

Northern Health and Social Care Trust

Annual Accounts

For the year ended 31 March 2011

Northern Health and Social Care Trust

Annual Accounts

For the year ended 31 March 2011

**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

1st July 2011

NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

FOREWORD

These accounts for the year ended 31 March 2011 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 2011

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 Sean 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 2011

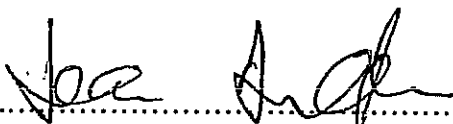
CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 18-77) 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.


.....Director of Finance
16 June 2011.
.....Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 18-77) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.


.....Chairman
16/6/2011
.....Date


.....Chief Executive
16/6/2011
.....Date

NORTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

STATEMENT ON 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 personally responsible in accordance with the responsibilities assigned to me by the Department of Health, Social Services and Public Safety.

Partnerships with other HSC Bodies

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). The Trust has regular accountability meetings with the Board and DHSSPS and is informed by the Commissioning Plan and Priorities for Action. The Trust prepares a Trust Delivery Plan to reflect its activities for each year. The Trust also participates in a wide range of groups designed to enhance the services provided to its population. The Trust works closely with the community and voluntary sector.

Purpose of the system on 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 2011 and up to the date of approval of the annual report and accounts and accords with Department of Finance and Personnel guidance.

The Board, in fulfilling its consideration of the key strategic and managerial issues facing the Trust, maintains and reviews the effectiveness of the system of internal control. 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; The Remuneration Committee is a sub-committee of the Trust Board established to advise the Board on appropriate remuneration and terms and conditions of service for the Chief Executive and other directors. The committee comprises the Board Chairman and three nominated Non-Executive Directors, with the Chief Executive and Director of Human Resources in attendance; other Executive Directors may be invited to attend in an advisory capacity.
- A Governance Management Board (GMB);
- Four Sub-Committees of the Trust Board with responsibility for Audit, Risk Management, User Feedback and Involvement, and Charitable Trust Funds.
 - 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 committee reviews the establishment and maintenance of an effective system of internal control, across the whole of the Trust's activities (both clinical and non clinical) that supports the achievements of the Trust's activities.
 - 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 committee provides assurance to the Trust Board that the structures, systems and processes in place will deliver the Trust's key clinical objectives and ensure continuous improvements in the quality and safety of patient care to promote improvement and excellence.
 - The User Feedback and Involvement Committee comprises three Non-Executive Directors and a representative from the Patient Client Council. Directors and Trust governance managers attend as required.
 - The Charitable Trust Funds Committee comprises two Non-Executive Directors with senior staff including the Director of Finance in attendance. 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. Each Committee reports back to the Trust Board on a regular basis.

The Trust has an effective recruitment and selection policy which serves to ensure the appointment of suitable staff, and meets statutory and legal requirements in the area of employment.

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.

The BSO Internal Audit function provides an independent and objective opinion to the Accounting Officer, Board and Audit Committee on the adequacy and effectiveness of the system of internal control. In 2010 / 11 Internal Audit reviewed the following areas:

Audit	Level of Assurance
• Review of Audit Recommendations 09/10	Satisfactory
• Payroll	Limited
• Incidents and Complaints Management	Limited
• Non Pay Expenditure	Satisfactory
• Patients Private Property - Acute	Satisfactory
• Risk Management	Satisfactory
• Bank and Cash	Satisfactory
• Budgetary Control	Satisfactory
• Charitable Funds - Investments	Satisfactory
• Cash Management and Management of Clients Monies in Social Services Facilities	Satisfactory / Limited
• Agenda for Change Calculations	Satisfactory
• Trauma Advisory Panel Expenditure	Satisfactory
• Domiciliary Care – External Providers	Satisfactory
• Private Practice Income	Limited
• Management of Locums	Limited
• Performance Management	Satisfactory
• Directorate Finance Audit – Acute Services	Satisfactory
• Directorate Risk Audit – Mental Health	Satisfactory
• Financial Assessments (including Direct Payments)	Satisfactory
• Procurement and Management of Maintenance Contracts	Satisfactory / Limited

• Management of Contracts with Independent and Voluntary Sector	Satisfactory / Limited
• Management of Client Monies in Independent Homes	Satisfactory
• Efficiency Savings	Satisfactory
• Information Governance	Limited
• Human Resources	Satisfactory
• ICT	Satisfactory / Limited
• Verification of Controls Assurance Standards	Not Applicable

In all cases an independent audit opinion was given by Internal Audit, based on the work undertaken and resultant findings. Agreed recommendations 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.

The overall opinion of the Head of Internal Audit for the year ended 31st March 2011 is that there is a satisfactory system of internal control designed to meet the Trust's objectives. However there were a number of areas where Limited Assurance has been assigned. 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. The audits in question are as follows:

Payroll: Identified weaknesses were in the areas of absence of a formal authorisation framework, employee documentation, verification of data, overpayments and control accounts. A detailed action plan to address the identified weaknesses has been developed and monthly monitoring meetings are held to review progress.

Incidents and Complaints Management: Identified weaknesses were in the areas of high graded incidents not being investigated, delays in completion of investigations and appropriate documentation not being completed and returned to the complaints/service user experience office. Actions to address identified weaknesses have been initiated by the Medical and Governance Directorate.

Cash Management and Management of Clients Monies in Social Service Facilities – Supported Living: Identified weaknesses were in the areas of arrangements relating to the Trust acting as appointee for a client, reconciliation of bank statements, and safekeeping of a small number of donations. The Mental Health and Disability Services Directorate have engaged with the Finance Directorate to produce effective internal control procedures and to secure training for staff.

Private Practice Income: Identified weaknesses were in the areas of lack of reconciliation of Private Practice activity information, inconsistent approach to recording of Private Outpatient activity and arrangements for notification and invoicing of Category II work. A Trust wide

group has been reconvened to take forward the issues identified and to promote best practice. This group reports to the Director of Medical and Governance.

Management of Locums: Identified weaknesses were in the areas of lack of evidence of Access NI checks, delay in confirmation of GMC registration, checks of the alert register, confirmation of entitlements to work in the country and completion of Right Patient Right Blood competencies. The Medical and Governance Directorate has initiated a review of the current procedures to implement the recommendations, and to further enhance existing controls. The Comptroller and Auditor General has made reference to this report in his Audit Report on the Annual Accounts.

Management of Maintenance Contracts – Radiology and Laboratory: It was noted that these contracts were not routinely monitored and charges were not being checked against the respective contracts. The accepted recommendations will be implemented within the two departments, sharing implementation and best practice information.

Management of Contracts with the Independent and Voluntary Sector – Procurement of Social Care Contracts: There was an identified weakness relating to a number of contracts in place with the independent and voluntary sector which had been inherited from legacy Trusts and the failure to subject these to a market testing or selection approach. Management have accepted the findings of the audit report and work has commenced both internally and with other agencies e.g. the Housing Executive, to implement the recommendations made. The Comptroller and Auditor General has made reference to this report in his Audit Report on the Annual Accounts.

Information Governance: Weaknesses were identified relating to access to two archival stores, the need for an Information Governance training needs analysis, and follow up work on a full data flow exercise. Management have accepted the recommendations and initiated an action plan to address these.

ICT: There were identified weaknesses relating to the control surrounding use of unsecured USB devices. Management have accepted the recommendations and initiated an action plan to address these.

The accepted recommendations and subsequent action plans, arising from significant internal control issues, identified during audits carried out in 2009/10, have been subject to ongoing implementation by the relevant department, and scrutiny by internal audit.

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.

The Trust has in place an Anti Fraud Policy, and a Fraud Response Plan which gives details of responsibilities and actioning officers in the event of a suspected or detected fraud. Extensive work has been undertaken in promoting fraud awareness throughout the Trust, including provision of a training programme, participation in a pilot e-learning project instigated by

Counter Fraud and Probity Services (BSO) which in due course will be formally launched in the Trust, and communication with staff regarding the recent phase of the National Fraud Initiative, with investigation of data matches now underway. The Trust has also agreed a protocol with CF&PS to be applied in investigation of cases in which the Trust seeks their assistance.

Capacity to handle risk

In 2010/11 the Trust revised its Integrated Governance Strategy to take account of new statutory duties, and the Management Statement and Financial Memorandum in addition to other changes in the Trust. The Trust's risk matrix and associated guidance is likely to be replaced following regional consensus on the matrix to be used. 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. 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. The Trust acknowledges the need for Controls Assurance and Risk Management to be 'mainstreamed' into the day-to-day activities of the Trust and staff at all levels are encouraged and facilitated to participate fully in the identification, assessment and management of risk.

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 operated throughout 2010/11; both of these policies will be revised in 2011/2012. Incident reporting analysis facilitates the provision of 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. The Trust works closely with the HSCB and PHA in relation to investigating, reporting and learning from SAI's. The Trust finds the 12 week timeframe for the investigation and reporting of SAI's very challenging and often seeks permission to extend, in order to complete the investigation to a satisfactory standard. The Trust monitors this situation closely. The Trust introduced a 'sharing learning' process in 2010/2011 that facilitates audit of the learning from such events as it is cascaded through directorates. Limited assurance had been provided in respect of learning from complaints and incidents and this development will help address the deficits identified. The controls assurance standard for emergency planning did not meet substantive compliance when verified by internal audit. Action is now underway to address those elements of the standard which largely caused this non-compliance. The Trust-wide Emergency & Business Continuity Planning Forum met for the first time on 18th April 2011. This group has responsibility for directing and co-ordinating activity in this area including updating the Trust Business Continuity Plan.

