

THE CARE TRUST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2012

THE CARE TRUST LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2012

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THE CARE TRUST LIMITED

COMPANY INFORMATION

DIRECTORS

L.Hogan - Chairman, Appointed 25 September 2012
H.Goulding
P.Kiely
J.McGuire
J.Nugent
K.Poole

SECRETARY AND CHIEF EXECUTIVE

S. Mullins

DATE OF INCORPORATION

9 January 1974

REGISTERED IN IRELAND

45561

REGISTERED CHARITY NUMBER

CHY 13691

BANKERS

Bank of Ireland,
6 Lower O'Connell Street,
Dublin 1.

Allied Irish Bank
Main Street,
Blackrock,
Co. Dublin.

SOLICITORS

McCann Fitzgerald,
Riverside One,
Sir John Rogerson's Quay,
Dublin 2.

AUDITORS

Ernst & Young
Chartered Accountants,
Ernst & Young Building,
Harcourt Centre,
Harcourt Street,
Dublin 2.

REGISTERED ADDRESS

College House
71 - 73 Rock Road,
Blackrock,
Co Dublin.

DIRECTORS' REPORT

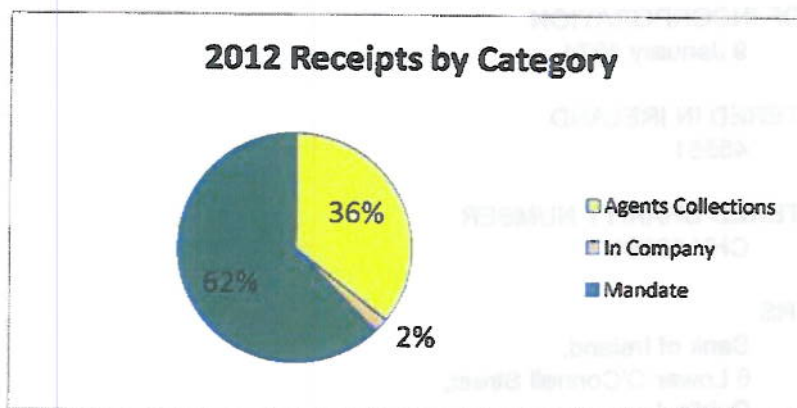
for the year ended 31 DECEMBER 2012

The directors are pleased to present their annual report and financial statements for the year ended 31 December 2012

REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

The Care Trust, (the 'Company') fundraises on behalf of the Central Remedial Clinic, Rehab and by agreement for the Mater Misericordiae University Hospital.

The Company continued to operate 3 draws each month. Each draw offers a top prize of a Ford Fiesta car and consolation cash prizes. Contributors subscribe to the draws through agents collecting door to door, or directly by bank mandate. Contributor agents operate mainly on a two-weekly or four-weekly cycle, while mandates are by monthly direct debit. The Company is authorised to operate the direct debit plus scheme. Approximately 62% of contributors pay by bank mandate, 36% pay via door to door agents and a small number pay through company payroll deduction schemes.



The Contributor Information Database (CID) maintains the transactions for each contributor's individual account and records payments received and deductions made for draws. In 2012 the draw tariff continued at €5.00. The year-end special draw was also operated and tickets were issued for €1.00, up to a maximum of 4 tickets, where contributor funds allowed. The special draw facilitates the capture of receipts as income in the year and helps reduce the amount of balances being carried forward for cancelled contributors who ceased paying during the year and who have a residual balance at the year end. Where contributors have cancelled during the year, residual amounts after the special draw are then treated as a donation.

The Company continues to retain a small but consistent number of non-prize fund contributors, who pay directly by bank mandate and have elected not to participate in the draw.

