

**Belfast Health & 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 (as amended by the Audit and Accountability Order 2003)  
by the Department of Health, Social Services and Public Safety.

on

29<sup>th</sup> June 2012

# **BELFAST HEALTH & SOCIAL CARE TRUST**

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

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# **BELFAST HEALTH & 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.

## **BELFAST HEALTH & SOCIAL CARE TRUST**

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

#### **STATEMENT OF BELFAST HEALTH & SOCIAL CARE TRUST'S RESPONSIBILITIES AND CHIEF EXECUTIVE'S RESPONSIBILITIES**

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health, Social Services and Public Safety has directed the Belfast 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 Belfast 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 Belfast Health and Social Care Trust will continue in operation;
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Belfast Health and Social Care Trust;
- pursue and demonstrate value for money in the services the Belfast Care and Social Care Trust provides and in its use of public assets and the resources it controls.

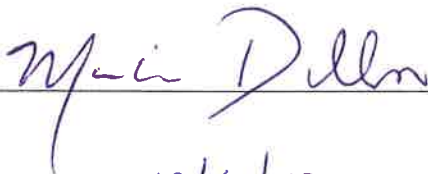
The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Mr Colm Donaghy of the Belfast Health & Social Care Trust as the Accounting Officer for the Belfast Health and Social Care 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 Belfast Health and Social Care Trust assets as set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety.

**BELFAST HEALTH & 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 18 to 63) which I am required to prepare on behalf of the Belfast Health & Social Care Trust have been compiled from and are in accordance with the accounts and financial records maintained by the Trust and with the accounting standards and policies for HSC bodies approved by the DHSSPS.

  
\_\_\_\_\_  
13/6/12

**Director of Finance**


**Date**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 18 to 63) as prepared in accordance with the above requirements have been submitted to and duly approved by the Trust Board.

  
\_\_\_\_\_  
13.6.2012

**Chairman**

**Date**

  
\_\_\_\_\_  
13/6/12

**Chief Executive**

**Date**

**BELFAST HEALTH & SOCIAL CARE TRUST**  
**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**  
**STATEMENT ON INTERNAL CONTROL**

**Scope of Responsibility**

The Board of the Belfast Health and Social Care (HSC) 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 personally responsible in accordance with the responsibilities assigned to me by the Department of Health, Social Services and Public Safety (DHSSPS).

Specifically, the Trust has the following key relationships through which it must demonstrate a required level of accountability:-

- with HSC Board commissioners, through service level agreements, to deliver health and social services to agreed specifications;
- with colleague agencies in the HSC, through close and positive working arrangements;
- with local communities, through holding public board meetings, and publishing an annual report and accounts;
- with patients, through the management of standards of patient care; and
- with the DHSSPS, through the performance of functions and meeting statutory financial duties.

**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 Trust for the year ended 31 March 2012, and up to the date of approval of the annual report and accounts, and accords with DHSSPS guidance.

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

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- Standing Orders and Standing Financial Instructions;
- an Audit Committee;
- an Assurance Committee;
- a Remuneration Committee;
- a Complaints Review Committee;
- a Charitable Trust Fund Advisory 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 periodic financial reports which indicate financial performance against the forecast;
- setting targets to measure financial, clinical and other performance;
- clearly defined capital investment control guidelines;
- as appropriate, formal budget management disciplines;
- a requisition and approval system for procuring goods and services;
- a system of detailed recording and notification to protect the Trust's assets.

The Trust has an internal audit function which operates to defined standards and whose work was informed by an analysis of risk to which the body was exposed and annual audit plans were based on this analysis. In 2011/12 Internal Audit reviewed the following systems:-