Good progress is maintained in 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 (HSS (F) 67/2006) in respect of payments for legal and litigation services.

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 risks are managed within the context of the Trust's Risk Management Strategy. Such 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 and 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.

The Trust has identified its Senior Information Risk Owner and a number of Information Asset Owners, and these will increase in the coming year. Other 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 Governance Management Board, to the Trust Board. The Information Governance Forum manages a work programme that addresses a number of risk areas.

IT Security training is mandated for all users and a range of wider Information Governance courses is offered in-house. The Trust has drawn up and is providing a comprehensive development programme for System Managers. This is a pivotal staff group that will have a key role as Information Asset Administrators and in the formal implementation of information risk management.

The Trust is reliant to a significant extent on the services provided by BSO ITS, for which Service Level Agreements are in place. BSO ITS also 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.

There were 4 incidents recorded on incident management system classified as 'lost/missing records':

- envelope containing lab reports handed in to chemist
- lost Trust mobile phone
- doctor's car stolen and with it 8 sets of notes and a work diary containing some client information
- 1 social work case file could not be found

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 2010 / 11.

The Trust achieved the following levels of compliance for 2010 / 11:

Standard	DHSS&PS Expected Level of Compliance	Trust Level of Compliance	Verified by
Buildings, land, plant and non-medical equipment	70% - 99% (Substantive)	Substantive	Self-Assessment
Decontamination of medical devices	70% - 99% (Substantive)	Substantive	Self-Assessment
Emergency Planning	70% - 99% (Substantive)	Moderate	Internal Audit
Environmental Cleanliness	70% - 99% (Substantive)	Substantive	Self-Assessment
Environment Management	70% - 99% (Substantive)	Substantive	Self-Assessment
Financial Management (Core Standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Fire safety	70% - 99% (Substantive)	Substantive	Self-Assessment
Fleet and Transport Management	70% - 99% (Substantive)	Substantive	Internal Audit
Food Hygiene	70% - 99% (Substantive)	Substantive	Self-Assessment
Governance (Core Standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Health & Safety	70% - 99% (Substantive)	Substantive	Self-Assessment
Human Resources	70% - 99% (Substantive)	Substantive	Self-Assessment
Infection Control	70% - 99% (Substantive)	Substantive	Self-Assessment
Information Communication Technology	70% - 99% (Substantive)	Substantive	Self-Assessment
Management of Purchasing and Supply	70% - 99% (Substantive)	Substantive	Self-Assessment
Medical Devices and Equipment Management	70% - 99% (Substantive)	Substantive	Self-Assessment
Medicines Management	70% - 99% (Substantive)	Substantive	Internal Audit
Records Management	70% - 99% (Substantive)	Substantive	Self-Assessment

Research Governance	70% - 99% (Substantive)	Substantive	Self-Assessment
Risk Management (Core Standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Security Management	70% - 99% (Substantive)	Substantive	Self-Assessment
Waste Management	70% - 99% (Substantive)	Substantive	Self-Assessment

A detailed action plan, and particularly approval of a revised Trust Major Incident Plan with associated plans for training, exercising etc, has been prepared to address the gaps identified during the self-assessment of compliance with the Controls Assurance Standard for Emergency Planning. This plan will be progressively implemented during 2011/12 to achieve substantive compliance when next assessment completed.

Significant Internal Control Issues

The work to reduce the risk of Healthcare Associated Infection (HCAI) and in particular clostridium difficile following the major outbreak in 2007/2008 continues. SMT monitor the number of new cases of clostridium difficile infection and work closely with PHA. The number of C Diff cases has not reduced in line with the Trust's objective, and does not meet the PFA target. An assurance framework for HCAI has been developed and the Delivery Plan was renewed in 2010/2011. The Chief Executive has requested a revised accountability structure for HCAI and this will be formally established in May 2011. The C Difficile Public Inquiry reported in March 2011 with nine recommendations, addressed by the Trust, that largely focused on communication issues, patient experience, end of life care and outbreak management. An improvement plan that addresses all recommendations for the Trust is being implemented.

In 2010/2011 increased risk of not being able to deliver safe and effective emergency care at Whiteabbey and Mid Ulster Hospitals resulted in those A&E services being replaced by Minor Injuries Units. Additional capacity was created in the Emergency Department at Antrim Hospital and A&E services are now provided from two hospitals in the Trust. Antrim Emergency Department has experienced pressures and delays in having patients admitted; this has been included on the corporate risk register. A comprehensive action plan has been implemented to address these issues and has resulted in improved performance. Funding for a new A&E department at Antrim has been approved and interim plans are being developed to further increase capacity.

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.

Pandemic Flu contingency planning consumed a significant amount of time in 2009/10 due to local, corporate and regional planning events. The planning phase and actual management of

the cases provided significant learning for the Trust. In future, the Pandemic Flu Plan will be a sub-section of the Emergency Plan.

The maternity services review programme has strengthened governance arrangements and these are having a positive impact on services for women.

Financial Position

The NHSCT has in place a 2 year Modernisation and Recovery Plan. This Plan was prepared as a response to a deficit identified as part of the Due Diligence process carried out by the HSCB in 2010. The Plan is monitored on a monthly basis by a Programme Board. In order to recognise the difficulty faced by the Trust, the HSCB assigned the Trust a target control total of £6.406 million. The Trust achieved a surplus of £57,000 against the control total. The Trust continues to work with the HSCB to achieve breakeven for 2011/12. Nevertheless there are significant challenges facing the HSCB and Trust going forward.

Performance Management

In 2009/10, the Trust had agreed, and was funded recurrently, to provide additional activity for a number of specialties. During 2010/11, due to a number of factors, including the reconfiguration of Acute Services, and clinical vacancies, this activity was not delivered at the level agreed with the HSCB. Consequently the HSCB withdrew £950,000 from the Trust Revenue Resource Limit. The Trust has agreed with the HSCB on the levels of activity it will provide in 2011/12 which will reflect the additional investment made and has assured the HSCB that processes are in place to deliver this activity. This adjustment did not impact negatively on the Trust's financial performance.

A number of Internal Audit reports resulted in limited assurance and further detail on these is included in the section above entitled "Purpose of the system of internal control". The Trust has considered all of the internal and external audit reports in preparing the statement on internal control.

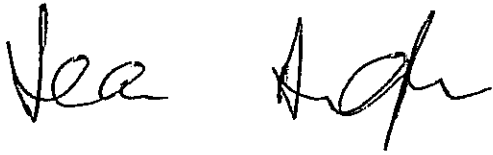
Review of Effectiveness

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. Board members are members and chairs of committees of the Trust and therefore report to the Board on significant control issues arising. The Board also reviews, on an annual basis, the Terms of

Reference of the Audit Committee and the role and membership of all Board committees. The Board receives regular reports through the Board Assurance Framework, which covers the risks faced by the organisation.

Signature of Accounting Officer and date of signature

A handwritten signature in black ink, appearing to read 'Vea Ash'.

16. June 2011

NORTHERN HEALTH AND SOCIAL CARE TRUST

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

I certify that I have audited the financial statements of Northern Health and Social Care Trust for the year ended 31 March 2011 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity 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 Trust, Chief Executive and auditor

As explained more fully in the Statement of Trust and Chief Executive's Responsibilities, the Trust and Chief Executive are 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 the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. I conducted my audit in accordance with 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 read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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 Northern Health and Social Care Trust's affairs as at 31 March 2011 and of its net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health, Social

Services & 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 and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health, Social Services & Public Safety directions issued thereunder; and
- the information given in the Chairman's Report, Management Commentary and Performance for the financial year for which the financial statements are prepared is consistent with the financial statements.

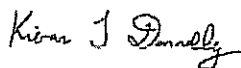
Matters on which I report by exception

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 and part of the Remuneration Report to be audited 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 Finance and Personnel's guidance.

Report

My observations on these financial statements are detailed at pages 78 to 79.



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

28 June 2011

NORTHERN HSC TRUST

STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2011

	NOTE	2011 £000s	Restated 2010 £000s
Expenditure			
Staff costs	3.1	(370,441)	(367,749)
Depreciation	4.0	(13,246)	(14,816)
Other Expenditure	4.0	<u>(228,968)</u>	<u>(224,440)</u>
		<u>(612,655)</u>	<u>(607,005)</u>
Income			
Income from activities	5.1	33,097	29,073
Other Income	5.2	10,182	10,080
Transfers from reserves for donated property, plant, equipment & intangibles	5.3	<u>268</u>	<u>294</u>
		<u>43,547</u>	<u>39,447</u>
Net Expenditure		<u><u>(569,108)</u></u>	<u><u>(567,558)</u></u>
Revenue Resource Limit (RRL)	25.1	569,165	567,604
Surplus / (deficit) against RRL		<u><u>57</u></u>	<u><u>46</u></u>

OTHER COMPREHENSIVE EXPENDITURE

	NOTE	2011 £000s	Restated 2010 £000s
Net gain/(loss) on revaluation of Property, Plant and Equipment	6.1/ 6.3 / 10	1,960	14,079
Net gain/(loss) on revaluation of Intangibles	7.1/ 7.3 / 10	0	0
Net gain/(loss) on revaluation of available for sales financial assets		0	0
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2011		<u><u>(567,148)</u></u>	<u><u>(553,479)</u></u>

The notes on pages 22 to 77 form part of these accounts.

