

**WESTERN HEALTH AND SOCIAL CARE TRUST**

**ANNUAL ACCOUNTS**

**YEAR ENDED 31 MARCH 2012**

**Western Health and Social Care Trust**

**Annual Accounts**

**For the year ended 31 March 2012**

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

On

29 June 2012

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# **WESTERN HEALTH AND SOCIAL CARE TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

### **FOREWORD**

These accounts for the year ended 31 March 2012 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.

## **WESTERN HEALTH AND SOCIAL CARE TRUST**

### **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **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 Western Health and Social Care 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 Western Health and Social Care 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 Trust will continue in operation.
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust.
- pursue and demonstrate value for money in the services the Trust provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Mrs Elaine Way of Western Health and Social Care Trust as the Accounting Officer for the 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 Western Health and Social Care Trust's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety.

**WESTERN HEALTH AND SOCIAL CARE TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**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 23 to 81) which I am required to prepare on behalf of the Western Health and Social Care Trust have been compiled from and are in accordance with the accounts and financial records maintained by the Western Health and Social Care Trust and with the accounting standards and policies for HSC Trusts approved by the DHSSPS.



Director of Finance and Contracting

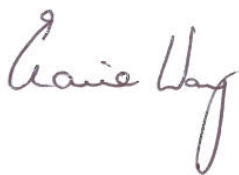
.....13 June 2012..... Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 23 to 81) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Chairman

.....13 June 2012..... Date



Chief Executive

.....13 June 2012..... Date

## **WESTERN HEALTH AND SOCIAL CARE TRUST**

### **STATEMENT ON INTERNAL CONTROL 2011/12**

#### ***Scope of Responsibility***

The Board of the Western Health and Social Care Trust 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.

For services commissioned from the Western Health and Social Care Trust by the HSC Board and other Health and Social Care organisations, accountability for delivery of services is via Service and Budget Agreements which detail the quantity, quality and cost of services. However, with regard to financial control, governance and overall organisational performance the Trust is directly accountable to the Department of Health, Social Services and Public Safety and the Minister.

#### ***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;
- 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 Western Health and Social Care Trust for the year ended 31 March 2012, and up to the date of approval of the annual report and accounts, and accords with Department of Health, Social Services and Public Safety.

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 Trust 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 Remuneration Committee to oversee senior executives' pay; and
- An Endowment & Gift Funds Committee

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 reports which indicate financial performance against the forecast;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment controls;
- Formal budget management disciplines;
- Robust organisational policies to govern the recruitment, selection and retention of staff;
- Preparation of Annual Accounts;
- A requisition and approval system for procuring goods and services;
- A system of detailed recording and notification to protect the Trust's assets;
- Clear segregation of duties between the Payroll and Human Resources Departments for additions to and deletions from the payroll; and
- Regular reports to senior management, the Audit Committee and the Governance Committee from the Head of Internal Audit.

The Western Health and Social Care 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 the annual audit plan is based on this analysis.

In 2011/12 Internal Audit reviewed the following systems and in her annual report, the Head of Internal Audit provided the following assurances:

• Payroll	Satisfactory Assurance
• Non-Pay Expenditure	Satisfactory Assurance
• Bank and Cash	Satisfactory Assurance
• Directorate Finance Audit – Women & Children	Satisfactory Assurance
• General ledger	Satisfactory Assurance
• Endowment & Gifts Funds	Satisfactory Assurance
• Client Monies and Cash & Valuables Handling in Social Services Setting	Satisfactory Assurance
• Adult Supported Living Facilities (Review of residents' accounts at 2 facilities)	Overall Satisfactory Assurance (Limited Assurance)
• Client Monies in Independent Sector	Satisfactory Assurance
• Travel Expenses	Satisfactory Assurance
• Income – canteen	Satisfactory Assurance
Income – accommodation	Limited Assurance
• Agency and Medical Locum staff	Limited Assurance
• Management of Maintenance Contracts	Satisfactory Assurance



• Fostering & Adoption Payments	Satisfactory Assurance
• Directorate Risk Based Audit – Adult Mental Health & Disability	Satisfactory Assurance
• Performance Management	Satisfactory Assurance
• Complaints Management	Satisfactory Assurance
• Incident Management	Satisfactory Assurance
• Risk Management & Assurance Framework	Satisfactory Assurance
• Information Governance	Satisfactory Assurance
• Communications	Satisfactory Assurance
• ICT / Information Systems	Satisfactory Assurance
• Emergency Planning	Satisfactory Assurance
• Management of Fire Safety	Limited Assurance
• Medicines Management	Satisfactory Assurance

Some enhancements to the systems were recommended in Internal Audit Reports and these have been or are being implemented. In relation to the reports above, the issues giving rise to a limited assurance assessment were as follows:-

- **Adult Supported Living Units** – Whilst satisfactory assurance was provided on the overall system of internal control at the Trust’s Adult Supported Living Units, a control weakness was identified at 2 facilities regarding the reconciliation of withdrawals from clients’ bank/post office accounts to individual cash ledgers held by the Home for the clients. It is planned to introduce regular reconciliations and these will be spot checked by a more senior member of staff.
- **Income (accommodation)** – A control weakness was identified regarding accuracy and completeness in the calculation of accommodation charges for staff availing of Trust accommodation. Additional checks have been introduced to address the Internal Audit findings.
- **Management of the use of Agency & Medical Locum Staff** – Weaknesses continue to be identified in the arrangements for ensuring that all agency staff used and the charges incurred were covered by negotiated contracts. While there were sound operational reasons for use of non-contracted agency staff in many cases, the evidence to support these decisions was not documented. Written guidance for staff in this area is being compiled together with a revision of the forms used for booking. This area was discussed by the Public Accounts Committee on a regional basis during 2011 and it was acknowledged that on occasions it is necessary to use non-contracted agency staff in order to ensure the continuity of services.
- **Management of Fire Safety** – Control weaknesses were identified regarding the level of attendance at fire safety training, non-completion of fire risk assessments in line with plans, failure to implement or delay in implementing recommendations arising from risk assessments and non-performance of regular checks by

nominated fire officers. The Corporate Management Team has taken this issue seriously and has accepted direct responsibility for implementing the recommendations from this report as soon as possible.

The Trust received limited assurance in 2010/11 on the effectiveness of controls over the Management of Maintenance Contracts. Trust senior management undertook a significant piece of work during 2011/12 to address the control issues that were raised by the auditors and additional resources were deployed to improve the control environment. The outcome has been a dramatic improvement in the level of compliance with Departmental guidance and as a result Internal Audit raised its assurance rating to satisfactory when it reviewed the updated processes this year.

I take seriously all issues reviewed by Internal Audit where less than satisfactory assurance is provided and actions will be taken during 2012/13 to address the deficiencies. I have considered the matters raised above and I do not consider that they require to be included in the section of this document which deals with significant internal control issues.

With regard to the wider control environment, the Western Health and Social Care Trust has in place a range of organisational controls, commensurate with the 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 Trust are pursued in accordance with the recognised and accepted standards of public administration.

### ***Capacity to Handle Risk***

In order to reflect national guidance, Trust Board decided to adopt an integrated approach to governance and risk management, thus providing a co-ordinated source of information and assurance to Board members on all aspects of governance including financial, organizational, clinical and social care. Committee structures have been developed to reflect this approach. Governance Committee membership includes all Trust Board members and it is chaired by the Trust's Chairman.

The Risk Management Strategy, which was revised and approved by Trust Board in 2011, clarifies the leadership and accountability arrangements for ensuring that appropriate systems are in place throughout the organisation to manage and control risks to the achievement of Trust objectives. The Strategy clarifies individual staff responsibilities on reporting and managing risks. As an appendix to the Strategy, a Risk Register flowchart provides guidance on how and when risks should be escalated to senior managers for their attention.

The Corporate Risk Register is reviewed on a monthly basis by the Corporate Management Team which considers progress on existing risks and identifies new risks for inclusion on the Register. The Corporate Risk Register is presented monthly to the Trust Board for agreement and approval.

Directorate Risk Registers are a standing item on all Directorate Governance meetings. Current risks are reviewed and new risks for inclusion on the Directorate Risk Register are considered at these meetings. Directors are required to report on a quarterly basis to Governance Committee on significant risks within their area of responsibility.

The Trust actively encourages the reporting of incidents and risks and staff have embraced the learning culture by participating in incident reviews which focus on the lessons for improvement for the organisation as a whole. To support this process a learning template has

been developed that requires Directorates to report the learning from serious incidents, claims and complaints. An internal audit of the Trust's incident reporting process undertaken in February 2012 resulted in satisfactory assurance being provided.

The Trust has developed a Newsletter entitled 'Share to Learn' which highlights areas of learning for staff arising from incidents and complaints. This is issued quarterly to all staff.

To support Directorates to manage risk, Quality and Safety Department staff provide ongoing training on all aspects of risk management.

I established, in February 2011, a Quality and Safety Accountability Forum to focus on quality and safety matters in preparation for Governance Committee.

### ***The Risk and Control framework***

The Trust has in place an Assurance Framework document that meets the requirements of the DHSS&PS guidance 'An Assurance Framework: a Practical Guide for Boards of DHSSPS Arm's Length Bodies'. The Assurance Framework provides the Trust Board with evidence based assurances on the way that organisational risks are managed at a strategic level. Directorates are required to identify and document gaps in controls and assurances for all risks on the Corporate Risk Register. The Assurance Framework document is periodically reviewed by the Governance Committee and subsequently approved by Trust Board.

During 2010/11 the Health and Social Care Board undertook a performance review which included an assessment of the Trust's Governance arrangements. Following this the Chief Executive asked the Permanent Secretary to establish the Trust as a pathfinder organisation in the development of a Northern Ireland model for organisational governance. A number of key Trust staff have been nominated to work closely with the Chief Executive and DHSSPS representatives to take this work forward. A Trust Board Workshop is planned for 2012/13 to progress this initiative.

The information held and used by the Trust can be divided into 2 broad categories; namely information retained within the Trust and information sent outside the organisation. The latter category of information is viewed as carrying an inherently higher level of risk and Trust efforts to improve the management of information risks during 2011/12 have continued to focus on this area.