The total Care Trust commission receivable as agent for the beneficiaries, including lottery and non-lottery, was €2.95m (2011 €3.22m). In 2011 approximately €0.14m of this commission was related to the "wrap around" ticketing method introduced in June 2011, which released some client funds from the balance sheet. This wrap around ticketing process continues to ensure that contributor balances are allocated to the 36 draws in the next 12 months, one ticket per draw. Where funds are still available, the process is repeated until no more tickets can be allocated. This avoids a build up of client funds where a contributor is paying more than €15.00 a month. Tickets are only recognised as income when the draw actually takes place.

A total of 7,079 (2011 7,006) new DD enrolments were signed up during 2012, by a weekly cohort of approximately 30 Fundraising Representatives and using over 65 Representatives in the full year. The Company continues to experience a high level of contributor cancellations, mandate and cash collection, with 10,024 (2011 10,851) cancelling in the year. Of those that cancelled, mandate contributors were 6,618 and agent-collected 3,406.

As a result of initiating a digital marketing strategy for the organisation, a total of 52 new contributors were enrolled on-line, via the Company's website payment pages by year-end 2012. Of these 52, 28 used TCT's website to enrol by DD, and 24 enrolled by credit card. The Company's plan is to complement the door-to-door fundraising with a appropriate and cost-effective on-line fundraising facility.

In 2012, 76% (2011 74%) of contributors were still paying after a 13 month look back.

DIRECTORS' REPORT

for the year ended 31 DECEMBER 2012

REVIEW OF THE DEVELOPMENT OF THE BUSINESS (Continued)

The agent-collected component of the business continues to decline, accounting for €2.63m or 36% (2011: €2.99m; 38%) of total income for the year.

In 2012, the Company honoured the budgeted and agreed contribution to its beneficiaries.

A number of significant strategic and operational objectives were achieved during 2012. These included:

Cost focus:

- aligning the costs of the organisation with the changing nature of the business / national economic environment: negotiating a significant reduction in head office rent, engaging more independent representatives (and less salaried representatives), further enhancing IT systems, etc

Prize draw & promotion:

- investing in the prize-draw, to assist both the enrolment of quality new direct debits and the retention of existing contributors, by continuing to offer three prize-cars per month
- profiling TCT / Beneficiaries by way of monthly promotional broadcasts and announcements of prize-car winners on national radio (RTE Radio One and RTE 2fm)
- embarking on a programme, in conjunction with Ford Ireland, of profiling car-winners with local Ford dealers and seeking to secure national and local press coverage
- contracting RTE's Mary Kennedy to become 'Care Trust Ambassador' for the full year 2012

Transparency and efficiency:

- facilitating on-line data returns for fundraising representatives and contributor-agents
- targeting a 75% persistency rate for direct debits, assessed on an on-going 13-month look-back basis
- embarking on an on-line digital marketing strategy to attract and encourage new contributors, from Ireland and abroad, to contribute on-line (by DD or credit card), through the Company's website
- establishing an ePortal system to facilitate contributors accessing and viewing their TCT account details over the internet
- continuing to implement an agreed draw-ticketing strategy to prevent the build-up of un-ticketed contributor receipts

Compliance, risk control and planning:

- managing business risks, by appropriately dealing with complaints / suspected fraud cases and by performing random quality checks at contributor-level
- revising regional sales manager / fundraising representative incentive matrix - to measure and reward for DD persistency (not just activation)
- submitting detailed lottery return to An Garda Síochána
- testing off-site disaster recovery facility on a monthly basis
- convening regular staff and contributor-agent conferences
- ensuring that the business is operated to the standards of the *Guiding Principles for Fundraising* as drawn up for the Charities Act 2009 and, in general, to the guidelines as set out in the *Governance Code for Community, Voluntary and Charitable Organisations*
- ensuring a high degree of preparedness for the external audits and achieving 'no red flag' outcomes
- setting down and agreeing a Business Plan for 2013-2015

RESULTS AND STATEMENT OF AFFAIRS OF THE COMPANY

The Profit and Loss Account, Statement of Total Recognised Gains and Losses and Balance Sheet for the year ended 31 December 2012 are set out on pages 9 to 11. The profit on ordinary activities was €249,079 (2011 €376,863). The shareholders' surplus amounted to €109,315 (2011 €136,236).