- Specialist Hospitals – Financial Controls (Satisfactory Assurance)
- Specialist Hospitals – Risk Based (Satisfactory Assurance)
- Cancer & Specialist Services – Financial Controls (Satisfactory Assurance)
- Cancer & Specialist Services – Risk Based (Satisfactory Assurance)
- Payroll (Satisfactory Assurance)
- Non Pay Expenditure (Satisfactory Assurance)
- Bank and Cash (Satisfactory Assurance)
- Financial Assessments (Satisfactory Assurance)
- Efficiency Savings (Substantial Assurance)
- Contracts with Voluntary Sector (Satisfactory Assurance)
- Asset Management (Satisfactory Assurance)
- Canteen Income (Satisfactory Assurance)
- Service & Maintenance Contracts (Satisfactory Assurance)
- Cash Management in Social Services Facilities (Satisfactory Assurance)
- Client Monies in Independent Sector (Satisfactory Assurance)
- Stocktaking (Satisfactory Assurance)
- Contracts with Independent Sector (Satisfactory Assurance)
- Staff Care Review (Satisfactory Assurance)
- Performance Management (Satisfactory Assurance)
- Management of Medical Workforce (Satisfactory Assurance)
- Management of Licences (Limited Assurance)
- ICT Environmental Controls (Limited Assurance)
- Waste Management (Satisfactory Assurance)
- Risk Management (Satisfactory Assurance)
- Complaints Management (Satisfactory Assurance)
- Emergency Planning (Satisfactory Assurance)
- Information Governance (Satisfactory Assurance)
- Controls Assurance Standard Verification

The Head of Internal Audit reported that there is a satisfactory system of internal control designed to meet the Trust's objectives for the year ended 31 March 2012. However, limited assurance has been provided in respect of two audits:

Management of Licences: There are a number of licences held by the Trust that are required to operate safely. Internal Audit reported that the functions and roles of the licence committee have not yet become fully embedded into the Trusts current governance structure. The management of licences has remained at local level and all issues arising have not been escalated to the licence committee. The Trust has subsequently revised the licence committee terms of reference in February 2012. A central register is being developed for monitoring licensing issues. The Trust's Licensing and Regulation Manager will carry out an audit in June 2012 to ensure all areas/departments are complying with processes.

ICT Environmental Controls: Minimal information is held on the critical locations list as it does not show the controls and actions required on each site to ensure environmental risk is minimised. A number of critical locations do not have a uninterrupted power supply maintenance contract in place and swipe card access to critical locations is not monitored. The Trust will review and expand the current critical locations list to include actions required and regular meetings between ICT and Estates will be held to track progress.

The following report received overall satisfactory level of assurance, however limited assurance was provided in specific areas as follows;

Financial Assessments: specific limited assurance with regard to direct payments not being effectively monitored by the Trust. The management structure has been changed to reflect the need for effective monitoring of direct payments, monitoring files have been set up for all direct payment clients and procedures are being updated to reflect the new processes.

A total of 13 Priority One findings (weaknesses that could have a significant impact on the system under review) were identified during 2011/12 (compared to 26 Priority One findings in 2010/11). Audit Committee have reviewed management responses to Internal Audit recommendations and monitor progress with the implementation of recommendations.

Recommendations to address all control weaknesses have been or are being implemented.

Internal Audit conduct formal follow-up reviews in respect of the implementation of the priority one and two internal audit recommendations agreed in the Internal Audit reports. Internal Audit presented a full report which showed that 98% of agreed actions have been fully or partially implemented.

With regard to the wider control environment, the Trust had 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 was made to ensure that the objectives of the Trust were pursued in accordance with the recognised and accepted standards of public administration.

By way of example, the Trust had in place a range of human resource policies, procedures, protocols and practices governing activities across the various Directorates including:-

- The application of an objective and systematic recruitment and selection process and compliance with a comprehensive range of safeguards under the Trust's Safer Recruitment and Employment Framework: encompassing all the pre-employment checks such as qualification/registration checks, references, health checks, and appropriate vetting; plus post-registration Alert Notice and Safeguarding Vulnerable Groups Vetting and Barring Scheme requirements. Further work to ensure compliance with employment checks regarding agency usage has been completed with Directorates.
- A learning and development strategy to develop and train all staff to ensure they are competent to undertake their roles and achieve maximum individual and organisational potential.
- Effective workforce controls to ensure adherence to strict processes which include controls over the creation of all new posts, reprofiling of existing posts and replacement of vacant posts.
- Mandatory Equality and Diversity training is provided for all staff with specific training for those with managerial responsibilities. Promotion and adherence to Trust Policies including the Equal Opportunities Policy, Harmonious Working Environment/Joint Declaration of Protection and the Trust's Employment Equality and Diversity Plan ensure compliance with statutory requirements.
- Robust arrangements for conducting good employee relations in line with Statutory Procedures and Good Practice as set out in the Grievance, Disciplinary and Capability Procedures and the Trust's Joint Negotiating Forum arrangements.