For the period 1 April 2011 to 31 March 2012 the Western Trust had one information breach which warranted reporting to the Information Commissioner. The Trust takes seriously its responsibilities for data security and has a range of policies in place in relation to data protection and confidentiality. In addition, all laptops and USB sticks are encrypted to further reduce the risk of security breaches. Staff are encouraged to report information breaches so that measures can be taken to avoid a recurrence.

The Trust has made significant investment over the past few years in its ICT network and backup infrastructures. This investment has enabled a high level of security to be maintained over information held internally. For information retained within the Trust, there are a range of policies and controls in place to protect the security of information held. Examples are physical access controls, restrictions on USB memory devices, computerised system/data access controls, encryption on portable devices as well as authentication and verification controls.

Information risks are recorded on the Information Department, Finance Department and IT Department risk registers.

A number of the Trust's business systems are maintained on its behalf by the Business Services Organisation. All the information within these systems is held within a secure data centre managed by the Business Services Organisation. This data centre meets very high security and data management standards and has been externally assessed and accredited through various external quality standards such as ISO 20023. Access to these data centres is governed by internal HSC policies such as the Code of Connection and the Third Party Access agreement.

Assurances on the application of security controls are received from the Trust's internal auditors on a range of Trust corporate and financial systems. Assurances are also provided by the Trust's management via the records management and ICT controls assurance standards.

A Trust Information Governance Steering Group (IGSG) is in place to oversee the Trust's information governance arrangements. An Information Governance Audit was carried out during 2011/12 and the Trust was provided with satisfactory assurance with regard to the controls surrounding information governance.

The Trust has assessed its compliance with departmental guidance on the use of legal services advisors and there are no significant gaps in the Trust's control framework in this area.

The Trust has established a Personal and Public Involvement Steering Group which allows public representatives to be involved in developing services within the Trust and also to be aware of and comment on risks associated with delivery. A formal launch of the Western Trust's Personal and Public Involvement (PPI) Strategy and Action Plan 2012-13 took place on 25<sup>th</sup> April 2012.

### ***Controls Assurance Standards***

The Western Health and Social Care Trust assessed its compliance with the 22 Controls Assurance Standards, which were defined by the Department and against which a degree of progress was expected in 2011/12.

*The Trust achieved the following levels of compliance for 2011/12:*

<b>Standard</b>	<b>DHSSPS Expected Level of Compliance</b>	<b>Achieved Level of Compliance</b>	<b>Reviewed by the Internal Audit Department</b>
Buildings, land, plant and non-medical equipment	75%-99% (Substantive)	78% (Substantive)	Not Verified
Decontamination of medical devices	75%-99% (Substantive)	98% (Substantive)	Not Verified
Emergency Planning	75%-99% (Substantive)	84% (Substantive)	Not Verified
Environmental Cleanliness	75%-99% (Substantive)	90% (Substantive)	Not Verified
Environmental Management	75%-99% (Substantive)	79% (Substantive)	Not Verified
Financial Management (Core Standard)	75%-99% (Substantive)	91% (Substantive)	Confirmed as Substantive
Fire Safety	75%-99% (Substantive)	79% (Substantive)	Confirmed as Substantive
Fleet and Transport Management	75%-99% (Substantive)	80% (Substantive)	Not Verified
Food Hygiene	75%-99% (Substantive)	87% (Substantive)	Confirmed as Substantive
Governance (Core Standard)	75%-99% (Substantive)	83% (Substantive)	Confirmed as Substantive
Health & Safety	75%-99% (Substantive)	83% (Substantive)	Not Verified
Human Resources	75%-99% (Substantive)	75% (Substantive)	Not Verified
Infection Control	75%-99% (Substantive)	94% (Substantive)	Not Verified
Information Communication Technology	75% - 99% (Substantive)	79% (Substantive)	Not Verified
Management of Purchasing and Supply	75%-99% (Substantive)	80% (Substantive)	Not Verified
Medical Devices and Equipment Management	75%-99% (Substantive)	78% (Substantive)	Not Verified

Medicines Management	75%-99% (Substantive)	78% (Substantive)	Not Verified
Records Management	75%-99% (Substantive)	78% (Substantive)	Confirmed as Substantive
Research Governance	75% -99% (Substantive)	82% (Substantive)	Not Verified
Risk Management (Core Standard)	75%-99% (Substantive)	89% (Substantive)	Confirmed as Substantive
Security Management	75%-99% (Substantive)	84% (Substantive)	Confirmed as Substantive
Waste Management	75%-99% (Substantive)	76% (Substantive)	Not Verified

### ***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 directors within the Western Health and Social Care Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report to those Charged with Governance and other reports. I have been advised on the implications of the results by the Board, the Audit Committee and the Governance Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

Throughout the year the Board of the Western Health and Social Care Trust has been briefed on control issues by the Chairs of the Audit Committee and Governance Committee. Within the context of the Audit Committee the work of the Internal Audit and External Audit functions was fundamental to providing assurance on the ongoing effectiveness of the system of internal financial control. In addition, the controls assurance standards and the annual self-assessment against the standards provided an important assurance to the Governance Committee.

### ***Significant internal control issues – update on previously reported issues***

#### **The Inquiry into Hyponatraemia Related Deaths**

The public inquiry into the circumstances surrounding a number of hyponatraemia-related deaths opened in February 2012. The cost of legal advice for the inquiry will have a financial implication for the Trust. The Trust continues to monitor compliance with NPSA Safety Alert 22 (Reducing the Risk of Hyponatraemia Related Deaths).

#### **Child Care Services**

During 2011/12 the Trust received additional funding, including both recurring and non-recurring monies. As a result, the numbers of unallocated cases were substantially reduced. However, as the non-recurrent monies ceased on 31 March 2012, there is a concern that the numbers may again begin to increase. This will be carefully monitored by the Trust.

## Medical Staffing

Although the position improved from that in 2010/11, it was still not possible for the Trust to fill all junior doctor training posts in August 2011/February 2012 and as a result the Trust continues to be dependent on the recruitment of middle grade (non-training) medical staff posts in certain specialities. There continues to be ongoing reliance on the use of locum staff in a number of specialties to support the staffing deficit. Continuing discussion with the HSC Board and the Northern Ireland Medical and Dental Training Agency is taking place to attempt to address the gaps.

The Trust is also experiencing difficulty in recruiting to Consultant Haematology posts. The Trust is engaging in a regional workshop to examine potential solutions to haematology recruitment issues across Northern Ireland.

## Delay in reporting on plain film X-rays

In February 2011, the Minister commissioned RQIA to undertake an independent review of the handling and reporting of plain film x-ray investigations across Northern Ireland (Phase 1). A Phase 2 review in relation to the Southern and Western Trusts was conducted. A report on the first phase has been received and an action plan has been developed by the Trust to take forward the recommendations. The report on the second phase of the review was published on 2 May 2012 and the Trust has accepted the recommendations, which will be taken forward as an immediate priority.

## Increasing demand for Community Care Services for Older People linked to Demographic Change

The Trust is still experiencing increasing demand for both domiciliary care services and nursing home placements linked directly to the growth in its resident population aged 65 years and older and more specifically amongst those aged 85 years and older. The Trust has had to set in place access panels for both service areas to ensure available resources are allocated to those in greatest need and in accordance with the regional access criteria. The Trust received additional funding for these services during 2011/12, which has improved the situation, however, waiting lists for both service areas continue. This is no longer a significant issue for the Trust.

## Performance Report – Health and Social Care Board

Following a number of performance issues that arose during 2010/11, the Health & Social Care Board commissioned an external review and the resulting report made a number of recommendations. All recommendations have been implemented in full or are being taken forward with partner organisations.

## ***Significant internal control issues – arising during 2011/12:***

### Domiciliary Care Re-tendering

The Trust has embarked on a tendering exercise for the provision of domiciliary care services by independent sector providers. The Trust has concluded the evaluation of the tenders however is unable to award contracts due to a number of legal challenges to the process being issued against the Trust. These are being responded to by the Trust's legal advisors.

### On-Call Arrangements

New on-call arrangements under Agenda for Change were agreed at the Regional Joint Negotiating Forum on 18 August 2011. Agreed transitional arrangements were in place from 1 October 2011 to 31 March 2012, and these have since been extended to 30 September 2012. A number of staff groups have indicated that they may withdraw from on-call rotas when the new arrangements come into effect. If this were to be the case, it could result in the Trust being unable to provide out-of-hours arrangements across a range of key areas. Existing systems have been reviewed locally and are being replaced with alternative arrangements. The regional system for out-of-hours social work is not yet finalised and there are remaining operational issues regarding the new system that require further work.

### Pseudomonas

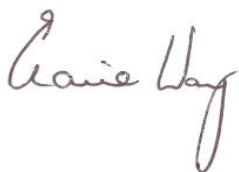
In December 2011 the Trust declared an outbreak of Pseudomonas in its Neonatal Intensive Care Unit at Altnagelvin Hospital. Three babies were infected with pseudomonas and one baby tragically died. The Trust advised the PHA, HSCB and the DHSSPS when the outbreak was confirmed. There were no further infections from 10 December 2011. Following an outbreak at the Royal Jubilee Maternity Hospital, the Minister asked the RQIA to undertake an external review chaired by Professor Pat Troop. The final report on the external review was issued on 31 May 2012 and the Trust will implement the recommendations as soon as possible.

### Business Services Transformation Programme

The Trust is working on a regional basis to replace existing finance, procurement and HR Systems. This project will conclude during 2012/13. In December 2011, the Minister announced a consultation on the model of Shared Services Centres and their location. The Trust is currently awaiting the outcome of the consultation. These 2 initiatives may destabilise the current Finance and HR functions due to such issues as: staff morale, re-deployment, reduction in skills base etc. The Trust has developed contingency arrangements to minimise any impact and has in place its own project management arrangements.

### Charging for Meals Services in the Community

Circular HSC(F) 37/2011 advised Trusts to charge £1.50 per meal for meals services in the Community. The Trust assessed the extent of compliance with the circular and advised the DHSSPS on 21 March 2012 that it was not fully compliant. The Trust has implemented the prescribed rate in full as of 1 April 2012.



