuation at 31/12/2012	-	54,033,804	6,007,270	60,041,074
Accumulated Depreciation at 01/01/2012	-	(28,913,232)	(6,007,270)	(34,920,502)
Depreciation charge for the year	-	(4,914,737)	-	(4,914,737)
Obsolete & Written Off Equipment	-	1,143,468	-	1,143,468
Accumulated Depreciation at 31/12/2012	-	(32,684,501)	(6,007,270)	(38,691,771)
Net Book Amount at 31/12/2012	-	21,349,303	-	21,349,303
Net Book Amount at 31/12/2011	-	15,999,641	-	15,999,641

Note: On 1st January 2002 the operation of the unincorporated Hospital were taken over by Mater Misericordiae University Hospital (a Limited Company). The land and buildings that comprised the Mater Hospital and related buildings, which were held in legal ownership under trust by the Sisters of Mercy and were previously included in the accounts of the unincorporated Mater Misericordiae Hospital have been transferred to the Parent Company. The transfer was effected by their donation by the Sisters of Mercy to Mater Misericordiae and The Children's University Hospitals Limited, which company is the sole shareholder of Mater Misericordiae University Hospital. The additions to buildings along with the related grant from 1 January 2002 were transferred to the ownership of the Parent Company at the end of each financial year.

Mater Misericordiae University Hospital has a licence relating to these fixed assets for the provision of the relief, cure and prevention of sickness and disability in the community in general in accordance with the mission and traditions of the Congregation of the Sisters of Mercy in Ireland.

Certain expenditure in respect of development projects were funded by the HSE through Mater & Children's Hospital Development Limited. Amounts incurred in respect of building are transferred to the Parent Company and the related equipment costs are transferred to Mater Misericordiae University Hospital on completion and commissioning.

Expenditure capitalised during the year in respect of land and buildings have been transferred to the company's parent Mater Misericordiae and The Children's University Hospitals Limited ('MCMCUH') at cost along with the related grants. The amount transferred for the year ended 31 December 2012 was €2,654,257 (2011: €2,737,393).

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

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note	2012 €	2011 €
Note 14 – Debtors: (Amounts falling due within one year)		
HSE - Revenue Grants Due	11 19,834,188	21,409,747
HSE Capital Grants Due	11 -	900,838
HSE Debtors	19,834,188	22,310,585
Subsidiary companies	2,555,764	5,491,722
Patient Debtors (Closing Ledger Balance)	4,023,129	10,696,285
LESS: Provision for Bad and Doubtful Debts	(2,604,754)	(2,142,084)
Other Receivables	7,018,455	6,990,703
Prepayments	3,437,847	2,773,373
Non-HSE & Non Health Board Debtors	11,874,677	18,318,277
	34,264,629	46,120,584
Note 15 – Stocks		
	2012 €	2011 €
Drugs & Medicines	1,587,928	1,460,404
Medical and Surgical Supplies	715,548	212,916
Sterile Supplies	133,449	96,892
Theatre Stocks	1,411,935	1,607,504
	3,848,860	3,377,716
Note 16 – Creditors: (Amounts falling due within one year)		
	2012 €	2011 €
Creditors - Capital	1,800,197	1,870,652
Creditors - Non-Capital	20,174,488	16,094,904
PAYE and PRSI	5,267,279	4,951,574
Wages and Salaries	7,280,881	8,981,359
Other Creditors	243,317	133,632
Accruals and deferred income	10,381,773	6,924,035
	45,147,935	38,956,216
Note 17 – Bank Loans and Overdrafts		
	2012 €	2011 €
Amounts falling due within one year		
Bank Overdraft	9,510,437	10,962,440
Bank Loans - Short Term	147,072	143,385
	9,657,509	11,105,825
Amounts falling due after one year		
Bank loan	-	146,752
	-	146,752

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 18 – Capital Reserve Account	2012 €	2011 €
Balance at beginning of year	17,153,016	17,552,711
Additions		
Capital Expenditure	3,403,847	4,661,060
Non-Capital Expenditure	561,958	461,170
Transfer Equipment MCHD	8,952,850	-
Sub-Total Additions	30,071,671	22,674,941
Less		
Transfer to Parent Company	(2,654,257)	(2,737,393)
Depreciation for the year	(4,914,737)	(2,784,532)
Sub-Total Deductions	(7,568,994)	(5,521,925)
BALANCE at Year-end	22,502,677	17,153,016