GOING CONCERN

The financial statements have been prepared under the historical cost convention which assumes going concern on the basis that the Central Remedial Clinic and Rehab have continued to agree to provide adequate funds to the Company to meet its liabilities as they fall due.

DIRECTORS' REPORT

for the year ended 31 DECEMBER 2012

BOOKS OF ACCOUNT

The directors employ a professionally qualified financial controller who reports to the board through the chief executive and ensures that the requirements of Section 202 of the Companies Act, 1990 are complied with. These books and records are maintained at the registered offices of the Company at College House, 71 - 73 Rock Road, Blackrock, Co. Dublin.

AUDIT COMMITTEE

The audit committee met with the auditors, Ernst & Young, upon completion of the main audit on 5th March 2013 in accordance with its terms of reference.

EMPLOYEE WELFARE

In keeping with its core values the company seeks to ensure that staff welfare is a priority, and actively pursues policies and procedures to realise the full potential of each member's contribution and participation in the Company.

KEY RISK AREAS

The principal risks and uncertainties in the business are:

- i) maintaining and growing the contributor base in an economic downturn
- ii) retaining the agent contributor - enrolling contributors for the long term
- iii) ensuring queries from contributors and the public are dealt with promptly and professionally
- iv) recruiting sufficient and capable fundraising representatives
- v) fundraising in harmony with the beneficiaries
- vi) ensuring compliance with statutory acts, in particular Company Law and the Lottery Act as well as the proposed new charities legislation

The Company has business policies and organisation structures to limit these risks and the Board of Directors and management regularly review, reassess and proactively limit the associated risks.

PERFORMANCE INDICATORS

The key performance indicators of the business are:

- i) the amount transferred to the beneficiaries from each euro contributed
- ii) level of gross contribution income and net return to the beneficiaries

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable Irish Law and Generally Accepted Accounting Practice in Ireland including the Accounting Standard Boards and promulgated by the Institute of Chartered Accountants in Ireland.

Company law requires the management committee 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 income and expenditure of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the provisions of the Companies Acts, 1963 to 2012. 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 CARE TRUST LIMITED

DIRECTORS' REPORT

for the year ended 31 DECEMBER 2012

The auditors, Ernst & Young, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

ON BEHALF OF THE DIRECTORS

Directors

Paul Kiely

Liam Hogan

Date:

26 March 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CARE TRUST LIMITED

We have audited the financial statements of The Care Trust Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 19. 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Continued /...

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CARE TRUST LIMITED

Opinion on financial statements

In our opinion the financial statements:

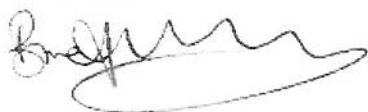
- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- 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.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

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 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Breffni Maguire
for and on behalf of Ernst & Young

Dublin

Date 28 March 2013

THE CARE TRUST LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 DECEMBER 2012

		2012	2011
	Note	€	€
The Care Trust agency commission receivable		2,954,910	3,217,707
Commissions deducted at source		(963,735)	(1,084,854)
Gross income		1,991,175	2,132,853
Staff costs	3	(1,496,701)	(1,727,111)
Depreciation		(92,823)	(88,074)
Other operating charges		(819,572)	(711,084)
Other financial expense - pension		(31,000)	(2,000)
Gain on disposal of fixed assets		-	2,279
Loans forgiven	5	698,000	770,000
Profit on ordinary activities before taxation	4	249,079	376,863
Taxation on ordinary activities	6	-	-
Profit on ordinary activities after taxation		249,079	376,863

Approved by the Board on 26 March 2013

Directors Paul Kiely

Liam Hogan



THE CARE TRUST LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 DECEMBER 2012

	note	2012 €	2011 €
Profit on ordinary activities after taxation		249,079	376,863
Actuarial (loss) recognised on defined benefit pension scheme	14	(276,000)	(58,000)
Total recognised (loss)/gain for the year		<u>(26,921)</u>	<u>318,863</u>

