

**Northern Health and Social Care Trust
Annual Accounts
For the year ended 31 March 2010**

The Accounting Officer authorised these financial statements for issue on 7th June
2010

Laid before the Northern Ireland Assembly under Article 90 (5) of the Health and
Personal Social Services (NI) Order 1972 by the Department of Health, Social
Services and Public Safety.

On
30th June 2010

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NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

FOREWORD

These accounts for the year ended 31 March 2010 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

STATEMENT OF NORTHERN TRUST'S RESPONSIBILITIES AND CHIEF

EXECUTIVE'S RESPONSIBILITIES.

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Northern HSC Trust is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern HSC Trust, of its income and expenditure and cash flows for the financial year.

In preparing the financial statements the Trust is required to:

- observe the accounts direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements.
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Trust will continue in operation.
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust.
- pursue and demonstrate value for money in the services the Trust provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Colm Donaghy of Northern HSC Trust as the Accounting Officer for the Trust. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accounting Officer is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (17 - 91) which I am required to prepare on behalf of the Northern Health and Social Care Trust have been compiled from and are in accordance with the accounts and financial records maintained by the Trust and with the accounting standards and policies for HSC Trusts approved by the DHSSPS.

M. L. Dillon Director of Finance
7/6/10 Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 17 - 91) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

J. Stewart Chairman
7/6/10 Date

Colin Donaghy Chief Executive
7/6/10 Date

NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

STATEMENT OF INTERNAL CONTROL

Scope of responsibility

The Board of the Northern HSC Trust is accountable for internal control. As Accounting Officer and Chief Executive of the Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health, Social Services and Public Safety. In addition to DHSSPS, the Trust has a close and positive working relationship with colleague agencies in the HSC, particularly our commissioners / Board and the various directorates of the Business Services Organisation (BSO).

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northern HSC Trust for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts and complies with Department of Finance and Personnel guidance.

The Board exercises strategic control over the operation of the organisation through a system of Corporate Governance which includes:

- A schedule of matters reserved for Board decisions;
- A scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- Standing Orders and Standing Financial Instructions;
- A Remuneration Committee to oversee Senior Executive's Pay;
- Four Sub-Committees of the Trust Board with responsibility for Audit, Risk Management, User Feedback and Involvement, and Endowments and Gifts. The Audit Committee is composed of three Non-Executive Directors with Executive Directors, including the Director of Finance, the External Auditor and the Internal Auditor in attendance as required. The Governance Committee comprises three Non-Executive Directors and a public representative. In addition the Chief Executive, Executive Directors, other Trust staff and the Internal Auditor attend as required. The User Feedback and Involvement Committee comprises three Non-Executive Directors and a member of the Patient Client Council. Directors and Trust Governance managers are in attendance. The Endowments and Gifts Committee is chaired by a Non Executive Director with senior staff including the Director of Finance in attendance. Each Committee reports back to the Trust Board on a regular basis. Further, representatives of the Audit Committee and the Governance Committee meet annually with a view to ensuring an integrated approach to governance within the Trust.

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:-

- comprehensive budgeting systems which are monitored by the Trust Board on an ongoing basis;
- regular reviews by the Trust Board of monthly financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines;
- formal budget management disciplines as appropriate;
- the Trust having an internal audit function which operates to government international accounting standards and whose work is informed by an analysis of risk to which the Trust is exposed, with annual audit plans based on this analysis.

In 2009 / 10 Internal Audit reviewed the following areas:

- Review of Audit Recommendations 08/09
- Review of Risk Registers
- General Ledger
- Human Resources
- Payroll
- Usage of Taxis
- Travel & Subsistence Payments
- Creditor Payments
- Litigation Payments
- Trust Funds
- Governance – Communication
- Cash & Valuables
- National Fraud Initiative
- Agenda for Change Calculations
- Medical Devices
- CAS Action Plans
- Capital Expenditure
- Performance Management
- Control Accounts
- Verification of Controls Assurance Standards

In all cases an independent audit opinion was given by Internal Audit, based on the work undertaken and resultant findings. Recommendations made to address the issues raised have been accepted by the Trust and will be monitored by Internal Audit in due course to confirm appropriate implementation by the Trust. Internal Audit categorises its assurance into

substantial, satisfactory, limited and unacceptable and gives a conclusion based on the results of its testing.

Audits in the areas noted below gave limited assurance only. In each case management have accepted the recommendations, have drawn up plans for their implementation, have designated responsible officers to take forward the resulting actions and will continue to monitor progress. With regard to each audit, examples of actions to date are included.

Travel and Subsistence: A formal travel authorisation framework has been introduced, written procedures for travel and subsistence have been produced, a standardised system of checking of claims on a sample basis has been established and controls on excess mileage payments have been strengthened.

Review of Communication: A detailed action plan was agreed by Governance Management Board in January 2010; this introduced a committee for the scrutiny of non-clinical policy; terms of reference and committee guidance have been approved; and the Safety Alert Management System (SAM) is being piloted as a means of monitoring dissemination of policies to test its suitability for Trustwide roll out.

Cash and Valuables Handling: A trust facility noted as holding excessive amounts of clients' money has reduced this considerably, to what is deemed to be an acceptable level; the Director of Finance has issued correspondence to management colleagues to reinforce the necessity for full compliance with controls, and has also issued a letter to all managers responsible for Petty Cash Floats to confirm that each float is fully reconciled and that all transactions are in order; and a series of training sessions have been arranged, with attendance being mandatory for all operational and managerial staff who have responsibility for cash and valuables handling.

Usage of Taxis: Children Order Finance forms have been developed and are in use, providing an audit trail to determine taxi expenditure by social work teams and pinpointing specific budgets for this expenditure; guidelines have been drawn up and are in place covering the request for and authorisation of the use of taxis; and similar guidelines have been implemented also in Acute Services Directorate.

Medical Devices Capital Requirements: The actions arising relate to the 2010/11 programme; initial meetings have been set up to review presentations on proposed bids; in addition, a larger list of potential requirements will be sought and directorates will be encouraged to submit all likely requirements, thereby ensuring comprehensive robustness in terms of all assessments.

The overall opinion of the Head of Internal Audit for the year ended 31st March 2010 is that there is a satisfactory system of internal control designed to meet the Trust's objectives.

With regard to the wider corporate governance environment, the Trust has in place a range of organisational controls designed to promote the efficient and effective discharge of its business in accordance with the law and departmental direction. Every effort is made to ensure that the objectives of the Trust are pursued in accordance with recognised and accepted standards of public administration.

Capacity to handle risk

As represented by its Integrated Governance Strategy, which was approved during 2008/09, the Trust's risk management structures and systems continue to encompass all risks including e.g. those relating to financial, corporate, information and clinical and social care governance spanning all aspects of the Trust's activities. The Governance Committee over the past year

has met its obligations in terms of ensuring that risks are effectively managed and communicated to Trust Board. During the past year continuing progress has been made to strengthen the structures and processes to embed risk management within the Trust. Risk Registers are maintained at Directorate level and feed into the Trust Risk Register, which, in turn, informs the Trust Register of Top Risks as identified by Governance Management Board (GMB) on an ongoing basis as representing the most significant risks to achievement of the Trust's objectives. These registers are subject to continuing review at GMB and at Governance Committee to assist in providing assurance regarding the effectiveness of control measures to mitigate and move towards the reduction or removal of the risks to which they refer. Each operational directorate has appointed a senior manager with specific responsibility for governance matters. It is essential that Controls Assurance and Risk Management are 'mainstreamed' into the day-to-day activities of the Trust and, by provision of training on an ongoing basis, staff at all levels are encouraged and facilitated to participate fully in the identification, assessment and management of risk.

The work to reduce the risk of Healthcare Associated Infection (HCAI) and in particular clostridium difficile following the major outbreak in 2008/2009, continued into 2009/2010. The SMT continued to closely monitor the number of new cases of clostridium difficile infection and took appropriate action at any time that there was a rise in the number of new cases. An assurance framework for HCAI was developed and the Delivery Plan renewed. RQIA introduced unannounced hygiene inspections of acute facilities and the Trust received positive reports regarding the cleanliness of acute facilities. During 2009/10 the Trust met its PFA target with regard to the number of new cases of clostridium difficile infection: the total number of new infections in the Trust in 2009/10 was less than half the number in the previous year.

Following on from the independent reviews of maternal deaths and concerns raised through the inquest process there was continued focus on risk issues in maternity services in 2009/2010. A regional audit of management of controlled drugs was carried out in the Antrim Unit; the findings were reassuring and some further improvements which were recommended are being implemented. New committees were established to address governance issues and the clinical governance strategy is nearing completion. A Strategy for Maternity Services was launched in June 2009 and is now being implemented; this sets out the future direction for safe and effective midwifery services in the Trust.

Throughout 2009/10 the Trust continued to monitor closely the risks associated with maintaining acute hospital services on four hospital sites in the Trust. Due to increasing concerns regarding surgical services, it was necessary to reconfigure surgical services in November 2009 so that acute surgery would only be provided at Antrim and Causeway Hospitals. At that time an indicative timetable was given regarding the further reconfiguration of the remaining acute services in the Trust, but events in May 2010 have led to this timetable being brought forward resulting in the replacement of A & E services at the Mid-Ulster and Whiteabbey Hospitals by Minor Injuries Units with effect from 24th May 2010.

Pandemic Flu posed a significant threat to service provision for much of 2009. Pandemic Flu preparedness planning and business continuity planning added a great deal of pressure within the system. However, the Trust effectively managed the vaccination campaign of vulnerable groups and staff, fit tested and deployed Personal Protective Equipment, trained staff to manage additional Intensive Care Unit and High Dependency Unit beds and generally, was prepared for surge. There was learning in this activity for the Trust and it highlighted in

particular the need for resourcing emergency and continuity planning. This will be addressed in the near future.

The process for investigating and learning from Serious Adverse Incidents has been developed and there is growing confidence in adopting the 'being open' good practice principles. We have also introduced independent partners from voluntary organisations onto investigation teams when appropriate. These developments increase our capacity to handle risk and learn from error.

Financial Position

The Trust identified a significant underlying financial deficit during 2008/09, and the need for the achievement of additional savings to offset the deficit.

Early in 2009/10, the Trust forecast that break-even was not achievable without recourse to contingency planning measures.

In response to the deteriorating financial position the Trust decided to formulate a Modernisation & Recovery Plan – encompassing as many of the pre-existing proposals from the previous CSR plan as were still relevant – aimed at ensuring that the CSR savings requirement was fully delivered upon and that underlying deficits were recovered either by effecting cost reductions or securing additional income (or a combination of both).

A contingency plan containing a combination of non-recurring income sources and expenditure reductions was submitted by the Trust for Departmental approval in October 2009. The Department, after consulting with the HSCB, took the view that a proportion of the proposed measures were not deliverable without unacceptable impact on health and social care services.