- A framework for best practice in business improvement through people – Investors in People (IiP). The Trust was assessed against 10 core standards and met all 39 evidence requirements to achieve formal accreditation as an IiP organisation.

These are regularly reviewed and updated to ensure that they continue to reflect best practice and the principle of equality of opportunity, were in line with the Trust's aims and values, complied with legal and statutory requirements and provided effective control mechanisms.

### **Our approach to fraud**

The Trust continues to participate in the National Fraud Initiative. The Audit Committee is regularly updated with progress and to date no fraudulent activity has been identified.

The Trust had a Fraud Policy and Fraud Response Plan in place during 2011/12. In addition, fraud awareness training has been offered and provided to relevant staff and to all new starts via the Corporate Induction Programme.

During 2011/12 the Trust reported to Audit Committee 10 incidents of fraud with a total estimated value of £18,475. All cases have been thoroughly investigated with the assistance of PSNI and Business Services Organisation (BSO) Counter Fraud & Probity Service, where appropriate. The results of investigations have led to improved and/or new controls and disciplinary action.

### **Capacity to handle risk**

The Trust is committed to providing high quality patient and client services in an environment that is both safe and secure. The Trust Board has approved an Assurance Framework and a Risk Management Strategy and has established an Assurance Committee whose membership includes all Non Executive Directors. This Committee reports directly to the Trust Board. The Assurance Framework outlines the Chief Executive's overall responsibility and accountability for risk management. The Framework also sets out a system of delegation of responsibility at Trust Board, Executive Team and Directorate levels. While ensuring local ownership in managing and controlling all elements of risk to which the Trust may have been exposed, there is a clear line of accountability through to Trust Board.

Risk management is at the core of the Trust's performance and assurance arrangements and the Assurance Committee, chaired by the Trust's Chairman, provides Board level oversight in this key area. This Committee, along with the Audit Committee, has scrutinised the effectiveness of the Risk Management Strategy.

The Trust acknowledges that it is impossible to eliminate all risks and that systems of control should not be so rigid that they stifle innovation and imaginative use of limited resources. Inevitably the Trust may have to set priorities for the management of risk. There is a need to balance potentially high financial costs of risk elimination against the severity and likelihood of potential harm. The Trust will balance the acceptability of any risk against the potential advantages of new and innovative methods of service. The Trust recognises that risks to its objectives may be shared with or principally owned by other individuals or organisations. The Trust involves its service users, public representatives, contractors and other external stakeholders in the implementation of the Risk Management Strategy.

Risk management is integral to the training for all staff as relevant to their grade and situation, both at induction and in service. To support staff through the risk management process, expert guidance and facilitation has been available along with access to policies and procedures, outlining responsibilities and the means by which risks are identified and controlled. Actions taken to reduce risk have been regularly monitored and reported with trends being analysed at Directorate, Corporate and Board levels. Dissemination of good practice has been facilitated by a range of mechanisms including systems for the implementation and monitoring of authoritative guidance, clinical supervision and reflective practice, performance management, continuing professional development, management of adverse events and complaints, multiprofessional audit and the application of evidence based practice. The Trust seeks to ensure that its medical workforce is equipped to provide the best health care that can be achieved through investment in education, appraisal, appropriate job planning and where issues arise that are appropriate to maintaining high professional standards these are dealt with using the appropriate procedures, involvement of National Clinical Assessment Service where necessary and regulatory bodies such as the General Medical Council and General Dental Council.

## **The risk and control framework**

The Assurance Framework describes the relationship between organisational objectives, identified potential risks to their achievement and the key controls through which these risks will be managed, as well as the sources of assurance surrounding the effectiveness of these controls. The Assurance Framework incorporates the Risk Management Policy and establishes the context in which the Trust Management Plan was developed, as well as determining the mechanism through which assurances were provided to the Trust Board.