**Accounting Officer  
Chief Executive**

**Date 13 June 2012**



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

I certify that I have audited the financial statements of the Western Health and Social Care Trusts for the year ended 31 March 2012 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 Changes in Taxpayers' Equity, the Statement of Cash Flows, 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 examine, certify and report on 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 Western Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Western Health and Social Care Trust; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

**Opinion on Regularity**

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

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Western Health and Social Care Trust's affairs as at 31 March 2012 and of the 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 and Public Safety directions issued thereunder.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Health, Social Services and Public Safety directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, (as amended); and
- the information given in 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 the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

## Report

I have no observations to make on these financial statements.



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

**27th June 2012**

# WESTERN HEALTH AND SOCIAL CARE TRUST

## STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR YEAR ENDED 31 MARCH 2012

		<b>2012</b>	<b>Restated</b>
	<b>NOTE</b>	<b>£'000s</b>	<b>2011</b>
			<b>£'000s</b>
<b>Expenditure</b>			
Staff costs	3.1	(319,447)	(310,088)
Depreciation	4.0	(14,049)	(12,363)
Other Expenditures	4.0	(187,760)	(181,308)
		<u>(521,256)</u>	<u>(503,759)</u>
<b>Income</b>			
Income from activities	5.1	19,748	18,981
Other Income	5.2	9,957	9,017
		<u>29,705</u>	<u>27,998</u>
<b>Net Expenditure</b>		<u><b>(491,551)</b></u>	<u><b>(475,761)</b></u>
<b>Revenue Resource Limit (RRL)</b>	25.1	491,606	475,830
<b>Surplus / (Deficit) against RRL</b>		<u><b>55</b></u>	<u><b>69</b></u>
<b>OTHER COMPREHENSIVE EXPENDITURE</b>			
		<b>2012</b>	<b>Restated</b>
	<b>NOTE</b>	<b>£'000s</b>	<b>2011</b>
			<b>£'000s</b>
Net gain on revaluation of Property, Plant and Equipment	6.1/10/6.2/10	8,198	5,344
<b>TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2012</b>		<u><b>(483,353)</b></u>	<u><b>(470,417)</b></u>

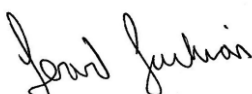
The notes on pages 22 to 80 form part of these accounts.

WESTERN HEALTH AND SOCIAL CARE TRUST


STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	NOTE	£'000	2012 £'000	£'000	Restated 2011 £'000	£'000	Restated 2010 £'000	£'000
<b>Non Current Assets</b>								
Property, plant and equipment	6.1/6.2		353,861		332,682		328,709	
Intangible assets	7.1/7.2		143		215		288	
Trade and other receivables	12.0		12		28		24	
<b>Total Non Current Assets</b>				354,016		332,925		329,021
<b>Current Assets</b>								
Inventories	11.0		4,008		4,126		3,926	
Trade and other receivables	12.0		14,116		11,795		15,426	
Other current assets	12.0		334		1,186		924	
Cash and cash equivalents	13.0		553		462		595	
<b>Total Current Assets</b>				19,011		17,569		20,871
<b>Total Assets</b>				<b>373,027</b>		<b>350,494</b>		<b>349,892</b>
<b>Current Liabilities</b>								
Trade and other liabilities	14.0		(88,406)		(74,272)		(64,260)	
Other liabilities	14.0		(1,381)		(1,338)		(1,303)	
Provisions	16.0		(11,445)		(13,122)		(13,717)	
<b>Total Current Liabilities</b>				(101,232)		(88,732)		(79,280)
<b>Non current assets plus/less net current Assets / Liabilities</b>				<b>271,795</b>		<b>261,762</b>		<b>270,612</b>
<b>Non Current Liabilities</b>								
Provisions	16.0		(5,088)		(3,110)		(4,413)	
Other liabilities > 1 year	14.0		(13,844)		(14,010)		(14,152)	
<b>Total Non Current Liabilities</b>				(18,932)		(17,120)		(18,565)
<b>ASSETS LESS LIABILITIES</b>				<b>252,863</b>		<b>244,642</b>		<b>252,047</b>
<b>Taxpayers' equity</b>								
Revaluation Reserve			39,162		31,452		26,108	
SoCNE Reserve			213,701		213,190		225,939	
				<b>252,863</b>		<b>244,642</b>		<b>252,047</b>

The notes on pages 22 to 80 form part of these accounts

Signed  (Chairman)

Date .....13 June 2012.....

Signed  (Chief Executive)

Date .....13 June 2012.....

# WESTERN HEALTH AND SOCIAL CARE TRUST

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2012

	Note	SoCNE Reserve £000s	Revaluation Reserve £000s	Donation Reserve £000s	Government Grants Reserve £000s	Total £000s
<b>Balance at 31 March 2010</b>		223,788	26,108	447	1,704	252,047
Change in accounting policy – removal of donated asset and government grants reserves		2,151	0	(447)	(1,704)	0
<b>Restated balance at 1 April 2010</b>		<b>225,939</b>	<b>26,108</b>	<b>0</b>	<b>0</b>	<b>252,047</b>
<b>Changes in taxpayers' equity 2010-11</b>						
Grant from DHSSPS		462,951	0	0	0	462,951
Transfer between reserves		0	0	0	0	0
(Comprehensive expenditure for the year)		(475,761)	5,344	0	0	(470,417)
Transfer of asset ownership		0	0	0	0	0
Non cash charges – auditors' remuneration	4	61	0	0	0	61
<b>Balance at 31 March 2011</b>		<b>213,190</b>	<b>31,452</b>	<b>0</b>	<b>0</b>	<b>244,642</b>
<b>Changes in taxpayers' equity 2011-12</b>						
Grant from DHSSPS		492,000	0	0	0	492,000
Transfers between reserves		0	0	0	0	0
(Comprehensive expenditure for the year)		(491,551)	8,198	0	0	(483,353)
Adjustment for transfer reclassification		0	(488)	0	0	(488)
Non cash charges – auditors' remuneration	4	62	0	0	0	62
<b>Balance at 31 March 2012</b>		<b>213,701</b>	<b>39,162</b>	<b>0</b>	<b>0</b>	<b>252,863</b>

# WESTERN HEALTH AND SOCIAL CARE TRUST

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2012

	NOTE	2012 £000s	2011 £000s
<b>Cash flows from operating activities</b>			
Net expenditure after interest		(491,551)	(475,761)
Adjustments for non cash costs		27,011	27,992
(Increase)/decrease in trade and other receivables		(1,453)	3,365
 (Increase)/decrease in inventories		118	(200)
Increase/(decrease) in trade liabilities		14,011	10,047
<i>Less movements in liabilities relating to items not passing through the NEA:</i>			
Movements in liabilities relating to the purchase of property, plant and equipment		(3,984)	(5,641)
Use of provisions	16	(3,495)	(6,983)
<b>Net cash outflow from operating activities</b>		(459,343)	(447,181)
 <b>Cash flows from investing activities</b>			
(Purchase of property, plant and equipment)	6	(32,428)	(15,779)
(Purchase of intangible assets)	7	(19)	0
Proceeds on disposal of property, plant and equipment		47	18
<b>Net Cash Outflow from investing activities</b>		(32,400)	(15,761)
 <b>Cash flows from financing activities</b>			
Grant in aid		492,000	462,951
Capital element of payments – finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		(166)	(142)
<b>Net financing</b>		491,834	462,809
<b>Net increase (decrease) in cash and cash equivalents in the period</b>		91	(133)
<b>Cash and cash equivalents at the beginning of the period</b>	13	462	595
<b>Cash and cash equivalents at the end of the period</b>	13	553	462

The notes on pages 23 to 81 form part of these accounts.

## **WESTERN HEALTH AND SOCIAL CARE TRUST**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **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, unless otherwise stated.

##### **1.1 Accounting convention**

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

##### **1.2 Currency and Rounding**

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

##### **1.3 Property, Plant and Equipment**

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

##### **Recognition**

Property, plant and equipment must be capitalised if:

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

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

On initial recognition property, plant and equipment are measured at cost including any expenditure such as installation, directly attributable to bringing



them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

### **Valuation of Land and Buildings**

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

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

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

Land and buildings used for the Trust 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.



## Short Life Assets

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

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

## Revaluation Reserve

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

### 1.4 Depreciation

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Assets 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 similarly, amortisation is applied to 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 the lower of estimated useful lives and the terms of the lease. 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
Buildings / Dwellings	25 – 60 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment including Plant and Machinery, Transport and Furniture and Fittings 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 within the Statement of Comprehensive Net 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 Statement of Comprehensive Net Expenditure 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 firstly to the Statement of Comprehensive Net 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 includes any of the following held - software, licences, trademarks, websites, development expenditure, Patents, Goodwill and intangible Assets under Construction. 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 were previously capitalised at their fair value on receipt, with a matching credit to the donated asset reserve. They were valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments were taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset was released from the donated asset reserve to income to offset the depreciation expenditure. On sale of donated assets, the net book value was transferred from the donated asset reserve to the Statement of Comprehensive Net Expenditure Reserve.

With effect from 1 April 2011, DFP changed the above policy on donated asset reserves. The donation reserve no longer exists. What used to be contained in the donated asset reserve has moved to the Statement of Comprehensive Net Expenditure Reserve (previously known as General Reserve) and to the Revaluation Reserve. Income for donated assets is now recognised when received. This is a change in accounting policy and the previous year's Statement of Comprehensive Net Expenditure and the two previous year's Statement of Financial Position have been restated.

### **1.9 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the revaluation reserve is transferred to the Statement of Comprehensive net Expenditure reserve.

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

#### **1.10 Inventories**

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

#### **1.11 Income**

Operating Income relates directly to the operating activities of the Trust and is recognised when, and to the extent that, performance occurs and all categories of income is measured at the fair value of the consideration receivable.

#### **Grant in aid**

Funding received from other entities, including the Department and the Health and Social Care Board are accounted for as grant in aid and are reflected through the Statement of Comprehensive net Expenditure Reserve.

#### **1.12 Investments**

The Trust does not have any investments.

#### **1.13 Other expenses**

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

#### **1.14 Cash and cash equivalents**

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

#### **1.15 Leases**

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

#### The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease

obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

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

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

Where a lease is for land and buildings, the land and building components are separated. Leased land may be either an operating lease or a Finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. Leased buildings are assessed as to whether they are operating or finance leases.