Note 19 -- Note to the Cash Flow Statement	2012 €	2011 €
Non-Capital Deficit	(17,803,980)	(1,863,714)
Add back deficit brought forward	1,863,714	1,866,011
(Deficit)/surplus for current year	(15,940,266)	2,297
Deduct Interest Income	(29,375)	(40,522)
Add back all interest charged against non-capital	49,778	72,606
(Increase /decrease in Stocks	(471,144)	802,305
Decrease/(increase) in HSE Debtors (Non-Capital)	1,575,559	(857,435)
Decrease/(Increase) in Subsidiary Debtors	2,935,958	(918,240)
Decrease in Non-HSE and Non-Health Board Debtors	6,443,600	4,381,390
Finance Lease Interest Payments	3,480	3,480
Increase/(decrease) in Non-Capital Creditors	6,262,143	(632,420)
Decrease in capital creditors	(70,455)	-
Net Cash Inflow From Operating Activities	759,278	2,813,461

MATER MISERICORDIAE UNIVERSITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 20 – Analysis of Changes in Net Debt	At 1 Jan 2012 €	Cash Flow €	Non Cash changes €	At 31 Dec 2012 €
Cash in Hand and Bank Balance	-	41,165	-	41,165
Bank Overdraft	(10,962,440)	1,452,003	-	(9,510,437)
	<u>(10,962,440)</u>	<u>1,493,168</u>	<u>-</u>	<u>(9,469,272)</u>
Bank Loans due within one year	(143,385)	(3,687)	-	(147,072)
Bank Loans due after one year	(146,752)	146,752	-	-
	<u>(290,137)</u>	<u>143,065</u>	<u>-</u>	<u>(147,072)</u>
	<u>(11,252,577)</u>	<u>1,636,233</u>	<u>-</u>	<u>(9,616,344)</u>

Note 21 – Reconciliation of Net Cash Inflow to Movement in Net Debt	2012 €	2011 €
Net Debt at 1st January	(14,818,081)	(16,498,454)
Increase in Cash in the Year	1,636,233	1,680,373
Net Debt at 31st December	<u>(13,181,848)</u>	<u>(14,818,081)</u>

Note 22 – Capital Commitments

Annual commitments under operating leases in respect of buildings amount to €1,341,000 and this operating lease expires in 2018 and 2019.

Note 23 – Contingent Liabilities

The Hospital had no material contingent liabilities at 31st December 2012.

Note 24 – Pensions

The Hospital operates a defined benefits pension scheme in respect of employees eligible for inclusion under the Voluntary Hospital Superannuation Scheme.

In the year ended 31st December 2012 €9,282,070 (2011: €9,408,234) was retained as income, €10,380,112 (2011: €9,439,564) was paid to pensioners and refunded to employees leaving the scheme and €3,332,946 (2011: €3,856,998) was paid in respect of lump sums.

The scheme is a defined benefits scheme, however the Hospital has availed of the disclosure exemptions in respect of multi-employer pension schemes outlined in paragraph 9(a) of FRS 17. On this basis the scheme is considered for disclosure purposes as a defined contribution scheme and no further disclosures are required.

Note 25 – Going Concern

The Hospital is dependent on the HSE providing adequate funding to ensure it can meet its liabilities as they fall due. The company had a cumulative deficit of €1.86 million at 31 December 2011. Following a reduction in the HSE revenue allocation for 2012 to €207.34 million (2011: €213.61 million) a further substantial deficit has been recorded of €15.94 million leading to a total accumulated deficit at 31 December 2012 of €17.80 million.

The allocation for 2013 as notified by the HSE amounts to €210.35 million. This represents a 4.7% reduction in cost budget targets as compared to the cost outturn for 2012. The decrease in the revenue allocation presents a challenge to management to maintain activity at current levels, and to achieve a breakeven position. Cost containment measures have been actioned by management and discussions are ongoing with the HSE and other interested parties to ensure that a breakeven position for 2013 can be achieved.

The difference between the projected expenditure for 2013 and the budget received from the HSE for 2013 is €8.9m. This difference comprises two elements. €5.8m relates to budget reduction from the HSE relating to Legislation changes, increased statutory charges and the employment control framework. The HSE has requested MMUH not to engage in any additional cost saving measures to address this element of the deficit. MMUH has a cost saving plan in place to address the remaining balance of €3.1m. Progress on this plan is reported to the Finance and General Purpose Committee of the Board on a monthly basis.

In assessing whether the financial statements should be prepared on a going concern basis, the directors have given due consideration to the cost containment measures and the ongoing discussions with the HSE.

The Hospital is dependent on the ongoing support of the HSE to provide adequate funding to enable it to continue to provide services. The HSE has not given any indication that it will withdraw its financial support from the Hospital in the foreseeable future.