THE CARE TRUST LIMITED

BALANCE SHEET as at 31 DECEMBER 2012

			2012 €	2011 €
ASSETS EMPLOYED	Note			
FIXED ASSETS	7		<u>137,751</u>	<u>193,835</u>
CURRENT ASSETS				
Debtors and prepayments	8	122,117		100,297
Cash at bank and in hand		770,584		552,800
Pension asset	14	-		15,000
		<u>892,701</u>		<u>668,097</u>
CREDITORS (amounts falling due within one year)				
Creditors	9	(655,851)		(682,422)
Amounts due to promoters	10	(24,286)		(43,274)
Pension liability	14	<u>(241,000)</u>		<u>-</u>
		<u>(921,137)</u>		<u>(725,696)</u>
NET CURRENT LIABILITIES			<u>(28,436)</u>	<u>(57,599)</u>
			<u>109,315</u>	<u>136,236</u>
FINANCED BY				
CAPITAL AND RESERVES				
Called up share capital	11		130	130
Profit and loss account	12		109,185	136,106
			<u>109,315</u>	<u>136,236</u>
Shareholders' surplus	13		<u>109,315</u>	<u>136,236</u>

Approved by the Board on 26th March 2013

Directors Paul Kiely

Liam Hogan

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2012

1. GOING CONCERN

The financial statements have been prepared under the historical cost convention which assumes going concern on the basis that the Central Remedial Clinic and Rehab have agreed to provide adequate funds to the Company to meet its liabilities as they fall due.

2. ACCOUNTING POLICIES

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

(a) Basis of preparation

The Company has adapted the profit and loss format as prescribed under Companies (Amendment) Act, 1986 in the form of a revenue account in order to reflect the special nature of the business undertaking by the Company, of promoting fundraising activities on behalf of the Central Remedial Clinic, Rehab and by agreement, for the Mater Hospital.

(b) Accounting convention

The financial statements are prepared under the historical cost convention.

(c) Income

Agency commission for the operation of the lottery is recognised on an accruals basis. On foot of the agency agreement with the promoters, gross lottery receipts do not form part of the income of the Company and are transferred on to the promoters, net of agency commission and prize fund. The agency commission is based on funds raised which are primarily the gross lottery receipts recorded and allocated to the lottery games that have taken place during the financial year.

(d) Fixed assets

Depreciation is charged on the original cost of the fixed assets at rates designed to write off the costs of these assets over the period of their expected useful lives. The rates being used are as follows:

Office equipment	10% per annum on cost
Motor vehicles	20% per annum on cost
Fixtures and fittings	10% per annum on cost
Computer equipment	33.33% per annum on cost

(e) Pension costs

The Company operates two separate pension schemes for its employees; one defined benefit scheme and one defined contribution scheme.

Pension benefits in respect of the defined contribution scheme are funded over the employees' period of service by way of contributions to a defined contribution scheme. Contributions are charged to the statement of comprehensive income and retained earnings as they become payable.

For the defined benefit scheme and in accordance with "Financial Reporting Standard 17 - Retirement Benefits", scheme assets are valued at market value and scheme liabilities are measured on an actuarial basis, using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any surplus is shown as an asset on the statement of financial position. Any deficit is shown on the statement of financial position as a liability. The operating and financing costs of pension and post retirement schemes are recognised separately in the statement of comprehensive income and retained earnings. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The difference between actual and expected returns on assets during the year, and changes in actuarial assumptions, are recognised in the statement of total recognised gains and losses.