#### The Trust as lessor

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

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

### **1.16 Private Finance Initiative (PFI) transactions.**

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

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

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

#### **Services received**

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

**PFI Assets**

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

**PFI liability**

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

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

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

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

**Lifecycle replacement**

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

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

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

**Assets contributed by the Trust to the operator for use in the scheme**

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

### **Other assets contributed by the Trust to the operator**

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

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

## **1.17 Financial instruments**

- Financial assets

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

Financial assets are initially recognised at fair value.

- Financial liabilities

Financial liabilities are recognised on the balance sheet when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade liabilities, 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 HSC bodies in creating risk than would apply to a non public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trusts in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

- Currency risk

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

- Interest rate risk

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

- Credit risk

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

- Liquidity risk

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

## **1.18 Provisions**

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

The Trust has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and increases in the discounted amount arising from the passage of time and the affect of any change in the discount rate. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

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

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



### **1.19 Contingencies**

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

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

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

### **1.20 Employee benefits**

#### **Short-term employee benefits**

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31<sup>st</sup> March 2011. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken flexi leave is also included in the estimated cost.

#### **Retirement benefit costs**

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

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 31 March 2008 valuation is used in the 2011/12 accounts.

## **1.21 Reserves**

### **Statement of Comprehensive Net Expenditure Reserve**

Accumulated surpluses are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

### **Revaluation Reserve**

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

## **1.22 Value Added Tax**

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

## **1.23 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 24 to the accounts.

## **1.24 Government Grants**

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

DFP has issued new guidance effective from 1 April 2011. Government grant reserves are no longer permitted. Income is generally recognised when it is received. In exceptional cases where there are conditions attached to the use of the grant, which, if not met, would mean the grant is repayable, the income should be deferred and released when obligations are met. This is a change in accounting policy and the previous year's Statement of Comprehensive Net Expenditure and the two previous year's Statement of Financial Position have been restated. The table below shows the impact for the 2010-11 year.

	2010 -11 previously £000	2010-11 restated £000
SoCNE – Net Expenditure	475,810	475,761
RRL	475,879	475,830
SOCNE – Total Comprehensive Expenditure	470,466	470,417

## **1.25 Losses and Special Payments**

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

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

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

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

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

## **1.27 Change in Accounting policy / Prior Year Restatement**

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

### **(i) Removal of Donation and Government Grant Reserves**

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

# WESTERN HEALTH AND SOCIAL CARE TRUST

## ANNUAL ACCOUNTS 31 MARCH 2012

### ANALYSIS OF NET EXPENDITURE BY SEGMENT

#### Note 2

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

Directorate	2012			2011 (Restated)		
	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s
Children's Services	60,908	18,533	79,441	59,393	18,181	77,574
Acute Hospital Services	112,412	39,550	151,962	107,506	35,707	143,213
Older People's Services	63,776	60,906	124,682	63,263	56,965	120,228
Mental Health and Disability Services	41,478	27,248	68,726	40,347	27,355	67,702
Planning, Performance Management and Support Services	28,796	21,554	50,350	28,390	19,181	47,571
Other Trust Directorates	12,077	7,007	19,084	11,189	8,290	19,479
<b>Expenditure for Reportable Segments net of Non Cash Expenditure</b>	<b>319,447</b>	<b>174,798</b>	<b>494,245</b>	<b>310,088</b>	<b>165,679</b>	<b>475,767</b>
<b>Non Cash Expenditure</b>			<b>27,011</b>			<b>27,992</b>
<b>Total Expenditure per Net Expenditure Account</b>			<b>521,256</b>			<b>503,759</b>
<b>Income Note 5</b>			<b>29,705</b>			<b>27,998</b>
<b>Net Expenditure</b>			<b>491,551</b>			<b>475,761</b>
<b>Revenue Resource Limit</b>			<b>491,606</b>			<b>475,830</b>
<b>Surplus against RRL</b>			<b>55</b>			<b>69</b>

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 3 STAFF NUMBERS AND RELATED COSTS

#### 3.1 Staff Costs

Staff costs comprise:

	2012			2011
	Total £000s	Permanently Employed staff £000s	Others £000s	Total £000s
Wages and Salaries	272,980	262,424	10,556	264,518
Social security costs	21,369	21,369	0	20,603
Other pension costs	25,942	25,942	0	25,733
<b>Sub-Total</b>	<b>320,291</b>	<b>309,735</b>	<b>10,556</b>	<b>310,854</b>
Less Capitalised staff costs	(844)	(844)	0	(766)
<b>Total staff costs reported in Statement of Comprehensive Expenditure</b>	<b>319,447</b>	<b>308,891</b>	<b>10,556</b>	<b>310,088</b>
Less recoveries in respect of outward secondments	(840)			(2,387)
<b>Total net costs</b>	<b>318,607</b>			<b>307,701</b>

Staff costs exclude £844k charged to capital projects during the year (2011 £766k)

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the date of the Statement of Financial Position and updates it to reflect current conditions. A full valuation as at 31 March 2008 was completed in 2010-11.

#### 3.2 AVERAGE NUMBER OF PERSONS EMPLOYED

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

	2012			2011
	Total Number	Permanently Employed staff Number	Others Number	Total Number
Medical and dental	521	486	35	508
Nursing and Midwifery	3,167	3,102	65	3,152
Professions Allied to medicine	432	425	7	429
Ancillaries	699	665	34	713
Administrative and clerical	1,517	1,513	4	1,495
Works	172	172	0	172
Other Professional and technical	308	308	0	305
Social Services	1,319	1,319	0	1,345
Other	215	199	16	225
<b>Total average number of persons employed</b>	<b>8,350</b>	<b>8,189</b>	<b>161</b>	<b>8,344</b>
Less average staff number relating to capitalised staff costs	18	18	0	15
Less average staff number in respect of outward secondments	17	17	0	64
<b>Total net average number of persons employed</b>	<b>8,315</b>	<b>8,154</b>	<b>161</b>	<b>8,265</b>

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 3 STAFF NUMBERS AND RELATED COSTS

#### 3.3 Senior Employees' Remuneration

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

Name	Salary £000s	2011-12		Salary £000s	2010-11		Real increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 and related lump sum £000s	2011-12		Real increase in CETV £000s
		Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)		Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)			CETV at 31/03/11 £000s	CETV at 31/03/12 £000s	
Non-Executive Members											
Mr Gerard Guckian	25-30	0	0	25-30	0	0	0	0	0	0	0
Mrs Joan Doherty	5-10	0	0	5-10	0	0	0	0	0	0	0
Mrs Stella Cummings	5-10	0	0	5-10	0	0	0	0	0	0	0
Mrs Sally O`Kane	5-10	0	0	5-10	0	0	0	0	0	0	0
Mr Ciaran Mulgrew	5-10	0	0	5-10	0	0	0	0	0	0	0
Mr Brendan McCarthy	5-10	0	0	5-10	0	0	0	0	0	0	0
Mr Niall Birthistle	5-10	0	0	5-10	0	0	0	0	0	0	0
Mrs Barbara Stuart	5-10	0	0	5-10	0	0	0	0	0	0	0
Executive Members											
Mrs Elaine Way	120-125	0	600	115-120	0	2,000	3	711	1,017	1,109	92
Mrs Lesley Mitchell	85-90	0	2,200	80-85	0	2,600	3	109	383	460	77
Mr John Doherty	95-100	0	0	90-95	0	0	(1)	170	866	922	56
Mr Alan Corry-Finn	85-90	0	2600	85-90	0	2,400	4	153	683	767	84
Dr Anne Kilgallen	105-110	0	0	105-110	0	0	7	61	221	281	60
Other Board Members											
Mr Joe Lusby*	100-105	0	2,500	95-100	0	2,200	(2)	178	858	920	62
Mrs Nuala Sheerin	80-85	0	1,600	80-85	0	1,400	1	137	592	661	69
Mr Trevor Millar	65-70	0	0	60-65	0	0	2	85	339	391	52
Ms Sara Groogan	70-75	0	0	70-75	0	0	2	55	130	177	47
Mr Alan Moore	70-75	0	0	70-75	0	0	0	109	538	578	40
Ms Geraldine Hillick	70-75	0	1,500	70-75	0	2,000	(1)	135	716	754	38

\*The Deputy Chief Executive salary for 2011/12 includes non-consolidated arrears (£3,732) owed for 2009/10 and 2010/11 that are being paid following clarification from DHSSPS.

## **WESTERN HEALTH AND SOCIAL CARE TRUST**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **NOTE 3 STAFF NUMBERS AND RELATED COSTS**

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

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

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

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

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 3 STAFF NUMBERS AND RELATED COSTS

#### 3.4.1 Reporting of early retirement and other compensation scheme exit packages (Funded by DHSSPS)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2012	2011	2012	2011	2012	2011
<£10,000	0	0	1	6	1	6
£10,000 - £25,000	0	0	11	15	11	15
£25,000 - £50,000	0	0	2	23	2	23
£50,000 - £100,000	0	0	5	35	5	35
£100,000 - £150,000	0	0	1	6	1	6
£150,000 - £200,000	0	0	0	2	0	2
£200,000 - £250,000	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>87</b>	<b>20</b>	<b>87</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total resource cost</b>	<b>0</b>	<b>0</b>	<b>725</b>	<b>4,559</b>	<b>725</b>	<b>4,559</b>

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



# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 3 STAFF NUMBERS AND RELATED COSTS

#### 3.4.2 Reporting of early retirement and other compensation scheme exit packages (funded from within Trust's own resources)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2012	2011	2012	2011	2012	2011
<£10,000	0	0	0	1	0	1
£10,000 - £25,000	0	0	0	0	0	0
£25,000 - £50,000	0	0	0	3	0	3
£50,000 - £100,000	0	0	0	6	0	6
£100,000 - £150,000	0	0	0	1	0	1
£150,000 - £200,000	0	0	0	0	0	0
£200,000 - £250,000	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total resource cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>638</b>	<b>0</b>	<b>638</b>

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. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses at 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.

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 3 STAFF NUMBERS AND RELATED COSTS

##### 3.5 Staff Benefits

The Trust made no payments in relation to staff benefits in 2011/12 or 2010/11.