NORTHERN HSC TRUST

STATEMENT of FINANCIAL POSITION as at 31 March 2011

	NOTE	2011 £000s	2010 £000s	Restated 2010 £000s	Restated 2009 £000s
Non Current Assets					
Property, Plant and Equipment	6.0/6.2/6.4	366,486	368,653	371,315	
Intangible Assets	7.0/7.2/7.4	1,767	1,174	1,256	
Financial Assets	8.0	0	0	0	
Trade and other Receivables	12.0	0	0	16	
Other Current Assets	12.0	0	0	16	
Total Non Current Assets		<u>368,253</u>	<u>369,827</u>	<u>372,603</u>	
Current Assets					
Assets classified as held for sale					
Inventories	9.0	279	0	0	
Trade and other Receivables	11.0	2,849	2,768	2,924	
Other Current Assets	12.0	11,120	9,887	10,527	
Financial Assets	12.0	1,204	6,770	596	
Cash and cash equivalents	8.1	0	0	0	
Total Current Assets	13.0	<u>2,562</u>	<u>3,565</u>	<u>4,206</u>	<u>18,253</u>
		<u>18,014</u>	<u>22,990</u>		
Total Assets		<u>386,267</u>	<u>392,817</u>	<u>390,856</u>	
Current Liabilities					
Trade and other Payables	14.0	(81,624)	(62,190)	(44,390)	
Other Liabilities	14.0	(56)	(50)	(126)	
Total Current Liabilities		<u>(81,680)</u>	<u>(62,240)</u>	<u>(44,516)</u>	
Non Current Assets plus/less Net Current Assets / Liabilities		<u>304,587</u>	<u>330,577</u>	<u>346,340</u>	
Non Current liabilities					
Provisions	16.0	(14,349)	(15,096)	(21,073)	
Other Payables > 1 yr	14.0	(219)	(275)	(386)	
Financial Liabilities	8.0	0	0	0	
Total Non Current Liabilities		<u>(14,568)</u>	<u>(15,371)</u>	<u>(21,459)</u>	
Assets less Liabilities		<u>290,019</u>	<u>315,206</u>	<u>324,881</u>	
Taxpayers' equity					
Donated Asset Reserve		3,880	2,867	3,354	
Revaluation Reserve		38,915	37,166	22,590	
General Reserve		247,224	275,173	298,937	
		<u>290,019</u>	<u>315,206</u>	<u>324,881</u>	

The notes on pages 22 to 77 form part of these accounts.

Signed *Statement* (Chairman)
Mr Jim Stewart

Date *16 June 2011*

Signed *Joe Donagh* (Chief Executive)
Mr Sean Donagh

Date *16 June 2011*

NORTHERN HSC TRUST

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £000s	Restated 2010 £000s
Cashflows from operating activities			
Net expenditure after interest		(569,108)	(567,558)
Adjustments for non cash costs		31,047	29,914
(Increase)/decrease in trade and other receivables		4,333	(5,502)
(Increase)/decrease in inventories		(81)	156
Increase/(decrease) in trade payables		19,384	17,613
Movements in payables relating to the purchase of property, plant and equipment		(3,258)	623
Movements in payables relating to finance leases		50	187
Movements in payables relating to PFI and other service concession arrangement contracts		0	0
Use of provisions	16	(7,447)	(8,362)
Net cash outflow from operating activities		(525,080)	(532,929)
Cashflows from investing activities			
(Purchase of property, plant & equipment)	6	(15,931)	(10,873)
(Purchase of intangible assets)	7	(980)	(384)
Proceeds of disposal of property, plant & equipment		3	15
Proceeds on disposal of intangibles		0	0
Proceeds on disposal of assets held for resale		0	0
Net Cash (Outflow) from investing activities		(16,908)	(11,242)
Cash flows from financing activities			
Grant in aid		541,035	543,717
Cap element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		(50)	(187)
Net financing		540,985	543,530
Net increase (decrease) in cash & cash equivalents in the period		(1,003)	(641)
Cash & cash equivalents at the beginning of the period	13	3,565	4,206
Cash & cash equivalents at the end of the period	13	2,562	3,565

The notes on pages 22 to 77 form part of these accounts.

NORTHERN HSC TRUST

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2011

	Note	General Reserve £000s	Revaluation Reserve £000s	Donation Reserve £000s	Total £000s
Balance at 31 March 2009		309,534	22,590	3,354	335,478
Changes in accounting policy		0	0	0	0
Change in accounting policy - clinical negligence		(10,597)	0	0	(10,597)
Restated balance at 1 April 2009		298,937	22,590	3,354	324,881
Changes in taxpayers equity 2009-10					
Grant from DHSSPS		543,720	0	0	543,720
Transfers between reserves		3	(3)	0	0
(Comprehensive expenditure for the year)		(567,558)	14,579	(500)	(553,479)
Donated asset receipts		0	0	307	307
Donated asset reserve - transfer to net expend for depreciation		0	0	(294)	(294)
Non cash charges - auditors remuneration	4	71	0	0	71
Balance at 31 March 2010		275,173	37,166	2,867	315,206
Changes in taxpayers equity 2010-11					
Grant from DHSSPS		541,031	0	0	541,031
Transfers between reserves		174	(174)	0	0
Transfer in relation to Education and Library Board shared premises		(178)	(16)	0	(194)
(Comprehensive expenditure for the year)		(569,108)	1,939	21	(567,148)
Donated asset receipts		0	0	1,260	1,260
Donated asset reserve - transfer to net expend for depreciation		0	0	(268)	(268)
Non cash charges - auditors remuneration	4	56	0	0	56
Clinical Negligence accounting policy change - net movement		76	0	0	76
Balance at 31 March 2011		247,224	38,915	3,880	290,019

NORTHERN HSC TRUST

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.

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 & Machinery, Information Technology, Furniture & 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 Statement of Financial Position 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 body within the Department of Finance and Personnel. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard.

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 – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non current assets.

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 HSC entities had the option to elect to cease indexing all short life assets (other than IT). Short life IT assets are not indexed. Short life is 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 due to a general change in prices, 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. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Net Expenditure account and an amount up to the value of the impairment in the revaluation reserve is transferred to the General fund. 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 loss from sale of land or profit/loss 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 and government-granted 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 or government grant 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.

Grant in Aid

Funding received from other entities, including the Department 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 may be either an operating lease or a Finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. 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. 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 to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

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 the Statement of Net Comprehensive Income.

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

Assets contributed 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 Statement of Financial Position 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 Statement of Financial Position 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.

1.18 Provisions

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 DFP's 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 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.

1.20 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 2008. 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 Statement of Comprehensive Net Expenditure 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 Statement of Financial Position date and updates it to reflect current conditions. The 31 March 2008 valuation is used in the 2010/11 accounts.

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.

1.21 Donated Asset Reserve

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

1.22 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.

1.23 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 24 to the accounts.

1.24 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.

1.25 Losses and Special Payments

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health service 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.

1.26 Accounting standards that have been issued but have not yet been adopted

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted.

Management has reviewed the new accounting policies that have been issued but are not yet effective, nor adopted early for these accounts. Management consider that these are unlikely to have a significant impact on the accounts in the period of the initial application.

1.27 Change in Accounting Policy / Prior Year Restatement

There were 3 changes in accounting policy during the year. The prior year figures have been changed in the accounts to reflect the change in accounting policy. In the Statement of Financial Position the previous two years have been restated to comply with IAS 1 paragraph 29. The changes were;

(i) Capital Charges – Cost of Capital

One of the impacts of the HM Treasury alignment project to closer align budgets, estimates and accounts has resulted in the removal of cost of capital. Therefore from 2010-11 onwards the Trust is no longer required to reflect a notional cost of capital within its accounts. Expenditure and non cash RRL have been restated in the comparative years to reflect this.

2009/10

£000

Statement of Comprehensive Net Expenditure	11,839
RRL	11,839

(ii) Clinical Negligence

As a result of new budgetary arrangements for the HSC, following changes in HM Treasury budgeting guidance, cash funding to HSC bodies is now treated as grant in aid, and financial performance is measured with reference to a Revenue Resource Limit (RRL). The relevant changes were first introduced to Trust accounts in 2008/09, and then to the HSCB accounts in 2009/10.

However, as a result of the specific circumstances and more complex accounting arrangements relating to clinical negligence transactions and balances, the Department obtained dispensation from DFP which allowed HSC bodies to continue to cover clinical negligence costs by match funding. This was managed through the Clinical Negligence Central Fund such that re-imbursements receivable from the Central Fund in respect of clinical negligence provisions and liabilities were accounted for as income and reflected within debtors.