THE CARE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 DECEMBER 2012

2. ACCOUNTING POLICIES (continued)

- (f) Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

3. EMPLOYEES AND REMUNERATION

	2012 €	2011 €
The staff costs comprise:		
Wages and salaries	1,294,110	1,506,420
Social welfare costs	139,569	169,140
Pension costs	63,022	51,551
	<u>1,496,701</u>	<u>1,727,111</u>

The average number of persons employed by the Company in the financial year was 31 (2011: 39) and is analysed as follows

	2012 Nos.	2011 Nos.
Field staff	24	30
Management and administration	7	9
	<u>31</u>	<u>39</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2012 €	2011 €
Operating lease: office rentals	80,519	122,519
Depreciation charge	92,823	88,074

In accordance with the Articles of Association the directors receive no remuneration for the performance of their duties as directors.

5. LOANS FORGIVEN

During the year shareholder loans received, totalling €698,000 were waived by the shareholders (2011: €770,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2012

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The Company has charitable status and is exempt from corporation tax.

7. FIXED ASSETS

	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
Cost	€	€	€	€	€
At 1 Jan 2012	64,250	25,568	132,758	348,639	571,215
Additions	-	-	-	36,739	36,739
Disposals	-	-	(65,418)	(187,884)	(253,302)
At 31 December 2012	64,250	25,568	67,340	197,494	354,652
<i>Depreciation</i>					
At 1 Jan 2012	34,777	9,665	108,948	223,990	377,380
Charge for period	12,941	2,740	6,873	70,269	92,823
Disposals	-	-	(65,418)	(187,884)	(253,302)
At 31 December 2012	47,718	12,405	50,403	106,375	216,901
<i>Net book amount</i>					
At 31 December 2012	16,532	13,163	16,937	91,119	137,751
At 31 December 2011	29,473	15,903	23,810	124,649	193,835

8. DEBTORS AND PREPAYMENTS

	2012 €	2011 €
<i>Amounts falling due within one year</i>		
Debtors and prepayments	122,117	100,297

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2012

9. CREDITORS (amounts falling due within one year)	2012	2011
	€	€
Sundry creditors and accruals	410,223	347,609
Client funds received in advance	245,628	334,813
	<u>655,851</u>	<u>682,422</u>
10. AMOUNTS FALLING DUE TO PROMOTERS	2012	2011
	€	€
<i>Amounts falling due within one year</i>		
Opening balance	43,274	315,570
Lottery receipts to promoters due within one year	3,863,065	4,255,136
Transferred to promoters	(3,882,053)	(4,527,432)
	<u>24,286</u>	<u>43,274</u>
Closing balance		
	<u>24,286</u>	<u>43,274</u>
11. CALLED UP SHARE CAPITAL	2012	2011
	€	€
Authorised		
'A' ordinary shares of €1.30 each (2011: €1.30 each)	65	65
'B' ordinary shares of €1.30 each (2011: €1.30 each)	65	65
	<u>130</u>	<u>130</u>
Allotted called up and fully paid		
'A' ordinary shares of €1.30 each (2011: €1.30 each)	65	65
'B' ordinary shares of €1.30 each (2011: €1.30 each)	65	65
	<u>130</u>	<u>130</u>
12. RECONCILIATION OF MOVEMENT IN PROFIT AND LOSS ACCOUNT	2012	2011
	€	€
Gain /(loss) at beginning of year	136,106	(182,757)
Profit for the financial year	249,079	376,863
Actuarial (loss) on defined benefit pension scheme	(276,000)	(58,000)
	<u>109,185</u>	<u>136,106</u>
Gain at year end		
	<u>109,185</u>	<u>136,106</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 DECEMBER 2012

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' SURPLUS	2012 €	2011 €
Shareholders' surplus/(deficit) at the beginning of the year	136,236	(182,627)
Profit for the financial year	249,079	376,863
Actuarial (loss) recognised on defined benefit pension scheme	(276,000)	(58,000)
Shareholders' surplus at the end of the year	109,315	136,236

14. PENSION

Defined Contribution Scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost includes contributions payable by the Company to the fund and amounted to €63,217 (2011: €51,566). Included in accruals at the year end is €8,486 (2011: €7,737) relating to the defined contribution scheme.

