

SOUTHERN HEALTH AND SOCIAL CARE TRUST

ANNUAL ACCOUNTS

FOR YEAR ENDED 31 MARCH 2011

SOUTHERN HEALTH AND SOCIAL CARE TRUST

ANNUAL ACCOUNTS

FOR 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(as amended by the Audit and Accountability Order 2003)
by the Department of Health, Social Services and Public Safety

on

28th June 2011

SOUTHERN HEALTH AND SOCIAL CARE TRUST

ANNUAL ACCOUNTS FOR YEAR ENDED 31 MARCH 2011

Contents	Pages
FOREWORD	3
STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES	4
CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE	5
STATEMENT ON INTERNAL CONTROL	6 – 16
CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	17 – 18
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE ASSEMBLY	19 -20
STATEMENT OF COMPREHENSIVE NET EXPENDITURE	21
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011	22 – 23
STATEMENT OF CHANGES IN TAXPAYERS EQUITY	24
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2011	25
NOTES TO THE ACCOUNTS	26 – 90
ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS	
STATEMENT OF TRUST'S RESPONSIBILITIES IN RELATION TO PATIENTS/RESIDENTS MONIES	92
CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	93 – 94
ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS	95

SOUTHERN 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.

SOUTHERN HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

STATEMENT OF ACCOUNTING OFFICER 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 Department of Health, Social Services and Public Safety has directed the Southern HSC Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Southern HSC Trust, of its income and expenditure, changes in taxpayers equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of Government Financial Reporting Manual (FREM) and in particular 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 as set out in FREM 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 Southern HSC Trust will continue in operation.
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Southern HSC Trust.
- pursue and demonstrate value for money in the services the Southern HSC 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 Mrs Mairead McAlinden of Southern HSC Trust as the Accounting Officer for the Southern HSC Trust. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Southern HSC Trust's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety.

SOUTHERN 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 26 to 90 which I am required to prepare on behalf of the Southern Health and Social Care Trust have been compiled from and are in accordance with the accounts and financial records maintained by the Southern HSC Trust and with the accounting standards and policies for HSC bodies approved by the DHSSPS.



Director of Finance (SHSC Trust)

2nd June 2011

Date

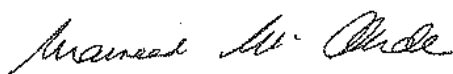
I certify that the annual accounts set out in the financial statements and notes to the accounts pages 26 to 90 as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Chairperson (SHSC Trust)

2nd June 2011

Date



Chief Executive (SHSC Trust)

2nd June 2011

Date

SOUTHERN HEALTH AND SOCIAL CARE TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

The Board of Directors of the Southern HSC Trust (SHSCT) is accountable for internal control. As Accounting Officer and Chief Executive of the Trust, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health, Social Services and Public Safety.

In delivering these responsibilities, I am accountable for the Trust's performance to the Regional Health and Social Care Board (RHSCB) and DHSSPS and report through agreed performance management arrangements and Service & Budget Agreements.

This has entailed regular performance management meetings with the RHSCB, weekly reporting and meetings between Trust officers and the Performance Management Service Improvement Directorate within the RHSCB.

In order to improve the quality, safety, effectiveness and efficiency of services, the Trust works in partnership with the RHSCB, Public Health Authority (PHA), other public sector partners and the independent sector.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of organisational policies, aims and objectives; and
- 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 the SHSCT 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 Health, Social Services and Public Safety guidance.

The Board exercises strategic control over the operation of the organisation through a system of corporate governance which includes:-

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- standing orders and standing financial instructions;
- an Audit Committee;
- a Governance Committee;

- a Gifts and Endowments Committee;
- a Remuneration Committee;
- a Patient/Client Experience Committee.

System of Internal Financial Control

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 with an annual budget which is reviewed and agreed by the board;
- regular reviews by the board of periodic annual financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines;
- as appropriate, formal budget management disciplines.

The Southern HSC Trust has an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis.

In 2010/11 Internal Audit reviewed the following systems and gave assurances (some of which are subject to management feedback and comment) as indicated:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE PROVIDED
Payroll	Satisfactory
Non Pay Expenditure	Satisfactory
Bank and Cash	Satisfactory
Directorate Audit – Acute Services	Overall – Satisfactory Waiting list initiatives payments & supply of surgical appliances - Limited
Financial Assessments	Satisfactory
Asset Management	Limited
Management of Contracts with the Independent and Voluntary Sector	Limited
Management of Client Monies in Adult Supported Living Facilities	Limited
Client Monies in Independent Sector	Satisfactory
Income/Grant in Aid Debtors	Limited
Management of use of Agency and Locum Staff	Satisfactory
Management of Maintenance Contracts	Limited
Fostering and Adoption Payments	Limited
Mental Health and Disability Directorate Audit – Domiciliary Care	Limited
Performance Management	Substantial
Social Work – Statutory Functions Reporting	Satisfactory

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE PROVIDED
Learning and Improvement	Satisfactory
Information Governance	Satisfactory
Gifts and Hospitality	Limited
Human Resources	Satisfactory
ICT – including business continuity	Satisfactory
Waste Management	Satisfactory
Fire Safety Management	Limited

Internal Audit also provided a preliminary view on the Trust's proposals for the new Clinical and Social Care Governance structures and performed several ad hoc reviews.

In her annual report, the Head of Internal Audit reported that there is a **satisfactory** system of internal control designed to meet the organisation's objectives, however **limited** assurance has been provided in a number of areas particularly in relation to Management of Maintenance Contracts, Asset Management, Debt Management, Income and Fire Safety.

The recommendations of the Internal Auditor to address these control weaknesses have been considered by the Audit Committee. They have been or are being taken forward by the management of the Trust and their implementation will continue to be monitored by the Audit Committee during 2011/12.

In relation to the reports with limited assurance:-

Asset Management: There have been issues during the year concerning the new asset management system implemented in late 2010/11. New asset management procedures have been drafted and these will be issued in June for implementation. Progress will be monitored by management during 2011/12.

Income/Grant in Aid Debtors: A robust action plan is in place. Two dedicated temporary staff have been appointed to this area for 12 months and monthly monitoring against the action plan is to commence from May 2011. This will continue to be an area of significant management focus in 2011/12.

Management of Contracts with the Independent and Voluntary Sector: The resources and role of the Contracts Department is under review by senior management. This matter has been reported on by the C&AG on pages 19 and 20.

Management of Client Monies in Adult Supported Living Facilities: New financial procedures were agreed during 2010/11 and are in the process of implementation. Management will ensure full implementation in 2011/12. It is planned that Internal Audit will undertake another review in 2011/12.

Management of Maintenance Contracts: Work has continued throughout 2010/11 on the rationalisation of service and maintenance contracts by the Estates Department. The Trust has worked closely with the Procurement and Logistics Service in advancing this work and progress has been made. This matter has been reported on by the C&AG on pages 19 and 20.

Fostering and Adoption Payments: All recommendations have been accepted by management and are being progressed.

Fire Safety Management: Management will address the recommendations in this report subject to the availability of resources to take some of these forward.

Gifts and Hospitality 2010/11: An information leaflet “Gifts and Hospitality and Standards of Business Conduct Policy, Guidance for Staff and Managers” has been issued by the Trust which addresses most of the points raised by this Internal Audit report.

Mental Health and Disability Directorate audit – Domiciliary Care: Domiciliary Care is an area of significant management focus and the recommendations in the Internal Audit report will be taken forward in 2011/12 as part of the continuing work in this area.

Acute Services – Waiting List Initiative Payments and Supply of Surgical Appliances - All recommendations have been accepted by management and will be taken forward in 2011/12.

Internal Audit also verified the Trust’s self-assessed level of compliance with a number of Controls Assurance Standards. They were able to confirm that in their view, a “substantive” level of compliance had been achieved, as set out below:

Standard	Level of compliance Achieved (Self Assessment)	Verified Level of compliance Achieved (IA)	DHSSPS Expectation
Financial management	Substantive	Substantive	Substantive
Risk management	Substantive	Substantive	Substantive
Governance	Substantive	Substantive	Substantive
Emergency Planning	Substantive	Substantive	Substantive
Fleet and Transport Management	Substantive	Substantive	Substantive
Medicines Management	Substantive	Substantive	Substantive
Fire Safety	Substantive	Substantive	Substantive

For those controls assurance standards not reviewed by Internal Audit, the Trust has in place a system to review all controls assurance standards to ensure that it is satisfied with the assessment of each standard and the supporting evidence.

A second data matching exercise, the National Fraud Initiative, has been run during 2010/11 by the Audit Commission via the Northern Ireland Audit Office. This exercise has matched data within and between audited bodies with the aim of preventing and detecting fraud. The data was collected from payroll, trader payments and financial assessments systems. The Trust has developed and implemented a plan to investigate priority matches during 2011/12.

Capacity to handle risk

As Chief Executive, I am responsible for ensuring effective Risk Management processes are in place in the SHSCT. The Medical Director has been the nominated director with responsibility for risk management with a clinical and social care governance team providing risk management support across directorates. In 2010/11, I commissioned a Trust wide review of the Clinical and Social Care Governance arrangements that had been put in place in 2007. The outcome of this review has been presented to the Governance Committee, been subject to consultation and new arrangements are in the process of being put in place, with effect from 1 April 2011. A key outcome is that responsibility for assurance in relation to clinical and social care governance has moved to the Office of the Chief Executive.

Risk assessment and management is based upon the Risk Management/New Zealand Standard as required and applies the use of a 5x5 matrix in line with best practice. All risks are assessed and coded using standard risk assessment form and subsequently graded as very low (green), low (yellow),

moderate (amber) and high (red). Risks are populated on risk registers and escalated to directorate or corporate risk registers as appropriate. Staff involved in the risk assessment process have and will continue to receive on-going training in assessment, grading and management. The risk management strategy will shortly be reviewed in light of the findings of a recent benchmarking exercise of systems and processes.

The Risk and Control Framework

The Trust in continually developing its risk and control framework considers all aspects of organisational risk in the context of its corporate objectives, goals and vision. The senior management team review corporate risks monthly and the Governance Committee reviews the Corporate Risk Register on a quarterly basis.