The Department recognised that, in the absence of acceptable plans to deliver break-even, the Trust would overspend its budget in 2009/10. In October 2009 the Department informed the Trust that it was setting a “deficit control total” for the Trust of £19m. The importance of meeting this secondary target was stressed in order to prevent further deterioration in HSC overall financial stability. The Department also took the view that applying the requirement to break even taking one year with another, as prescribed in circular HSS (F) 25/2000 would continue to have unacceptable consequences for services to the public and hence provided a special subvention at the end of 2009-10 so that the Trust was able to fulfil the obligation to break even. The Department, the HSC Board and the Trust have established plans to ensure control of expenditure and action to secure the necessary cost reductions in 2010-11.

The risk and control framework

Over the past year the Governance Accountability Framework has helped to further progress the culture, systems and processes that will embed governance as a key component of all organisational activity. Determining safe practice is an important component of successful risk management and will promote a fair and open culture and safe practice throughout the organisation. Managing risk is an essential component of all organisational activity. The Governance Committee has recognised the need to adopt such an approach and has put in place a systematic and unified process to ensure the management of risks across all areas of the Trust’s activity. This has led to the implementation of functioning Trust Wide Risk Registers at Department, Directorate and Corporate Levels. The Australian/New Zealand Model (AS/NZS 4360:2004) as adopted by the DHSSPS has been incorporated into the Trust’s Risk Management Strategy and Policy which was developed and approved during 2008/09 and rolled out across the organisation. A comprehensive Trust Incident Management Policy and

Procedure (including procedure for Serious Adverse Incidents) was also developed and approved during 2008/09 and is similarly (see above) being rolled-out and will further improve sources of risk identification intelligence which incidents represent. The procedure's operation also facilitates the provision of analysis and trend reports to GMB and other groups operating within the Trust's Governance Accountability Framework for their further consideration and action in developing suitable strategies to manage risks identified by this means. Similarly operation of the new procedure provides the structure within which the Trust can discharge its reporting, investigating and learning responsibilities including communication with relevant external stakeholders.

Good progress has also been achieved in developing and operating the Governance Assurance Framework. This is a developing area and the Trust will apply the issued DHSSPS guidance relating to it. These processes complement Directorate Performance Review Meetings which continue to ensure that each Directorate Team is accountable for reporting on performance against targets, with Governance and Risk Management issues being discussed at those meetings.

The Trust continues to be in compliance with Departmental guidance in respect of payments for legal and litigation services. An audit of this area was undertaken and gave satisfactory assurance.

The Safety First Framework published by the DHSSPS has now been superseded by the Patient Safety Quality Improvement Planning Process, which is supported by the Regional Safety Forum. The Trust is fully engaged in this work and regularly collaborates with internal and external partners to maximise learning and benefits from the safety work.

The Trust recognises that Personal & Public Involvement (PPI) in the management of risks is a key priority. A PPI Steering Group was established to develop a PPI Strategy and a 3-year action plan in line with the DHSSPS Circular. The Trust is determined to engage with and actively involve users, carers and communities in the development and delivery of services. The Trust's PPI strategy has been approved by Governance Management Board and is being implemented at present. It is available on the Trust web site.

Information Risk Management

Information Risk Management is an essential element of broader Information Governance and is an integral part of good management practice. The Trust continues to embed information risk management into existing business processes and functions.

Information risk is not managed separately from other risks, but rather is managed within the context of the Trust's Risk Management Strategy. Information risks are identified and documented at a number of levels including the Trust Register of Top Risks, the Directorate Risk Register and, where appropriate, in lower level Risk Registers. Information Incident reporting (including Serious Adverse Incident reporting) is performed using the normal Trust procedures but, in addition, IT Security incidents are logged centrally with the Information Technology Services, Business Services Organisation. Robust project management is used to ensure that information governance matters (e.g. access control, contingency) relating to new Information Systems are addressed as part of implementation.

Specific roles such as the Trust's Personal Data Guardian, Information Governance staff (includes the Data Protection Officer and the Freedom of Information Practitioner), IT Security staff and Information System Managers all contribute to the management of information risk.

In addition, the Trust has established an Information Governance Forum which reports, via the Risk and Governance Co-ordinating Committee, to the Trust Board. The Information Governance Forum has drafted a work programme that addresses a number of risk areas.

The Trust places reliance on BSO, in the area of provision of a range of ICT services. Following a request from DHSSPS for an assurance regarding its management of information on behalf of the Trust, BSO has provided such assurance. They have made reference to the service level agreements with Trusts, and their responsibility for ensuring the services they provide are properly controlled, particularly in regard to access to and handling of live systems and data. BSO has confirmed their adherence to a number of controls including both Departmental and HSC ICT Security Policies and the HSC Code of Connection. As with the Trust, BSO provides formal assurance to DHSSPS as part of the corporate governance process.

The Trust has in place a number of policies that support information risk management including:

- Policy (and associated procedures) on Processing of Personal Information
- Policy (and associated procedures) on Making Information Available to the Public
- HPSS ICT Security Policy
- Server, Desktop and Portable Computing / Teleworking Security Policy
- Records Management Policy

Compliance with both the Information & Communications Technology (ICT) and the Records Management Controls Assurance Standards provides assurance that information risk management is being addressed.

Compliance with Controls Assurance Standards

The Trust assessed its compliance with the 22 Controls Assurance Standards which were defined by the Department and against which a degree of progress was expected in 2009 / 10.

The Trust achieved the following levels of compliance for 2009 / 10:

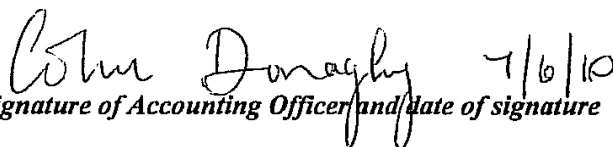
Standard	DHSS&PS Expected Level of Compliance	Trust Level of Compliance	Verified by Internal Audit
Buildings, land, plant and non-medical equipment	70% - 99% (Substantive)	81%	
Decontamination of medical devices	70% - 99% (Substantive)	76%	
Emergency Planning	70% - 99% (Substantive)	81%	
Environmental Cleanliness	70% - 99% (Substantive)	81%	
Environment Management	70% - 99% (Substantive)	78%	
Financial Management (Core Standard)	70% - 99% (Substantive)	86%	✓
Fire safety	70% - 99% (Substantive)	85%	
Fleet and Transport Management	70% - 99% (Substantive)	79%	
Food Hygiene	70% - 99%	92%	

	(Substantive)		
Governance (Core Standard)	70% - 99% (Substantive)	81%	✓
Human Resources	70% - 99% (Substantive)	86%	
Infection Control	70% - 99% (Substantive)	95%	
Information Communication Technology	70% - 99% (Substantive)	74%	✓
Management of Purchasing and Supply	70% - 99% (Substantive)	93%	
Medical Devices and Equipment Management	70% - 99% (Substantive)	72%	✓
Medicines Management	70% - 99% (Substantive)	81%	
Records Management	70% - 99% (Substantive)	73%	✓
Research Governance	70% - 99% (Substantive)	92%	
Risk Management (Core Standard)	70% - 99% (Substantive)	80%	✓
Security Management	70% - 99% (Substantive)	94%	
Waste Management	70% - 99% (Substantive)	73%	
Health & Safety	70% - 99% (Substantive)	76%	

Review of Effectiveness

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal control. My review is informed by the work of the internal auditors and the executive managers within the Northern HSC Trust who have responsibility for the development and maintenance of the internal control framework, the Audit and Governance Committees, the Annual Report of the Chief Internal Auditor and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of the Northern HSC Trust. A plan to address weaknesses and ensure continuous improvement to the system is in place.

 7/6/10
Signature of Accounting Officer and date of signature

Northern Health and Social Care Trust

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Northern Health and Social Care Trust for the year ended 31 March 2010 under the Health & Personal Social Services (Northern Ireland) Order 1972, as amended. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Trust and Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff 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 Northern Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Health and Social Care Trust; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Northern Health and Social Care Trust's affairs as at 31 March 2010 and of its net expenditure, changes in reserves and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health & Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health, Social Services and Public Safety directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Health & Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions issued thereunder;
- the information given in the section on the Review of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Health, Social Services and Public Safety's guidance.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "Kieran J Donnelly". The signature is written in a cursive style with a long horizontal flourish at the end of the name.

*KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
18 June 2010*

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

	NOTE	2010 £000s	Restated 2009 £000s
Expenditure			
Staff costs	4.1	(367,749)	(326,347)
Depreciation	5.0	(14,816)	(14,728)
Other Expenditures	5.0	(236,279)	(223,576)
		<u>(618,844)</u>	<u>(564,651)</u>
Income			
Income from activities	6.1	29,073	27,999
Other Income	6.2	10,374	8,063
Reimbursements receivable	6.3	2,366	2,923
		<u>41,813</u>	<u>38,985</u>
Net Expenditure		<u>(577,031)</u>	<u>(525,666)</u>
Credit reversal of notional costs			
Cost of capital	5.0	11,839	12,299
Notional costs (audit fees)	5.0	71	59
Net expenditure for the financial year		<u>(565,121)</u>	<u>(513,308)</u>
Revenue Resource Limit (RRL)	26.1	577,077	524,708
Surplus / (deficit) against RRL		<u>46</u>	<u>(958)</u>

The notes on pages 23 to 91 form part of these accounts.

NORTHERN HSC TRUST

STATEMENT of FINANCIAL POSITION as at 31 March 2010

	NOTE	2010		Restated 2009		Restated 2008	
		£000s	£000s	£000s	£000s	£000s	£000s
Non Current Assets							
Property, Plant and Equipment	7.0/7.2/7.4	368,653		371,315		369,443	
Intangible Assets	8.0 /8.2/8.4	1,174		1,256		1,394	
Financial Assets	9.0	0		0		0	
Total Non Current Assets			<u>369,827</u>		<u>372,571</u>		<u>370,837</u>
Current Assets							
Assets classified as held for sale	10.0	0		0		243	
Inventories	12.0	2,768		2,924		2,997	
Trade and other Receivables	13.0	21,026		19,801		17,295	
Other Current Assets	13.0	6,770		612		398	
Financial Assets	9.1	0		0		0	
Cash and cash equivalents	14.0	<u>3,565</u>		<u>4,206</u>		<u>32,970</u>	
Total Current Assets			<u>34,129</u>		<u>27,543</u>		<u>53,903</u>
Non Current Assets							
Trade and other Receivables	13.0	<u>1,824</u>	<u>1,824</u>	<u>1,339</u>	<u>1,339</u>	<u>799</u>	<u>799</u>
Total Assets			<u>405,780</u>		<u>401,453</u>		<u>425,539</u>
Current Liabilities							
Trade and other Payables	15.0	(62,190)		(44,390)		(69,845)	
Other Liabilities	15.0	(50)		(126)		(648)	
Provisions	17.0	(11,894)		(18,516)		(16,621)	
Total Current Liabilities			<u>(74,134)</u>		<u>(63,032)</u>		<u>(87,114)</u>
Non Current Assets plus/less Net Current Assets / Liabilities			<u>331,646</u>		<u>338,421</u>		<u>338,425</u>