##### 3.6 Trust Management Costs

	<b>2012 £000s</b>	<b>Restated 2011 £000s</b>
Trust Management Costs	17,273	17,343
<b>Income:</b>		
RRL	491,606	475,830
Income per Note 5	29,705	27,998
Non cash RRL for movement in clinical negligence provision	(2,582)	(5,258)
<b>Total Income</b>	<b>518,729</b>	<b>498,570</b>
<b>% of total income</b>	<b>3.3%</b>	<b>3.5%</b>

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

##### 3.7 Retirements Due To Ill-Health

During 2011/12 there were 23 early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £118K. These costs are borne by the HSC Pension Scheme.

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 4 OPERATING EXPENSES

#### 4.0 Operating Expenses as follows:-

	2012 £000s	2011 £000s
Purchase of care from non-HPSS bodies	58,242	57,277
Revenue Grants to voluntary organisations	163	100
Personal social services	22,176	21,412
Recharges from other HSC organisations	3,853	3,883
Supplies and services – Clinical	34,346	33,260
Supplies and services - General	5,525	4,992
Establishment	11,357	10,459
Transport	2,194	2,174
Premises	18,180	15,684
Bad Debts	(504)	629
Rentals under operating leases	1,381	1,378
Interest charges	1,234	1,196
PFI and other service concession arrangements service charges	594	568
BSO services	2,842	2,180
Training	643	716
Professional Fees	3	324
Patients Travelling Expenses	280	257
Costs of exit packages not provided for	725	638
Elective Care	8,066	3,862
Miscellaneous Expenditure	3,498	4,690
<b>Non cash items</b>		
Depreciation	14,049	12,363
Amortisation	105	148
Impairments	8,975	10,337
(Profit) on disposal of assets (excluding profit on land)	(36)	(5)
Loss on disposal of property, plant & equipment (including land)	60	3
Provisions provided for in year	3,452	4,732
Cost of borrowing of provisions (unwinding of discount on provisions)	344	353
Auditors' remuneration	62	61
<b>Total</b>	<b>201,809</b>	<b>193,671</b>

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

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 5 INCOME

#### 5.1 Income from Activities

	2012 £000s	Restated 2011 £000s
GB/Republic of Ireland Health Authorities	1,309	1,396
HSC Trusts	599	683
Non-HSC – Private Patients	141	233
Non HSC – Other	435	509
RTA	1,373	1,494
Clients contributions	15,891	14,666
<b>Total</b>	<b>19,748</b>	<b>18,981</b>

#### 5.2 Other Income

	2012 £000s	2011 £000s
Other income from non-patient services	7,707	5,066
Supporting people	1,211	1,260
Seconded staff	840	2,387
Donations / Government grant / Lottery funding for non-current assets	199	304
<b>Total</b>	<b>9,957</b>	<b>9,017</b>

#### TOTAL INCOME

<b>29,705</b>	<b>27,998</b>
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# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 6.1 Property, Plant and Equipment – Year Ended 31 March 2012

	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
<b>Cost or Valuation</b>									
At 1 April 2011	55,818	208,755	16,759	35,980	49,064	6,729	13,861	2,399	389,365
Indexation	(640)	7,624	612	0	4,477	0	(778)	0	11,295
Additions	0	6,662	348	12,557	13,194	790	2,782	81	36,414
Donations/ Government grant/Lottery funding	0	0	0	0	198	0	0	0	198
Reclassifications	0	(43)	0	(463)	815	0	443	0	752
Transfers	0	1,954	1,386	(3,340)	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	(7,730)	0	(836)	0	0	0	(409)	0	(8975)
(Disposals)	0	(38)	0	0	(4,476)	(843)	(151)	0	(5,508)
At 31 March 2012	<b>47,448</b>	<b>224,914</b>	<b>18,269</b>	<b>44,734</b>	<b>63,272</b>	<b>6,676</b>	<b>15,748</b>	<b>2,480</b>	<b>423,541</b>
<b>Depreciation</b>									
At 1 April 2011	0	7,011	537	0	36,822	4,732	6,292	1,289	56,683
Indexation	0	256	21	0	3,380	0	(560)	0	3,097
Reclassifications	0	(4)	0	0	832	0	460	0	1,288
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	0	0	0	0	0	0	0	0	0
(Disposals)	0	(1)	0	0	(4,450)	(840)	(146)	0	(5,437)
Provided during the year	0	7,250	565	0	3,815	490	1,714	215	14,049
At 31 March 2012	<b>0</b>	<b>14,512</b>	<b>1,123</b>	<b>0</b>	<b>40,399</b>	<b>4,382</b>	<b>7,760</b>	<b>1,504</b>	<b>69,680</b>
<b>Carrying Amount</b>									
At 31 March 2012	<b>47,448</b>	<b>210,402</b>	<b>17,146</b>	<b>44,734</b>	<b>22,873</b>	<b>2,294</b>	<b>7,988</b>	<b>976</b>	<b>353,861</b>
At 31 March 2011	<b>55,818</b>	<b>201,744</b>	<b>16,222</b>	<b>35,980</b>	<b>12,242</b>	<b>1,997</b>	<b>7,569</b>	<b>1,110</b>	<b>332,682</b>

Asset financing									
Owned	47,448	197,720	17,146	44,734	22,873	2,294	7,988	976	341,179
On b/s PFI and other service concession arrangements contracts	0	12,682	0	0	0	0	0	0	12,682
Carrying Amount At 31 March 2012	47,448	210,402	17,146	44,734	22,873	2,294	7,988	976	353,861

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under either Finance leases and hire purchase contracts is £312k (2011 £301k).

The fair value of assets funded from the following sources during the year was:

	<b>2012</b> <b>£000s</b>	<b>2011</b> <b>£000s</b>
Donations	96	295
Government grant	102	116

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 6.2 Property, Plant and Equipment – 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
<b>Cost or Valuation</b>									
At 1 April 2010	65,656	185,875	16,048	45,059	43,341	6,185	9,144	2,453	373,761
Indexation	(1,722)	5,937	599	0	245	0	285	0	5,344
Additions	0	6,221	355	3,591	5,054	760	4,959	98	21,038
Donations/ Government grant/Lottery funding	0	0	0	0	394	0	17	0	411
Reclassifications	21	151	(243)	198	103	35	(380)	(152)	(267)
Reclassifications – donated/grant/lottery	0	(89)	0	0	0	0	0	0	(89)
Transfers	0	12,868	0	(12,868)	0	0	0	0	0
(Impairments)	(8,129)	(2,208)	0	0	0	0	0	0	(10,337)
(Disposals)	(8)	0	0	0	(73)	(251)	(164)	0	(496)
At 31 March 2011	<b>55,818</b>	<b>208,755</b>	<b>16,759</b>	<b>35,980</b>	<b>49,064</b>	<b>6,729</b>	<b>13,861</b>	<b>2,399</b>	<b>389,365</b>
<b>Depreciation</b>									
At 1 April 2010	0	44	0	0	33,493	4,461	5,832	1,222	45,052
Reclassifications	0	0	0	0	32	32	(415)	(146)	(497)
Reclassifications – donated/grant/lottery	0	0	0	0	11	8	(1)	0	18
(Disposals)	0	0	0	0	(73)	(248)	(162)	0	(483)
Provided during the year	0	6,967	537	0	3,359	479	1,038	213	12,593
At 31 March 2011	<b>0</b>	<b>7,011</b>	<b>537</b>	<b>0</b>	<b>36,822</b>	<b>4,732</b>	<b>6,292</b>	<b>1,289</b>	<b>56,683</b>
<b>Carrying Amount</b>									
At 31 March 2011	<b>65,656</b>	<b>185,831</b>	<b>16,048</b>	<b>45,059</b>	<b>9,848</b>	<b>1,724</b>	<b>3,312</b>	<b>1,231</b>	<b>328,709</b>
At 31 March 2010	<b>55,818</b>	<b>201,744</b>	<b>16,222</b>	<b>35,980</b>	<b>12,242</b>	<b>1,997</b>	<b>7,569</b>	<b>1,110</b>	<b>332,682</b>

**Asset financing**

Owned  
On b/s PFI and other  
service concession  
arrangements  
contracts

**Carrying Amount**  
At 31 March 2011

55,818	189,224	16,222	35,980	12,242	1,997	7,569	1,110	320,162
0	12,520	0	0	0	0	0	0	12,520
<b>55,818</b>	<b>201,744</b>	<b>16,222</b>	<b>35,980</b>	<b>12,242</b>	<b>1,997</b>	<b>7,569</b>	<b>1,110</b>	<b>332,682</b>

**Asset financing**

Owned  
On b/s PFI and other  
service concession  
arrangements  
contracts

**Carrying Amount**  
At 1 April 2010

65,656	173,102	16,048	45,059	9,848	1,724	3,312	1,231	315,980
0	12,729	0	0	0	0	0	0	12,729
<b>65,656</b>	<b>185,831</b>	<b>16,048</b>	<b>45,059</b>	<b>9,848</b>	<b>1,724</b>	<b>3,312</b>	<b>1,231</b>	<b>328,709</b>



# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 7.1 Intangible Assets – Year Ended 31 March 2012

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & Assets under Construction £000s	Total £000s
<b>Cost or Valuation</b>									
At 1 April 2011	1,236	0	0	0	0	0	0	0	1,236
Additions	19	0	0	0	0	0	0	0	19
Donations/ Government grant/Lottery funding	0	1	0	0	0	0	0	0	1
Reclassifications	13	0	0	0	0	0	0	0	13
At 31 March 2012	<b>1,268</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,269</b>
<b>Amortisation</b>									
At 1 April 2011	1,021	0	0	0	0	0	0	0	1,021
Provided during the year	105	0	0	0	0	0	0	0	105
At 31 March 2012	<b>1,126</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,126</b>
<b>Carrying Amount</b>									
At 31 March 2012	<b>142</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>143</b>
At 31 March 2011	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215</b>

**Asset financing**

Owned

**Carrying Amount**

At 31 March 2011

142	1	0	0	0	0	0	0	143
<b>142</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>143</b>

The fair value of assets funded from the following sources during the year was:

	<b>2012</b> <b>£000s</b>	<b>2011</b> <b>£000s</b>
Donations	1	0

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 7.2 Intangible Assets – Year Ended 31 March 2011