The Board of Directors on a quarterly basis review the Board Assurance Framework – this presents the principal risks to achieving the corporate objectives and provides reasonable assurance of the effectiveness of the controls, it also highlights where there are known gaps in controls and/or assurance and identifies the actions being taken to mitigate risk or provide assurance where this has been lacking.

The Review of Clinical and Social Care Governance identified the need for further work to improve the understanding of the principles of risk management and processes. The improvement of the organisational understanding of risk management at team, division, directorate and corporate level will be a focussed work stream in 2011/12. Training to support effective organisational understanding and operation of risk management systems will be led by a Governance training officer. The Trust's risk management strategy will also be reviewed in 2011/12.

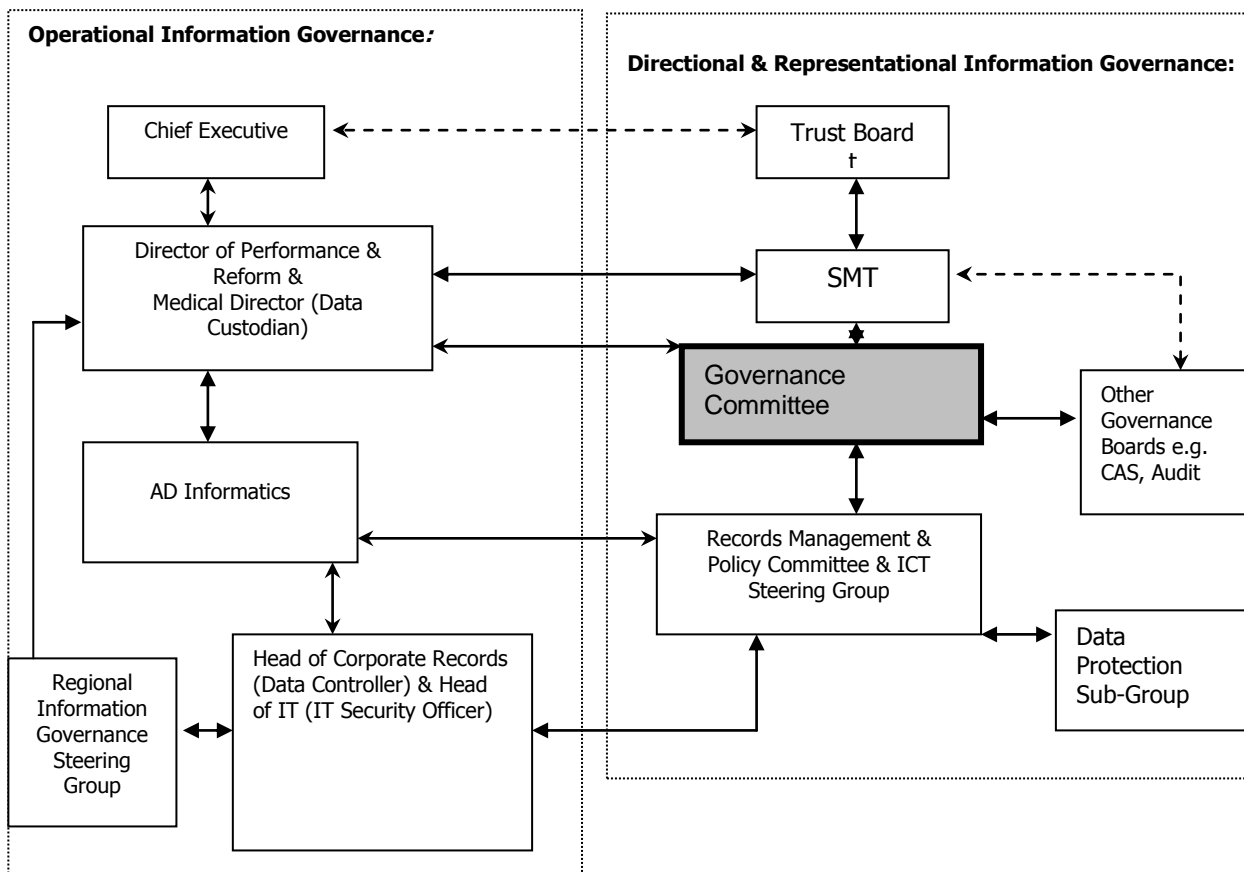
A web based management information system to support the process and make it less labour intensive is being piloted from January 2011 with a view to roll out during 2011/12.

A senior manager has been deployed over the past twelve months to undertake a baseline assessment of adherence to clinical standards and guidelines and will, as required, develop action plans to address the issues raised.

Information Governance Arrangements

The Trust has established an ICT Steering Group with senior representation across all Directorates which has responsibility for decisions relating to ICT investment, risk management, proposals and change management. The Group reports to the Trust's Senior Management Team (SMT) through the Executive Director with responsibility for ICT (Director of Performance & Reform). The ICT Steering Group is responsible for governance, direction and operational review of ICT across the Trust and also for joint or inter-organisational projects with other organisations. It will assist in ensuring that ICT responds to the needs of the entire organisation, manages risk and that investment is objectively prioritised. This will ensure a robust information governance framework. The structure of information Governance in the southern Trust is as follows:

Informatics Governance Framework



Informatics Risk Register

The Trust's Informatics Division (incorporating ICT, Information Systems, Information Management, Data Protection, FOI and Records Management), has a risk register which is reviewed monthly by the Assistant Director and Heads of Service and updated by staff as risks arise. Risks which cannot be managed by the Informatics Division are escalated to the Director of Performance & Reform, for the Directorate or Corporate Risk Register.

Risk Management

The Trust has previously undertaken a data protection self assessment which focused on:

- Collection;
- Recording;
- Storage;
- Retrieval;
- Access;
- Transmission;
- Sharing;
- Management

of electronic and hard copy personal data and information within and outside the Trust. In particular, the self assessment concentrated on:

- Is data and information collected and recorded in a secure manner;
- Is it securely stored to prevent unauthorised access;
- Can it only be accessed and retrieved by those authorised to do so;

- Is it managed appropriately relative to the associated risk;
- Is it transmitted in a secure manner with only the minimum data and information shared with other Departments and organisations.

From this self-assessment, an action plan was developed which identified the following areas for improvement:

1. Improved contracts and data access agreements with third parties;
2. Identification and awareness of information held across the Trust and how it is processed, including sensitive information;
3. Transfer of information to third Parties;
4. Awareness and training;
5. Restrictions placed on information access (internal & external);
6. Transmission of information;
7. Business Continuity Planning.

On the basis of this, the SHSCT took a range of measures to reduce the risks associated with the loss of personal data including finalisation of a number of policies, use of encryption software, and raising awareness amongst staff of this issue.

The SHSCT is committed to ensuring information governance and reducing the risk of loss of data and will continue to review this and make improvements where necessary.

Litigation Services

The Trust uses the Directorate of Legal Services in the Business Services Organisation as its main legal providers. A very small number of cases would be managed by independent legal services providers, for example where a conflict of interest may exist. The last internal audit report which tested the Trust's compliance with HSS(F) 67/2006 – "Payments in respect of Litigation and Legal Services" highlighted one priority 2 issue to be addressed by management of the Trust.

Public Stakeholder Involvement

In line with the legislative requirements and Trust corporate priority to involve Patients/Clients and the public, a Strategic Action Plan for Personal and Public Involvement (PPI) has been put in place. A Patient/Client Experience Committee has also been established and for continuity purposes chaired by the recently appointed SHSCT Chairman with representation from service users, Trust Directorates and the PPI support team. This committee provides leadership and coordination for the improvement of the patient experience and oversees compliance with the five experience standards, in line with Priorities for Action.

A PPI panel has been established with representation from a range of service users and members of the public to advise and shape the ongoing PPI work across the Trust.

Directorates have developed and are implementing PPI action plans to increase the focus on involvement of users and members of the public in the shape, design, delivery and evaluation of services.

The PPI support team have put in place a range of training programmes and support materials to assist in the embedding of PPI principles and practice across the organisation.

The trust continues to support the coordination of regional models and approaches to PPI in conjunction with HSCB, PHA, other Trusts and the Patient Client Council.

The approach to Public Involvement is underpinned by an ethos, practice and ongoing investment in community development. The setting of priorities, actions and service developments within the Trust are shaped on the basis of the needs, priorities and issues identified within local communities, as well as strategic priorities. Locality teams continue to build capacity, support and partnership with a large number of local community partners to facilitate and support this work.

Wider Control Environment

With regard to the wider control environment the SHSCT has in place a range of organisational controls, commensurate with the current assessment of risk, designed to ensure 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 SHSCT are pursued in accordance with the recognised and accepted standards of public administration.

The Trust's recruitment and selection policies are based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation. Such controls include implementation of best practice procedures, mandatory training for all staff involved in recruitment and selection processes and ready availability of HR expertise and legal advice where necessary.

The SHSCT Board Assurance Framework is an integral part of the Trust's governance arrangements. Throughout the year the risks to achieving the organisational objectives were kept under review and where there were identified gaps in controls to mitigate against the risks or where there were gaps in assurance – these were brought to the attention of the Board of Directors where corrective action was discussed and action plans put in place.

Reports from RQIA and action plans in response to any recommendations emerging from these reports have been presented to and reviewed by the Senior Management Governance Team and Governance Committee. Where Governance Committee have not been assured that sufficient action is being taken; directors have been asked to put in place further controls and update the Governance Committee accordingly. Where there have been challenges to the Trust in meeting the standards (maternity services) applied by the Regulation and Quality Improvement Authority, these have been discussed with representatives from the DHSSPS and/or the RHSCB in the spirit of shared risk.

During the course of the year there was considerable media attention to the matter of X-Ray waiting times. In response to the particular focus on the Western Trust and enquiries to the position within the other Trusts, the Minister commissioned RQIA to undertake a NI wide review for assurance purposes. This review is now complete and RQIA have submitted a report to the Minister which has not yet been approved for public release. In the informal feedback session with the Southern Trust, the RQIA did not raise any major issues of concern but the Trust awaits their final report.

The prolonged spell of extremely low temperatures in December 2010/ January 2011 brought the need for estates contingency/ resilience strongly into focus. To strengthen resilience the Trust has addressed some of the issues identified but requires additional investment to fully mitigate the impact of such extreme events.