On this basis these financial statements have been prepared on the going concern basis. The Directors are of the opinion that it remains appropriate to present the financial statements on a going concern basis and that there is a reasonable expectation that the Hospital will continue to trade. The financial statements do not include any adjustments that may result from any reduction in the budgetary allocation provided or unsuccessful cost containment measures.

STATE UNIVERSITY HOSPITAL
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2011

Page 2 of 2

The Hospital's operations for the year ended 31 December 2011 are presented in the Statement of Financial Position. The Hospital's operations for the year ended 31 December 2011 are presented in the Statement of Financial Position. The Hospital's operations for the year ended 31 December 2011 are presented in the Statement of Financial Position.

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1/4/40

THIS AGREEMENT made the 21st day of *June* One thousand nine hundred and seventy seven BETWEEN THE MATER MISERICORDIAE HOSPITAL DUBLIN (hereinafter called "the Hospital") of the one part and CENTRAL REMEDIAL CLINIC a Company limited by Guarantee and not having a Share Capital having its registered office at Vernon Avenue Clontarf in the City of Dublin (hereinafter called "the Clinic") of the other part.

WHEREAS:

- A. The Clinic was incorporated on the 8th day of October 1953 and is engaged in the running of an assessment and treatment centre for physically disabled persons.
- B. The Hospital is owned and administered by the Congregation of the Sisters of Mercy Dublin and managed by a Board of Management (of which Mr. William Finlay is Deputy Chairman hereinafter called "Mr. Finlay") and provides general services for both in-patients and out-patients including orthopaedic treatment and medical rehabilitation.
- C. The Hospital and the Clinic between them provide the two major North City Centres for medical rehabilitation services and have agreed primarily to prevent overlapping and generally for the mutual benefit of themselves and their patients to rationalise develop and expand such services in association.
- D. The Clinic and the Hospital have already established an

association for the benefit of the patients of both who require specialist treatment and are referred from the Hospital to the Clinic and the Clinic to the Hospital wherever the specialist facilities exist for the required treatment for the individual patient and it is proposed to further extend this association by the provision of additional equipment and to develop and extend such services.

NOW IT IS HEREBY AGREED AND DECLARED by and between the parties hereto as follows:

1. This Agreement shall commence from the date hereof and shall continue until terminated in accordance with the provisions hereof or by agreement between the parties.
2. (A) The Hospital and the Clinic will co-operate so as to develop and extend where possible and provided funds are available the existing arrangements between the Hospital and the Clinic whereby patients requiring specialized treatment are referred from the Hospital to the Clinic and from the Clinic to the Hospital depending on the nature of the special services required and it is agreed that such development will include the provision in the Clinic of the following services:
 - (i) A purpose built unit for management of "stroke" cases for North Dublin.
 - (ii) The increased provision in the Clinic of rehabilitation and vocational assessment for persons injured in accidents.

and for persons who have had major orthopaedic surgery or treatment in the Hospital.

(B) In addition the Hospital and Clinic will rationalise their development so as to ensure as far as practicable that no unnecessary duplication of treatment equipment or services occurs.

(C) The Clinic will provide training facilities to the Hospital for its trainees.

(D) The Hospital will use its best endeavours to give assistance to the Clinic in particular by the provision of back-up services in radiology scanning pathology and the like and allow access to various specialists opinions and in the secondment of staff where practicable and in the provision of supervisory consultancy services.

(E) The Hospital will make available to patients of the Clinic and the Hospital the services of its Child Guidance Unit and the Clinic will make available the use of its occupational therapy Department and Training Sheltered Work-Shop.

(F) The Hospital will use its best endeavours to procure for the Clinic such financial assistance as lies within its power but so that the Hospital shall not be expected or required to provide any funds out of resources intended for its own purposes.

(G) The Clinic will provide such training as they consider practicable for the Mater physiotherapy students and para-medical personnel occupational therapists speech therapists medical social workers and the like.

(H) The parties shall use their best endeavours to provide a wider service in rheumatology rehabilitation and occupational therapy for the population North East Dublin and Leinster.