Clinical negligence provision continues to be fully funded but rather than being reimbursed by Central Fund, it is now matched by RRL non cash cover. The Central Fund will no longer be used to administer settlement of clinical negligence claims; rather HSC bodies will draw cash to cover clinical negligence settlements as grant in aid directly from the Department.

HSC bodies are now required to adopt this policy in full and have therefore restated any debtors in respect of amounts reimbursable from the Central Fund.

Income, receivables and non cash RRL have been restated in the comparative years to reflect this.

2009/10 £000 2008/09 £000

Income	2,366	Receivables	10,597
RRL	2,366	Reserves	10,597

(iii) Impairment

Previously all impairments were charged to the Revaluation Reserve if one existed before the remaining amount was charged to the Statement of Comprehensive Net Expenditure. Treasury / DFP guidance for 2010-11 and future periods is that economic impairments should be charged in full to the Statement of Comprehensive Net Expenditure with a corresponding transfer being made from the Revaluation Reserve to the General Reserve. This is considered to be more transparent than the IFRS approach to impairments. There is no change in policy in respect of price impairments. This change did not have any impact on the accounts and a prior year restatement was not required

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

ANALYSIS OF NET EXPENDITURE BY SEGMENT

Note 2

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 requirements of IFRS have been met in full.

Directorate	Staff Costs £000s	Expenditure £000s	Expenditure £000s	Staff Costs £000s	Expenditure £000s	Expenditure £000s
Children's Services	53,281	22,955	76,236	52,254	22,513	74,767
Acute Hospital Services	134,785	35,751	170,536	116,059	33,381	149,440
Older People's Services	69,286	60,577	129,863	68,015	62,961	130,976
Mental Health and Disability Services	54,618	67,450	122,068	54,891	60,838	115,729
Planning, Performance Management and Support Services	27,624	12,995	40,619	48,623	20,064	68,687
Research and Development	0	823	823	0	563	563
Other Trust Directorates	30,847	10,689	41,536	27,907	11,400	39,307
Expenditure for Reportable Segments net of Non Cash RRL per Note 25	370,441	211,240	581,681	367,749	211,720	579,469
Non Cash RRL			30,974			29,903
Total Expenditure per Net Expenditure Account			612,655			607,005
Income Note 5			43,547			39,447
Net Expenditure			569,108			567,558
Revenue Resource Limit			569,165			567,604
Surplus / (Deficit) against RRL			57			46

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 3 STAFF NUMBERS AND RELATED COSTS

3.1 Staff Costs

	2011			2010 Restated
Staff costs comprise:	Total £000s	Permanently employed staff £000s	Others £000s	Total £000s
Wages & Salaries	318,700	311,067	7,633	317,326
Social Security costs	20,276	20,276	0	19,785
Other pension costs	32,266	32,266	0	31,406
Sub-Total	371,242	363,609	7,633	368,517
Capitalised staff costs	801	739	62	768
Total staff costs reported in Statement of Comprehensive Expenditure	370,441	362,870	7,571	367,749
Less recoveries in respect of outward secondments	2,258			2,304
Total net costs	368,183			365,445

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 DHSSPSNI. 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 Statement of Financial Position date and updates it to reflect current conditions. A full valuation as at 31 March 2008 was completed in 2010-11.

3.2 Average number of persons employed

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

	2011			2010
	Total No.	Permanently employed staff No.	Others No.	Total No.
Medical and dental	556	504	52	556
Nursing and Midwifery	3,090	3,063	27	3,164
Professions Allied to medicine	791	775	16	779
Ancillaries	923	886	37	957
Administrative & Clerical	1,748	1,741	7	1,777
Ambulance Staff	0	0	0	0
Works	124	124	0	120
Other Professional and technical	317	317	0	306
Social Services	1,888	1,854	34	1,903
Other	0			
Total average number of persons employed	9,437	9,264	173	9,562
Less average staff number relating to capitalised staff costs	16	16	0	17
Less average staff number in respect of outward secondments	73	73	0	80
Total net average number of persons employed	9,348	9,175	173	9,465

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 3 STAFF NUMBERS AND RELATED COSTS

3.3 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	2010-11			2009-10			2010-11				
	Salary £000s	Donus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)	Salary £000s	Donus / Performance pay £000	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 31/03/10 £000s	CETV at 31/03/11 £000s	Real increase in CETV £000s
Non-Executive Members											
J Stewart	25-30	0	0	25 - 30	0	0	0	0	0	0	0
C Ackah	5-10	0	0	5 - 10	0	0	0	0	0	0	0
R McCann	5-10	0	0	5 - 10	0	0	0	0	0	0	0
S Forsythe	5-10	0	0	5 - 10	0	0	0	0	0	0	0
P Montgomery	5-10	0	0	5 - 10	0	0	0	0	0	0	0
J Moore	5-10	0	0	5 - 10	0	0	0	0	0	0	0
M Rankin	5-10	0	0	5 - 10	0	0	0	0	0	0	0
D Whittington	5-10	0	0	5 - 10	0	0	0	0	0	0	0
Executive Members											
S Donaghy (1)	70-75	0	0	0	0	0					
L O'Neill (2)	35-40	0	0	0	0	0					
P Flanagan	145-150	0	0	140-145	0	0	0 to 2.5 plus lump sum 5 to 7.5	60 to 65 plus lump sum 190 to 195	1338	1315	-23
M Sloan	85-90	0	0	85-90	0	0	0 to 2.5 plus lump sum 0 to 2.5	25 to 30 plus lump sum 80 to 85	476	435	-41
J Melaugh	70-75	0	0	70-75	0	0	0 to -2.5 plus lump sum 0 to -2.5	30 to 35 plus lump sum 90 to 95	585	546	-39
O Donnelly	65-70	0	0	65-70	0	0	0 to -2.5 plus lump sum 0 to -2.5	25 to 30 plus lump sum 80 to 85	540	509	-31
C Worthington (11)	80-85	0	300	75-80	0	0	2.5 to 5 plus lump sum 7.5 to 10	30 to 35 plus lump sum 100 to 105	683	713	30
U Cuning (3)	60-65	0	0	0	0	0	0 to -2.5 plus lump sum 0 to -2.5	20 to 25 plus lump sum 70 to 75	478	448	-30
V Jackson (4)	85-90	0	0	35-40	0	0	0	0	0	0	0
C Donaghy (5)	70-75	0	0	75-80	0	0	0	0	0	0	0
M Dillon (6)	50-55	0	0	55-60	0	0	0	0	0	0	0
B Scott (7)	10-15	0	0	70-75	0	0	0	0	0	0	0
N Evans (8)	0	0	0	60-65	0	0	0	0	0	0	0
N Guckian (9)	0	0	0	35-40	0	0	0	0	0	0	0
M Roulston (10)	0	0	0	5-10	0	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) Appointed 20/09/10 - estimated full year equivalent salary £135-£140K

(2) Appointed 01/11/10 - estimated full year equivalent salary £85-£90K. CETV amounts available from BSO accounts.

(3) Acting Director of Nursing Services with effect from 21/05/10 - estimated full year equivalent salary £65-£70K

(4) Interim Director of Acute Hospital Services - seconded from BHSCT on 01/11/09. CETV amounts available from BHSCT accounts

(5) Secondment ended 19/09/10 - estimated full year equivalent salary £145-£150K CETV amount available from BHSCT accounts

(6) Secondment ended 30/09/10 - estimated full year equivalent salary £100-£105K. CETV amount available from BHSCT accounts

(7) Left 31/05/10 - estimated full year equivalent salary £75 - £80K

(8) Left 30/09/09

(9) Left 20/09/09

(10) Acting Director with effect from 16/02/09 to 03/05/09.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 3 STAFF NUMBERS AND RELATED COSTS

3.4 Reporting of early retirement and other compensation scheme - exit packages

Exit package cost band	2011			2010		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	6	6	0	1	1
£10,001 - £25,000	0	13	13	0	6	6
£25,001 - £50,000	0	18	18	0	16	16
£50,001 - £100,000	0	40	40	0	19	19
£100,001 - £150,000	0	5	5	0	3	3
£150,001 - £200,000	0	2	2	0	5	5
£200,001 - £250,000	0	0	0	0	1	1
Total number of exit packages by type	0	84	84	0	51	51
	£000s			£000s		
Total Resource Cost	0		4,610			3,605

Redundancy and other departure costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. The above exit costs were met from existing RPA and/or CSR provisions created some years ago. These costs were accounted for when the provisions were created and are therefore reflected as utilisations within the provisions note and have no impact upon net expenditure. Due to timing differences the Total Resource Cost will not agree to the utilised amount in the Note 16 Provisions. The table shows exits approved and agreed during the year which have been charged to the provision account. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 3 STAFF NUMBERS AND RELATED COSTS

3.5 Staff Benefits	2011 £000s	2010 £000s
Staff benefits	0	0

3.6 Trust Management Costs

	2011 £000s	Restated 2010 £000s
Trust Management Costs	23,632	23,892
Income:		
RRL	569,165	567,604
Income per Note 5	43,547	39,447
Non cash RRL for movement in clinical negligence provision	(6,017)	(2,366)
Less interest receivable	0	0
Total Income	606,695	604,685
% of total income	3.90%	3.95%

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

The Trust Management Costs have been restated for 09/10 a part of a regional exercise to add consistency of calculation between the Trusts. The agreed consistent basis was used to calculate the 10/11 costs.