The Trust is not yet fully compliant with the "Hine Review" recommendations relating to endoscope decontamination. Funding has been allocated to enable interim improvements but on-going support from the HSCB and DHSSPS is required to secure sustainable solutions. A business case addressing the investment requirements is currently being finalised.

The age and condition of the estate continues to pose potential risk and is exacerbated by limited capital; investment in major renewal and replacement projects. These risks include issues such as MES, fire-code compliance, asbestos and legionella. The Trust continues to prioritise available

funding to the mitigation of these risks and to pursue additional funding through all appropriate streams.

Compliance with Controls Assurance Standards 2010/11

The Trust assessed its compliance with the 22 Controls Assurance Standards which were defined by the Department and against which a degree of progress is expected in 2010/11. The detail of this is as follows:

Standard	DHSS&PS Expected Level of Compliance	Trust Level of Compliance in 2010/11
Buildings, land, plant and non-medical equipment	Substantive (70 – 99%)	Substantive
Decontamination of medical devices	Substantive (70 – 99%)	Substantive
Emergency Planning	Substantive (70 – 99%)	Substantive*
Environmental Cleanliness	Substantive (70 – 99%)	Substantive
Environment Management	Substantive (70 – 99%)	Substantive
Financial Management (core standard)	Substantive (70 – 99%)	Substantive*
Fire safety	Substantive (70 – 99%)	Substantive*
Fleet and Transport Management	Substantive (70 – 99%)	Substantive*
Food Hygiene	Substantive (70 – 99%)	Substantive
Governance (core standard)	Substantive (70 – 99%)	Substantive*
Health & Safety	Substantive (70 – 99%)	Substantive
Human Resources	Substantive (70 – 99%)	Substantive
Infection Control	Substantive (70 – 99%)	Substantive
Information Communication Technology	Substantive (70 – 99%)	Substantive
Management of Purchasing and Supply	Substantive (70 – 99%)	Substantive
Medical Devices and Equipment Management	Substantive (70 – 99%)	Substantive
Medicines Management	Substantive (70 – 99%)	Substantive*
Records Management	Substantive (70 – 99%)	Substantive
Research Governance	Substantive (70 – 99%)	Substantive
Risk Management (core standard)	Substantive (70 – 99%)	Substantive*

Standard	DHSS&PS Expected Level of Compliance	Trust Level of Compliance in 2010/11
Security Management	Substantive (70 – 99%)	Substantive
Waste Management	Substantive (70 – 99%)	Substantive

* De-notes subject to verification by the Internal Auditor in 2010/11

Compliance with Quality Standards 2010/11

Compliance with the standards has been assessed through the RQIA reviews and where gaps in compliance have been identified, these have been addressed and taken forward in action plans. Quality standards are an integral part of the Trust Board Assurance Framework and the Board has been presented with the findings of RQIA reviews and action plans.

Review of Effectiveness

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the SHSCT who have responsibility for the development and maintenance of the internal control framework, 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 Senior Management Team, Trust Board, Audit Committee and Governance Committee as follows:

The Trust Board, as the corporate decision making body, considered key strategic and managerial issues facing the Trust, monitored performance against ministerial and Trust strategic priorities and received assurances of the effectiveness of the system of internal control. The Trust held seven public meetings in 2010/11.

The Audit Committee met on four occasions in 2010/11 and in accordance with its Terms of Reference reviewed governance, risk management and internal control across a planned range of activities. In carrying out its work, the committee used the findings of the Internal Auditor, External Auditors and other assurance functions. This included the Annual Report from the Internal Auditor with their opinion on the Trust's risk management, control and governance arrangements.

The Governance Committee met on four occasions in 2010/11. Throughout the year the committee considered clinical and social care, professional information, medicines and research governance. The Committee considered the findings of the Review of Clinical and Social Care Governance and key principles of new arrangements for implementation during 2011/12. Assurance reports were received from lead directors in relation to their areas of responsibility and the committee considered the findings of external bodies/agencies.

The Endowments and Gifts Committee met on two occasions in 2010/11 to oversee the administration of the Endowments and Gifts funds, their investment and disbursement.

The Remuneration Committee met on five occasions in 2010/11 progressing matters pertaining to the appropriate remuneration of senior executives, in accordance with DHSSPS policy and guidance.

The Patient and Client Experience Committee met on three occasions. It continues to develop both in terms of user representation and the information presented at the committee to provide assurance that the Trust's services, systems and processes provide effective measures of patient/client and community experience and involvement. The Committee is also responsible for identifying

opportunities for development to deliver ongoing improvements.

Significant Internal Control Issues

Progress on Prior year issues

The case of suspicious expenditure concerning Patients Private Property at Longstone Hospital remains under investigation by the PSNI.

New control issues in 2010/11

As referred to earlier, the reports from Internal Audit services, the External Auditor and RQIA have identified areas for focus and action in 2010/11.

One reported suspicion of fraud has identified an issue in relation to direct payments. The case has been investigated by the Counter Fraud and Probity Services. Approximately £17k has been overpaid / claimed due to a change in the client's circumstances. Direct payment processes within Social Services have been reviewed and a section has been set up within Finance to monitor payments in compliance with DHSSPS guidance.

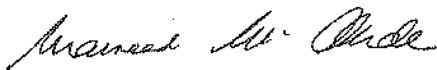
There have been three incidents involving the theft of money from clients receiving domiciliary care services.

Two complaints were referred to the Ombudsman who ruled in favour of the complainants. The cases highlighted areas of concern related to the monitoring of care packages, communication and processes for responding to complaints.

As a result the Trust has put in place a number of actions, including training for staff, monitoring arrangements for care packages and strengthening of the arrangements for responding to complaints.

In responding to efficiency targets and cost reduction, the nature of controls in all systems and processes are subject to ongoing critical review by management of the Trust to determine the impact of reduced staffing levels and what alternatives may exist.

As outlined above, the internal audit review of control systems has resulted in a higher than usual number of limited assurances and a number of priority one issues have been raised with management and extensively examined by the audit committee. The findings of these reports and others such as those issued by RQIA will be incorporated into action plans aimed to address the weaknesses/gaps in control and ensure continuous improvement to the system of internal control in 2011/12.



Accounting Officer 2nd June 2011 **Date**

SOUTHERN 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 the Southern Health & 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 Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with 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 Southern Health & Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Southern Health & 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 Southern Health & 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 with 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 Who's Who on the Trust Board, the Financial Commentary on the 2010-11 Outturn and the Summary Financial Performance in the Annual Report 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.

My observations on these financial statements are detailed at pages 19 to 20.



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

24 June 2011

SOUTHERN HEALTH AND SOCIAL CARE TRUST

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE ASSEMBLY

Weaknesses in contract expenditure controls

1. The Southern Health and Social Care Trust (the Southern Trust) was established under the Southern 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 £0.5 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 the independent and voluntary sector and maintenance.
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 Southern Trust the following issues were identified:
 - The use of single tenders that were not authorised by appropriate levels of management ;
 - Rolling over of contracts, again 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;
 - Absence/inefficiencies of formal 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 Southern Trust. However, I am concerned that four years after the Southern 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. I welcome the Southern 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

24 June 2011

SOUTHERN HSC TRUST

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

FOR YEAR ENDED 31 MARCH 2011

	NOTE	2011 £000s	Restated 2010 £000s
Expenditure			
Staff costs	3.1	(316,207)	(303,291)
Depreciation	4.0	(11,516)	(12,009)
Other Expenditure	4.0	(194,053)	(208,729)
		<u>(521,776)</u>	<u>(524,029)</u>
Income			
Income from activities	5.1	22,570	20,916
Other Income	5.2	9,665	7,884
Transfers from Reserves for donated Property, Plant, Equipment and Intangibles	5.3	426	394
		<u>32,661</u>	<u>29,194</u>
Net Expenditure		<u>(489,115)</u>	<u>(494,835)</u>
Revenue Resource Limit (RRL)	25.1	489,284	494,839
Surplus against RRL		<u>169</u>	<u>4</u>
OTHER COMPREHENSIVE EXPENDITURE			
		2011 £000s	Restated 2010 £000s
Net Gain on revaluation of Property, Plant and Equipment	6.1/10/6.3/10	9	7,145
Net Gain on revaluation of Intangibles	7.1/10/7.3/10	0	0
TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2011		<u>(489,106)</u>	<u>(487,690)</u>

The notes on pages 26 to 90 form part of these accounts
All Income and Expenditure is derived from continuing activities.

SOUTHERN HSC TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

		2011		Restated 2010		Restated 2009	
	NOTE	£000s	£000s	£000s	£000s	£000s	£000s
Non Current Assets							
Property, Plant and Equipment	6.0/6.2/6.4	265,321		250,678		249,823	
Intangible assets	7.0/7.2/7.4	285		288		224	
Financial Assets	8.0	0		0		0	
Trade and other Receivables	12.0	0		865		0	
Other Current Assets	12.0	0		0		0	
Total Non current Assets			265,606		251,831		250,047
CURRENT ASSETS							
Assets classified as held for sale	9.0	0		0		0	
Inventories	11.0	3,417		3,493		3,017	
Trade and other Receivables	12.0	17,368		15,883		23,286	
Other current assets	12.0	431		5,160		531	
Financial assets	8.1	0		0		0	
Cash and cash equivalents	13.0	514		626		2,005	
TOTAL CURRENT ASSETS			21,730		25,162		28,839
Total Assets			287,336		276,993		278,886
Current Liabilities							
Trade and other Payables	14.0	(61,820)		(47,724)		(51,910)	
Other Liabilities	14.0	0		0		0	
Total current liabilities			(61,820)		(47,724)		(51,910)
Non current assets less net current liabilities			225,516		229,269		226,976

Non Current liabilities

Provisions	16.0	(26,751)		(20,144)		(31,390)	
Other Payables > 1 yr	14.0	0		0		0	
Financial Liabilities	8.0	0		0		0	
Total Non Current Liabilities			<u>(26,751)</u>		<u>(20,144)</u>		<u>(31,390)</u>