Non Current liabilities

Provisions	17.0	(3,202)	(2,557)	(1,645)
Other Payables > 1 yr	15.0	(275)	(386)	0
Financial Liabilities	9.0	0	0	0
Total Non Current Liabilities		<u>(3,477)</u>	<u>(2,943)</u>	<u>(1,645)</u>

Assets less Liabilities

328,169	335,478	336,780
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RESERVES

Donated Asset Reserve		2,867	3,354	3,326
Revaluation Reserve		37,166	22,590	15,118
General Reserve		288,136	309,534	318,336
		<u>328,169</u>	<u>335,478</u>	<u>336,780</u>

The notes on pages 23 to 91 form part of these accounts

J. Stewart Chairman
 7/6/10 Date

Colin Donaghy Chief Executive
 7/6/10 Date

NORTHERN HSC TRUST

STATEMENT OF CHANGES IN RESERVES for the year ended 31 March 2010

	Note	General Reserve £000s	Revaluation Reserve £000s	Donation Reserve £000s	Total £000s
Balance at 31 March 2008		336,704	15,118	3,326	355,148
Changes in accounting policy IFRS		(5,384)	0	0	(5,384)
Change in accounting policy - GIA		(12,984)	0	0	(12,984)
Transfers of Function		0	0	0	0
Restated balance at 1 April 2008		318,336	15,118	3,326	336,780
Changes in reserves 2008-09					
Net gain/(loss) on revaluation of property, plant & equipment	7.2, 7.4	0	7,485	63	7,548
(Impairment of property, plant and equipment)	11	0	0	0	0
Net gain/(loss) on revaluation of intangible assets	8.2, 8.4	0	0	0	0
(Impairment of intangible asset)	11	0	0	0	0
Donated asset reserve - transfer to net expend for depreciation		0	0	(305)	(305)
Donated asset receipts		0	0	270	270
Non cash charges - cost of capital	5	12,299	0	0	12,299
Non cash charges - auditors remuneration	5	59	0	0	59
Transfers between reserves		(6)	6	0	0
(Net expenditure for the year)		(522,604)	(19)	0	(522,623)
Movement - Other		7,074	0	0	7,074
Total recognised income and expense for 2008-09		(503,178)	7,472	28	(495,678)
Grant from DHSSPS		494,376	0	0	494,376
Balance at 31 March 2009		309,534	22,590	3,354	335,478
Changes in reserves 2009-10					
Net gain/(loss) on revaluation of property, plant & equipment	7.1, 7.3	0	22,776	74	22,850
(Impairment of property, plant and equipment)	11	(12,451)	(8,197)	(574)	(21,222)
Net gain/(loss) on revaluation of intangible assets	8.1, 8.3	0	0	0	0
(Impairment of intangible asset)	11	0	0	0	0
Donated asset reserve - transfer to net expend for depreciation		0	0	(294)	(294)
Donated asset receipts		0	0	307	307
Non cash charges - cost of capital	5	11,839	0	0	11,839
Non cash charges - auditors remuneration	5	71	0	0	71
Transfers between reserves		3	(3)	0	0
(Net expenditure for the year)		(564,577)	0	0	(564,577)
Total recognised income and expense for 2009-10		(565,115)	14,576	(487)	(551,026)
Grant from DHSSPS		543,717	0	0	543,717
Balance at 31 March 2010		288,136	37,166	2,867	328,169

Analysis of Revaluation reserve	Property, Plant & Equipment £'000	Intangibles £'000	Total £'000
Balance at 31 March 2008	15,118	0	15,118
Changes in accounting policy	0	0	0
Restated balance at 1 April 2008	<u>15,118</u>	<u>0</u>	<u>15,118</u>
movements in 2008/09:			
Net gain/ loss on revaluation	7,485	0	7,485
Impairment	0	0	0
Transfer to general reserve	6	0	6
Release of reserves to net expenditure account	(19)	0	(19)
Balance at 31 March 2009	<u>22,590</u>	<u>0</u>	<u>22,590</u>
movements in 2009/10:			
Net gain/ loss on revaluation	22,776	0	22,776
Impairment	(8,197)	0	(8,197)
Transfer to general reserve	0	0	0
Release of reserves to net expenditure account	(3)	0	(3)
Balance at 31 March 2010	<u>37,166</u>	<u>0</u>	<u>37,166</u>

NORTHERN HSC TRUST

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2010

	2010	Restated
	£000s	2009
		£000s
Cashflows from operating activities		
Net expenditure after Cost of Capital and interest	(577,031)	(525,666)
Adjustments for non cash costs	41,753	35,341
(Increase)/decrease in trade and other receivables	(7,868)	(3,260)
Less movements in receivables relating to items not passing through the NEA		
(Increase)/decrease in inventories	156	73
Increase/(decrease) in trade payables	18,423	(24,423)
Less movements in payables relating to items not passing through the NEA		
Prior Year Grant in Aid adjustment	0	412
Use of provisions	(8,362)	(5,486)
Net cash outflow from operating activities	(532,929)	(523,009)
Cash lows from investing activities		
(Purchase of property, plant & equipment)	(10,873)	(9,894)
(Purchase of intangible assets)	(384)	(290)
Proceeds of disposal of property, plant & equipment	15	0
Proceeds on disposal of intangibles	0	0
Proceeds on disposal of assets held for resale	0	404
Interest Received	0	70
Net Cash (Outflow) from investing activities	(11,242)	(9,710)
Cashflows from financing activities		
Grant in aid	543,717	504,091
Cap element of payments - finance leases and on balance sheet PFI	(187)	(136)
Net financing	543,530	503,955
Net increase (decrease) in cash & cash equivalents in the period	(641)	(28,764)
Cash & cash equivalents at the beginning of the period	14	4,206
Cash & cash equivalents at the end of the period	14	3,565

The notes on pages 23 to 91 form part of these accounts

NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTES TO THE ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES

1. Authority

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety based on guidance from the Department of Finance and Personnel's Financial Reporting Manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to HSC Trusts. Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The Trust's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Changes from UK GAAP to IFRS

The HSC has prepared its accounts in accordance with IFRS with the effective date of transition being 1st April 2008. First time adoption requires full comparative information to be disclosed under IFRS. All differences between closing UK GAAP financial position and opening IFRS financial position are processed through reserves. This is shown in Note 2 to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.2 Currency and Rounding

These accounts are presented in UK Pounds Sterling. The figures in the accounts are shown to the nearest £1,000.

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant and Machinery, Information Technology, Furniture and Fittings, and Assets under Construction.

Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control;

or

- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment are measured at cost including any expenditure such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the balance sheet to the extent that money has been paid or a liability has been incurred.

Valuation of Land and Buildings

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors (Statement of Asset Valuation Practice) Appraisal and Valuation Standards in so far as these are consistent with the specific needs of the HSC.

The last valuation was carried out on 31 January 2010 by Land and Property Services (LPS) which is an independent executive within the Department of Finance and Personnel. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard. The valuation at 31 January 2010 was considered by LPS to be not materially different to a valuation at 31 March 2010 and this valuation has been used for year end purposes.

Professional revaluations of land and buildings are undertaken at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS.

Land and buildings used for the Trust’s services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use
- Specialised buildings – depreciated replacement cost
- Properties surplus to requirements – open market value less any material directly attributable selling costs.

Modern Equivalent Asset

DFP has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

Assets under Construction (AuC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Fixtures and Equipment

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation. From 1 April 2008 indexation has ceased in respect of short life assets (short life - defined as a useful life of up to and including 5 years). The carrying value of existing assets at that date were written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.4 Depreciation

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non current assets held for sale “ are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic

benefits or service potential of the assets. Assets held under finance leases are also depreciated over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used:

Asset Type	Asset Life
Freehold Buildings	25 – 60 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

1.5 Impairment loss

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.6 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

The overall useful life of the Trust's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

1.7 Intangible assets

Intangible assets comprise software and licences. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use

- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.8 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to the Donated Asset Reserve. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are taken to the Donated Asset Reserve and, each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to offset the expenditure. On sale of donated assets, the net book value is transferred from the Donated Asset Reserve to the General Reserve.

1.9 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses. Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non depreciating asset is recognised within income. The profit / loss from sale of land or from sale of depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the Revaluation Reserve is transferred to the General Reserve. For donated assets a transfer is made to or from the relevant reserve to the profit / loss on disposal account so that no profit or loss is recognised in income or expenses. The remaining surplus or deficit in the Donated Asset Reserve is then transferred to General Reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.11 Income

Operating income relates directly to the operating activities of the Trust and is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. Reimbursements receivable for clinical negligence are reflected within Income and relate directly to the movement in the clinical negligence provision.

Grant in Aid

Funding received from other entities, including the Department of Health and Social Services and Public Safety and the Health and Social Care Board are accounted for as grant in aid and are reflected through reserves.

1.12 Investments

The Trust does not have any investments.

1.13 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.14 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.16 Private Finance Initiative (PFI) transactions.

DFP has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. Where this is the case the Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including replacement of components and
- c) Payment for finance (interest costs).

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI Assets

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged within Note 5 Operating Expenses.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in Note 5 Operating Expenses.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

Other assets contributed by the Trust to the operator

Assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.17 Financial Instruments

- Financial assets

Financial assets are recognised on the balance sheet when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

- Financial liabilities

Financial liabilities are recognised on the balance sheet when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

- Financial risk management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trusts in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

- Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

- Interest rate risk

The Trust has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk.

- Liquidity risk

Since the Trust receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is therefore not exposed to significant liquidity risks.

In accordance with IAS 37, Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the DFP discount rate of 2.2% in real terms.

The Trust has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and increases in the discounted amount arising from the passage of time and the affect of any change in the discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.19 Clinical Negligence costs

A Clinical Negligence Central Fund was established in 1998 to manage the payment of clinical negligence settlements. The clinical negligence provision is fully funded and as such the cost of the clinical negligence provision is reimbursable by the Central Fund. Reimbursements receivable in respect of clinical negligence provisions are accounted for as income.

The reimbursements receivable from the Central Fund in respect of clinical negligence liabilities and provisions are included within debtors.

1.20 Contingencies

Under IAS 37, the Trust discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.21 Employee benefits

Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2009. It is not anticipated that the level of untaken leave will vary significantly from year to year. Flexi leave is not operationally available to the majority of Trust staff and no Trust wide scheme exists, for those staff groups who do avail of flexible working, therefore any benefit accrued is deemed to be immaterial.

Retirement benefit costs

The Trust participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HSC Superannuation Scheme can be found in the HSC Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health, Social Services and Public Safety.

The costs of early retirements are met by the Trust and charged to the Net Expenditure Account at the time the Trust commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the balance sheet date and updates it to reflect current conditions. An interim valuation as at 31 March 2006 was completed in the summer of 2009 and was used for the 2008-09 accounts. The

next valuation will be as at 31 March 2008 and will be used in the 2009/10 accounts

1.22 Reserves

General Reserve

Accumulated surpluses are accounted for in the General Reserve

Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets other than donated assets.