Defined Benefit Scheme

The Company operates a defined benefit pension scheme for certain employees, which is now closed to new members. The assets of the scheme are held separately from those of the Company, in an independently administered fund. This scheme is a final salary defined benefit pension scheme in which pension accrues at the rate of 1/80th of Final Pensionable salary per year of pensionable service. The scheme also provides life assurance cover.

The scheme is independently funded and the assets are vested in independent trustees for the benefit of members and their dependents. The contributions are based on the advice of an independent professionally qualified actuary obtained at three yearly intervals. A full actuarial valuation was last carried out on 1st January 2011, which is not available for inspection.

Principal actuarial assumptions

The key financial assumptions used to calculate the retirement benefit liabilities under FRS17, at the beginning and end of the year were as follows:

Valuation method	2012 Projected Unit %	2011 Projected Unit %
Discount rate for scheme liabilities	3.6	5.1
Inflation rate	2.0	2.0
Rate of increase in salaries	2.0	4.0
Rate of increase to pensions in payment	0.0	0.0
Increase to statutory pensions in deferment	2.0	2.0

The actual rate of return on scheme assets was 12.3% (2011: -0.2%) and the expected return was 1.7% (2011: 2.7%).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2012

14. PENSION (Continued)

This expected return has been calculated as the weighted average of the expected long term returns on each of the main asset classes held by the scheme - the weights adopted are the proportions held by the scheme in each of the main asset classes. For fixed interest the expected return is the gross redemption yield on long-term bonds. For cash the expected return is 0%.

Discount Rate

This assumption is reflective of the long-term corporate bond yield for the respective region / country as of the 31 December 2012 measurement date. Long-term is defined as a bond maturity that approximates the duration of the pension plan liabilities. The assumption was derived using a "yield-curve" approach (rather than looking at benchmarks). The yield curve approach discounts each cash flow of the liability stream at an interest rate specifically applicable to the timing of each respective cash flow. The model sums the present values of all the cash flows and then calculates the equivalent weighted-average discount rate by imputing the singular interest rate that equates the total present value with the stream of future cash flows. Based on this analysis the discount rate of 3.6% is appropriate for the plan.

Salary Increases

Estimates of future salary increases should take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market including a current wage agreement. We have assumed salary increases of 2%.

Price inflation

In jurisdictions where there is a liquid market in long-dated index-linked bonds, the yields on such bonds relative to those on fixed interest bonds of similar credit standing will give an indication of expected rate of general inflation. We do not regard Ireland as such a jurisdiction, although the euro currency zone as a whole is. The European Central Bank inflation target for the euro zone is to maintain inflation below 2% per annum.

Against a background of continuing uncertainty, we consider that an estimated long-term average rate of inflation of 2% would be appropriate.

Rate of increase in deferred pensions

The deferred pension is expected to increase marginally above inflation.

The valuation of liabilities has been performed using the projected unit method. The scheme is closed to new entrants and so the current service cost will rise over time as a percentage of covered payroll, as the average age of members increases, although the number of participating members will fall as they leave service. The actuarial valuation is not available for public inspection.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2012

14. PENSION (Continued)

The key demographic assumptions used to calculate the retirement benefit liabilities at the beginning and end of the year were as follows:

	2012	2011
Mortality pre-retirement	none	none
Mortality post-retirement	62% PNML00 / 70% PNFL00	62% PNML00 / 70% PNFL00
Life expectancy (Male age 65)	years 21.7	years 21.4
Life expectancy (Female age 65)	23.3	23.1

The amounts recognised in the balance sheet are as follows:

The fair value of the assets in the scheme and the present value of the liabilities in the scheme at 31st December were as follows:

	2012	2011
	€'000	€'000
Fair value of plan assets	1,550	1,311
Present value of funded obligations	(1,791)	(1,296)
Net pension (liability)/asset	<u>(241)</u>	<u>15</u>

Amounts in statement of financial position	2012	2011
	€'000	€'000
Liabilities	(241)	-
Assets	-	15
Net pension (liability)/asset	<u>(241)</u>	<u>15</u>