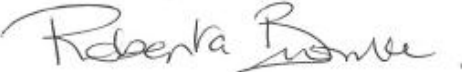
ASSETS LESS LIABILITIES

198,765	209,125	195,586
----------------	----------------	----------------

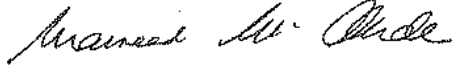
Taxpayers' Equity

Donated Asset Reserve		4,074		4,284		4,180	
Revaluation Reserve		23,689		19,931		12,494	
General Reserve		171,002		184,910		178,912	
		<u>198,765</u>		<u>209,125</u>		<u>195,586</u>	

The financial statements on pages 21 to 90 were approved by the Board on 2 June 2011 and were signed on its behalf by:

Signed 

(Chairman)

Signed 

(Chief Executive)

The notes on pages 26 to 90 form part of these accounts

SOUTHERN 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		202,926	12,494	4,180	219,600
Changes in accounting policy (IFRS)		0	0	0	0
Change in accounting policy - GIA		(24,014)	0	0	(24,014)
Restated balance at 1 April 2009		178,912	12,494	4,180	195,586
Changes in taxpayers' equity 2009-10					
Grant from DHSSPS		500,773	0	0	500,773
Transfers between reserves		0	0	0	0
Donated asset reserve transfer for (profit)/loss on disposal		0	0	(4)	(4)
(Comprehensive expenditure for the year)		(494,835)	7,437	(292)	(487,690)
Donated asset receipts		0	0	790	790
Donated asset reserve - transfer to net expend for depreciation		0	0	(390)	(390)
Non cash charges - auditors remuneration	4	60	0	0	60
Balance at 31 March 2010		184,910	19,931	4,284	209,125
Changes in taxpayers' equity 2010-11					
Grant from DHSSPS		475,150	0	0	475,150
Transfers between reserves		10	(10)	0	0
Donated asset reserve transfer for (profit)/loss on disposal		0	0	0	0
Transfer of Asset Ownership		0	3,887	0	3,887
(Comprehensive expenditure for the year)		(489,115)	(119)	128	(489,106)
Donated asset receipts		0	0	88	88
Donated asset reserve - transfer to net expend for depreciation		0	0	(426)	(426)
Non cash charges - auditors remuneration	4	47	0	0	47
Balance at 31 March 2011		171,002	23,689	4,074	198,765

SOUTHERN HSC TRUST

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2011

	2011	Restated
	2010	
	£000s	£000s
Cashflows from operating activities		
Net expenditure after interest	(489,115)	(494,835)
Adjustments for non cash costs	25,404	29,105
(Increase)/decrease in trade & other receivables	4,109	8,979
(Increase)/decrease in inventories	76	(476)
Increase/(decrease) in trade payables	14,096	(4,186)
less movements in payables relating to items not passing through the net expenditure account:		
Movements in payables relating to capital	(7,210)	3,864
Use of provisions	(4,263)	(5,600)
Net cash outflow from operating activities	(456,903)	(463,149)
 Cashflows from investing activities		
Purchase of property, plant & equipment	(18,217)	(38,785)
Purchase of intangible assets	(155)	(222)
Proceeds of disposal of property, plant & equipment	13	4
Net Cash (Outflow) from investing activities	(18,359)	(39,003)
 Cash flows from financing activities		
Grant in aid	475,150	500,773
Net financing	475,150	500,773
 Net (decrease) in cash & cash equivalents in the period	(112)	(1,379)
Cash & cash equivalents at the beginning of the period	13 626	2,005
Cash & cash equivalents at the end of the period	13 514	626

The notes on pages 26 to 90 form part of these accounts

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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 and Machinery, Information Technology, Furniture and Fittings, and Assets under Construction.

Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000, 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.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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 HSC organisations.

The last valuation was carried out on 31 January 2010 by Land and Property Services (LPS) which is an independent executive within the Department of Finance and Personnel. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard.

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.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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 Trust did not elect to cease indexing all short life assets, (other than IT), as these assets are not held separately on its fixed asset register. Therefore, fixtures and equipment, whether they are short life or have an estimated life in excess of 5 years, are indexed each year and depreciation will be based on the 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 – 88 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 Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the general reserve. 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 is then transferred to the general reserve.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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 of Health, Social Services and Public Safety and the Health and Social Care Board is accounted for as grant in aid and is 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.

The Southern Health and Social Care Trust has had no PFI transactions during the year.

1.17 Financial instruments

• **Financial assets**

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

Financial assets are initially recognised at fair value.

- **Financial liabilities**

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

Financial liabilities are initially recognised at fair value.

- **Financial risk management**

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

- **Currency risk**

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

- **Interest rate risk**

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

- **Credit risk**

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

- **Liquidity risk**

Since the Trust receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is 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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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 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 2011. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken flexi leave is estimated to be immaterial to the Trust and has not been included.

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, Employee Benefits, 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 was used in the 2010/11 accounts.

1.21 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.

1.22 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.

1.23 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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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.

1.24 Losses and Special Payments

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

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

1.25 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 considers that these are unlikely to have a significant impact on the accounts in the period of the initial application.

1.26 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 (where material) 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

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

(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.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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 reimbursements 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.

(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.

The table below shows the effect of all prior year adjustments

	Dr/(Cr)	Dr/(Cr)	
2009-10	Cost of Capital	Clinical negligence	Total
Income	7,651	6,800	14,451
Expenditure	(7,651)	(270)	(7,921)
Receivables	0	(16,944)	(16,944)
Payables	0	0	0
Reserves	0	16,944	16,944
RRL	7,651	7,070	14,721

2008-09	Cost of Capital	Clinical negligence	Total
Receivables	0	(24,014)	(24,014)
Payables	0	0	0
Reserves	0	24,014	24,014

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

	Staff Costs	2011 Other Expenditure	Total Expenditure	Staff Costs	Restated 2010 Other Expenditure	Total Expenditure
Directorates	£'000	£'000	£'000	£'000	£'000	£'000
Acute	137,043	54,025	191,068	133,624	59,254	192,878
Older People and Primary Care	58,041	66,752	124,793	57,431	66,326	123,757
Mental Health & Learning Disability	49,827	34,957	84,784	49,060	37,481	86,541
Children & Young People	44,399	16,904	61,303	40,983	16,150	57,133
Corporate	26,897	9,178	36,075	22,193	5,463	27,656
Expenditure for Reportable Segments net of Non Cash RRL per Note 25	316,207	181,816	498,023	303,291	184,674	487,965
Non Cash RRL			23,753			36,064
Total Expenditure per Statement of Comprehensive Net Expenditure Income Note 5			521,776			524,029
Net Expenditure			32,661			29,194
Revenue Resource Limit			489,115			494,835
Surplus against RRL			489,284			494,839
			169			4

The Trust is organised in 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 manages 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.

Acute Directorate:

- Cancer and clinical services (includes Laboratory & Radiology Services)
- Surgery and Elective Care
- Medicine and Unscheduled Care
- Integrated maternity and Women's Health
- Functional Support Services (includes all hotel services, health records, laundry and CSSD)
- Pharmacy

These services are delivered on the Acute Hospital Sites at Craigavon Area Hospital and Daisy Hill Hospital. Services including outreach clinics, day procedure services and diagnostic services are also delivered on South Tyrone Hospital Site, Lurgan Hospital Site and at Banbridge Polyclinic, Kilkeel and Crossmaglen Health Centres and Armagh Community Hospital.

Directorate of Mental Health and Disability Services

- Provides a range of hospital and community services, including social services, community nursing, home treatment, crisis response, Allied Health Professionals and specialist teams
- Acute Mental Health Services are provided at the Bluestone Unit, Craigavon and at St Lukes Hospital, Armagh
- On the St.Lukes site there is a long-stay hospital
- Longstone Hospital for Learning Disability patients
- Nursing & residential home, domiciliary, respite and day care services as well as support to tenants who reside in supporting people accommodation
- Trust Transport services

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT

Older People and Primary Care Services

- Domiciliary care, residential and nursing care and dementia support
- District nursing and allied health professionals supporting the elderly population
- Specialist services such as family planning, continence and GP out of hours and minor injuries units and all aspects of supporting people in the community
- Partnership working with Voluntary and community organisations incorporating grant aid payments and community support

Children and Young Peoples Services

- Includes all health services provided for children and adolescents
- Paediatric wards and special care baby units located in Acute facilities
- Disability services including respite, CAMHS, Children Community nursing of complex needs, Dental services and Allied Health Services
- Corporate parenting
- Family support, Early Years, Health visiting and school nursing are included together with all Sure Start Projects
- Social Services Training Unit

Corporate Services

- Office of the Chief Executive, including Trustwide Communication Team
- Finance and Procurement Directorate
- Human Resources Directorate, (including Health & Safety and Occupational health)
- Performance & Reform (IT, Estates, Corporate Planning and Performance Improvement)
- Medical Directorate (Governance Patient/Client Safety, Medical Management, Clinical Audit and Emergency Planning)

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 3 STAFF NUMBERS AND RELATED COSTS

Note 3.1 Staff Costs

Staff costs comprise	2011		Restated 2010	
	Total £000s	Permanently employed staff £000s	Others £000s	Total £000s
Wages & Salaries	270,913	264,452	6,461	252,492
Social security costs	17,398	17,398	0	19,474
Other pension costs	28,004	28,004	0	31,581
Sub-Total	316,315	309,854	6,461	303,547
Capitalised staff costs	108	108		256
Total staff costs reported in Statement of Comprehensive Expenditure	316,207	309,746	6,461	303,291
Less recoveries in respect of outward secondments	1,134			652
Total net costs	315,073			302,639

Staff costs exclude £108k charged to capital projects during the year (2010 : £256k)

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

As per the requirements of IAS 19, Employee Benefits, 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.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.2 Average number of persons employed

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

	Total No.	2011 Permanently employed staff No.	Others No.	2010 Total No.
Medical and dental	577	531	46	542
Nursing and Midwifery	2,804	2,791	13	2,818
Professions Allied to medicine	804	803	1	779
Ancillaries	754	735	19	792
Administrative and clerical	1,635	1,614	21	1,688
Ambulance staff	0	0	0	0
Works	56	56	0	61
Other Professional and technical	117	117	0	123
Social Services	1,050	1,041	9	1,034
Other	337	337	0	335
Total average number of persons employed	8,134	8,025	109	8,172
Less average staff number relating to capitalised staff costs	(3)	(3)		(6)
Less average staff number in respect of outward secondments	(20)	(20)		(17)
Total net average number of persons employed	8,111	8,002	109	8,149