Donation Reserve

The Donation Reserve represents the net book value of assets donated to the Trust.

1.23 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.24 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 25 to the accounts.

1.25 Government Grants

Government assistance for capital projects whether from UK, or Europe, is treated as a Government grant even where there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Such grants (does not include grant-in-aid) are credited to a government grant reserve and are released to income over the useful life of the asset. The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

1.26 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the HSC or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had HSC Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.27 Capital Charge

A charge reflecting the cost of capital utilised by the Trust is included within operating costs. The charge is calculated at the rate set by HM Treasury, currently 3.5% on the average carrying amount of all assets less liabilities, except for donated assets, where the charge is nil.

1.28 Accounting standards that have been issued but have not yet been adopted.

The following accounting standards have been issued by the IASB and IFRIC but are not yet required to be adopted.

IFRIC

- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

None of these interpretations are likely to be applicable to the Trust.

IFRS

- IFRS 9 Financial Instruments

This standard will be reviewed during 2010/11 to ascertain applicability.

Revisions to Accounting Standards that are not effective for 2009-10

This table summarises the amendments to accounting standards that come into effect after the 2009-10 period. With the exception of the changes to IFRS 8 and IAS 17 it is unlikely that any of these will lead to significant change for the Trust.

Standard	Description of Revision	Application date	Comments
IFRS 1	First-time Adoption of International Financial Reporting Standards — Amendments	Annual periods beginning on or after 1 January 2010	Unlikely to apply to HSC

	relating to oil and gas assets and determining whether an arrangement contains a lease		
IFRS 1	First-time Adoption of International Financial Reporting Standards — Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	Annual periods beginning on or after 1 July 2010	Not applicable in the HSC context as adoption date is prior to this.
IFRS 2	Share-based Payment — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 July 2009	Unlikely to apply to HSC
IFRS 2	Share-based Payment — Amendments relating to group cash-settled share-based payment transactions	Annual periods beginning on or after 1 January 2010	Unlikely to apply to HSC
IFRS 3	Business Combinations — Comprehensive revision on applying the acquisition method	Annual periods beginning on or after 1 July 2009	Unlikely to apply to HSC.
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations — Amendments resulting from May 2008 Annual Improvements to IFRS	Annual periods beginning on or after 1 July 2009	Relates to the treatment of sale of a subsidiary. Unlikely to apply to HSC
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 January 2010	Clarification surrounding disclosures. Unlikely to have a significant impact on the HSC environment.

IFRS 8	Operating Segments — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 January 2010	Segment assets not required to be disclosed unless regularly reported to the CODM.
IAS 1	Presentation of Financial Statements — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 January 2010	Relates to the settlement of a liability through the issue of equity. Unlikely to be applicable to the HSC
IAS 7	Statement of Cash Flows — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 January 2010	Clarification that only cash flows resulting in the recognition of an asset can be classified as investing activities. Unlikely to lead to change.
IAS 17	Leases — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 January 2010	Leases of land to be classified according to general principles of the standard rather than assumed to be operating leases.
IAS 24	Related Party Disclosures — Revised definition of related parties	Annual periods beginning on or after 1 January 2011	Unlikely that this will have significant impact on the HSC environment.
IAS 32	Financial Instruments: Presentation — Amendments relating to classification of rights issues	Annual periods beginning on or after 1 February 2010	Unlikely to apply to HSC
IAS 36	Impairment of Assets — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 January 2010	Allocation of goodwill in an impairment test is unlikely to apply to HSC
IAS 38	Intangible Assets — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 July 2009	Accounting for intangible assets acquired in a business combination. Is unlikely to apply to

			HSC
IAS 39	Financial Instruments: Recognition and Measurement — Amendments for eligible hedged items	Annual periods beginning on or after 1 July 2009	Unlikely to apply to HSC
IAS 39	Financial Instruments: Recognition and Measurement — Amendments for embedded derivatives when reclassifying financial instruments	Annual periods ending on or after 30 June 2009	Unlikely to apply to HSC.
IAS 39	Financial Instruments: Recognition and Measurement — Amendments resulting from April 2009 Annual Improvements to IFRS	Annual periods beginning on or after 1 January 2010	Unlikely to apply to HSC

1.29 Change in Accounting Policy / Prior Year Restatement

As a direct result of a change to the accounting and budgeting treatment for HSC Trusts as Non Departmental Public Bodies (NDPB's), in 2008/09 HSC Trusts are now required to treat funding that is received from a controlling party such as the Department and HSC Board as Grant in Aid (GiA) and can no longer accrue debtors and creditors for GiA.

In 2008/09 a dispensation was granted by the DHSSPS in the initial year of adoption.

The Trust is now required to adopt this policy in full and has therefore restated any GiA debtors and creditors. Debtors in relation to the Review of Public Administration provision have been classified as GiA from 2009/10.

The prior year totals have been restated in the accounts to reflect this change in treatment. The effect of this change in current and prior years is shown in the table below:

	08/09 £000	07/08 £000
Income	(3,666)	0
GiA RRL	3,666	0
Receivables	(2,156)	(12,984)
Reserves	2,156	12,984

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 2 FIRST TIME ADOPTION OF IFRS

Note 2.1 - Reconciliation of UK GAAP reported Reserves to IFRS at the date of transition 1 April 2008

	General Fund £000s	Revaluation reserve £000s	Donated asset reserve £000s
Reserves at 31 March 2008 under UK GAAP	336,704	15,118	3,326
IAS 16 Property, plant & equipment	(322)	0	0 Land recognised as held for sale
IAS 17 Leases additions	648	0	0 Recognition of finances leases
IAS 17 Leases liabilities	(648)	0	0 Recognition of finances leases
IAS 19 Employee benefits	(5,384)	0	0 Employees untaken annual leave accrual
IAS 38 Intangible assets	0	0	0
IFRS 5 Non current assets held for sale	322	0	0 Land recognised as held for sale
IFRIC 12 Service Concession Arrangements	0	0	0
Reserves at 1 April 2008 under IFRS	331,320	15,118	3,326
Grant in Aid (GiA) restatement	(12,984)	0	0
Reserves at 1 April 2008 under IFRS and GiA	318,336	15,118	3,326

Note 2.2 - Reconciliation of UK GAAP reported Reserves to IFRS at the end of the final UK GAAP reporting period 31 March 2009

	General Fund £000s	Revaluation reserve £000s	Donated asset reserve £000s
Reserves at 31 March 2009 under UK GAAP	328,438	22,568	3,354
IAS 16 Property, plant & equipment	0	0	0
IAS 17 Leases	(161)	22	0 Recognition of finances leases

IAS 17 Leases liabilities	136	0	0	Recognition of finances leases
IAS 19 Employee benefits	1,645	0	0	Employees untaken annual leave accrual
IAS 38 Intangible assets	0	0	0	
IFRS 5 Non current assets held for sale	0	0	0	
IFRIC 12 Service Concession Arrangements	0	0	0	
Reserves at 1 April 2009 under IFRS	330,058	22,590	3,354	
Accumulated Grant in Aid (GiA) restatement	(15,140)	0	0	
IFRS restatement 07/08	(5,384)	0	0	
Reserves at 1 April 2008 under IFRS and GiA	309,534	22,590	3,354	

Note 2.3 Reconciliation of UK GAAP reported Net expenditure to IFRS for the year ended 31 March 2009

Net Expenditure for 2008-09 under UK GAAP	£000s (524,090)
IAS 16 Property, plant & equipment	0
IAS 17 Leases	(159) Recognition of finances leases
IAS 19 Employee benefits	1,645 Employees untaken annual leave accrual
IAS 38 Intangible assets	0
IFRS 5 Non current assets held for sale	0
IFRIC 12 Service Concession Arrangements	0
Net Expenditure for 2008-09 under IFRS	(522,604)
Grant in Aid (GiA) restatement	(3,062)
Net Expenditure for 2008-09	(525,666)

In addition to the cash balances of £4,206K reported under UKGAAP at 31 March 2009, the Trust held cash equivalents of £0.

NORTHERN HSC TRUST

ANNUAL ACCOUNTS 31 MARCH 2010

ANALYSIS OF NET EXPENDITURE BY SEGMENT

Note 3

The Trust is managed by way of a directorate structure, each led by a Director, providing an integrated healthcare service for the resident population. The Directors along with Non Executive Directors, Chairman and Chief Executive form the Trust Board which coordinates the activities of the Trust and is considered to be the Chief Operating Decision Maker. The information disclosed in this statement does not reflect budgetary performance and is based solely on expenditure information provided from the accounting system used to prepare the accounts. The information disclosed reflects the realignment of directorates that took place in 2009/10 therefore making meaningful comparison from year to year limited.

<u>Directorate</u>	2010			2009		
	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s
Children's Services	52,254	22,513	74,767	63,053	24,751	87,804
Acute Hospital Services	116,059	33,381	149,440	74,762	32,851	107,613
Older People's Services	68,015	62,961	130,976	115,626	65,831	181,457
Mental Health and Disability Services	54,891	60,838	115,729	50,594	60,302	110,896
Planning, Performance Management and Support Services	48,623	20,064	68,687	16,068	12,828	28,896
Research and Development	0	563	563	0	406	406
Other Trust Directorates	27,907	11,400	39,307	7,888	12,500	20,388
Expenditure for Reportable Segments net of Non Cash RRL per Note 26	367,749	211,720	579,469	327,991	209,469	537,460

Non Cash RRL	39,376	27,191
Total Expenditure per Net Expenditure Account	618,844	564,651
Income Note 6	41,813	38,985
Net Expenditure	577,031	525,666
Revenue Resource Limit	577,077	524,708
Surplus / (Deficit) against RRL	<u>46</u>	<u>(958)</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 4 STAFF NUMBERS AND RELATED COSTS

4.1 Staff Costs

Staff costs comprise:	2010			2009
	Total £000s	Permanently employed staff £000s	Others £000s	Restated Total £000s
Wages & Salaries	318,862	309,470	9,392	271,097
Social Security costs	19,785	19,785	0	20,091
Other pension costs	31,406	31,406	0	35,394
Sub-Total	370,053	360,661	9,392	326,582
Less recoveries in respect of outward secondments	2,304			235
Total net costs	367,749			326,347

Staff Costs exclude £768K charged to capital projects during the year (2009 £388K)

The Trust participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the balance sheet date and updates it to reflect current conditions. An interim valuation as at 31 March 2006 was completed in the summer of 2009 and was used for the 2008-09 accounts. The next valuation will be as at 31 March 2008 and will be used in the 2009/10 accounts.