	Software Licences £000s	Information Technology £000s	Websites £000s	Development Expenditure £000s	Licences, Trademarks & Artistic Originals £000s	Patents £000s	Goodwill £000s	Payments on Account & Assets under Construction £000s	Total £000s
<b>Cost or Valuation</b>									
At 1 April 2010	1,179	0	0	0	0	0	0	0	1,179
Additions	77	0	0	0	0	0	0	0	77
(Disposals)	(20)	0	0	0	0	0	0	0	(20)
At 31 March 2011	<b>1,236</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,236</b>
<b>Amortisation</b>									
At 1 April 2010	891	0	0	0	0	0	0	0	891
(Disposals)	(18)	0	0	0	0	0	0	0	(18)
Provided during the year	148	0	0	0	0	0	0	0	148
At 31 March 2011	<b>1,021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,021</b>
<b>Carrying Amount</b>									
At 31 March 2011	<b>288</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>288</b>
At 31 March 2010	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215</b>

**Asset financing**

Owned

**Carrying Amount**

At 31 March 2011

215	0	0	0	0	0	0	0	215
<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215</b>

**Asset financing**

Owned

**Carrying Amount**

At 1 April 2010

288	0	0	0	0	0	0	0	288
<b>288</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>288</b>

## **WESTERN HEALTH AND SOCIAL CARE TRUST**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **NOTE 8 FINANCIAL INSTRUMENTS**

##### **8 Financial instruments**

The only financial instruments held by the Trust as at 31<sup>st</sup> March 2012 are cash, trade and other receivables and trade and other liabilities. Details of these can be seen at Notes 13, 12 and 14 respectively.

**WESTERN HEALTH AND SOCIAL CARE TRUST**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE**

The Trust did not hold any assets classified as held for sale in 2010/11 or 2011/12.

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 10 IMPAIRMENTS

	Property, Plant and Equipment £000s	2012 Intangibles £000s	Total £000s
Total value of impairments for the period	10,393	0	10,393
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	1,418	0	1,418
<b>Impairments charged / (credited) to Statement of Comprehensive Net Expenditure</b>	<b>8,975</b>	<b>0</b>	<b>8,975</b>
	Property, Plant and Equipment £000s	2011 Intangibles £000s	Total £000s
Total value of impairments for the period	12,059	0	12,059
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	1,722	0	1,722
<b>Impairments charged / (credited) to Statement of Comprehensive Net Expenditure</b>	<b>10,337</b>	<b>0</b>	<b>10,337</b>
	Property, Plant and Equipment £000s	2010 Intangibles £000s	Total £000s
Total value of impairments for the period	72,711	0	72,711
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	17,893	0	17,893
<b>Impairments charged / (credited) to Statement of Comprehensive Net Expenditure</b>	<b>54,818</b>	<b>0</b>	<b>54,818</b>

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 11 INVENTORIES

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Classification</b>			
Pharmacy Supplies	1,583	1,612	1,633
Theatre Equipment	482	364	428
Building and Engineering Supplies	102	104	117
Fuel	242	323	250
Community Care Appliances	1,022	1,226	953
Laboratory Materials	374	258	277
Laundry	9	7	7
X-Ray	32	20	24
Stock held for resale	9	6	11
Other	153	206	226
<b>Total</b>	<b>4,008</b>	<b>4,126</b>	<b>3,926</b>



# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2012 £000s	2011 £000s	Restated 2010 £000s
<b>Amounts falling due within one year</b>			
Trade Receivables	6,200	6,080	6,471
VAT receivable	2,833	2,677	1,987
Other receivables – not relating to fixed assets	5,083	2,463	6,886
Other receivables – relating to property plant and equipment	0	575	82
<b>Trade and other Receivables</b>	<b>14,116</b>	<b>11,795</b>	<b>15,426</b>
Prepayments and accrued income	334	1,186	924
<b>Other current assets</b>	<b>334</b>	<b>1,186</b>	<b>924</b>
 <b>Amounts falling due after more than one year</b>			
Other Receivables	12	28	24
<b>Trade and other Receivables</b>	<b>12</b>	<b>28</b>	<b>24</b>
 <b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>14,128</b>	<b>11,823</b>	<b>15,450</b>
 <b>TOTAL OTHER CURRENT ASSETS</b>	<b>334</b>	<b>1,186</b>	<b>924</b>
 <b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	<b>14,462</b>	<b>13,009</b>	<b>16,374</b>

The balances are net of a provision for bad debts of £1,580k (2011 £2,111k) (2010 £1,504K)

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

#### 12.1 Trade Receivables and other Current Assets: Intra-Government Balances

<b>Name</b>	<b>Amounts Falling due within 1 year 2011/12 £000s</b>	<b>Restated Amounts Falling due Within 1 year 2010/11 £000s</b>	<b>Restated Amounts Falling due within 1 year 2009/10 £000s</b>	<b>Amounts falling due after more than 1 year 2011/12 £000s</b>	<b>Amounts falling Due after more Than 1 year 2010/11 £000s</b>	<b>Restated Amounts falling Due after more Than 1 year 2009/10 £000s</b>
Balances with other central government bodies	391	184	100	0	0	0
Balances with local authorities	0	4	8	0	0	0
Balances with NHS /HSC Trusts	210	750	1,469	0	0	0
Intra-Government Balances	601	938	1,577	0	0	0
Balances with bodies external to government	13,849	12,043	14,773	12	28	24
Total Receivables and other current assets at 31 March 2012	<b>14,450</b>	<b>12,981</b>	<b>16,350</b>	<b>12</b>	<b>28</b>	<b>24</b>

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 13 CASH AND CASH EQUIVALENTS

	<b>2012</b> <b>£000s</b>	<b>2011</b> <b>£000s</b>	<b>2010</b> <b>£000s</b>
Balance at 1 <sup>st</sup> April	462	595	538
Net change in cash and cash equivalents	91	(133)	57
<b>Balance at 31<sup>st</sup> March</b>	<b>553</b>	<b>462</b>	<b>595</b>

<b>The following balances were held at</b>	<b>2012</b> <b>£000s</b>	<b>2011</b> <b>£000s</b>	<b>2010</b> <b>£000s</b>
Commercial banks and cash in hand	553	462	595
<b>Balance at 31<sup>st</sup> March</b>	<b>553</b>	<b>462</b>	<b>595</b>

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 14 TRADE LIABILITIES AND OTHER CURRENT AND NON-CURRENT LIABILITIES

	<b>2012</b>	<b>2011</b>	<b>Restated</b>
	<b>£000s</b>	<b>£000s</b>	<b>2010</b>
			<b>£000s</b>
<b>Amounts falling due within one year</b>			
Taxation and social security	10,192	10,707	9,711
Trade capital liabilities – property, plant and equipment	16,620	12,636	6,995
Trade revenue liabilities	36,009	28,691	22,580
Payroll liabilities	23,903	20,980	20,815
RPA liabilities	709	609	645
BSO liabilities	973	649	3,514
<b>Trade and other liabilities</b>	<b>88,406</b>	<b>74,272</b>	<b>64,260</b>
 Current part of imputed finance lease element of on balance sheet (SoFP) PFI and other service concession arrangements contracts	 1,381	 1,338	 1,303
<b>Other current liabilities</b>	<b>1,381</b>	<b>1,338</b>	<b>1,303</b>
 <b>Total liabilities falling due within one year</b>	 89,787	 75,610	 65,563
 <b>Amounts falling due after more than one year</b>			
Imputed finance lease element of on balance sheet (SoFP)PFI and other service concession arrangements contracts	13,844	14,010	14,152
 <b>Total non current other liabilities</b>	 <b>13,844</b>	 <b>14,010</b>	 <b>14,152</b>
 <b>TOTAL TRADE LIABILITIES AND OTHER CURRENT LIABILITIES</b>	 <b>103,631</b>	 <b>89,620</b>	 <b>79,715</b>

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 14 TRADE LIABILITIES AND OTHER CURRENT AND NON-CURRENT LIABILITIES

#### 14.1 Trade Liabilities And Other Current Liabilities – Intra-Government Balances

Name	Amounts falling Due within 1 year 2011/12 £000s	Amounts falling Due within 1 year 2010/11 £000s	Restated	Amounts falling due after more than 1 year 2011/12 £000s	Amounts falling due after more than 1 year 2010/11 £000s	Restated Amounts falling due after more than 1 year 2009/10 £000s
			Amounts falling Due within 1 year 2009/10 £000s			
Balances with other central government bodies	11,476	16,924	19,898	0	0	0
Balances with NHS /HSC Trusts	2,292	2,092	2,014	0	0	0
Intra-Government Balances	13,768	19,016	21,912	0	0	0
Balances with bodies external to government	76,019	56,594	43,651	13,844	14,010	14,152
Total Liabilities and other liabilities at 31 March	89,787	75,610	65,563	13,844	14,010	14,152

**WESTERN HEALTH AND SOCIAL CARE TRUST**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 14 TRADE LIABILITIES AND OTHER CURRENT LIABILITIES**

**14.2 Loans**

The Trust did not have any loans payable at either 31 March 2012 or 31 March 2011.

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 15 PROMPT PAYMENT POLICY

##### 15.1 Public Sector Payment Policy – Measure of Compliance

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

	<b>2012 Number</b>	<b>2012 Value £000s</b>	<b>2011 Number</b>	<b>2011 Value £000s</b>
Total bills paid	104,032	169,417	98,991	149,013
Total bills paid within 30 day target or under agreed payment terms	100,130	164,414	94,451	145,168
% of bills paid within 30 day target or under agreed payment terms	<b>96.2%</b>	<b>97.0%</b>	<b>95.4%</b>	<b>97.4%</b>

##### 15.2 The Late Payment of Commercial Debts Regulations 2002

	<b>£</b>
Amount of Compensation paid for payment (s) being late	1,740
Amount of Interest paid for payment(s) being late	201
<b>Total</b>	<b>1,941</b>

This is also reflected as a fruitless payment in note 26.