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 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 Southern HSC Trust were as follows:						
	2010/11			2009/10		
Name	Salary £000s	Bonus/ Performance Pay £000	Benefits in Kind (Rounded to nearest £100)	Salary £000s	Bonus/ Performance Pay £000	Benefits in Kind (Rounded to nearest £100)
Non-Executive Members						
Mrs A Balmer (Chair until 31 January 2011)	20-25 (25-30 full year equivalent)	0	0	25-30	0	0
Mrs D Blakely	5-10	0	0	5-10	0	0
Mrs R Brownlee (Chair from 7 March 2011)	5-10 (25-30 full year equivalent)	0	0	5-10	0	0
Mr E Graham	5-10	0	0	5-10	0	0
Mr A Joynes	5-10	0	0	5-10	0	0
Mrs H Kelly	5-10	0	0	5-10	0	0
Mrs E Mahood (Interim Chair from 1 February 2011 until 6 March 2011)	5-10 (25-30 full year equivalent)	0	0	5-10	0	0
Dr R Mullan	5-10	0	0	5-10	0	0
Executive Members						
Mrs M McAlinden - Chief Executive (from 1 November 2010); Acting Chief Executive (until 31 October 2010)	95-100	0	0	50-55 (90-95 full year equivalent)	0	0
Mr S McNally – Director of Finance & Procurement (from 1 March 2011); Acting Director of Finance & Procurement (until 28 February 2011)	90-95	0	0	50-55 (90-95 full year equivalent)	0	0

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.3 (continued) Senior Employees' Remuneration

	2010/11			2009/10		
Name	Salary £000s	Bonus/ Performance Pay £000	Benefits in Kind (Rounded to nearest £100)	Salary £000s	Bonus/ Performance Pay £000	Benefits in Kind (Rounded to nearest £100)
Dr P Loughran – Medical Director	195-200	0	0	200-205	0	0
Mrs P Clarke – Director of Performance & Reform (from 1 March 2011); Acting Director of Performance & Reform (until 28 February 2011)	75-80	0	0	40-45 (70-75 full year equivalent)	0	0
Dr G Rankin – Director of Acute Service (from 1 January 2011); Interim Director of Acute Services (until 31 December 2010) and Director of Older People & Primary Care until 1 December 2009)	95-100	0	0	80-85 (85-90 full year equivalent)	0	0
Mr B Dornan – Director of Children & Young People's Service (from 1 April 2010); Director of Children & Young People's Service (until 23 November 2009)	100-105	0	0	60-65 (90-95 full year equivalent)	0	0
Mr P Morgan – Director of Children & Young People's Service (from 1 March 2011); Acting Director of Children & Young People's Service (from 23 November 2009 – 31 March 2010)	5-10 (70-75 full year equivalent)	0	0	20-25 (70-75 full year equivalent)	0	0

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.3 (continued) Senior Employees' Remuneration

	2010/11			2009/10		
Name	Salary £000s	Bonus/ Performance Pay £000	Benefits in Kind (Rounded to nearest £100)	Salary £000s	Bonus/ Performance Pay £000	Benefits in Kind (Rounded to nearest £100)
Mr K Donaghy – Director Human Resources & Organisational Development	80-85	0	0	80-85	0	0
Mr F Rice – Director of Mental Health & Disability	90-95	0	0	85-90	0	0
Mrs A McVeigh – Director of Older People & Primary Care (from 1 March 2011); Acting Director of Older People & Primary Care (until 28 February 2011)	85-90	0	0	20-25 (80-85 full year equivalent)		

During 2010/11 there were a number of changes to Non-Executive and Senior Executive staffing:

Mrs A Balmer ceased as Chair on 31 January 2011 and Mrs E Mahood then took up the position of Interim Chair until 6 March 2011. Mrs R Brownlee commenced as Chair on 7 March 2011.

Mr C Donaghy after having taken up a post as Interim Chief Executive in the Northern Health & Social Care Trust (NHSCT) was appointed to the permanent position of Chief Executive in the Belfast Health & Social Care Trust (BHSCT) on 1st October 2010.

Mrs M McAlinden, took up the permanent position of Chief Executive on 1st November 2010, following a period of Acting during Mr Donaghy's interim appointment to the NHSCT.

Mr M Dillon, after having taken up post as Interim Director of Finance in the NHSCT, was appointed to the permanent position of Director of Finance in the BHSCT on 1st November 2010.

Mr S McNally, took up the permanent position of Director of Finance and Procurement on 1st March 2011, following a period of Acting during Mr Dillon's interim appointment to the NHSCT.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.3 (continued) Senior Employees' Remuneration

Dr G Rankin was appointed to the post of Director of Acute Services on 1st January 2011, having held this position on an interim basis since 1st December 2009 when Mrs J Youart left the Trust.

Mrs A McVeigh was appointed to the post of Director of Older People and Primary Care on 1st March 2011, following a period of Acting during Dr Rankin's interim appointment to Director of Acute Services.

Mrs P Clarke was appointed to the permanent position of Director of Performance & Reform on 1st March 2011 following Mrs McAlinden's appointment to the post of Chief Executive. Mrs Clarke had been acting in this role prior to her permanent appointment.

	2010/11				
Name	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					
Mrs A Balmer	N/a	N/a	N/a	N/a	N/a
Mrs D Blakely	N/a	N/a	N/a	N/a	N/a
Mrs R Brownlee	N/a	N/a	N/a	N/a	N/a
Mr E Graham	N/a	N/a	N/a	N/a	N/a
Mr A Joynes	N/a	N/a	N/a	N/a	N/a
Mrs H Kelly	N/a	N/a	N/a	N/a	N/a
Mrs E Mahood	N/a	N/a	N/a	N/a	N/a
Dr R Mullan	N/a	N/a	N/a	N/a	N/a

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.3 (continued) Senior Employees' Remuneration

Executive Members

	2010/11				
Name	Real increase/(decrease) 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 Decrease in CETV £000s
Mrs M McAlinden - Chief Executive (from 1 November 2010); Acting Chief Executive (until 31 October 2010)	(0-2.5) loss plus (0-2.5) lump sum	30-35 plus 90-95 lump sum	521	473	(48)
Mr S McNally – Director of Finance & Procurement (from 1 March 2011); Acting Director of Finance & Procurement (until 28 February 2011)	(0-2.5) loss plus (0-2.5) lump sum	30-35 plus 95-100 lump sum	714	678	(36)
Dr P Loughran – Medical Director	(0-2.5) loss plus (2.5-5.0) lump sum	70-75 plus 215-220 lump sum	1721	1660	(61)
Mrs P Clarke – Director of Performance & Reform (from 1 March 2011); Acting Director of Performance & Reform (until 28 February 2011)	0-2.5 plus 0-2.5 lump sum	15-20 plus 50-55 lump sum	259	235	(24)
Dr G Rankin – Director of Acute Service (from 1 March 2011); Interim Director of Acute Services (until 28 February 2011 and Director of Older People & Primary Care until 1 December 2009)	(0-2.5) loss plus (0-2.5) lump sum	30-35 plus 100-105 lump sum	769	748	(21)

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.3 (continued) Senior Employees' Remuneration

	2010/11				
Name	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 Decrease in CETV £000s
Mr B Dornan – Director of Children & Young People's Service (from 1 April 2010); Director of Children & Young People's Service (until 23 November 2009)	Nil	Nil	0	0	0
Mr P Morgan – Director of Children & Young People's Service (from 1 March 2011); Acting Director of Children & Young People's Service (from 23 November 2009 – 31 March 2010)	(0-2.5) loss plus (0-2.5) lump sum	30-35 plus 90-95 lump sum	638	609	(29)
Mr K Donaghy – Director Human Resources & Organisational Development	(0-2.5) loss plus (0-2.5) lump sum	30-35 plus 95-100 lump sum	662	629	(33)
Mr F Rice – Director of Mental Health & Disability	0-2.5 plus 0-2.5 lump sum	25-30 plus 80-85 lump sum	440	395	(45)
Mrs A McVeigh – Director of Older People & Primary Care (from 1 March 2011); Acting Director of Older People & Primary Care (until 28 February 2011)	(0-2.5) loss plus (0-2.5) lump sum	25-30 plus 75-80 lump sum	502	470	(32)

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.3 (continued) Senior Employees' Remuneration

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 HSC 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 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pensions benefits are drawn.

The actuarial factors that are used in the CETV calculation were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to uprate HSC pensions. This means that the CETV in this year's accounts for 31/3/10 will not be the same as the corresponding figure shown in last year's accounts.

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.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.4 Reporting of early retirement and other compensation scheme – exit packages

	Number of Compulsory Redundancies		Number of other Departures agreed		Total Number of Exit Packages by Cost Band	
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
<£10,000	0	0	3	2	3	2
£10,000 - £25,000	0	0	6	3	6	3
£25,000 - £50,000	0	0	13	13	13	13
£50,000 - £100,000	0	0	14	23	14	23
£100,000 - £150,000	0	0	5	7	5	7
£150,000 - £200,000	0	0	2	2	2	2
Over £200,000	0	0	1	1	1	1
	0	0	44	51	44	51

Total Number of Exit Packages by Type

CSR	34	CSR	18
Change of Management	10	RPA	33
	44		51

	£000s	£000s	£000s	£000s	£000s	£000s
Total Resource Cost	0	0	2,883	3,627	2,883	3,627

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 of RPA and CSR leavers were met from exiting RPA and 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. In addition to these schemes, voluntary leavers left as a consequence of changing management structures. These costs are reflected within operating expenses in note 4.

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.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 3.5 Staff Benefits

There were no staff benefits in 2010/11. (2009/10:£ nil).