4.2 Average number of persons employed

The average number of whole time equivalent persons employed during the year was as follows;

	2010			2009
	Total No.	Permanently employed staff No.	Others No.	Total No.
Medical and dental	556	510	46	575
Nursing and Midwifery	3,164	3,153	11	3,100
Professions Allied to medicine	779	770	9	746
Ancillaries	957	925	32	958
Administrative & Clerical	1,777	1,735	42	1,832
Ambulance Staff	0	0	0	0
Works	120	120	0	118
Other Professional and technical	306	306	0	298
Social Services	1,903	1,889	14	1,887
Other	0	0	0	0
Total	9,562	9,408	154	9,514

Included in above are 17 staff who were engaged on capital projects during 2009/10.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 4 STAFF NUMBERS AND RELATED COSTS

4.3 Senior Employees' Remuneration

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Trust were as follows:

Name	2009-10		2008-09		2009-10					
	Salary, including Performance Pay £000s	Benefits in Kind (Rounded to nearest £100)	Salary, including Performance Pay £000s	Benefits in Kind (Rounded to nearest £100)	Real increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 and related lump sum £000s	CETV at 31/03/09 £000s	CETV at 31/03/10 £000s	Real increase in CETV £000s	
Non-Executive Members										
J Stewart	25-30	0	25 - 30	0	0	0	0	0	0	
C Ackah	5-10	0	5 - 10	0	0	0	0	0	0	
R McCann	5-10	0	5 - 10	0	0	0	0	0	0	
S Forsythe	5-10	0	5 - 10	0	0	0	0	0	0	
P Montgomery	5-10	0	5 - 10	0	0	0	0	0	0	
J Moore	5-10	0	5 - 10	0	0	0	0	0	0	
M Rankin	5-10	0	5 - 10	0	0	0	0	0	0	
D Whittington	5-10	0	5 - 10	0	0	0	0	0	0	
Executive Members										
C Donaghy (1)	75-80	0	0	0	0	0	0	0	0	
M Dillon (2)	55-60	0	0	0	0	0	0	0	0	
P Flanagan	140-145	0	135 - 140	0	-2.5 to -5 plus lump sum -7.5 to -10	60 to 65 plus lump sum 180 to 185	1288	1328	-69	
B Scott	70-75	0	70 - 75	0	0 to 2.5 plus lump sum 5 to 7.5	20 to 25 plus lump sum 55 to 60	294	345	25	
M Sloan	85-90	0	80 - 85	0	0 to 2.5 plus lump sum 2.5 to 5	25 to 30 plus lump sum 80 to 85	413	469	20	

J Melaugh	70-75	0	65 - 70	0	0 to 2.5 plus lump sum 2.5 to 5	25 to 30 plus lump sum 85 to 90	515	579	20
O Donnelly	65-70	0	65 - 70	0	0 to 2.5 plus lump sum 2.5 to 5	25 to 30 plus lump sum 75 to 80	480	536	19
V Jackson (3)	35-40	0	0	0	0	0	0	0	0
C Worthington (4)	75-80	0	0	0	5 to 7.5 plus lump sum 15 to 17.5	30 to 35 plus lump sum 100 to 105	602	768	119
N Evans (5)	60-65	0	120 - 125	0	0	0	1353	0	0
N Guckian (6)	35-40	0	80 - 85	0	0	0	223	0	0
G Houston (7)	0	0	75 - 80	0	0	0	581	0	0
M Roulston (8)	5-10	0	5 - 10	0	0	0	0	0	0
C Hinton (9)	0	0	25 - 30	0	0	0	0	0	0

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HPSS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines prescribed by the institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (Including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

- (1) Interim Chief Executive - seconded from the SHSCT on 01/09/09. Prior year figures and CETV amounts are available from SHSCT accounts.
- (2) Interim Director of Finance - seconded from the SHSCT on 01/09/09. Prior year figures and CETV amounts are available from SHSCT accounts.
- (3) Interim Director of Acute Hospital Services - seconded from BHSCT on 01/11/09. Prior year figures and CETV amounts are available from BHSCT accounts.
- (4) Commenced 01/05/09 - estimated full year equivalent salary £80 - £85K
- (5) Left 30/09/09 - estimated full year equivalent salary £125 - £130K
- (6) Left 20/09/09 - estimated full year equivalent salary £80 - £85K
- (7) Left 28/2/09
- (8) Acting Director wef 16/02/09 - 03/05/09 - estimated full year equivalent salary £75 - £80K
- (9) Retired 31/8/08.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 4 STAFF NUMBERS AND RELATED COSTS

	2010 £000s	2009 £000s
Staff benefits	0	0

4.5 Trust Management Costs

	2010 £000s	Restated 2009 £000s
Trust Management Costs	21,356	19,875
Income:		
RRL	577,077	524,708
Income per Note 6	39,447	36,062
Less interest receivable	0	(54)
Total Income	616,524	560,716
% of total income	3.46%	3.54%

The above information is based on the Audit Commission's definition "M2" Trust management costs, as detailed in HSS (THR) 2/99.

4.6 Retirements due to ill-health

During 2009/10 there were 34 early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £128K. These liabilities are borne by BSO.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 5 OPERATING EXPENSES

Operating Expenses

5.0 Operating Expenses are as follows:-

	2010 £000s	Restated 2009 £000s
Purchase of care from non-HPSS bodies	105,735	98,866
Revenue Grants to voluntary organisations	0	0
Capital Grants to voluntary organisations	0	0
Personal social services	10,592	10,797
Recharges from other HSC organisations	551	482
Supplies and services - Clinical	33,321	33,101
Supplies and services - General	6,515	7,206
Establishment	14,367	14,846
Transport	1,492	1,479
Premises	17,306	20,908
Bad debts	17	(66)
Rentals under operating leases	1,963	1,942
Rentals under finance leases	(180)	(194)
Finance cost of finance leases	54	64
Interest charges	0	0
PFI Service charges	1,133	1,146
Research & Development expenditure	630	406
Clinical Negligence - other expenditure	0	0
BSO services	1,620	1,613
Training	1,257	1,064
Professional Fees	932	797
Patients Travelling Expenses	778	712
Elective Care	7,334	5,564
Miscellaneous expenditure	3,642	1,777
Non cash items		
Depreciation	14,816	14,728
Amortisation	466	427
Impairments	12,451	0
(Profit) on disposal of assets (excluding profit on land)	0	(12)
Loss on disposal of assets (including land)	8	0
Cost of Capital	11,839	12,299
Provisions provided for in year	2,335	8,259
Unwinding of discount on provisions	50	34
Auditors remuneration	71	59
Total	251,095	238,304

During the year the Trust purchased no non audit services from its external auditor (NIAO).

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 6 INCOME

6.1 Income from Activities

	2010	Restated
	£000s	2009
		£000s
GB/Republic of Ireland Health Authorities	0	0
HSC Trusts	0	0
Non-HSC:- Private patients	169	246
Non-HSC:- Other	1,717	2,414
Clients contributions	27,187	25,339
Total	29,073	27,999

6.2 Other Operating Income

	2010	Restated
	£000s	2009
		£000s
Other income from non-patient services	7,776	7,556
Seconded staff	2,304	0
Charitable and other contributions to expenditure	0	0
Donated asset reserve transfer for Impairment	0	0
Donated asset reserve transfer for Depreciation	294	305
Profit on disposal of land	0	148
Interest receivable	0	54
Total	10,374	8,063

6.3 Reimbursements receivable in respect of provisions

	2010	Restated
	£000s	2009
		£000s
Movements in reimbursable income from Clin Neg Central Fund	2,366	2,923
Total	2,366	2,923
TOTAL INCOME	41,813	38,985

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 7 Property, Plant & Equipment

Summary

	Purchased £000s	Donated £000s	2010 Total £000s
Net book value:			
Land	112,464	282	112,746
Buildings (excluding dwellings)	209,773	867	210,640
Dwellings	21,990	0	21,990
Assets under construction	1,865	282	2,147
Plant and machinery (Equipment)	14,760	1,318	16,078
Transport Equipment	2,330	0	2,330
Information Technology (IT)	2,126	4	2,130
Furniture & Fittings	478	114	592
Total PPE - 31 March 2010	365,786	2,867	368,653

	Purchased £000s	Donated £000s	2009 Total £000s
Net book value:			
Land	117,915	661	118,576
Buildings (excluding dwellings)	209,738	1,076	210,814
Dwellings	20,455	0	20,455
Assets under construction	1,732	0	1,732
Plant and machinery (Equipment)	13,906	1,475	15,381
Transport Equipment	2,315	3	2,318
Information Technology (IT)	1,546	15	1,561
Furniture & Fittings	354	124	478
Total PPE - 31 March 2009	367,961	3,354	371,315

Professional revaluations of land and buildings are undertaken by Land and Property Services (LPS) at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS. See Accounting Policy Note 1, Section 1.3 for more details of valuation of Property, Plant and Equipment.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 7.1 Property, Plant & Equipment - Purchased assets - year ended 31 March 2010

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2009	117,915	245,477	23,863	1,732	35,738	6,399	6,542	600	438,266
Indexation	0	0	0	0	655	544	0	0	1,199
Additions		3,288	348	1,143	3,379	538	1,383	171	10,250
Reclassifications	0	22	(22)	0	0	0	0	0	0
Transfers	0	0	1,002	(1,002)	0	0	0	0	0
Revaluation	5,409	3,552	537	0	0	0	0	0	9,498
(Impairments)	(10,860)	(42,551)	(3,715)	0	0	0	0	0	(57,126)
(Disposals)	0	(15)	(23)	(8)	(50)	(403)	0	0	(499)
At 31 March 2010	112,464	209,773	21,990	1,865	39,722	7,078	7,925	771	401,588

Depreciation

At 1 April 2009	0	35,739	3,408	0	21,832	4,084	4,996	246	70,305
Indexation	0	0	0	0	345	347	0	0	692
Reclassifications	0	1	(1)	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	(10,729)	(2,042)	0	0	0	0	0	(12,771)
(Impairments)	0	(34,261)	(2,217)	0	0	0	0	0	(36,478)
(Disposals)	0	(15)	0	0	(50)	(403)	0	0	(468)
Provided during the year	0	9,265	852	0	2,835	720	803	47	14,522

At 31 March 2010	0	0	0	0	24,962	4,748	5,799	293	35,802
Net Book Value									
At 31 March 2010	112,464	209,773	21,990	1,865	14,760	2,330	2,126	478	365,786
At 31 March 2009	117,915	209,738	20,455	1,732	13,906	2,315	1,546	354	367,961

Asset financing

Owned	112,464	209,773	21,990	1,865	14,450	2,330	2,126	478	365,476
Finance Leased	0	0	0	0	310	0	0	0	310
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2010	112,464	209,773	21,990	1,865	14,760	2,330	2,126	478	365,786

The total amount of depreciation charged in the Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £154K (2009 £156K)

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 7.2 Property, Plant & Equipment - Purchased assets - year ended 31 March 2009

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2008	117,994	235,272	22,789	536	32,643	6,330	6,034	479	422,077
Indexation	0	6,891	667	0	497	63	0	3	8,121
Additions	0	2,837	407	1,196	3,332	375	592	122	8,861
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	4	0	0	(4)	0
Revaluation	0	477	0	0	0	0	0	0	477
(Impairments)	0	0	0	0	0	0	0	0	0
(Disposals)	(79)	0	0	0	(738)	(369)	(84)	0	(1,270)
At 31 March 2009	117,915	245,477	23,863	1,732	35,738	6,399	6,542	600	438,266