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 16 PROVISIONS FOR LIABILITIES AND CHARGES- 2012

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical negligence £000s	CSR Restructuring £000s	RPA Restructuring £000s	Other £000s	2012 £000s
Balance at 1 April 2011	0	258	10,607	0	0	5,367	16,232
Provided in year	0	60	4,693	0	0	2,128	6,881
(Provisions not required written back)	0	0	(2,392)	0	0	(1,037)	(3,429)
(Provisions utilised in the year)	0	(19)	(2,929)	0	0	(547)	(3,495)
Unwinding of discount	0	0	281	0	0	63	344
At 31 March 2012	<b>0</b>	<b>299</b>	<b>10,260</b>	<b>0</b>	<b>0</b>	<b>5,974</b>	<b>16,533</b>

### Comprehensive Net Expenditure Account charges

	2012 £000s	2011 £000s
Arising during the year	6,881	7,742
Reversed unused	(3,429)	(3,010)
Cost of borrowing (Unwinding of discount)	344	353
<b>Total charge within Operating costs</b>	<b>3,796</b>	<b>5,085</b>



# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 16 PROVISIONS - FOR LIABILITIES AND CHARGES- 2012

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	Total £000s
Not later than one year	0	19	8,339	0	0	3,087	11,445
Later than one year and not later than five years	0	54	1,921	0	0	668	2,643
Later than five years	0	226	0	0	0	2,219	2,445
At 31 March 2012	<b>0</b>	<b>299</b>	<b>10,260</b>	<b>0</b>	<b>0</b>	<b>5,974</b>	<b>16,533</b>

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 16 PROVISIONS FOR LIABILITIES AND CHARGES - 2011

	<b>Pensions relating to former directors £000s</b>	<b>Pensions relating to other staff £000s</b>	<b>Clinical negligence £000s</b>	<b>CSR Restructuring £000s</b>	<b>RPA Restructuring £000s</b>	<b>Other £000s</b>	<b>2011 £000s</b>
Balance at 1 April 2010	174	172	6,480	4,385	127	6,792	18,130
Provided in year	0	101	5,935	0	0	1,706	7,742
(Provisions not required written back)	(174)	0	(908)	0	0	(1,928)	(3,010)
(Provisions utilised in the year)	0	(21)	(1,131)	(4,385)	(127)	(1,319)	(6,983)
Unwinding of discount	0	6	231	0	0	116	353
At 31 March 2011	<b>0</b>	<b>258</b>	<b>10,607</b>	<b>0</b>	<b>0</b>	<b>5,367</b>	<b>16,232</b>

Provisions have been made for 6 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Early Retirement, Injury Benefit, Employment Law and Restructuring (RPA and CSR). Employer's and Occupier's Liability, Employment Law and Injury Benefit provisions are included in the column entitled "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 provisions is based on information available from HR and the DHSSPS as at 31/3/09.

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 16 PROVISIONS FOR LIABILITIES AND CHARGES - 2011

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	2011 £000s
Not later than one year	0	21	10,511	0	0	2,590	13,122
Later than one year and not later than five years	0	51	96	0	0	633	780
Later than five years	0	186	0	0	0	2,144	2,330
At 31 March 2011	<b>0</b>	<b>258</b>	<b>10,607</b>	<b>0</b>	<b>0</b>	<b>5,367</b>	<b>16,232</b>

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 17 CAPITAL COMMITMENTS

	<b>2012</b> <b>£000s</b>	<b>2011</b> <b>£000s</b>	<b>2010</b> <b>£000s</b>
Contracted capital commitments at 31 March not otherwise included in these financial statements			
Property, Plant and Equipment	5,735	10,034	2,446
	<b>5,735</b>	<b>10,034</b>	<b>2,446</b>

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 18 COMMITMENTS UNDER LEASES

##### 18.1 Operating Leases

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

<b>Obligations under operating leases comprise</b>	<b>2012 £000s</b>	<b>2011 £000s</b>	<b>Restated 2010 £000s</b>
<b>Buildings</b>			
Not later than 1 year	756	573	658
Later than 1 year and not later than 5 Years	1,459	1,468	1,794
Later than 5 years	1,640	1,193	1,439
	<b>3,855</b>	<b>3,234</b>	<b>3,891</b>
<b>Other</b>			
Not later than 1 year	1	5	1
Later than 1 year and not later than 5 Years	0	0	1
	<b>1</b>	<b>5</b>	<b>2</b>

##### 18.2 Finance Leases

The Trust has no obligations under finance leases.

##### 18.3 Operating Leases

The Trust does not act as lessor and as such does not anticipate any future income for operating leases.

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### NOTE 19 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

#### 19.1 Off balance sheet PFI and other service concession arrangements schemes

The Trust has not entered into any off balance sheet PFI schemes in 2010/2011 or in 2011/2012.

#### 19.2 On Balance Sheet (SoFP) PFI Schemes

The Trust is committed to make the following payments during the next year

##### Total obligations under on balance sheet (SoFP) Service Concessions arrangements for the following periods comprise

	2012 £000s	2011 £000s	2010 £000s
Not later than one year	1,387	1,338	1,303
Later than one year and not later than five years	5,785	5,582	5,437
Later than five years	25,192	26,174	27,346
	32,364	33,094	34,086
Less interest element	17,139	17,746	18,631
Present value of obligations	<b>15,225</b>	<b>15,348</b>	<b>15,455</b>

##### Present Value of obligations under on balance sheet (SoFP) PFI Schemes for the following periods comprise:

	2012 £000s	2011 £000s	2010 £000s
Not later than one year	158	135	104
Later than one year and not later than five years	1,029	902	750
Later than five years	14,038	14,311	14,601
Total Present Value of obligations	<b>15,225</b>	<b>15,348</b>	<b>15,455</b>

# WESTERN HEALTH AND SOCIAL CARE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### 19.3 Charge To The Statement of Net Expenditure Account And Future Commitments

	2012 £000s	2011 £000s	2010 £000s
Amounts included within operating expenses in respect of the service element of on balance sheet (SoFP) PFI and other service concessions arrangement transactions	594	568	559
	<b>594</b>	<b>568</b>	<b>559</b>

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

	2012 £000s	2011 £000s	2010 £000s
Not later than one year	607	586	569
Later than one year and not later than five years	2,535	2,445	2,374
Later than five years	11,046	11,468	11,945
	<b>14,188</b>	<b>14,499</b>	<b>14,888</b>

#### Other on balance sheet PFI Capital Commitments (Schemes in construction phase):

This contract is for the development of the new Acute Hospital for the South West and, under IFRC12, the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a finance lease and that payments comprise 2 elements –

Imputed finance lease charge and service charges.

The annual Unitary Charge payment is estimated at £16,154,123 (Service element £5,574,000) payable after construction is complete, which is anticipated to be May 2012. The contract will run for 30 years.

It has been agreed that at practical completion, a single payment of approximately £100,421,000 will be made to the PFI provider. The DHSSPS has provided a deed of safeguard to the PFI provider to guarantee this payment in the event of the Trust being unable to meet its commitment. This amount is included in the 'Not later than one year' range below.

The anticipated imputed Finance lease charges and one off cash injection, relating specifically to the new Acute Hospital contract are shown in the table below.

The Trust is committed to make the following payments in future years:

	2012 £000s	2011 £000s	2010 £000s
Not later than one year	111,257	0	0
Later than one year and not later than five years	54,749	149,380	136,061
Later than five years	404,981	398,937	412,256
	<b>570,987</b>	<b>548,317</b>	<b>548,317</b>
Less interest element	(347,079)	(324,409)	(324,409)
	<b>223,908</b>	<b>223,908</b>	<b>223,908</b>

These figures are taken from the model prepared at financial close in May 2009, and will be subject to changes to reflect price levels when operation of the asset begins.

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

### **NOTE 20 OTHER FINANCIAL COMMITMENTS**

The Trust did not have any other financial commitments at either 31 March 2012 or 31 March 2011.



## **NOTE 21 FINANCIAL INSTRUMENTS**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **21 Financial Guarantee, Indemnities and Letters Of Comfort**

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

The Trust has not entered into any quantifiable guarantees, indemnities or provided letters of comfort in the years ended 31 March 2012 or 31 March 2011.

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### 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 possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

	2012 £000s	2011 £000s	2010 £000s
Clinical negligence			
Public Liability	960	2,256	1,678
Other	0	264	0
<b>Total</b>	<b>960</b>	<b>2,520</b>	<b>1,678</b>

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 23 RELATED PARTY TRANSACTIONS

The Trust is an arms length body of the DHSSPS and as such the DHSSPS is a related party from which the Trust has received income during the year of £492m.

The Trust is required to disclose details of material transactions with individuals who are regarded as related parties consistent with the requirements of IAS 24 Related Party Disclosures. This disclosure is recorded in the Trust's Register of Interests which is maintained by the Office of the Chief Executive and is available for inspection by members of the public.

##### Non Executive Directors

Some of the Trust's non-executive directors have disclosed interests with organisations from which the Trust purchased services during 2011/12. Set out below are details of the amounts paid to these organisations. In none of the cases listed did the non-executive directors have any involvement in the decisions to procure the services from the organisations concerned.

Name and Organisation	Role	Amount paid by Trust during 2011/12 £000s	Amount paid by Trust during 2010/11 £000s
Mr Niall Birthistle (Derry Community Playhouse)	Non-Executive Director	12	6
Mrs Stella Cummings (British Red Cross)	Vice Chair	49	40
Mrs Joan Doherty (Churches Trust Ltd)	Director	61	34
Mrs Joan Doherty (Londonderry Methodist City Mission)	Committee Member	74	72
Mrs Barbara Stuart (EXTERN)	Director	949	942

##### **Mr Gerard Guckian, Chairman**

Mr Guckian's brother is the Director of Finance in the South Eastern HSC Trust. During 2011/12, the Western Health and Social Care Trust made payments of approximately £20,305 and received income of £159,818 from the South Eastern HSC Trust for the provision of goods and services. At 31<sup>st</sup> March 2012, the Trust is owed £54,100 by the South Eastern HSC Trust. During 2010/11, the Western Health and Social Care Trust made payments of approximately £141,000 and received income of £109,000 from the South Eastern HSC Trust for the provision of goods and services. At 31<sup>st</sup> March 2011, the Trust owed £397,000 to the South Eastern HSC Trust and was owed £16,000 by the South Eastern HSC Trust.