Note 3.6 Trust Management Costs

	2011	Restated
	2011	2010
	£000s	£000s
Trust Management Costs	20,815	20,919
Income:		
RRL	489,284	494,839
Income per Note 5	32,661	29,194
Non cash RRL for movement in clinical negligence provision	(8,362)	6,800
Total Income	513,583	530,833
% of total income	4.1%	3.9%

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

Note 3.7 Retirements due to ill-health

During 2010/11 there were 21 early retirements from the Southern HSC Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £17k. These costs are borne by the HSC Pension Scheme.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 4 OPERATING EXPENSES

	2011	Restated
	£000s	2010
		£000s
Purchase of care from non-HSC bodies	83,637	86,501
Revenue Grants to voluntary organisations	7,263	12,589
Personal social services	5,202	5,057
Recharges from other HSC organisations	2,009	1,795
Supplies and services - clinical	32,407	32,133
Supplies and services - general	4,966	5,193
Establishment	15,416	14,107
Transport	1,286	1,265
Premises	18,750	18,216
Bad debts	871	370
Rentals under operating leases	1,456	2,080
PFI and other service concession arrangements service charges	0	29
BSO services	1,944	2,012
Training	904	1,149
Professional fees	272	207
Patients travelling expenses	299	280
Costs of exit packages not provided for	1,230	0
Miscellaneous expenditure	1,827	1,186
Non cash items		
Depreciation	11,516	12,009
Amortisation	158	158
Impairments	3,238	29,903
Loss on disposal of assets (including land)	1	85
Provisions provided for in year	10,312	(6,110)
Unwinding of discount on Provisions	558	464
Auditors remuneration	47	60
Total	205,569	220,738

During the year the Southern HSC Trust purchased services from its auditor in respect of work carried out on the National Fraud Initiative. The amount paid was £3k and is reflected within miscellaneous expenditure above.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 5 INCOME

Note 5.1 Income from Activities

	2011	Restated
	£000s	2010
		£000s
GB/Republic of Ireland Health Authorities	230	283
HSC Trusts	491	317
Non-HSC:- Private patients	1,094	891
Non-HSC:- Other	1,653	1,139
Clients contributions	19,102	18,286
Total	22,570	20,916

Note 5.2 Other Operating Income

	2011	Restated
	£000s	2010
		£000s
Other income from non-patient services	7,710	6,626
Seconded staff	1,134	652
Charitable and other contributions to expenditure	507	(1)
Other Income:	314	607
Total	9,665	7,884

Note 5.3 Transfers from reserves for donated property, plant, equipment and intangibles

	2011	Restated
	£000s	2010
		£000s
Donated asset reserve transfer for (profit)/loss on disposal	0	4
Donated asset reserve transfer for depreciation and amortisation	426	390
Total	426	394

TOTAL INCOME

32,661	29,194
---------------	---------------

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 6 PROPERTY, PLANT & EQUIPMENT

Summary

	Purchased	Donated	2011
	£000s	£000s	Total
			£000s
Net book value:			
Land	42,900	0	42,900
Buildings (excluding dwellings)	169,413	2,107	171,520
Dwellings	12,792	11	12,803
Assets under construction	14,431	0	14,431
Plant and machinery (Equipment)	12,411	1,873	14,284
Transport Equipment	2,042	12	2,054
Information Technology (IT)	6,958	65	7,023
Furniture & Fittings	300	6	306
Total PPE - 31 March 2011	261,247	4,074	265,321

	Purchased	Donated	2010
	£000s	£000s	Total
			£000s
Net book value:			
Land	49,310	0	49,310
Buildings (excluding dwellings)	143,995	2,014	146,009
Dwellings	10,829	10	10,839
Assets under construction	23,809	46	23,855
Plant and machinery (Equipment)	12,190	2,086	14,276
Transport Equipment	1,589	17	1,606
Information Technology (IT)	4,305	105	4,410
Furniture & Fittings	367	6	373
Total PPE - 31 March 2010	246,394	4,284	250,678

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 1.3 for more details of valuation of Property, Plant and Equipment.

SOUTHERN 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	49,310	143,995	10,829	23,809	41,800	4,752	10,404	797	285,696
Indexation	0	3,397	368	0	1,031	0	0	0	4,796
Additions	0	5,741	126	11,941	2,875	896	3,848	0	25,427
Transfers	986	22,262	1,959	(21,319)	0	53	0	0	3,941
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	(7,396)	126	(153)	0	0	0	0	0	(7,423)
(Disposals)	0	0	0	0	(105)	(275)	0	0	(380)
At 31 March 2011	42,900	175,521	13,129	14,431	45,601	5,426	14,252	797	312,057

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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

	Land	Buildings (excluding dwellings)	Dwellings	Assets under Construction	Plant and Machinery (Equipment)	Transport Equipment	Information Technology (IT)	Furniture and Fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Depreciation									
At 1 April 2010	0	0	0	0	29,610	3,163	6,099	430	39,302
Indexation	0	0	0	0	730	0	0	0	730
Transfers	0	25	0	0	0	29	0	0	54
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	(99)	(267)	0	0	(366)
Provided during the year	0	6,083	337	0	2,949	459	1,195	67	11,090
At 31 March 2011	0	6,108	337	0	33,190	3,384	7,294	497	50,810
Net Book Value									
At 31 March 2011	42,900	169,413	12,792	14,431	12,411	2,042	6,958	300	261,247
At 31 March 2010	49,310	143,995	10,829	23,809	12,190	1,589	4,305	367	246,394
Asset financing									
Owned	42,900	169,413	12,792	14,431	12,411	2,042	6,958	300	261,247
Net Book Value									
At 31 March 2011	42,900	169,413	12,792	14,431	12,411	2,042	6,958	300	261,247

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

SOUTHERN 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	45,813	177,127	12,968	15,416	39,038	4,861	8,778	663	304,664
Indexation	(6,487)	(15,133)	(1,345)	0	1,243	385	0	0	(21,337)
Additions	0	4,742	499	26,091	1,683	99	1,673	134	34,921
Transfers	0	17,698	0	(17,698)	0	0	0	0	0
Revaluation	11,888	2,462	(137)	0	0	0	0	0	14,213
(Impairments)	(1,904)	(42,857)	(1,156)	0	0	0	0	0	(45,917)
(Disposals)	0	(44)	0	0	(164)	(593)	(47)	0	(848)
At 31 March 2010	49,310	143,995	10,829	23,809	41,800	4,752	10,404	797	285,696
Depreciation									
At 1 April 2009	0	23,157	1,456	0	25,961	3,039	5,030	378	59,021
Indexation	0	(1,850)	(111)	0	826	231	0	0	(904)
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	(12,381)	(1,276)	0	0	0	0	0	(13,657)
(Impairments)	0	(15,621)	(393)	0	0	0	0	0	(16,014)
(Disposals)	0	0	0	0	(145)	(574)	(44)	0	(763)
Provided during the year	0	6,695	324	0	2,968	467	1,113	52	11,619
At 31 March 2010	0	0	0	0	29,610	3,163	6,099	430	39,302

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 6.2 (continued) 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
Net Book Value									
At 1 April 2009	45,813	153,970	11,512	15,416	13,077	1,822	3,748	285	245,643
At 31 March 2010	49,310	143,995	10,829	23,809	12,190	1,589	4,305	367	246,394
Asset financing									
Owned	49,310	143,995	10,829	23,809	12,190	1,589	4,305	367	246,394
Net Book Value									
At 31 March 2010	49,310	143,995	10,829	23,809	12,190	1,589	4,305	367	246,394

Asset financing									
Owned	45,813	153,970	11,512	15,416	13,077	1,822	3,748	285	245,643
Net Book Value									
At 1 April 2009	45,813	153,970	11,512	15,416	13,077	1,822	3,748	285	245,643

SOUTHERN 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	0	2,283	14	46	3,710	37	375	12	6,477
Indexation	0	86	1	0	91	0	0	0	178
Additions	0	35	0	0	52	0	0	1	88
Reclassifications	0	46	0	(46)	0	0	0	0	0
At 31 March 2011	0	2,450	15	0	3,853	37	375	13	6,743

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 6.3 (continued) 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
Depreciation									
At 1 April 2010	0	269	4	0	1,624	20	270	6	2,193
Indexation	0	10	0	0	40	0	0	0	50
Reclassifications	0	0	0	0	0	0	0	0	0
Provided during the year	0	64	0	0	316	5	40	1	426
At 31 March 2011	0	343	4	0	1,980	25	310	7	2,669
Net Book Value									
At 31 March 2011	0	2,107	11	0	1,873	12	65	6	4,074
At 31 March 2010	0	2,014	10	46	2,086	17	105	6	4,284
Asset financing									
Owned	0	2,107	11	0	1,873	12	65	6	4,074
Net Book Value									
At 31 March 2011	0	2,107	11	0	1,873	12	65	6	4,074

SOUTHERN 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	0	2,661	16	46	2,918	68	285	12	6,006
Indexation	0	(378)	(2)	0	93	3	0	0	(284)
Additions	0	0	0	0	699	0	91	0	790
(Disposals)	0	0	0	0	0	(34)	(1)	0	(35)
At 31 March 2010	0	2,283	14	46	3,710	37	375	12	6,477

Depreciation

At 1 April 2009	0	241	4	0	1,305	44	227	5	1,826
Indexation	0	(34)	0	0	41	1	0	0	8
(Impairments)	0	0	0	0	0	0	0	0	0
(Disposals)	0	0	0	0	0	(30)	(1)	0	(31)
Provided during the year	0	62	0	0	278	5	44	1	390
At 31 March 2010	0	269	4	0	1,624	20	270	6	2,193

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 6.4 (continued) 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
-----------------------------	--	----------------------------------	--	--	--	--	---	------------------------------

Net Book Value

At 1 April 2009

0	2,420	12	46	1,613	24	58	7	4,180
----------	--------------	-----------	-----------	--------------	-----------	-----------	----------	--------------

At 31 March 2010

0	2,014	10	46	2,086	17	105	6	4,284
----------	--------------	-----------	-----------	--------------	-----------	------------	----------	--------------

Asset financing

Owned

0	2,014	10	46	2,086	17	105	6	4,284
---	-------	----	----	-------	----	-----	---	-------

Net Book Value

At 31 March 2010

0	2,014	10	46	2,086	17	105	6	4,284
----------	--------------	-----------	-----------	--------------	-----------	------------	----------	--------------