Depreciation

At 1 April 2008	0	25,873	2,431	0	19,676	3,783	3,970	214	55,947
Indexation	0	758	71	0	244	38	0	2	1,113
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	0	0	0	0	0	0	0	0	0
(Disposals)	0	0	0	0	(738)	(369)	(84)	0	(1,191)

Provided during the year	0	9,108	906	0	2,650	632	1,110	30	14,436
At 31 March 2009	0	35,739	3,408	0	21,832	4,084	4,996	246	70,305
Net Book Value									
At 1 April 2008	117,994	209,399	20,358	536	12,967	2,547	2,064	265	366,130
At 31 March 2009	117,915	209,738	20,455	1,732	13,906	2,315	1,546	354	367,961

Asset financing									
Owned	117,915	209,738	20,455	1,732	13,397	2,315	1,546	354	367,452
Finance Leased	0	0	0	0	509	0	0	0	509
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2009	117,915	209,738	20,455	1,732	13,906	2,315	1,546	354	367,961

Asset financing									
Owned	117,994	209,399	20,358	536	12,319	2,547	2,064	265	365,482
Finance Leased	0	0	0	0	648	0	0	0	648
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 1 April 2008	117,994	209,399	20,358	536	12,967	2,547	2,064	265	366,130

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 7.3 Property, Plant & Equipment - Donated assets - Year ended 31 March 2010

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2009	661	1,258	0	0	2,767	42	151	198	5,077
Indexation	0	0	0	0	62	4	0	0	66
Additions	0	0	0	282	25	0	0	0	307
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	7	0	0	0	0	0	0	7
(Impairments)	(379)	(398)	0	0	0	0	0	0	(777)
(Disposals)	0	0	0	0	0	0	0	0	0
At 31 March 2010	282	867	0	282	2,854	46	151	198	4,680

Depreciation

At 1 April 2009	0	182	0	0	1,292	39	136	74	1,723
Indexation	0	0	0	0	22	4	0	0	26
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	(27)	0	0	0	0	0	0	(27)
(Impairments)	0	(203)	0	0	0	0	0	0	(203)
(Disposals)	0	0	0	0	0	0	0	0	0
Provided during the year	0	48	0	0	222	3	11	10	294

At 31 March 2010	0	0	0	0	1,536	46	147	84	1,813
Net Book Value									
At 31 March 2010	282	867	0	282	1,318	0	4	114	2,867
At 31 March 2009	661	1,076	0	0	1,475	3	15	124	3,354

Asset financing									
Owned	282	867	0	282	1,318	0	4	114	2,867
Finance Leased	0	0	0	0	0	0	0	0	0
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2010	282	867	0	282	1,318	0	4	114	2,867

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 7.4 Property, Plant & Equipment - Donated assets - Year ended 31 March 2009

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2008	661	1,222	0	0	2,718	42	150	197	4,990
Indexation	0	36	0	0	48	0	0	1	85
Additions	0	0	0	0	269	0	1	0	270
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	0	0	0	0	0	0	0	0	0
(Disposals)	0	0	0	0	(268)	0	0	0	(268)
At 31 March 2009	661	1,258	0	0	2,767	42	151	198	5,077

Depreciation

At 1 April 2008	0	129	0	0	1,329	35	120	64	1,677
Indexation	0	4	0	0	18	0	0	0	22
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	0	0	0	0	0	0	0	0	0
(Disposals)	0	0	0	0	(268)	0	0	0	(268)
Provided during the year	0	49	0	0	213	4	16	10	292

At 31 March 2009	0	182	0	0	1,292	39	136	74	1,723
Net Book Value									
At 1 April 2008	661	1,093	0	0	1,389	7	30	133	3,313
At 31 March 2009	661	1,076	0	0	1,475	3	15	124	3,354

Asset financing									
Owned	661	1,076	0	0	1,475	3	15	124	3,354
Finance Leased	0	0	0	0	0	0	0	0	0
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2009	661	1,076	0	0	1,475	3	15	124	3,354

Asset financing									
Owned	661	1,093	0	0	1,389	7	30	133	3,313
Finance Leased	0	0	0	0	0	0	0	0	0
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 1 April 2008	661	1,093	0	0	1,389	7	30	133	3,313

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 8 Intangible Assets

Summary

	2010		
	Purchased £000s	Donated £000s	Total £000s
Net book value:			
Software	0	0	0
Software licenses	1,174	0	1,174
	<hr/>		
Total Intangible assets - 31 March 2010	1,174	0	1,174

	2009		
	Purchased £000s	Donated £000s	Total £000s
Net book value:			
Software	0	0	0
Software licenses	1,256	0	1,256
	<hr/>		
Total Intangible assets - 31 March 2009	1,256	0	1,256

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 8.1 INTANGIBLE ASSETS (Purchased) - Year ended 31 March 2010

Cost or Valuation	Software licenses	Software	Total
	£000s	£000s	£000s
At 1 April 2009	2,512	0	2,512
Indexation	0	0	0
Additions	384	0	384
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	(88)	0	(88)
At 31 March 2010	2,808	0	2,808
Amortisation			
At 1 April 2009	1,256	0	1,256
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	(88)	0	(88)
Provided during the year	466	0	466
At 31 March 2010	1,634	0	1,634
Net Book Value			
At 31 March 2010	1,174	0	1,174
At 31 March 2009	1,256	0	1,256
Asset financing			
Owned	1,174	0	1,174
Finance Leased	0	0	0
On b/s PFI contracts	0	0	0
Net Book Value			
At 31 March 2010	1,174	0	1,174

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 8.2 INTANGIBLE ASSETS (Purchased) - Year ended 31 March 2009

Cost or Valuation	Software licenses £000s	Software £000s	Total £000s
At 1 April 2008	2,223	0	2,223
Indexation	0	0	0
Additions	290	0	290
Reclassifications	0	0	0
Transfers	(1)	0	(1)
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
At 31 March 2009	2,512	0	2,512

Amortisation

At 1 April 2008	842	0	842
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
Provided during the year	414	0	414
At 31 March 2009	1,256	0	1,256

Net Book Value

At 1 April 2008	1,381	0	1,381
At 31 March 2009	1,256	0	1,256

Asset financing

Owned	1,256	0	1,256
Finance Leased	0	0	0
On b/s PFI contracts	0	0	0
Net Book Value			
At 31 March 2009	1,256	0	1,256

Asset financing

Owned	1,381	0	1,381
Finance Leased	0	0	0
On b/s PFI contracts	0	0	0
Net Book Value			
At 1 April 2008	1,381	0	1,381

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 8.3 INTANGIBLE ASSETS (Donated) - Year ended 31 March 2010

Cost or Valuation	Software licenses	Software	Total
	£000s	£000s	£000s
At 1 April 2009	66	0	66
Indexation	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
At 31 March 2010	66	0	66
Amortisation			
At 1 April 2009	66	0	66
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
Provided during the year	0	0	0
At 31 March 2010	66	0	66
Net Book Value			
At 31 March 2010	0	0	0
At 31 March 2009	0	0	0
Asset financing			
Owned	0	0	0
Finance Leased	0	0	0
On b/s PFI contracts	0	0	0
Net Book Value			
At 31 March 2010	0	0	0

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 8.4 INTANGIBLE ASSETS (Donated) - Year ended 31 March 2009

Cost or Valuation	Software licenses £000s	Software £000s	Total £000s
At 1 April 2008	66	0	66
Indexation	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
At 31 March 2009	66	0	66

Amortisation

At 1 April 2008	53	0	53
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
Provided during the year	13	0	13
At 31 March 2009	66	0	66

Net Book Value

At 1 April 2008	13	0	13
At 31 March 2009	0	0	0

Asset financing

Owned	0	0	0
Finance Leased	0	0	0
On b/s PFI contracts	0	0	0
Net Book Value			
At 31 March 2009	0	0	0

Asset financing

Owned	13	0	13
Finance Leased	0	0	0
On b/s PFI contracts	0	0	0
Net Book Value			
At 1 April 2008	13	0	13

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 9 FINANCIAL INSTRUMENTS

9.1 Financial instruments

	Investments	2010 Assets	Liabilities	Investments	2009 Assets	Liabilities	Investments	2008 Assets	Liabilities
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Balance at 31 March	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 10 ASSETS CLASSIFIED AS HELD FOR SALE

	Land			Buildings			Total		
	2010 £000s	2009 £000s	2008 £000s	2010 £000s	2009 £000s	2008 £000s	2010 £000s	2009 £000s	2008 £000s
Cost									
At 1 April	0	243	0	0	0	0	0	243	0
Transfers from	0	0	243	0	0	0	0	0	243
(Disposals)	0	(243)	0	0	0	0	0	(243)	0
At 31 March	0	0	243	0	0	0	0	0	243
Depreciation									
At 1 April	0	0	0	0	0	0	0	0	0
Transfers from	0	0	0	0	0	0	0	0	0
(Disposals)	0	0	0	0	0	0	0	0	0
At 31 March	0	0	0	0	0	0	0	0	0
Net book value at 31 March	0	0	243	0	0	0	0	0	243

Non current assets held for sale comprise non current assets that are held for resale rather than for continuing use within the business.

The Trust classified three areas of land as held for sale in 2007/08.

The Trust did not hold any assets classified as held for sale in 2008/09 or 2009/10.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

11 IMPAIRMENTS

	Property, Plant & Equipment		Intangibles		Total £000s
	£000s		£000s		
	Purchased	Donated	Purchased	Donated	
Total value of impairments for the period	20,648	574	0	0	21,222
Impairments taken through revaluation/donation reserve	8,197	574	0	0	8,771
Impairments charged to Net Expenditure Account	12,451	0	0	0	12,451

	Property, Plant & Equipment		Intangibles		Total £000s
	£000s		£000s		
	Purchased	Donated	Purchased	Donated	
Total value of impairments for the period	0	0	0	0	0
Impairments taken through revaluation/donation reserve	0	0	0	0	0
Impairments charged to Net Expenditure Account	0	0	0	0	0

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

12 INVENTORIES

Classification	2010 £000s	2009 £000s	2008 £000s
Pharmacy Supplies	1,676	1,658	1,575
Building & Engineering Supplies	281	343	261
Laboratory Supplies	240	261	325
Heat, Light and Power	328	255	361
Other	243	407	475
Total	<u>2,768</u>	<u>2,924</u>	<u>2,997</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