3.7 Retirements due to ill-health

During 2010/11 there were 31 early retirements from the Trust (2009/10 39), agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £205K (2009/10 £128K). These costs are borne by the HSC Pension Scheme.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 4 OPERATING EXPENSES

Operating Expenses

4.0 Operating Expenses are as follows:-

	2011 £000s	Restated 2010 £000s
Purchase of care from non-HPSS bodies	112,465	105,735
Revenue Grants to voluntary organisations	0	0
Capital Grants to voluntary organisations	0	0
Personal social services	10,721	10,592
Recharges from other HSC organisations	598	551
Supplies and services - Clinical	33,004	33,321
Supplies and services - General	5,791	6,515
Establishment	15,313	14,367
Transport	1,377	1,492
Premises	17,605	17,306
Bad debts	(4)	17
Rentals under operating leases	2,034	1,963
Rentals under finance leases	(93)	(180)
Finance cost of finance leases	44	54
Interest charges	0	0
PFI and other service concession arrangements service charges	1,192	1,133
Research & Development expenditure	823	630
Clinical Negligence - other expenditure	0	0
BSO - provision of services	2,135	1,620
Training	641	1,257
Professional Fees	1,081	932
Patients Travelling Expenses	783	778
Costs of exit packages not provided for	0	0
Elective Care	2,699	7,334
NFI audit fee	3	0
Miscellaneous expenditure	2,760	3,642
Non cash items		
Depreciation	13,246	14,816
Amortisation	387	466
Impairments	10,856	12,451
(Profit) on disposal of assets (excluding profit on land)	(3)	0
Loss on disposal of assets (including land)	0	8
Provisions provided for in year	6,632	2,335
Unwinding of discount on provisions	68	50
Auditors remuneration	56	71
Total	242,214	239,256

During the year the Trust purchased non audit services from its external auditor (NIAO) in relation to the National Fraud Initiative amounting to £3K.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 5 INCOME

5.1 Income from Activities

	2011 £000s	Restated 2010 £000s
GB/Republic of Ireland Health Authorities	0	0
HSC Trusts	0	0
Non-HSC:- Private patients	187	169
Non-HSC:- Other	1,845	1,717
Clients contributions	31,065	27,187
Total	33,097	29,073

5.2 Other Operating Income

	2011 £000s	Restated 2010 £000s
Other income from non-patient services	7,924	7,776
Seconded staff	2,258	2,304
Charitable and other contributions to expenditure	0	0
Profit on disposal of land	0	0
Interest receivable	0	0
Total	10,182	10,080

5.3 Transfers from reserves for donated property, plant, equipment & intangibles

	2011 £000s	Restated 2010 £000s
Donated asset reserve transfer for impairment	0	0
Donated asset reserve transfer for depreciation and amortisation	268	294
Total	268	294

TOTAL INCOME

43,547	39,447
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NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 6 Property, Plant & Equipment

Summary

	Purchased £000s	Donated £000s	2011 Total £000s
Net book value:			
Land	94,868	240	95,108
Buildings (excluding dwellings)	217,240	868	218,108
Dwellings	21,853	0	21,853
Assets Under Construction	4,957	1,327	6,284
Plant and machinery (Equipment)	16,506	1,324	17,830
Transport Equipment	2,787	0	2,787
Information Technology (IT)	3,732	2	3,734
Furniture & Fittings	663	119	782
Total PPE - 31 March 2011	362,606	3,880	366,486

	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

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 2011

NOTE 6.1 Property, Plant & Equipment - Purchased assets - year ended 31 March 2011

	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 2010	112,464	209,773	21,990	1,865	39,722	7,078	7,925	771	401,588
Indexation	0	7,198	632	0	577	0	0	0	8,407
Additions	0	6,974	535	3,092	4,630	1,410	2,299	249	19,189
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	(279)	22	(22)	0	0	0	(52)	0	(331)
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	(17,263)	750	(502)	0	0	0	0	0	(17,015)
(Disposals)	(54)	(205)	0	0	(1,611)	(121)	0	0	(1,991)
At 31 March 2011	94,868	224,512	22,633	4,957	43,318	8,367	10,172	1,020	409,847
Accumulated Depreciation									
At 1 April 2010	0	0	0	0	24,962	4,748	5,799	293	35,802
Indexation	0	0	0	0	316	0	0	0	316
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	(52)	0	(52)
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	0	0	(7)	0	0	0	0	0	(7)
(Disposals)	0	(64)	0	0	(1,611)	(121)	0	0	(1,796)
Provided during the year	0	7,336	787	0	3,145	953	693	64	12,978
At 31 March 2011	0	7,272	780	0	26,812	5,580	6,440	357	47,241
Net Book Value									
At 31 March 2011	94,868	217,240	21,853	4,957	16,506	2,787	3,732	663	362,606
At 31 March 2010	112,464	209,773	21,990	1,865	14,760	2,330	2,126	478	365,786
Asset financing									
Owned	94,868	217,240	21,853	4,957	16,253	2,787	3,732	663	362,353
Finance Leased	0	0	0	0	253	0	0	0	253
On b/s PFI and other service concession arrangements contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2011	94,868	217,240	21,853	4,957	16,506	2,787	3,732	663	362,606

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £16K (2010 £154K)

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 6.2 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	0	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

Accumulated 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 1 April 2009	117,915	209,738	20,455	1,732	13,906	2,315	1,546	354	367,961
At 31 March 2010	112,464	209,773	21,990	1,865	14,760	2,330	2,126	478	365,786

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 and other service concession arrangements 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

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 and other service concession arrangements contracts	0	0	0	0	0	0	0	0	0
Net Book Value At 1 April 2009	117,915	209,738	20,455	1,732	13,906	2,315	1,546	354	367,961

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 6.3 Property, Plant & Equipment - Donated assets - Year ended 31 March 2011

	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 2010	282	867	0	282	2,854	46	151	198	4,680
Indexation	(42)	33	0	0	50	0	0	0	41
Additions	0	0	0	1,045	200	0	0	15	1,260
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	0	0	0	0	0
At 31 March 2011	240	900	0	1,327	3,104	46	151	213	5,981
Accumulated Depreciation									
At 1 April 2010	0	0	0	0	1,536	46	147	84	1,813
Indexation	0	0	0	0	20	0	0	0	20
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	0	0	0	0	0
Provided during the year	0	32	0	0	224	0	2	10	268
At 31 March 2011	0	32	0	0	1,780	46	149	94	2,101
Net Book Value									
At 31 March 2011	240	868	0	1,327	1,324	0	2	119	3,880
At 31 March 2010	282	867	0	282	1,318	0	4	114	2,867
Asset financing									
Owned	240	868	0	1,327	1,324	0	2	119	3,880
Finance Leased	0	0	0	0	0	0	0	0	0
On b/s PFI and other service concession arrangements contracts	0	0	0	0	0	0	0	0	0
Net Book Value At 31 March 2011	240	868	0	1,327	1,324	0	2	119	3,880

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 6.4 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

Accumulated

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 1 April 2009	661	1,076	0	0	1,475	3	15	124	3,354
At 31 March 2010	282	867	0	282	1,318	0	4	114	2,867

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 and other service concession arrangements 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

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 and other service concession arrangements contracts	0	0	0	0	0	0	0	0	0
Net Book Value At 1 April 2009	661	1,076	0	0	1,475	3	15	124	3,354

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 7 Intangible Assets

Summary

	Purchased £000s	Donated £000s	2011 Total £000s
Net book value:			
Software	0	0	0
Software licenses	1,767	0	1,767
Total Intangible assets - 31 March 2011	1,767	0	1,767

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

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 7.1 INTANGIBLE ASSETS (Purchased) - Year ended 31 March 2011

	Software licenses	Software	Total
Cost or Valuation	£000s	£000s	£000s
At 1 April 2010	2,808	0	2,808
Indexation	0	0	0
Additions	980	0	980
Reclassifications	0	0	0
Transfers	52	0	52
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
At 31 March 2011	<u>3,840</u>	<u>0</u>	<u>3,840</u>
Accumulated Amortisation			
At 1 April 2010	1,634	0	1,634
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	52	0	52
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
Provided during the year	387	0	387
At 31 March 2011	<u>2,073</u>	<u>0</u>	<u>2,073</u>
Net Book Value			
At 31 March 2011	<u>1,767</u>	<u>0</u>	<u>1,767</u>
At 31 March 2010	<u>1,174</u>	<u>0</u>	<u>1,174</u>
Asset financing			
Owned	1,767	0	1,767
Finance Leased	0		0
On b/s PFI and other service concession arrangements contracts	0	0	0
Net Book Value At 31 March 2011	<u>1,767</u>	<u>0</u>	<u>1,767</u>

The amount shown under Transfers relates to a transfer from purchased assets

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 7.2 INTANGIBLE ASSETS (Purchased) - Year ended 31 March 2010