3. The Clinic will procure that the Board of Governors of the Clinic ("The Board") will consist of not more than fourteen members and not less than ten members of whom the Hospital shall be entitled to nominate appoint and remove either individually or collectively as nearly as may be one half thereof from time to time by notice in writing signed by or on behalf of the Hospital and addressed to the Secretary of the Clinic and the Clinic shall be entitled to nominate appoint and remove either individually or collectively as nearly as may be one half thereof by notice in writing signed on behalf of the Clinic and addressed to the Secretary thereof. Notwithstanding the provisions of Article 19 of the Articles of Association of the Clinic as to determination of the number of Governors and the procedure for the co-option of additional Governors the Hospital and Clinic undertake to procure the nomination of all the Governors of the Clinic in the manner above specified and during the currency of this Agreement the provisions of Article 19 of the Articles of Association of the Clinic shall apply only in the manner specified herein. All the Governors shall be members of the Clinic and the parties hereto agree that notwithstanding any provisions in the Articles of Association of the Clinic no person shall be a member of the Clinic other than the Board or such other person as shall first have been approved of by the Chairmand and Vice-Chairman for the time being of the Board and

who is a member at the date of these presents shall be prevailed upon to resign from membership prior to the coming into effect of this Agreement. The first Chairman of the Board shall be The Honourable Lady Goulding who shall continue to hold office as such. The Vice-Chairman of the Board shall be Mr. Finlay while he shall continue to be a member of the Board of Management of the Hospital and it is agreed between the parties that The Honourable Lady Goulding will be duly elected as Chairman and Mr. Finlay be duly elected as Vice-Chairman by the Board of Governors of the Clinic in accordance with Article 21 of the Articles of Association of the Clinic. If the Honourable Lady Goulding shall vacate the office of Chairman of the Board for any reason the parties hereto shall procure that Mr. Finlay or in the event of his not being Deputy Chairman of the Board of Management of the Hospital the Deputy Chairman for the time being of the Board of Management of the Hospital will be elected as Chairman of the Board of Governors of the Clinic. If Mr. Finlay or such Deputy Chairman of the Board of Management of the Hospital shall vacate the office of Chairman of the Board of Governors of the Clinic for any reason then the Governors of the Clinic shall duly elect a Chairman in accordance with Article 21 of the Articles of Association of the Clinic.

4. So long as The Honourable Lady Goulding is Chairman of the Board of the Clinic neither the Hospital nor the Clinic will nominate any additional Governors of the Clinic unless they shall be first approved of by The Honourable Lady Goulding and by Mr. Finlay (so long as he occupies the post of Vice-Chairman of the

Clinic) PROVIDED ALWAYS that at no time shall the present ratio of Governors nominated by the Clinic and Governors nominated by the Hospital be altered.

5. The future policy of the Clinic will be determined by the Board of Governors of the Clinic in consultation with the Board of Management of the Hospital if so requested by the Hospital. It is intended that the services of the Clinic will initially be developed and extended in accordance with the report dated the 14th day of November 1975 and prepared by Dr. Ciaran Barry and Dr. Bryan Alton which has already been submitted to the Hospital and to the Clinic and a copy of which is appended to this Agreement. Such development and extension will be for the benefit of the Hospital and the Clinic and the Hospital will use its best endeavours to procure financial aid for it in accordance with Clause 2G of this Agreement.

6. The present fund raising activities of the Clinic will be carried on by the Clinic as heretofore and will be extended where practicable. This Agreement will not in any way affect adversely the existing activities of the Clinic or the Hospital save as may be expressly agreed between the parties hereto.

7. The day to day affairs of the Clinic will be administered by an Executive Committee which shall consist of not more than eight and not less than six persons nominated and removed under the same provisions as the Board are nominated in accordance with Clause 3 hereof, half thereof as near as may be to be nominated

by the Hospital and half thereof as near as may be to be nominated by the Clinic. Such persons shall not be required to be members or Governors of the Clinic or members of the Board of Management of the Hospital. The Executive Committee will be responsible for the general day to day administration of the Clinic and will act in accordance with policies laid down by the reconstituted Board of Governors of the Clinic from time to time.

8. The Hospital and Clinic may jointly agree to nominate additional Governors to the Board not exceeding fourteen in all in the same ratio in accordance with Article 3 of the Articles of Association of the Clinic.

9. In the event of either of the parties hereto being satisfied that no substantial benefit is accruing to it or its patients under this Agreement or the performance thereof they may serve six prior calendar months notice in writing on the other party determining this Agreement upon the expiration of which the Agreement will terminate without prejudice to any rights which may have accrued prior to such termination.

IN WITNESS whereof the parties hereto have caused this Agreement to be signed on its behalf the day and year first herein WRITTEN.

SIGNED on behalf of the Board of Management of THE MATER

MISERICORDIAE HOSPITAL DUBLIN

in the presence of:

John J. O'Connell

W. J. Finlay
Robert J. Flynn
J. J. O'Connell

PRESENT when the Common Seal of CENTRAL:
REMEDIAL CLINIC was affixed hereto:

John H. Goulding
Chairman

Franklin Callahan
Secretary

James H. Cannon
Solicitor

6/9/71 Stephen Green
Richard L.

authored signatures

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