13 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2010 £000s	Restated 2009 £000s	Restated 2008 £000s
Amounts falling due within one year			
Trade receivables	5,368	5,938	3,552
Deposits and advances	13	12	7
Clinical Negligence provision receivable	5,307	7,624	8,215
Clinical Negligence Central Fund reimbursements receivable	5,832	1,650	1,160
Other receivables	4,506	4,577	4,361
Trade and other Receivables	<u>21,026</u>	<u>19,801</u>	<u>17,295</u>
Prepayments and accrued income	6,770	612	398
Current part of PFI prepayment			
Other current assets	<u>6,770</u>	<u>612</u>	<u>398</u>
Amounts falling due after more than one year			
Trade Receivables	0	16	0
Deposits and advances	0	0	0
Clinical Negligence Receivable	1,824	1,323	799
Other receivables	0	0	0
Trade and other Receivables	<u>1,824</u>	<u>1,339</u>	<u>799</u>
Prepayments and accrued income		0	0
Other current assets falling due after more than one year	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL TRADE AND OTHER RECEIVABLES	<u>22,850</u>	<u>21,140</u>	<u>18,094</u>
TOTAL OTHER CURRENT ASSETS	<u>6,770</u>	<u>612</u>	<u>398</u>
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	<u>29,620</u>	<u>21,752</u>	<u>18,492</u>

The balances are net of a provision for bad debts of £403K (2009 £387K; 2008 £456K)

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

13 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

13.1 Trade Receivables and other current assets: Intra-Government balances

Name	Restated	Restated	Restated	Restated	Restated	
	Amounts falling due within 1 year 2009/10 £000s	Amounts falling due within 1 year 2008/09 £000s	Amounts falling due within 1 year 2007/08 £000s	Amounts falling due after more than 1 year 2009/10 £000s	Amounts falling due after more than 1 year 2008/09 £000s	Amounts falling due after more than 1 year 2007/08 £000s
Balances with other central government bodies	17,631	12,792	8,333	1,824	1,332	799
Balances with local authorities	0					
Balances with NHS /HSC Trusts	541	446	574	0	7	0
Balances with public corporations and trading funds	0	0	0	0	0	0
Intra-Government Balances	18,172	13,238	8,907	1,824	1,339	799
Balances with bodies external to government	9,624	7,175	8,786	0	0	0
Total Receivables and other current assets at 31 March	27,796	20,413	17,693	1,824	1,339	799

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

14 CASH AND CASH EQUIVALENTS

	2010	Restated	Restated
	£000s	2009	2008
		£000s	£000s
Balance at 1st April	4,206	32,970	40,618
Net change in cash and cash equivalents	(641)	(28,764)	(7,648)
Balance at 31st March	3,565	4,206	32,970

The following balances at 31 March were held at	2010	2009	2008
	£000s	£000s	£000s
Commercial banks and cash in hand	3,565	4,206	32,970
	3,565	4,206	32,970

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

15 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2010 £000s	Restated 2009 £000s	Restated 2008 £000s
Amounts falling due within one year			
Other taxation and social security	7,330	7,508	7,110
Bank overdraft	0	0	0
Trade capital payables	2,807	3,430	4,462
Trade revenue payables	22,685	15,101	16,530
Payroll payables	29,334	18,256	41,677
Clinical Negligence payables	0	0	0
RPA payables	0	0	0
Other payables	34	95	66
Accruals and deferred income	0	0	0
Trade and other payables	62,190	44,390	69,845
Current part of finance leases	50	126	648
Current part of long term loans	0	0	0
Current part of imputed finance lease element of on balance sheet PFI contracts	0	0	0
Other current liabilities	50	126	648
Total payables falling due within one year	62,240	44,516	70,493
Amounts falling due after more than one year			
Other Payables, accruals and deferred income	0	0	0
Trade and other payables	0	0	0
Clinical Negligence payables	0	0	0
Finance leases	275	386	0
Imputed finance lease element of on balance sheet PFI contracts	0	0	0
Long term loans	0	0	0
Total non current other payables	275	386	0
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	62,515	44,902	70,493

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

15 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

15.1 Trade payables and other current liabilities - Intra-government balances

Name	Restated		Restated		Restated		Restated
	Amounts falling due within 1 year 2009/10 £000s	Amounts falling due within 1 year 2008/09 £000s	Amounts falling due within 1 year 2007/08 £000s	Amounts falling due after more than 1 year 2009/10 £000s	Amounts falling due after more than 1 year 2008/09 £000s	Amounts falling due after more than 1 year 2007/08 £000s	Restated Amounts falling due after more than 1 year 2007/08 £000s
Balances with other central government bodies	21,795	15,771	17,167	0	0	0	0
Balances with local authorities	0	1	0	0	0	0	0
Balances with NHS /HSC Trusts	2,195	866	501	0	0	0	0
Balances with public corporations and trading funds	0	1	0	0	0	0	0
Intra-Government Balances	23,990	16,639	17,668	0	0	0	0
Balances with bodies external to government	38,250	27,877	52,825	275	386	0	0
Total Payables and other liabilities at 31 March	62,240	44,516	70,493	275	386	0	0

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

15 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

NOTE 15 LOANS

The Trust did not have any loans payable at either 31 March 2010 or 31 March 2009.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 16 PROMPT PAYMENT POLICY

16.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that Trusts pay their non HSC trade creditors in accordance with the CBI Prompt Payment Code and Government Accounting Rules. The Trust's payment policy is consistent with the CBI prompt payment codes and Government Accounting rules and its measure of compliance is:

	2010	2009
	Number	Number
Total bills paid	<u>154,627</u>	<u>170,743</u>
Total bills paid within 30 day target	<u>136,449</u>	<u>144,843</u>
% of bills paid within 30 day target	<u>88.2%</u>	<u>84.8%</u>

16.2 The Late Payment of Commercial Debts Regulations 2002

The amount included within Interest Payable arising from claims made by small businesses under this legislation are as follows :

	£
Total	<u><u>0</u></u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

17 PROVISIONS FOR LIABILITIES AND CHARGES - 2010

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	RPA Restructuring £000s	CSR Restructuring £000s	Other £000s	2010 £000s
Balance at 1 April 2009	0	288	8,947	4,438	4,370	3,030	21,073
Provided in year	0	14	4,590	0	0	957	5,561
(Provisions not required written back)	0	0	(2,242)	0	0	(984)	(3,226)
(Provisions utilised in the year)	0	(16)	(4,182)	(3,774)	(51)	(339)	(8,362)
Unwinding of discount	0	6	18	0	0	26	50
At 31 March 2010	0	292	7,131	664	4,319	2,690	15,096

RPA / CSR £000s

RPA / CSR utilised costs include the following;

Pension costs for early retirement reflecting the single lump sum to buy over the full liability	2,200
Redundancy costs	1,625
	3,825

Net Expenditure Account charges	2010 £000s	2009 £'000
Arising during the year	5,561	10,291
Reversed unused	(3,226)	(2,032)
Unwinding of discount	50	34
Total charge within Operating costs	2,385	8,293
 Reimbursements receivable		
Clinical Negligence Central Fund	2,366	2,923
RPA	0	(704)
CSR	0	4,370
Total reimbursements receivable	2,366	6,589
Net increase/decrease to NEA	19	1,704

Analysis of expected timing of discounted flows

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	RPA Restructuring £000s	CSR Restructuring £000s	Other £000s	0 £000s
Within 1 year	0	16	5,307	664	4,319	1,588	11,894
1 - 5 years	0	80	1,824	0	0	354	2,258
6 -10 years	0	196	0	0	0	748	944

Thereafter	0	0	0	0	0	0	0
	0	292	7,131	664	4,319	2,690	15,096

Provisions have been made for 6 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Early Retirement, Injury Benefit, Employment Law and Restructuring (RPA and CSR). The provision for Early Retirement and Injury Benefit relates to the future liabilities for the Trust based on information provided by the HSC Superannuation Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Trust has estimated an appropriate level of provision based on professional legal advice. The estimate for the Restructuring provisions is based on information available from HR and the DHSSPS as at 31/3/10.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

17 PROVISIONS FOR LIABILITIES AND CHARGES - 2009

	Restated						
	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	RPA Restructuring £000s	CSR Restructuring £000s	Other £000s	2009 £000s
Balance at 1 April 2008	0	218	7,854	8,269	0	1,925	18,266
Provided in year	0	88	3,789	0	4,370	2,044	10,291
(Provisions not required written back)	0	0	(872)	(704)	0	(456)	(2,032)
(Provisions utilised in the year)	0	(24)	(1,830)	(3,127)	0	(505)	(5,486)
Unwinding of discount	0	6	6	0	0	22	34
At 31 March 2009	0	288	8,947	4,438	4,370	3,030	21,073

Provisions have been made for 6 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Early Retirement, Injury Benefit, Employment Law and Restructuring (RPA and CSR). The provision for Early Retirement and Injury Benefit relates to the future liabilities for the Trust based on information provided by the HSC Superannuation Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Trust has estimated an appropriate level of provision based on professional legal advice. The estimate for the Restructuring provisions is based on information available from HR and the DHSSPS as at 31/3/09.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 18 CAPITAL COMMITMENTS

	2010 £000s	2009 £000s	2008 £000s
Contracted capital commitments at 31 March not otherwise included in these financial statements			
Property, Plant & Equipment	2,956	100	67
Intangible assets	0	0	0
	<u>2,956</u>	<u>100</u>	<u>67</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 19 COMMITMENTS UNDER LEASES

19.1 Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

Obligations under operating leases comprise	2010 £000s	2009 £000s	2008 £000s
Land & Buildings			
Not later than 1 year	972	923	0
Later than 1 year and not later than 5 years	2,353	2,517	27
Later than 5 years	605	705	0
	3,930	4,145	27
Other			
Not later than 1 year	163	125	222
Later than 1 year and not later than 5 years	200	126	43
Later than 5 years	0	0	0
	363	251	265

The Trust leases a range of accommodation to deliver healthcare throughout the Trust area. The Trust also leases a number of items of office equipment - mainly small value photocopiers and multifunctional devices. The Trust also operates a car leasing scheme for qualifying staff.

19.2 Finance Leases

Total future minimum lease payments under finance leases are given in the table below for each of the following periods.

Obligations under finance leases comprise	2010 £000s	2009 £000s	2008 £000s
Buildings			
Not later than 1 year	0	0	0
Later than 1 year and not later than 5 years	0	0	0
Later than 5 years	0	0	0
	0	0	0
Less interest element	0	0	0
	0	0	0
Other			
Not later than 1 year	93	180	194
Later than 1 year and not later than 5 years	374	436	523
Later than 5 years	0	94	187
	467	710	904
Less interest element	142	198	263
	325	512	641

The Trust leases a small number of items of clinical, renal and laboratory equipment.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 19 COMMITMENTS UNDER LESSOR AGREEMENTS

19.3 Operating Leases

Total future minimum lease income under operating leases are given in the table below for each of the following periods.

Obligations under operating leases issued by the Trust comprise	2010 £000s	2009 £000s	2008 £000s
Land & Buildings			
Not later than 1 year	26	26	0
Later than 1 year and not later than 5 years	21	47	0
Later than 5 years	0	0	0
	47	73	0
Other			
Not later than 1 year	37	29	0
Later than 1 year and not later than 5 years	35	19	0
Later than 5 years	0	0	0
	72	48	0

The Trust acts as a lessor in the following arrangements: 1) **SRCL Ltd.** - whereby the Trust has a leasing arrangement until 2013 with the Trust receiving 350,000kgs of clinical waste treated annually, without charge, in return for the leasing of part of the service yard in Antrim Hospital. In 2009/10 this benefit was estimated to be valued at £251K. 2) **Car Leasing Scheme** - for qualifying employees whereby the Trust leases vehicles from a private sector provider then in turn leases these to employees. There are 35 car leasing agreements in place at present. 3) **Floor area in Antrim and Causeway Hospitals** - leased to private individuals to allow for the provision of shops. 4) **Grazing Land** - leased to private individuals..