	Software licenses	Software	Total
Cost or Valuation	£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	<u>2,808</u>	<u>0</u>	<u>2,808</u>
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Accumulated 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	<u>1,634</u>	<u>0</u>	<u>1,634</u>
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Net Book Value

At 1 April 2009	<u>1,256</u>	<u>0</u>	<u>1,256</u>
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At 31 March 2010	<u>1,174</u>	<u>0</u>	<u>1,174</u>
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Asset financing

Owned	1,174	0	1,174
Finance Leased	0	0	0
On b/s PFI and other service concession arrangements contracts	0	0	0
Net Book Value			
At 31 March 2010	<u>1,174</u>	<u>0</u>	<u>1,174</u>

Asset financing

Owned	1,256	0	1,256
Finance Leased	0	0	0
On b/s PFI and other service concession arrangements contracts	0	0	0
Net Book Value			
At 1 April 2009	<u>1,256</u>	<u>0</u>	<u>1,256</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 7.3 INTANGIBLE ASSETS (Donated) - Year ended 31 March 2011

	Software licenses	Software	Total
Cost or Valuation	£000s	£000s	£000s
At 1 April 2010	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 2011	<u>66</u>	<u>0</u>	<u>66</u>
Accumulated Amortisation			
At 1 April 2010	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 2011	<u>66</u>	<u>0</u>	<u>66</u>
Net Book Value			
At 31 March 2011	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2010	<u>0</u>	<u>0</u>	<u>0</u>
Asset financing			
Owned	0	0	0
Finance Leased	0	0	0
On b/s PFI and other service concession arrangements contracts	0	0	0
Net Book Value			
At 31 March 2011	<u>0</u>	<u>0</u>	<u>0</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 7.4 INTANGIBLE ASSETS (Donated) - Year ended 31 March 2010

	Software licenses	Software	Total
Cost or Valuation	£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 1 April 2009	0	0	0
At 31 March 2010	0	0	0

Asset financing

Owned	0	0	0
Finance Leased	0	0	0
On b/s PFI and other service concession arrangements contracts	0	0	0
Net Book Value			
At 31 March 2010	0	0	0

Asset financing

Owned	0	0	0
Finance Leased	0	0	0
On b/s PFI and other service concession arrangements contracts	0	0	0
Net Book Value			
At 1 April 2009	0	0	0

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 8 FINANCIAL INSTRUMENTS

8.1 Financial instruments

The Trust did not have any financial instruments at either 31 March 2011 or 31 March 2010.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

	Land			Buildings			Total		
	2011 £000s	2010 £000s	2009 £000s	2011 £000s	2010 £000s	2009 £000s	2011 £000s	2010 £000s	2009 £000s
Cost									
At 1 April	0	0	243	0	0	0	0	0	243
Transfers from (Disposals)	279	0	0	0	0	0	279	0	0
	0	0	(243)	0	0	0	0	0	(243)
At 31 March	279	0	0	0	0	0	279	0	0
Depreciation									
At 1 April	0	0	0	0	0	0	0	0	0
Transfers from (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	279	0	0	0	0	0	279	0	0

Non current assets held for sale comprise non current assets that are held for resale rather than for continuing use within the business.
The amount disclosed in 2010/11 refers to the planned sale of Carnview Children's Home in Newtownabbey

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 10 IMPAIRMENTS

	2011		2010		2009	
	Property, Plant & Equipment £000s		Intangibles £000s		Total £000s	
	Purchased	Donated	Purchased	Donated	Purchased	Donated
Total value of impairments for the period	17,008	0	0	0	17,008	0
Impairments charged to Statement of Comprehensive Net Expenditure as Other Comprehensive Expenditure	(6,152)	0	0	0	(6,152)	0
Impairments charged to Statement of Comprehensive Net Expenditure within Net Expenditure	10,856	0	0	0	10,856	0

	2010		2009		2008	
	Property, Plant & Equipment £000s		Intangibles £000s		Total £000s	
	Purchased	Donated	Purchased	Donated	Purchased	Donated
Total value of impairments for the period	20,648	574	0	0	21,222	0
Impairments charged to Statement of Comprehensive Net Expenditure as Other Comprehensive Expenditure	(8,197)	(574)	0	0	(8,771)	0
Impairments charged to Statement of Comprehensive Net Expenditure within Net Expenditure	12,451	0	0	0	12,451	0

	2009		2008		2007	
	Property, Plant & Equipment £000s		Intangibles £000s		Total £000s	
	Purchased	Donated	Purchased	Donated	Purchased	Donated
Total value of impairments for the period	0	0	0	0	0	0
Impairments charged to Statement of Comprehensive Net Expenditure as Other Comprehensive Expenditure	0	0	0	0	0	0
Impairments charged to Statement of Comprehensive Net Expenditure within Net Expenditure	0	0	0	0	0	0

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 11 INVENTORIES

	2011 £000s	2010 £000s	2009 £000s
Classification			
Pharmacy Supplies	1,744	1,676	1,658
Building & Engineering Supplies	178	281	343
Laboratory Supplies	251	240	261
Heat, Light and Power	325	328	255
Other	351	243	407
Total	2,849	2,768	2,924

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2011 £000s	Restated 2010 £000s	Restated 2009 £000s
Amounts falling due within one year			
Trade receivables	5,355	5,368	5,938
Deposits and advances	6	13	12
Other receivables	5,759	4,506	4,577
Trade and other Receivables	11,120	9,887	10,527
 Prepayments and accrued income	 1,204	 6,770	 612
Current part of PFI and other service concession arrangements prepayment	0	0	0
Other current assets	1,204	6,770	612
 Amounts falling due after more than one year			
Trade Receivables	0	0	16
Deposits and advances	0	0	0
Other receivables	0	0	0
Trade and other Receivables	0	0	16
 Prepayments and accrued income	 0	 0	 0
Other current assets falling due after more than one year	0	0	16
 TOTAL TRADE AND OTHER RECEIVABLES	11,120	9,887	10,543
 TOTAL OTHER CURRENT ASSETS	1,204	6,770	612
 TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	12,324	16,657	11,155

The balances are net of a provision for bad debts of
£399K (2010 £403K; 2009 £387K)

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

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

Name	Amounts falling due within 1 year 2010/11 £000s	Restated Amounts falling due within 1 year 2009/10 £000s	Restated Amounts falling due within 1 year 2008/09 £000s	falling due after more than 1 year 2010/11 £000s	Restated Amounts falling due after more than 1 year 2009/10 £000s	Restated Amounts falling due after more than 1 year 2008/09 £000s
Balances with other central government bodies	244	6,492	3,518	0	0	0
Balances with local authorities	0	0	0	0	0	0
Balances with NHS /HSC Trusts	639	541	446	0	0	7
Balances with public corporations and trading funds	0	0	0	0	0	0
Intra-Government Balances	883	7,033	3,964	0	0	7
Balances with bodies external to government	11,441	9,624	7,175	0	0	9
Total Receivables and other current assets at 31 March	12,324	16,657	11,139	0	0	16

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 13 CASH AND CASH EQUIVALENTS

		Restated	Restated
	2011 £000s	2010 £000s	2009 £000s
Balance at 1st April	3,565	4,206	32,970
Net change in cash and cash equivalents	(1,003)	(641)	(28,764)
Balance at 31st March	2,562	3,565	4,206

The following balances at 31 March were held at

	2011 £000s	2010 £000s	2009 £000s
Commercial banks and cash in hand	2,562	3,565	4,206
Balance at 31st March	2,562	3,565	4,206

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2011 £000s	2010 £000s	2009 £000s
Amounts falling due within one year			
Other taxation and social security	7,568	7,330	7,508
Bank overdraft	0	0	0
Trade capital payables	6,065	2,807	3,430
Trade revenue payables	19,677	16,243	11,403
Payroll payables	34,700	24,074	13,092
BSO payables	13,520	11,702	8,862
Other payables	94	34	95
Accruals and deferred income	0	0	0
Trade and other payables	81,624	62,190	44,390
Current part of finance leases	56	50	126
Current part of long term loans	0	0	0
Current part of imputed finance lease element of on balance sheet (SoFP) PFI and other service concession arrangements contracts	0	0	0
Other current liabilities	56	50	126
Total payables falling due within one year	81,680	62,240	44,516
Amounts falling due after more than one year			
Other Payables, accruals and deferred income	0	0	0
Trade and other payables	0	0	0
Finance leases	219	275	386
Imputed finance lease element of on balance sheet (SoFP) PFI and other service concession arrangements contracts	0	0	0
Long term loans	0	0	0
Total non current other payables	219	275	386
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	81,899	62,515	44,902

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

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

Name	Amounts falling due within 1 year		Restated		Amounts falling due after more than 1 year		Restated	
	2010/11 £000s	2009/10 £000s	Amounts falling due within 1 year 2008/09 £000s	Amounts falling due after more than 1 year 2010/11 £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 2008/09 £000s	Amounts falling due after more than 1 year 2008/09 £000s
Balances with other central government bodies	21,646	21,795	15,771	0	0	0	0	0
Balances with local authorities	0	0	1	0	0	0	0	0
Balances with NHS /HSC Trusts	1,089	2,195	866	0	0	0	0	0
Balances with public corporations and trading funds		0	1	0	0	0	0	0
Intra-Government Balances	22,735	23,990	16,639	0	0	0	0	0
Balances with bodies external to government	58,945	38,250	27,877	219	275	275	386	386
Total Payables and other liabilities at 31 March	81,680	62,240	44,516	219	275	275	386	386