Asset financing

Owned

0	2,420	12	46	1,613	24	58	7	4,180
---	-------	----	----	-------	----	----	---	-------

Net Book Value

At 1 April 2009

0	2,420	12	46	1,613	24	58	7	4,180
----------	--------------	-----------	-----------	--------------	-----------	-----------	----------	--------------

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 7 INTANGIBLE ASSETS

Summary

	2011		
	Purchased £000s	Donated £000s	Total £000s
Net book value:			
Software licenses	285	0	285
	<hr/>		
Total Intangible assets - 31 March 2011	285	0	285

	2010		
	Purchased £000s	Donated £000s	Total £000s
Net book value:			
Software licenses	288	0	288
	<hr/>		
Total Intangible assets - 31 March 2010	288	0	288

SOUTHERN 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	843	0	843
Indexation	0	0	0
Additions	155	0	155
At 31 March 2011	998	0	998
Amortisation			
At 1 April 2010	555	0	555
Provided during the year	158	0	158
At 31 March 2011	713	0	713
Net Book Value			
At 31 March 2011	285	0	285
At 31 March 2010	288	0	288
Asset financing			
Owned	285	0	285
Net Book Value			
At 31 March 2011	285	0	285

SOUTHERN 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	621	0	621
Additions	222	0	222
At 31 March 2010	843	0	843
Amortisation			
At 1 April 2009	397	0	397
Provided during the year	158	0	158
At 31 March 2010	555	0	555
Net Book Value			
At 1 April 2009	224	0	224
At 31 March 2010	288	0	288
Asset financing			
Owned	288	0	288
Net Book Value			
At 31 March 2010	288	0	288
Asset financing			
Owned	224	0	224
Net Book Value			
At 1 April 2009	224	0	224

SOUTHERN 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	3	0	3
At 31 March 2011	3	0	3
Amortisation			
At 1 April 2010	3	0	3
At 31 March 2011	3	0	3
Net Book Value			
At 31 March 2011	0	0	0
At 31 March 2010	0	0	0

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 7.4 Intangible Assets (Donated) - Year ended 31 March 2010

Cost or Valuation	Software licenses £000s	Software £000s	Total £000s
At 1 April 2009	3	0	3
At 31 March 2010	3	0	3
Amortisation			
At 1 April 2009	3	0	3
At 31 March 2010	3	0	3
Net Book Value			
At 31 March 2009	0	0	0
At 31 March 2010	0	0	0
Asset financing			
Owned	0	0	0
Net Book Value			
At 1 April 2009	0	0	0

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 8 FINANCIAL INSTRUMENTS

The Southern HSC Trust has no financial instruments.

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

The Southern HSC Trust does not hold any Assets classified as held for sale.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 10 IMPAIRMENTS

	Property, Plant & Equipment		2011		
	£000s	£000s	Intangibles		Total
	Purchased	Donated	£000s	£000s	£000s
	Purchased	Donated	Purchased	Donated	
Total value of impairments for the period	7,423	0	0	0	7,423
Impairment which Revaluation Reserve covers (shown in Other Comprehensive Expenditure Statement)	4,185	0	0	0	4,185
Impairments charged to Statement of Comprehensive Net Expenditure within Net Expenditure	3,238	0	0	0	3,238
	Property, Plant & Equipment		2010		
	£000s	£000s	Intangibles		Total
	Purchased	Donated	£000s	£000s	£000s
	Purchased	Donated	Purchased	Donated	
Total value of impairments for the period	29,903	0	0	0	29,903
Impairment which Revaluation Reserve covers (shown in Other Comprehensive Expenditure Statement)	0	0	0	0	0
Impairments charged to Statement of Comprehensive Net Expenditure within Net Expenditure	29,903	0	0	0	29,903
	Property, Plant & Equipment		2009		
	£000s	£000s	Intangibles		Total
	Purchased	Donated	£000s	£000s	
	Purchased	Donated	Purchased	Donated	
Total value of impairments for the period	948	11	0	0	959
Impairment which Revaluation Reserve covers (shown in Other Comprehensive Expenditure Statement)	0	0	0	0	0
Impairments charged to Statement of Comprehensive Net Expenditure within Net Expenditure	948	11	0	0	959

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 11 INVENTORIES

	2011	2010	Restated
	£000s	£000s	2009
Classification			£000s
Pharmacy Supplies	1,528	1,552	1,365
Theatre equipment	0	6	0
Fuel	433	404	264
Community care appliances	331	361	299
Laboratory materials	247	289	289
Postage	10	8	10
Laundry	66	80	97
Stock held for resale	0	0	25
Other	802	793	668
Total	3,417	3,493	3,017

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2011	Restated	Restated
	£000s	£000s	£000s
Amounts falling due within one year			
Trade Receivables	11,565	11,354	17,154
Deposits and advances	0	0	0
Other receivables	5,803	4,529	6,132
Trade and other Receivables	17,368	15,883	23,286
Prepayments and accrued income	431	5,160	531
Other current assets	431	5,160	531
 Amounts falling due after more than one year			
Trade Receivables	0	865	0
Trade and other Receivables	0	865	0
 TOTAL TRADE AND OTHER RECEIVABLES	17,368	16,748	23,286
 TOTAL OTHER CURRENT ASSETS	431	5,160	531
 TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	17,799	21,908	23,817

The balances are net of provision for bad debts of £3,000k (2010 £2,213k: 2009 £1,843k)

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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

Name	Restated		Restated		Restated	
	Amounts falling due within 1 year 2010/11 £000s	Amounts falling due within 1 year 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
Balances with other central government bodies	3,918	10,300	12,970	0	865	0
Balances with local authorities	18	6	26	0	0	0
Balances with NHS /HSC Trusts	1,023	1,071	2,048	0	0	0
Intra-Government Balances	4,959	11,377	15,044	0	865	0
Balances with bodies external to government	12,840	9,666	8,773	0	0	0
Total Receivables & other current assets at 31 March	17,799	21,043	23,817	0	865	0

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 13 CASH AND CASH EQUIVALENTS

	2011 £000s	2010 £000s	2009 £000s
Balance at 1st April	626	2,005	5,325
Net change in cash and cash equivalents	(112)	(1,379)	(3,320)
Balance at 31st March	514	626	2,005

The following balances at 31 March were held at	2011 £000s	2010 £000s	2009 £000s
Commercial Banks and cash in hand	514	626	2,005
Balance at 31st March	514	626	2,005

SOUTHERN 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	Restated 2009 £000s
Amounts falling due within one year			
Other taxation and social security	10,263	9,378	9,929
Trade capital payables	12,443	5,233	9,094
Trade revenue payables	12,298	12,423	14,400
Payroll payables	17,195	10,343	10,428
RPA/CSR payables	539	363	158
BSO payables	1,023	3,284	196
Other payables	1,804	922	1,428
Accruals and deferred income	6,255	5,778	6,277
Trade and other payables	61,820	47,724	51,910
Total payables falling due within one year	61,820	47,724	51,910
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	61,820	47,724	51,910

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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

Name	Restated			Restated		Restated Amounts falling due after more than 1 year 2008/09 £000s
	Amounts falling due within 1 year 2010/11 £000s	Amounts falling due within 1 year 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	
Balances with other central government bodies	14,144	14,074	11,439	0	0	0
Balances with local authorities	15	13	44	0	0	0
Balances with NHS /HSC Trusts	1,317	1,028	518	0	0	0
Intra-Government Balances	15,476	15,115	12,001	0	0	0
Balances with bodies external to government	46,344	32,609	39,909	0	0	0
Total Payables and other liabilities at 31 March	61,820	47,724	51,910	0	0	0

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 14.2 Loans

The Southern HSC Trust has no loans.

NOTE 15 PROMPT PAYMENT POLICY

15.1 Public Sector Payment Policy – Measure of Compliance

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

	2011 Number	2011 Value £'000	Restated 2010 Number	Restated 2010 Value £'000
Total bills paid	108,591	177,022	118,991	208,653
Total bills paid within 30 day target or under agreed payment terms	98,136	169,304	105,718	197,823
% of bills paid within 30 day target or under agreed payment terms	90.4%	95.6%	88.8%	94.8%

The measure of compliance with the Public Sector Payment Policy is shown above for both the number and value of payments made. The variation in the percentage reported under the two measures is due to the high volume of low value payments made by the Trust which results in a smaller percentage being achieved when measuring compliance based on the number of payments made.

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 are as follows :

	£
Total	135

SOUTHERN 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	179	2,649	13,125	1,638	0	2,553	20,144
Provided in year	9	0	9,264	0	0	2,712	11,985
Provisions not required written back	0	(5)	(1,320)	0	0	(348)	(1,673)
Provisions utilised in the year	(13)	(205)	(2,021)	(1,665)	0	(359)	(4,263)
Unwinding of discount	4	54	418	34	0	48	558
At 31 March 2011	179	2,493	19,466	7	0	4,606	26,751

RPA/CSR £000s

RPA/CSR Utilised costs include the following:

Pension Costs for early retirement reflecting the single lump sum to buy over the full liability

Redundancy costs

1,439

226

1,665

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 16 (continued) PROVISIONS FOR LIABILITIES AND CHARGES - 2011

Comprehensive Net Expenditure Account charges	2011 £000s	2010 £'000
Arising during the year	11,985	5,941
Reversed unused	(1,673)	(12,051)
Unwinding of discount	558	464
Total charge within Operating costs	10,870	(5,646)

Analysis of expected timing of discounted flows

	Pensions relating to former Directors	Pensions relating to other staff	Clinical Negligence	CSR Restructuring	RPA Restructuring	Other	2011
Within 5 years	64	1,025	19,466	7	0	3,873	24,435
6 – 10 years	64	1,025	0	0	0	262	1,351
Thereafter	51	443	0	0	0	471	965
	179	2,493	19,466	7	0	4,606	26,751

SOUTHERN 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	2011 £000s
Balance at 1 April 2009	175	2,650	21,095	2,698	2,557	2,215	31,390
Provided in year	13	150	4,650	0	0	1,128	5,941
Provisions not required written back	0	0	(11,805)	0	0	(246)	(12,051)
Provisions utilised in the year	(13)	(205)	(1,170)	(1,060)	(2,557)	(595)	(5,600)
Unwinding of discount	4	54	355	0	0	51	464
At 31 March 2010	179	2,649	13,125	1,638	0	2,553	20,144