The Assurance Framework was revised in 2010/11 to take account of organisational restructuring and a change in roles and responsibilities of executive and non executive directors. The Assurance Committee Sub Committee structure was also revised and new Terms of Reference were developed for the Assurance Committee and Sub Committees. The revised Assurance Framework and Terms of Reference were approved by the Assurance Committee of the Trust Board on the 2nd June 2010. During 2011/12 the Sub Committee structure was further updated to include additional committees, including the Equality, Engagement & Experience Steering Group. The Assurance Framework allows an integrated approach to performance, targets and standards which include controls assurance standards and quality standards for health and social care.

The Assurance Committee established a revised agenda and schedule of annual reports to take account of the development of the new Sub Committees structure. These committees report through the Assurance Group to Executive Team. They are generally expert groups that are responsible for developing assurance arrangements within specific areas of Trust activity and provide the necessary scrutiny of practice. The Assurance Group reviewed its membership and terms of reference during 2010/11 and is now chaired by the Chief Executive. The Risk Register Review Group continues to meet on a quarterly basis, to scrutinise the evaluation of all significant risks arising from Directorate and Controls Assurance Risk Registers. Each Directorate has maintained and further developed systems to identify risk, assess impact and likelihood of harm occurring, and to maintain control in line with the Assurance Framework and the Risk Management Strategy. These risks are used to populate Directorate risk registers, which are updated on an ongoing basis and which feed into the Belfast Trust's Assurance Framework Principal Risks and Controls document.

The Trust is also informed by the reports and inspections carried out by a range of independent bodies, including Regulation and Quality Improvement Authority (RQIA) and Social Services Inspectorate. Clinical Pathology Accreditation (CPA) is part of the routine cycle of external quality assurance for Clinical Pathology Laboratories across the UK – the status of conditional is awarded until all remedial actions are put in place. Trust laboratories have a Quality Operational Group who co-ordinate the implementation of the remedial actions to gain full accreditation once the evidence of compliance with the standards is submitted to the CPA Specialist Advisory Group.

During the last 12 months the Trust Blood Bank service has been subjected to two Medicines and Healthcare products Regulatory Agency (MHRA) inspections and the Stem Cell Bank service to one Human Tissue Authority (HTA) inspection. The first MHRA inspection was carried out in October 2011 and MHRA reported a number of issues which gave sufficient concern for it to raise a critical finding within the Trust Blood Bank service. Following agreement of a remedial action plan with MHRA, the Trust undertook a series of managerial actions which resulted in MHRA recommending removal of the critical finding when then re-inspecting the Trust in February 2012. The Trust has now submitted a revised remedial action plan to MHRA in view of a number of minor findings from the last inspection and are working in collaboration with MHRA on a number of service issues including incident management, which is being subjected to an internal Lean type review, and IT systems development.

The Trust Stem Cell Bank service was subjected to an HTA inspection in January 2012 and a small number of service issues were recorded by the Inspectors. The Trust has submitted a corrective action plan to the Inspectorate and this has been accepted. The Trust is now implementing the necessary agreed actions in accordance with the timeline contained within the corrective action plan.

The Trust engages proactively with all such reviews and the Board is assured that appropriate actions are taken, by the Assurance Committee.

The Trust can confirm that it has effective arrangements in place to ensure the timely and effective implementation of agreed National Institute for Health and Clinical Excellence (NICE) guidance where reasonably practical. Any risks associated with non or partial compliance are highlighted in the Corporate Risk Register/Principal Risk Document and are reported to the HSC Board as required.

The Trust uses the Directorate of Legal Services (DLS) in the BSO as its main legal provider. As regards to compliance with Departmental guidance in respect of payment for legal and litigation services, the Trust continues to remain compliant with the Departmental guidance contained in HSS(F) 67/2006 – Payments in respect of Litigation and Legal Services.

The Trust is committed to ensuring that Personal and Public Involvement (PPI) is embedded into all aspects of its business. The Trust's approach to user involvement is detailed in "Involving You", the Trust framework for community development and user engagement. There is a PPI group which meets regularly to guide and challenge the Trust in relation to this work and is also now included within the Assurance Framework committee structure. There are a wide range of user engagement opportunities throughout the Trust, both corporately and within clinical Directorates, which allow people to become involved in the development, improvement and evaluation of Trust services.