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

NOTE 14.2 LOANS

The Trust did not have any loans payable at either 31 March 2011 or 31 March 2010.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 15 PROMPT PAYMENT POLICY

15.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that Trusts pay their non HSC trade creditors in accordance with the Better Payments Practice Code and Government Accounting Rules. The Trust's payment policy is consistent with the Better Payments Practice code and Government Accounting rules and its measure of compliance is:

	2011 Number	2011 Value £000s	2010 Number	2010 Value £000s
Total bills paid	137,673	161,565	154,627	155,984
Total bills paid within 30 day target or under agreed payment terms	131,636	156,376	136,449	142,874
% of bills paid within 30 day target or under agreed payment terms	95.61%	96.79%	88.24%	91.60%
Total bills paid within 30 day target (for information only)	125,803	151,754	136,449	142,874

The measure of compliance in 2010/11 is based on the guidance contained in HSC(F) 04/2011 which required the Trust to ensure that the measurement of prompt payment compliance was made with reference to a 30 day target or under agreed payment terms.

15.2 The Late Payment of Commercial Debts Regulations 2002

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

	£ 2011	£ 2010
Total	27	0

This is also reflected as a fruitless payment in Note 26

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 16 PROVISIONS FOR LIABILITIES AND CHARGES - 2011

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	RPA Restructuring £000s	Other £000s	2011 £000s
Balance at 1 April 2010	0	292	7,131	4,319	664	2,690	15,096
Provided in year	0	87	7,091	0	0	979	8,157
(Provisions not required written back)	0	(18)	(1,107)	0	0	(400)	(1,525)
(Provisions utilised in the year)	0	(27)	(1,749)	(4,319)	(664)	(688)	(7,447)
Unwinding of discount	0	8	33	0	0	27	68
Total as at 31 March 2011	0	342	11,399	0	0	2,608	14,349

	RPA / CSR 2011 £000s	RPA / CSR 2010 £000s
RPA / CSR utilised costs include the following:		
Pension costs for early retirement reflecting the single lump sum to buy over the full liability	791	2,200
Redundancy costs	1,386	1,625
	2,177	3,825

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 31/3/11. Note 4 reflects the total charge within the Operating Costs and Note 26 Losses and Special Payments will reflect the relevant amounts utilised.

Comprehensive Net Expenditure Account charges	2011 £000s	2010 £'000
Arising during the year	8,157	5,561
Reversed unused	(1,525)	(3,226)
Unwinding of discount	68	50
Total charge within Operating costs	6,700	2,385

Analysis of expected timing of discounted cash flows

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	RPA Restructuring £000s	Other £000s	2011 £000s
Within 5 years	0	27	11,399	0	0	1,492	12,918
6 -10 years	0	137	0	0	0	477	614
Thereafter	0	178	0	0	0	639	817
Total as at 31 March 2011	0	342	11,399	0	0	2,608	14,349

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 16 PROVISIONS FOR LIABILITIES AND CHARGES - 2010

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	RPA Restructuring £000s	Other £000s	2010 £000s
Balance at 1 April 2009	0	288	8,947	4,370	4,438	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)	(51)	(3,774)	(339)	(8,362)
Unwinding of discount	0	6	18	0	0	26	50
Total as at 31 March 2010	0	292	7,131	4,319	664	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.

Analysis of expected timing of discounted cash flows

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical Negligence £000s	CSR Restructuring £000s	RPA Restructuring £000s	Other £000s	2010 £000s
Within 5 years	0	96	7,131	4,319	664	1,942	14,152
6 -10 years	0	196	0	0	0	748	944
Thereafter	0	0	0	0	0	0	0
Total as at 31 March 2010	0	292	7,131	4,319	664	2,690	15,096

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 17 CAPITAL COMMITMENTS

	2011 £000s	2010 £000s	2009 £000s
Contracted capital commitments at 31 March not otherwise included in these financial statements			
Property, Plant & Equipment	7,536	2,956	100
Intangible assets	0	0	0
	<u>7,536</u>	<u>2,956</u>	<u>100</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 18 COMMITMENTS UNDER LEASES

18.1 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	2011 £000s	2010 £000s	2009 £000s
Land & Buildings			
Not later than 1 year	861	972	923
Later than 1 year and not later than 5 years	1,850	2,353	2,517
Later than 5 years	319	605	705
	<u>3,030</u>	<u>3,930</u>	<u>4,145</u>
Other			
Not later than 1 year	203	163	125
Later than 1 year and not later than 5 years	138	200	126
Later than 5 years	0	0	0
	<u>341</u>	<u>363</u>	<u>251</u>

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.

18.2 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	2011 £000s	2010 £000s	2009 £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
	<u>0</u>	<u>0</u>	<u>0</u>
Less interest element	0	0	0
Present Value of obligations	<u>0</u>	<u>0</u>	<u>0</u>
Other			
Not later than 1 year	93	93	180
Later than 1 year and not later than 5 years	281	174	436
Later than 5 years	0	0	94
	<u>374</u>	<u>467</u>	<u>710</u>
Less interest element	99	142	198
Present Value of obligations	<u>275</u>	<u>325</u>	<u>512</u>

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

Present Value of Future Obligations

Present Value of obligations under finance leases for the following periods comprise:	2011 £000s	2010 £000s	2009 £000s
Buildings			
Not later than one year	0	0	0
Later than one year and not later than five years	0	0	0
Later than five years	0	0	0
Total Present Value of obligations	<u>0</u>	<u>0</u>	<u>0</u>
Other			
Not later than one year	56	50	126
Later than one year and not later than five years	219	275	386
Later than five years	0	0	0
Total Present Value of obligations	<u>275</u>	<u>325</u>	<u>512</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 18 COMMITMENTS UNDER LESSOR AGREEMENTS

18.3 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	2011 £000s	2010 £000s	2009 £000s
Land & Buildings			
Not later than 1 year	23	26	26
Later than 1 year and not later than 5 years	0	21	47
Later than 5 years	0	0	0
	<u>23</u>	<u>47</u>	<u>73</u>
Other			
Not later than 1 year	45	37	29
Later than 1 year and not later than 5 years	34	35	19
Later than 5 years	0	0	0
	<u>79</u>	<u>72</u>	<u>48</u>

The Trust acts as a lessor in the following arrangements: 1) SRCL Ltd. - whereby the Trust has a leasing arrangement until 2015 with the Trust receiving 386,000kgs of clinical waste treated annually, without charge, in return for the leasing of part of the service yard in Antrim Hospital. In 2010/11 this benefit was estimated to be valued at £299K. 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 40 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 2011

NOTE 19 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

19.1 Off balance sheet PFI and other service concession arrangements schemes

	2011 £000s	2010 £000s	Restated 2009 £000s
Estimated capital value of the PFI schemes	2,877	2,877	2,877
	<u>2,877</u>	<u>2,877</u>	<u>2,877</u>

Contract start date 17/04/2000

Contract end date 16/04/2015

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.

	2011 £000s	2010 £000s	Restated 2009 £000s
Obligations off balance sheet (SoFP) Service Concessions for the following periods comprise			
Not later than one year	0	0	0
Later than one year and not later than five years	5,200	0	0
Later than five years	0	5,750	6,900
	<u>5,200</u>	<u>5,750</u>	<u>6,900</u>

19.2 On balance sheet (SoFP) PFI Schemes

The Trust has no on balance sheet (SoFP) PFI and other service concession arrangements schemes

19.3 Charge to the Statement of Comprehensive Net Expenditure account and future commitments

	2011 £000s	2010 £000s	Restated 2009 £000s
Amounts included within operating expenses in respect of off balance sheet (SoFP) PFI and other service concession arrangement transactions	1,192	1,133	1,146
	<u>1,192</u>	<u>1,133</u>	<u>1,146</u>

The payments to which the Trust is committed are as follows:

	2011 £000s	2010 £000s	Restated 2009 £000s
Not later than one year	0	0	0
Later than one year and not later than five years	5,200	0	0
Later than five years	0	5,750	6,900
	<u>5,200</u>	<u>5,750</u>	<u>6,900</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 20 OTHER FINANCIAL COMMITMENTS

The Trust did not have any other financial commitments at either 31 March 2011 or 31 March 2010.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 21 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 2011 or 31 March 2010.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 22 CONTINGENT LIABILITIES

Material contingent liabilities are noted in the table below, where there is a 50% or less probability that a payment will be required to settle any possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

	2011 £000s	2010 £000s	2009 £000s
Clinical Negligence	2,844	2,366	1,792
Public Liability	0	0	0
Employers' Liability	0	0	0
Accrued Leave	0	0	0
Injury Benefit	0	0	0
Other	0	0	0
Total	<u>2,844</u>	<u>2,366</u>	<u>1,792</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 23 RELATED PARTY TRANSACTIONS

Mr Sean Donaghy was appointed as Chief Executive of the Northern HSC Trust on 18th September 2010. His brother Mr Colm Donaghy had held this post until 17th September 2010. Prior to his appointment Mr Sean Donaghy held the post of Deputy Secretary, DHSSPSNI. During the period 1/4/10 - 17/9/10 it is estimated that the Trust received a revenue resource limit of £265,091K from the DHSSPSNI. In 2009/10 the related party transactions for these staff amounted to £41,314K.