Total amounts charged to operating surplus were:	2012	2011
	€'000	€'000
Current service cost	<u>10</u>	<u>9</u>

Amounts charged to other finance expense	2012	2011
	€'000	€'000
Interest on scheme liabilities	67	66
Expected return on scheme assets	(36)	(64)
Net expense	<u>31</u>	<u>2</u>

Total recognised in the profit and loss account	<u>41</u>	<u>11</u>
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THE CARE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 DECEMBER 2012

14. PENSION (Continued)

	2012 €'000	2011 €'000
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	1,296	1,271
Service cost	10	9
Interest cost	67	66
Actuarial loss/(gain)	404	(9)
Contributions employees	14	14
Benefits paid	-	(53)
Other	-	(2)
	<u>1,791</u>	<u>1,296</u>

	2012 €'000	2011 €'000
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	1,311	1,291
Expected return	36	64
Actuarial gain / (loss)	128	(67)
Contributions by employer	61	61
Contributions by employees	14	14
Benefits paid	-	(53)
Other	-	1
	<u>1,550</u>	<u>1,311</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

Equities	0.0%	24.4%
Fixed Interest	17.0%	18.0%
Property	0.0%	2.5%
Cash	0.8%	0.9%
Other	0.0%	0.0%
Long bond fund	82.2%	54.2%
	<u>100.0%</u>	<u>100.0%</u>

The pension plan has not invested in any of the Company's own financial instruments or other assets owned by the Company.

THE CARE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2012**

14. PENSION (Continued)

History of experience gains and losses

Defined benefit obligation

**Plan assets
(Deficit)/surplus**

	2012 €'000	2011 €'000	2010 €'000	2009 €'000	2008 €'000
	(1,791)	(1,296)	(1,271)	(1,304)	(1,386)
	1,550	1,311	1,291	850	909
	<u>(241)</u>	<u>15</u>	<u>20</u>	<u>(454)</u>	<u>(477)</u>

Experience adjustments on plan liabilities

Experience adjustments on plan assets

Changes in assumptions

	13	9	71	71	181
	128	(67)	29	76	(569)
	<u>(417)</u>	<u>-</u>	<u>-</u>	<u>(133)</u>	<u>11</u>

**Actuarial gain/(loss) recognised in statement of total
recognised gains and losses.**

	<u>(276)</u>	<u>(58)</u>	<u>100</u>	<u>14</u>	<u>(377)</u>
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**Cumulative actuarial deficits in the statement of total
recognised gains and losses.**

	<u>(911)</u>	<u>(635)</u>	<u>(577)</u>	<u>(677)</u>	<u>(691)</u>
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The employer contributions for 2013 have been estimated at €61,000 (2012: €61,000) which does not include any single premium payments.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2012**

15. COMMITMENTS UNDER OPERATING LEASES

Operating leases

Leasing commitments under non-cancellable operating leases, payable during the next twelve months amount to €50,519 (2011: €94,519) as follows:

	2012 €	2011 €
<i>Land and buildings</i>		
Payable on leases in which the commitments expire:		
Within one year	-	-
Within two to five years	-	-
After five years	50,519	94,519
	<u>50,519</u>	<u>94,519</u>

16. DIRECTORS' AND SECRETARY'S INTERESTS

None of the directors nor the company secretary have an interest in the share capital of the Company.

17. RELATED AND CONTROLLING PARTIES

Rehab Foundation Limited own 100% of the 'A' ordinary shares in the Company and Friends and Supporters of the Central Remedial Clinic Limited own 100% of the 'B' shares in the Company. All shares rank pari passu. The amounts transferred to promoters is disclosed in note 10 to the accounts.

18. EVENTS SINCE THE YEAR END

The company's intention is to wind up the defined benefit scheme in 2013 but as at 31 December 2012 no formal communication has been made to all the members.

19. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements and authorised them for issue on 26 March 2013.