##### Executive Directors

##### **Mrs Elaine Way, Chief Executive**

Mrs Way is the Area Commander of St John's Ambulance. During 2011/12, the Trust made payments to St John's Ambulance of £27,407. Mrs Way had no involvement in the decisions to procure the services from St John's Ambulance.

##### **Mr Alan Corry-Finn, Director**

Mr. Corry-Finn is a Non-Executive Chair of the NI Hospice. During 2011/12, the Trust made payments to NI Hospice of £121,092. Mr Corry-Finn had no involvement in the decisions to procure the services from the N.I Hospice.

### **Other Board Members and Senior Managers**

Some other Trust Board members and senior managers have disclosed interests in organisations from which the Trust purchased services in 2011/12. The details are set out below. The officers listed had no involvement in the decisions to procure the services from the organisations concerned.

#### **Ms Kate McDaid, Assistant Director, Women and Children's Services**

Ms McDaid is an Executive Board member of Also (UK). During 2011/12, the Trust made payments to Also (UK) of £11,416.

#### **Ms Vivien Coates, Assistant Director, Nursing Research and Development**

Ms Coates is a Joint Appointed staff member with University of Ulster. During 2011/12, the Trust made payments to University of Ulster of £306,379.

#### **Mr John McGarvey, Assistant Director, Primary Care and Older People**

Mr McGarvey is a Representative Governor with WELB for St Patrick's School, Gortin. During 2011/12, the Trust made payments to WELB of £56,391.

#### **Ms Eileen Webster, Quality Development Manager**

Ms Webster is a Director with Foyle Women's Aid. During 2011/12, the Trust made payments to Foyle Women's Aid of £58,597. During 2010/11, the Trust made payments to Foyle Women's Aid of £25,247.

#### **Mrs Rosaleen Harkin, Assistant Director Adult Mental Health and Disability Services Directorate**

Mrs Harkin is married to the manager of Action Mental Health, New Horizons, an organisation which provides a range of day care and other services to Trust clients. Payments amounting to £111,226 were made to Action Mental Health during 2011/12. During 2010/11, the Trust made payments to Action Mental Health of £159,000 and at 31<sup>st</sup> March 2011, the Trust owed £347 to Action Mental Health..

#### **Mr Alan McKinney, Clinical Director**

Mr McKinney is an Assistant Commissioner for St John's Ambulance. During 2011/12, the Trust made payments to St John's Ambulance of £27,407. During 2010/11, the Trust made payments to St John's Ambulance of £21,555.

#### **Mr Mark Gillespie, Consultant Nurse**

Mr Gillespie is a Board member of APEX Housing, an organisation which provides the Trust with a range of patient/client services. During 2011/12, the Trust made payments to APEX Housing of £2,579,145. During 2010/11, the Trust made payments to APEX Housing of £3,693,974 and at 31<sup>st</sup> March 2011, the Trust owed £40,085 to APEX Housing. Mr Gillespie has been seconded from the Trust since 23<sup>rd</sup> December 2011.

## **WESTERN HEALTH AND SOCIAL CARE TRUST**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **NOTE 24 THIRD PARTY ASSETS**

The Trust held £1,903,711 Cash at bank and in hand at 31/3/12 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.

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 25 FINANCIAL PERFORMANCE TARGETS

##### 25.1 Revenue Resource Limit

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

The Revenue Resource Limit (RRL) for Western Health and Social Care Trust is calculated as follows:

	<b>2012 Total £000s</b>	<b>Restated 2011 Total £000s</b>
HSCB	454,482	438,484
PHA	5,072	4,361
SUMDE and NIMDTA	5,240	5,297
Non cash RRL (from DHSSPS)	26,812	27,992
Adjustment for Income received re Donations / Government grant / Lottery funding for non current assets	0	(304)
Total Agreed RRL	<u>491,606</u>	<u>475,830</u>
<b>Total Revenue Resource Limit to Statement Comprehensive Net Expenditure</b>	<b><u>491,606</u></b>	<b><u>475,830</u></b>

##### 25.2 Capital Resource Limit

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

	<b>2012 Total £000s</b>	<b>Restated 2011 Total £000s</b>
Gross Capital Expenditure	36,433	21,115
(Receipts from sales of fixed assets)	(48)	(18)
Net capital expenditure	<u>36,385</u>	<u>21,097</u>
Capital Resource Limit	<u>36,385</u>	<u>21,097</u>
Overspend/(Underspend) against CRL	<b><u>0</u></b>	<b><u>0</u></b>

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 25 FINANCIAL PERFORMANCE TARGETS

##### 25.3 Financial Performance Targets

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

	<b>2011/12 £000s</b>	<b>Restated 2010/11 £000s</b>
Net Expenditure	(491,551)	(475,761)
RRL	491,606	475,830
Surplus / (Deficit) against RRL	55	69
Break Even cumulative position (opening)	171	102
Break Even Cumulative Position (closing)	<b>226</b>	<b>171</b>

##### Materiality Test:

	<b>2011/12 %</b>	<b>2010/11 %</b>
Break Even in year position as % of RRL	0.01%	0.01%
Break Even cumulative Position as % of RRL	0.05%	0.04%

## WESTERN HEALTH AND SOCIAL CARE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 26 LOSSES AND SPECIAL PAYMENTS

TYPE OF LOSS	NUMBER OF CASES	VALUE £
1. Cash Losses – Theft, fraud etc *	1	(24,604)
2. Cash Losses – Overpayments of salaries, wages and allowances	7	10,798
3. Cash Losses – Other causes(including unvouched and incompletely vouched payments)	1	40
4. Nugatory and fruitless payments –		
(i). Abandoned Capital Schemes	2	1,941
(ii). Late Payment of Commercial Dept	4	2,955
(iii). Other		
5. Bad debts and claims abandoned	145	24,659
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 (results of fire, flood etc)	1	705
8. Stores and Inventory Losses – Deterioration in store	36	64,053
9. Stores and Inventory Losses – Stocktaking discrepancies		
10. Stores and Inventory Losses – Other causes		
(i). Bedding and linen		
(ii). Other equipment and property	81	40,551
11. Compensation payments (legal obligation)		
(i). Clinical Negligence	34	1,671,322
(ii). Public Liability	3	5,750
(iii). Employers Liability*	19	143,580
12. Ex-gratia payments – Compensation payments (including payments to patients and staff)**	26	8,953
13. Ex-gratia payments – Other payments	1	16,758
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	8	1,401
<b>TOTAL</b>	<b>369</b>	<b>1,968,862</b>

\* Loss of £24,604 payment received in respect of a fraud case reported in 2010/11 for £29,662.

#### 26.1 Special Payments

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



## **WESTERN HEALTH AND SOCIAL CARE TRUST**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **NOTE 27 POST BALANCE SHEET EVENTS**

The Western Health and Social Care Trust has signed a contract for the undertaking of a PFI project. This contract will be adopted in May 2012.

This contract is for the development of the new Acute Hospital for the South West and, under IFRIC12, the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a finance lease and that payments comprise 2 elements – imputed finance lease charge and service charges.

The annual Unitary Charge payment is estimated at £16,154,123 (Service element £5,574,000) payable after construction is complete, which is anticipated to be May 2012. The contract will run for 30 years.

It has been agreed that at practical completion, a single payment of approximately £100,421,000 will be made to the PFI provider. The DHSSPS has provided a deed of safeguard to the PFI provider to guarantee this payment in the event of the Trust being unable to meet its commitment.

#### **NOTE 28 DATE AUTHORISED FOR ISSUE**

The Accounting Officer authorised these financial statements for issue on 13<sup>th</sup> June 2012.

**WESTERN HEALTH AND SOCIAL CARE TRUST**  
**PATIENTS'/RESIDENTS' MONIES ACCOUNTS**  
**YEAR ENDED 31 MARCH 2012**

## **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.

## **WESTERN HEALTH AND SOCIAL CARE TRUST**

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

I certify that I have audited Western Health and Social Care Trust's account of Monies held on behalf of Patients/ Residents for the year ended 31 March 2012 under the Health and Personal Social Services (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' and Residents' Monies, the Trust is responsible for the preparation of the account in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health, Social Services and Public Safety's directions made thereunder. My responsibility is to examine, certify and report on the account in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the account**

An audit involves obtaining evidence about the amounts and disclosures in the account sufficient to give reasonable assurance that the account is free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Western Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Western Health and Social Care Trust; and the overall presentation of the account. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Patient's and Resident's Monies account. 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 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: *To obtain reasonable assurance about the accuracy and completeness of*

- the account properly presents the receipts and payments of the monies held on behalf of the patients and residents of Western Health and Social Care Trust for the year ended 31 March 2012 and balances held at that date; and

- the account has been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health, Social Services and Public Safety directions issued thereunder.

#### Matters 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 Department of Finance and Personnel's guidance.

#### Report

I have no observations to make on this account.



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

*27th June 2012*

**WESTERN HEALTH AND SOCIAL CARE TRUST**

**YEAR ENDED 31 MARCH 2012**

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

<b>Previous Year</b>		<b><u>RECEIPTS</u></b>	
<b>£</b>		<b>£</b>	<b>£</b>
	Balance at 1 April 2011		
1,675,916	1. Investments (at cost)	1,589,770	
193,023	2. Cash at Bank	240,562	
7,960	3. Cash in Hand	<u>10,060</u>	1,840,392
1,071,738	Amounts Received in the Year		702,596
13,854	Interest Received		30,542
<b><u>2,962,491</u></b>	<b>TOTAL</b>		<b><u>2,573,530</u></b>

<b><u>PAYMENTS</u></b>			
1,122,099	Amounts paid to or on Behalf of Patients/Residents		669,819
	Balance at 31 March 2012		
1,589,770	1. Investments (at Cost)	1,620,312	
240,562	2. Cash in Bank	273,299	
10,060	3. Cash in Hand	<u>10,100</u>	1,903,711
<b><u>2,962,491</u></b>	<b>TOTAL</b>		<b><u>2,573,530</u></b>

<b><u>Cost Price</u></b>	<b>Schedule of investments held at 31 March 2012</b>	<b>Nominal Value</b>	<b>Cost Price</b>
<b>£</b>		<b>£</b>	<b>£</b>
1,589,770	Investment	1,620,312	1,620,312

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

..... Date

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

..... Chief Executive

..... Date

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