Mr Colm Donaghy was appointed Chief Executive of the Belfast Trust on 18th September 2010. During the period 18/9/10 - 31/3/11 it is estimated that the Trust received income amounting to £449K for the provision of goods and services to the Belfast Trust. The Trust made payments to the Belfast Trust, for goods and services received, of approximately £1,675K

NOTE 24 Third party assets

The Trust held £1,646K cash at bank and in hand at 31/3/11 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. In 2009/10 the amount held for third party assets in relation to patients amounted to £1,344K.

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 25 FINANCIAL PERFORMANCE TARGETS

25.1 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:

	2011 Total £000s	Restated 2010 Total £000s
HSCB	527,894	527,688
PHA	4,942	0
NIMDTA	5,237	6,516
DHSSPS (excludes non cash)	0	1,938
Other Government Departments	118	1,559
Non cash RRL (from DHSSPS)	30,974	29,903
Adjustment for Grant in Aid (GiA)	0	0
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	569,165	567,604

25.2 Capital Resource Limit

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

	2011 Total £000s	2010 Total £000s
Gross Capital Expenditure	20,168	10,634
Less IFRIC 12/PFI and other service concession arrangements spend (Receipts from sales of fixed assets)	0	0
	0	0
Net capital expenditure	20,168	10,634
Capital Resource Limit	20,168	10,636
Overspend/(Underspend) against CRL	0	(2)

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

1

NOTE 25.3 FINANCIAL PERFORMANCE TARGETS

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

	2010/11 £000s	Restated 2009/10 £000s
Net Expenditure	(569,108)	(567,558)
RRL	569,165	567,604
Surplus / (Deficit) against RRL	57	46
Break Even cumulative position(opening)	(723)	(769)
Other Adjustments	0	0
Break Even Cumulative position (closing)	<u>(666)</u>	<u>(723)</u>

Materiality Test:

	2010/11 %	Restated 2009/10 %
Break Even in year position as % of RRL	<u>0.01%</u>	<u>0.00%</u>
Break Even cumulative position as % of RRL	<u>-0.12%</u>	<u>-0.13%</u>

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 26 LOSSES & SPECIAL PAYMENTS

TYPE OF LOSS		NO. OF CASES	VALUE £
1	Cash Losses - Theft, fraud etc	10	165
2	Cash Losses - Overpayments of salaries, wages and allowances	11	4,857
3	Cash Losses - Other causes (including unvouched and incompletely vouched payments)	5	86
4	Nugatory and fruitless payments		
	i. Abandoned capital schemes	0	0
	ii. Late Payment of Commercial Debt	2	27
	iii. Other	0	0
5	Bad debts and claims abandoned	160	45,458
6	Stores and Inventory Losses - Theft, fraud, arson (whether proved or		
	i. Bedding and linen	0	0
	ii. Other equipment and property	35	12,211
7	Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	0	0
8	Stores and Inventory Losses - Deterioration in store	47	34,251
9	Stores and Inventory Losses - Stocktaking discrepancies	0	0
10	Stores and Inventory Losses - Other causes		
	i. Bedding and linen	0	0
	ii. Other equipment and property	4	770
11	Compensation payments (legal obligation)		
	i. Clinical Negligence	79	1,748,904
	ii. Public Liability	10	135,313
	iii. Employers Liability	47	397,979
12	Ex-gratia payments - Compensation payments (including payments to patients and staff)	27	16,563
13	Ex-gratia payments - Other payments	0	0
14	Extra statutory payments	0	0
15	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	12	29,189
TOTAL		449	2,425,773

There were no instances of individual cases which exceeded £250K.

26.1 Special Payments

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

NORTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 27 POST BALANCE SHEET EVENTS

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

NOTE 28 DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 28th June 2011.

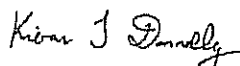
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE ASSEMBLY

Weaknesses in contract expenditure controls

1. The Northern Health and Social Care Trust (the Northern Trust) was established under the Northern Health and Social Services Trust (Establishment) Order (Northern Ireland) 2006 for the purposes specified in Article 10(1) of the Health and Personal Social Services (Northern Ireland) Order 1991. It is one of 17 arm's length bodies sponsored by the Department of Health, Social Services and Public Safety (the Department). In 2010-11 it spent £0.6 billion.
2. Under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended, I am required to examine and certify the Trust's financial statements. I conduct my audit in accordance with International Standards on Auditing (UK and Ireland) to give reasonable assurance that they are free from material misstatement. I am also required to satisfy myself that 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.
3. In this report I comment on control weaknesses identified in the area of contracts by Internal Audit which my staff identified during the audit of the Trust in 2010-11. These weaknesses do not impact on my audit opinion due to their immateriality within the Trust's financial statements. However, due to the recurrence of these issues across the health sector I have decided to report.
4. During the audits of the five regional HSC trusts my staff reviewed reports prepared by Internal Audit which identified a number of control weaknesses in relation to contracts in the areas of radiology and laboratory maintenance, social care procurement and use of agency and locum staff.
5. This resulted in a limitation on the assurance provided to the Accounting Officer by Internal Audit. The vast majority of Trust procurement is completed through the Business Services Organisation (BSO) which is a Centre of Procurement Excellence. Findings in this report do not relate to this element of procurement. In the Northern Trust the following issues were identified:
 - Rolling over of contracts, which were not always authorised, instead of undergoing a competitive tendering process;
 - Weaknesses in monitoring of contracts in terms of checking prices to the agreed contract and ensuring service delivery was in line with the contract;
 - Non-compliance with policies and procedures; and
 - Inadequate information systems to support contracts and deficiencies in contract documentation.
6. I recognise that the HSC has undergone significant organisational change and consequently a number of these issues have arisen from legacy arrangements that operated in the trusts merged to form the Northern Trust. However, I am concerned that four years after the

Northern Trust came into existence management controls had not addressed the points noted by Internal Audit. The Trust has accepted Internal Audit recommendations to improve contract management controls and is addressing them. With the potential regularity and litigation risks associated with poor contract management, added to the potential value for money rewards arising from improvement, I encourage all the trusts to address these weaknesses identified as a priority. I intend to keep this area under review and will consider the impact of any follow –up work completed by Internal Audit when examining the Trust’s financial statements next year.

7. My staff are currently working on a study covering the Use of Locums in Northern Ireland Hospitals. Trusts have contracts in place with a number of external agencies, through the Business Services Organisation (BSO), for the supply of locum doctors. Against the background of these contracts, this report will examine the extent to which the appointment and employment of locum doctors has adhered to approved procedures.
8. I welcome the Northern Trust’s disclosure of these control weaknesses, and action being taken to address them, within its Statement on Internal Control.



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

28 June 2011

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS / RESIDENTS

YEAR ENDED 31 MARCH 2011

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.

Northern HSC Trust

Year Ended 31 March 2011

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS / RESIDENTS

Previous Year	RECEIPTS		
£		£	£
1,000,000	Balance at 1 April 2010	0	
225,474	1. Investments (at cost)	1,339,893	
3,955	2. Cash at Bank	4,145	1,344,038
	3. Cash in Hand		
903,720	Amounts Received in the Year		1,167,117
13,902	Interest Received		14,944
2,147,051	TOTAL		2,526,099
PAYMENTS			
£803,013	Amounts Paid to or on behalf of Patients/Residents		880,531
	Balance at 31 March 2011		
£0	1. Investments (at cost)	1,400,000	
£1,339,893	2. Cash at Bank	241,323	
£4,145	3. Cash in Hand	4,245	1,645,568
£2,147,051	TOTAL		2,526,099


Schedule of Investments held at 31 March, 2011

		Nominal Value	Cost Price
£0	Investment	£	£
		1,400,000	1,400,000

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

 **Director of Finance**
16/6/2011 **Date**

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

 **Chief Executive**
12th June 2011 **Date**

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 of Northern Health and Social Care Trust for the year ended 31 March 2011 under the Health and Personal Social Service (Northern Ireland) Order 1972, as amended.

Respective responsibilities of the Trust and auditor

As explained more fully in the Statement of Trust responsibilities in relation to Patients/Residents Monies, the Trust is responsible for the preparation of the financial statements in accordance with the Health and Personal Social Service (Northern Ireland) Order 1972 and Department of Health, Social Services and Public Safety's directions made thereunder. My responsibility is to audit the financial statements in accordance with the Health and Personal Social Service (Northern Ireland) Order 1972. I conducted my audit in accordance with 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 account

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 account

In my opinion:

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

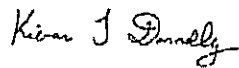
Matters on which I report by exception

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 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
Northern
BT7 1EU*

28 June 2011