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

NOTE 20 COMMITMENTS UNDER PFI CONTRACTS

20.1 Off balance sheet PFI Schemes

	2010 £000s	2009 £000s
Estimated capital value of the PFI schemes	2,877	2,877
	<u>2,877</u>	<u>2,877</u>

Contract start date 17/4/2000

Contract end date 16/4/2015

The Trust has a PFI arrangement for the provision of a renal dialysis service at Antrim Hospital. Under the agreement the Trust will make a single payment for each dialysis session commenced with the private sector partner providing the building, equipment and certain services.

20.2 On balance sheet PFI Schemes

The Trust has no on balance sheet PFI schemes

20.3 Charge to the Net Expenditure account and future commitments

	2010 £000s	2009 £000s	2008 £000s
Amounts included within operating expenses in respect of off balance sheet PFI transactions	1,133	1,146	1,099
Amounts included within operating expenses in respect of the service element of on balance sheet PFI transactions	0	0	0
	<u>1,133</u>	<u>1,146</u>	<u>1,099</u>

The payments to which the Trust is committed analysed by the period during which the commitment expires is shown below:

	2010	2009	2008
	£000s	£000s	£000s
Expiry within 1 year	0	0	0
Expiry within 2 to 5 years	0	0	0
Expiry within 6 to 10 years	5,750	6,900	8,050
Expiry within 11 to 15 years	0	0	0
Expiry within 16 to 20 years	0	0	0
Expiry within 21 to 25 years	0	0	0
	5,750	6,900	8,050

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

21 Other Financial Commitments

The Trust did not have any other financial commitments at either 31 March 2010 or 31 March 2009.

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

NOTE 22 FINANCIAL INSTRUMENTS

22.1 Financial Guarantees, Indemnities and Letters of Comfort

Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trusts in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

The Trust did not have any financial instruments at either 31 March 2010 or 31 March 2009.

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

NOTE 23 CONTINGENT LIABILITIES

Clinical Negligence

The Trust has contingent liabilities of £2,366K for clinical negligence incidents. The Trust's financial liability, if any, cannot be determined until the related claims are resolved. An estimate of the amount involved, inclusive of legal costs, is:

	2010 £000s	2009 £000s
Total estimate of contingent clinical negligence liabilities	2,366	1,792
Amount recoverable from the Clinical Negligence Central Fund	(2,366)	(1,792)
Net Contingent Liability	<u>0</u>	<u>0</u>

In addition to the above contingent liability, provisions for clinical negligence are given in Note 17

Other clinical litigation claims could arise in the future due to incidents which have already occurred. The expenditure which may arise from such claims cannot be determined as yet.

Contingencies not relating to clinical negligence are as follows:

	2010 £000s	2009 £000s
Public Liability	0	0
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
Other	0	0
Total	<u>0</u>	<u>0</u>

Following assimilation to the new Agenda for Change (AFC) pay scales a number of Trust staff asked to have their outcome reviewed as they disputed the banding of their post. This review process is being taken forward in partnership with Trade Union side (TUS). A clustering anomaly has arisen where staff in particular posts have been made aware of the outcome of their review, which may have increased their banding and therefore pay. Other staff in similar posts did not take the opportunity to ask for a review and are therefore outside the process and remain on their original banding and pay. TUS have asked that all staff within a cluster are treated according to the review outcome. Management have agreed to discuss this further with unions and staff to consider whether any further negotiations are possible, given that the stipulated deadlines for requesting reviews has passed. However at this stage the Northern HSC Trust considers that it can't establish the extent to which claims could be made, nor can it make a reliable estimate of any potential claims under employment legislation that may arise from Industrial Tribunal Hearings. The Trust therefore recognises this as a contingent liability under IAS 37.

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

NOTE 24 Related Party Transactions

Mr C Donaghy, Interim Chief Executive, is the brother of Mr S Donaghy, Deputy Secretary, DHSSPS. During the year the Trust received a Revenue Resource Limit of £1,938K and a non cash RRL of £39,376K from the DHSSPS.

Mr N Guckian, Director of Finance (1/4/09 - 20/9/09), is the brother of the Chairman of the Western HSC Trust. During the period of his employment the Trust received income from the Western HSC Trust of approximately £6K for the provision of goods and services. The Trust made payments to the Western HSC Trust of approximately £209K for goods and services received during this period.

NOTE 25 Third party assets

The Trust held £1,344K cash at bank and in hand at 31/3/10 which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash at bank and in hand amounts reported in the accounts. A separate audited account of these monies is maintained by the Trust.

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

NOTE 26 Financial Performance Targets

26.1 Revenue Resource Limit

The Trust is given a Revenue Resource Limit which it is not permitted to overspend

The Revenue Resource Limit (RRL) for Northern HSC Trust is calculated as follows:

	2010	2009
	Total	Total
	£000s	£000s
HSCB	527,688	484,904
SUMDE & NIMDTA	6,516	5,903
DHSSPS (excludes non cash)	1,938	0
Other Government Departments	1,559	3,044
Non cash RRL (from DHSSPS)	39,376	27,191
Adjustment for Grant in Aid (GiA)	0	3,666
Revenue Resource Limit	<u>577,077</u>	<u>524,708</u>

26.2 Capital Resource Limit

The Trust is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

	2010	2009
	Total	Total
	£000s	£000s
Gross Capital Expenditure	10,634	9,152
(Receipts from sales of fixed assets)	<u>0</u>	<u>392</u>
Net capital expenditure	10,634	8,760
Capital Resource Limit	<u>10,636</u>	<u>8,761</u>
Overspend/(Underspend) against CRL	<u>(2)</u>	<u>(1)</u>

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

NOTE 26.3 Financial Performance Targets

The Trust is required to ensure that it breaks even on an annual basis by containing its net expenditure with 0.25 % of RRL limits

	2009/10 £000s	2008/09 £000s
Net Expenditure	(577,031)	(525,666)
RRL	577,077	524,708
Surplus / (Deficit) against RRL	46	(958)
Break Even cumulative position(opening)	(769)	189
Other Adjustments	0	0
Break Even Cumulative position (closing)	<u>(723)</u>	<u>(769)</u>

Materiality Test:

	2009/10 %	2008/09 %
Break Even in year position as % of RRL	<u>0</u>	<u>-0.18%</u>
Break Even cumulative position as % of RRL	<u>-0.13%</u>	<u>-0.15%</u>

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

NOTE 27 LOSSES & SPECIAL PAYMENTS

TYPE OF LOSS		NO. OF CASES	VALUE £
1	Cash Losses - Theft, fraud etc	5	745
2	Cash Losses - Overpayments of salaries, wages and allowances	2	351
3	Cash Losses - Other causes (including unvouched and incompletely vouched payments)	2	1,727
4	Nugatory and fruitless payments - Abandoned Capital Schemes	0	0
5	Other nugatory and fruitless payments	0	0
6	Bad debts and claims abandoned	76	5,814
7	Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
	i. Bedding and linen	0	0
	ii. Other equipment and property	62	21,356
8	Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	0	0
9	Stores and Inventory Losses - Deterioration in store	48	30,842
10	Stores and Inventory Losses - Stocktaking discrepancies	1	34
11	Stores and Inventory Losses - Other causes		
	i. Bedding and linen	0	0
	ii. Other equipment and property	11	4,598
12	Compensation payments (legal obligation)		
	i. Clinical Negligence	90	4,182,215
	ii. Public Liability	9	97,645
	iii. Employers Liability	17	158,779
13	Ex-gratia payments - Compensation payments (including payments to patients and staff)	35	10,676
14	Ex-gratia payments - Other payments	0	0
15	Extra statutory payments	0	0
16	a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.	0	0
	b. Damage to vehicles	10	14,091
TOTAL		368	4,528,873

Two of the above Clinical Negligence cases exceeded £250K and the details are as follows: Clinical Negligence Case 1 - value £313K. Clinical Negligence Case 2 - value £2,643K

27.1 Special Payments

There were no special payments or gifts made during the year.

NORTHERN HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2010

NOTE 28 POST BALANCE SHEET EVENTS

There are no post balance sheet events having a material effect on the accounts.

NORTHERN HSC TRUST

YEAR ENDED 31 MARCH 2010

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS / RESIDENTS

STATEMENT OF TRUST'S RESPONSIBILITIES IN RELATION TO PATIENTS' / RESIDENTS' MONIES

The Trust is required by the Health and Personal Social Services (Northern Ireland) Order 1991 to prepare and submit accounts in such form as the Department may direct. The Trust is also required to maintain proper and distinct accounting records and is responsible for safeguarding the monies held on behalf of patients / residents and for taking reasonable steps to prevent and detect fraud and other irregularities.

Previous Year	RECEIPTS		
£		£	£
0	Balance at 1 April, 2009	1,000,000	
1,221,447	1. Investments (at cost)	225,474	
3,700	2. Cash at Bank	3,955	1,229,429
	3. Cash in Hand		
876,455			903,720
54,485	Amounts Received in the Year		13,902
	Interest Received		
2,156,087			2,147,051
	TOTAL		
926,658	Amounts paid to or on behalf of Patients and Residents		803,013
	Balance at 31 March, 2010		
1,000,000	1. Investments (at cost)	0	
225,474	2. Cash at Bank	1,339,893	
3,955	3. Cash in Hand	4,145	1,344,038
2,156,087	TOTAL		2,147,051

Schedule of Investments held at 31 March, 2010

	Investment	Nominal Value £	Cost Price £
1,000,000		0	0

I certify that the above account has been compiled from and is in accordance with the financial records maintained by the Trust.

Muriel Dillon Director of Finance
7/6/10 Date

I certify that the above account has been submitted to and duly approved by the Board.

Colin Donaghy Chief Executive
7/6/10 Date

Patients' & Residents' Monies Account Audit Certificate 2009-10
Northern Health and Social Care Trust
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO
THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the account for the year ended 31 March 2010 which the Northern Health and Social Care Trust is required by the Health and Personal Social Services (Northern Ireland) Order 1972, as amended, to prepare and submit in such a form as the Department of Health, Social Services and Public Safety may direct.

Respective responsibilities of the Trust, Chief Executive and auditor

As explained more fully in the Statement of Trust and Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the account in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended, and Department of Health, Social Services and Public Safety directions made thereunder. My responsibility is to audit the account in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff 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.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the account properly presents the receipts and payments of the monies held on behalf of the patients/residents of the Northern Health and Social Care Trust for the year ended 31 March 2010 and balances held at that date; and
- the account has been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended, and Department of Health, Social Services and Public Safety directions issued thereunder.

Matters for which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the account is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with the Department of Finance and Personnel's guidance.

Report

I have no observations to make on this account.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
18 June 2010