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, CSR and Other). 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 provision is based on information provided by the Trust's HR Directorate and the DHSSPS as at 31/03/11.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

Note 16 (continued) PROVISIONS FOR LIABILITIES AND CHARGES - 2010

Analysis of expected timing of discounted flows

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical negligence £000s	CSR Restructuring £000s	RPA Restructuring £000s	Other £000s	Restated 2010 £000s
Within 5 years	65	1,026	13,125	1,638	0	1,817	17,671
6 – 10 years	64	1,026	0	0	0	262	1,352
Thereafter	50	597	0	0	0	474	1,121
	179	2,649	13,125	1,638	0	2,553	20,144

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 17 CAPITAL COMMITMENTS

	2011	2010	2009
	£000s	£000s	£000s
Contracted capital commitments at 31 March not otherwise included in these financial statements			
Property, Plant & Equipment	2,166	3,412	16,169
	2,166	3,412	16,169

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 18 COMMITMENTS UNDER LEASES

Note 18.1 Operating Leases

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

	2011	2010	Restated
	£000s	£000s	2009
Obligations under operating leases comprise			£000s
Land & Buildings			
Not later than 1 year	43	24	82
Later than 1 year and not later than 5 years	0	0	23
	43	24	105
Other			
Not later than 1 year	527	488	2,115
Later than 1 year and not later than 5 years	566	759	1,126
Later than 5 years	0	0	21
	1,093	1,247	3,262

Note 18.2 Finance Leases

The Southern HSC Trust does not have any Finance Leases.

NOTE 18 COMMITMENTS UNDER LESSOR AGREEMENTS

Note 18.3 Operating Leases

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

	2011	2010	Restated
	£000s	£000s	2009
Obligations under operating leases issued by the Trust comprise			£000s
Land and Buildings			
Later than 1 year and not later than 5 years	79	108	137
Later than 5 years	272	289	306
	351	397	443

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

	2011	2010	Restated
	£000s	£000s	2009
			£000s
Amounts included within operating expenses in respect of off balance sheet (SoFP) PFI and other service concession arrangement transactions	0	29	194
	0	29	194

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

	2011	2010	Restated
	£000s	£000s	2009
			£000s
Not later than one year	0	0	194
	0	0	194

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 20 OTHER FINANCIAL COMMITMENTS

The Southern HSC Trust has not entered into any non cancellable contracts (which are not leases or PFI and other service concession arrangements contracts).

SOUTHERN 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. Southern HSC Trust has 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 Southern HSC Trust in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

The Southern HSC Trust has not entered into any quantifiable guarantees, indemnities or provided Letters of Comfort.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 22 CONTINGENT LIABILITIES

Clinical Negligence

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.

Contingencies not relating to clinical negligence are as follows:

	2011	2010	2009
	£000s	£000s	£000s
Contingent Liability	1,169	1,013	2,106
Public Liability	0	5	1
Employers' Liability	1	8	17
Total	1,170	1,026	2,124

There are a number of active employment law claims against the Trust. The expenditure which may arise from such claims can not be determined as yet.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 23 RELATED PARTY TRANSACTIONS

The Southern HSC Trust is an arms length body of the Department of Health, Social Services and Public Safety and as such the Department is a related party with which the Southern HSC Trust has had various material transactions during the year

- Funding – Revenue Resource Limit £489,284k of which Non Cash Revenue Resource Limit £23,753k.

Interests in the following organisations were declared by non-executive, executive and other Directors and recorded on the Trust's Register of Interests. Where an interest is disclosed, the related party is not involved directly in the award of a contract with the related organisation.

The interests declared and the value of the related party transactions was as follows:

Mrs Deirdre Blakely, Acting Director of Alzheimer's Society NI. The value of transactions between related parties was £40,000 (1 transaction) in respect of provision of Dementia Respite through Activity Clubs. Balance outstanding at year end: £Nil.

Mr Edwin Graham held two positions:

Advisor of Enable NI. The value of transactions between related parties was £136,813.47 (34 transactions) in respect of grant payments for respite services and day care. Balance outstanding at year end: £Nil.

Chairman of Edward Street Hostel Ltd. The value of transactions between related parties was £1,101.19 in respect of laundry services and £18,636.20 in respect of rent payments for social service clients and grant aid. The total number of transactions was 27 and the balance outstanding at year end was £141.36.

Mrs Hester Kelly, School Governor of Sperrin View Special School. The value of transactions between related parties was £30 (1 transaction) in respect of core induction training. Balance outstanding at year end: £Nil.

Mrs Elizabeth Mahood, General Manager of MacFarlane Environmental. The value of transactions between related parties was £1,462.88 (2 transactions) in respect of repairs to boiler and hot ash vacuum. Balance outstanding at year end: £Nil.

Mrs Angela McVeigh, a personal friend of Angela McVeigh is the owner of Ann's Homecare Domiciliary Care Agency. The value of transactions between related parties is £3,157,489.87 (483 transactions) in respect of Domiciliary Care Provision. The balance outstanding at year end: £ Nil.

NOTE 24 THIRD PARTY ASSETS

The Southern HSC Trust held £4,120k 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 cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Trust.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 25 FINANCIAL PERFORMANCE TARGETS

NOTE 25.1 Revenue Resource Limit

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

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

	2011	Restated
	Total	2010
	£000s	Total
		£000s
HSCB	455,178	452,286
PHA	3,918	0
SUMDE & NIMDTA	6,435	6,013
DHSSPS (excludes non cash)	0	476
Non cash RRL (from DHSSPS)	23,753	36,064
Total agreed RRL	489,284	494,839
Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure	489,284	494,839

NOTE 25.2 Capital Resource Limit

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

	2011	2010
	Total	Total
	£000s	£000s
Gross Capital Expenditure	25,582	35,143
(Receipts from sales of fixed assets)	(13)	(4)
Net capital expenditure	25,569	35,139
Capital Resource Limit	26,220	35,238
(Underspend) against CRL	(651)	(99)

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

NOTE 25.3 FINANCIAL PERFORMANCE TARGETS

The Southern HSC Trust is required to ensure that it breaks even on an annual basis by containing its net expenditure within 0.25 % of the Revenue Resource Limit.

	2010/11	Restated
	£000s	2009/10
		£000s
Net Expenditure	(489,115)	(494,835)
RRL	489,284	494,839
Surplus against RRL	169	4
Break Even cumulative position(opening)	674	670
Other Adjustments	0	0
Break Even Cumulative position (closing)	843	674

Materiality Test:

	2010/11	Restated
	%	2009/10
		%
Break Even in year position as % of RRL	0.03%	0.00%
Break Even cumulative position as % of RRL	0.17%	0.14%

The in year surplus of £169k is immaterial against the DHSSPS tolerance of 0.25% of Revenue Resource Limit.

SOUTHERN 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 Note 1	5	17,355
2	Cash Losses - Overpayments of salaries, wages and allowances		
3	Cash Losses - Other causes (including unvouched and incompletely vouched payments)		
4	Nugatory and fruitless payments		
	i. Abandoned capital schemes		
	ii. Late payment of commercial debt	1	135
	iii. Other		
5	Bad debts and claims abandoned Note 2	1	83,799
6	Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
	i. Bedding and linen		
	ii. Other equipment and property		
7	Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)		
8	Stores and Inventory Losses - Deterioration in store		
9	Stores and Inventory Losses - Stocktaking discrepancies Note 3		11,672
10	Stores and Inventory Losses - Other causes	2	1,589
	i. Bedding and linen		
	ii. Other equipment and property		
11	Compensation payments (legal obligation)		
	i. Clinical Negligence Note 4	47	2,021,492
	ii. Public Liability	10	54,227
	iii. Employers Liability	32	229,123
12	Ex-gratia payments - Compensation payments (including payments to patients and staff)	19	6,978
13	Ex-gratia payments - Other payments		
14	Extra statutory payments		
15	a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.		
	b. Damage to vehicles		
TOTAL		117	2,426,370

Note 1

This includes a direct payment loss of £17k for which DHSSPS approval to write off is outstanding and to be obtained by the Trust.

Note 2

In accordance with DHSSPS guidance approval for this bad debt write off has to be obtained and is currently outstanding.

Note 3

This comprises numerous cases which were individually immaterial in value.

Note 4

There was one Clinical Negligence case, in excess of £1.4 million.

Note 26.1 Special Payments

The Southern HSC Trust did not make any special payments or gifts during the financial year.

SOUTHERN 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 24 June 2011.

**ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS**

YEAR ENDED 31 MARCH 2011

SOUTHERN HSC TRUST

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**

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 Trust is required 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.

SOUTHERNHEALTH 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 Southern Health & 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, as amended 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, 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 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 Southern Health & 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, as amended 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
Belfast
BT71EU

24 June 2011

SOUTHERN HSC TRUST

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2011

Previous Year		<u>RECEIPTS</u>	
£	Balance at 1 April 2010	£	£
168	1. Investments (at cost)	2,969,417	
3,592,143	2. Cash at Bank	652,229	
8,806	3. Cash in Hand	5,432	3,627,078
<u>3,601,117</u>			
1,671,284	Amounts Received in the Year	1,770,270	
19,920	Interest Received	75,114	1,845,384
<u>5,292,321</u>	TOTAL		<u>5,472,462</u>
<u>PAYMENTS</u>			
1,665,243	Amounts paid to or on Behalf of Patients/Residents		1,352,452
	Balance at 31 March 2011		
2,969,417	1. Investments (at Cost)	3,282,222	
652,229	2. Cash in Bank	833,740	
5,432	3. Cash in Hand	4,048	4,120,010
<u>3,627,078</u>			
	TOTAL		<u>5,472,462</u>
<u>5,292,321</u>			

Cost Price	Schedule of investments held at 31 March 2011	Nominal Value	Cost Price
£		£	£
2,969,249	Bank of Ireland	3,282,054	3,282,054
168	First Trust Investment A/c	168	168

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


 _____ Director of Finance

2nd June 2011 Date

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


 _____ Chief Executive

2nd June 2011 Date