### **Information Governance Arrangements**

The management of information within the Trust remains a high priority. The agenda is managed by the Information Governance Board (IGB) which is chaired by the Director of Performance, Planning and Information and is attended by the Medical Director (Trust's Data Guardian), Director of Social and Primary Care Services (Deputy Data Guardian) and a range of senior staff from other Directorates.

The Trust Director of Performance, Planning and Information is also the Trust Senior Information Risk Owner (SIRO). Approximately thirty-five Trust officers, mainly at Co-Director level have also been identified as Information Asset Owners (IAOs) who are accountable to the SIRO and the IGB for the management of information within their service areas. Both the SIRO and all IAOs have received training, internal and regional, to help them understand and discharge their roles.

The Trust has policies to cover Data Protection, ICT Security, storage, retention and management of records, access to data from external organisations and access to records. A number of other policies are also in place to cover very specific aspects of data governance for example a Trust Fax policy. One new policy has recently been introduced – a Decommissioning policy in respect of vacated buildings and departments. In addition one policy is currently under development relating to the security of paper records in transit.

The monitoring of information related adverse incidents by the IGB is now well established. In each case remedial action is prescribed and learning is communicated throughout the Trust. During the year six incidents were referred to the Information Commissioner's Office (ICO) for consideration as follows;

- Mis faxing of personal data - two incidents
- Records in disused health centre
- Personal data contained in minutes sent to the wrong recipient
- Records left unattended at an outpatient clinic
- Work diary stolen from staff members car

In one case, the outpatient clinic incident, the ICO has indicated that he intends to take no further action, the remaining cases are still pending a response. In all cases learning from the incidents has been widely disseminated throughout the Trust.

The Trust continues to promote awareness of information governance issues through induction training for new staff, "My Data Your Business" training sessions for other staff and via leaflets, articles and intranet information.

## Compliance with Controls Assurance Standards

The Trust assessed its compliance with the 22 Controls Assurance Standards which were defined by the Department and against which a degree of progress is 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>Trust Level of Compliance</b>	<b>Verified by</b>
Building, Land, Plant and Non-Medical Equipment	75% - 99% (Substantive)	77% Substantive	Self Assessment
Decontamination of Medical Devices	75% - 99% (Substantive)	76% Substantive	Self Assessment
Emergency Planning	75% - 99% (Substantive)	87% Substantive	Self Assessment
Environmental Cleanliness	75% - 99% (Substantive)	85% Substantive	Self Assessment
Environmental Management	75% - 99% (Substantive)	82% Substantive	Self Assessment
<b>Financial Management (core standard)</b>	75% - 99% (Substantive)	94% Substantive	Internal Audit
Fire Safety	75% - 99% (Substantive)	80% Substantive	Internal Audit
Fleet and Transport Management	75% - 99% (Substantive)	84% Substantive	Self Assessment
Food Hygiene	75% - 99% (Substantive)	87% Substantive	Internal Audit
<b>Governance (core standard)</b>	75% - 99% (Substantive)	95% Substantive	Internal Audit
Health & Safety	75% - 99% (Substantive)	83% Substantive	Self Assessment
Human Resources	75% - 99% (Substantive)	98% Substantive	Self Assessment
Infection Control	75% - 99% (Substantive)	94% Substantive	Self Assessment
Information Communication Technology	75% - 99% (Substantive)	82% Substantive	Self Assessment
Management of Purchasing and Supply	75% - 99% (Substantive)	83% Substantive	Self Assessment
Medical Devices and Equipment Management	75% - 99% (Substantive)	80% Substantive	Self Assessment
Medicines Management	75% - 99% (Substantive)	75% Substantive	Self Assessment
Records Management	75% - 99% (Substantive)	83% Substantive	Internal Audit
Research Governance	75% - 99% (Substantive)	87% Substantive	Self Assessment
<b>Risk Management (core standard)</b>	75% - 99% (Substantive)	85% Substantive	Internal Audit
Security Management	75% - 99% (Substantive)	82% Substantive	Internal Audit
Waste Management	75% - 99% (Substantive)	86% Substantive	Self Assessment

Extensive work has been carried out by Controls Assurance leads to achieve these results. The Trust recognise the limited assurance Internal Audit report on ICT environmental controls along with the significant internal control issues identified in this report and have reflected these in the self-assessment scores for any individual criteria affected. However, overall the Trust has achieved substantive compliance for all standards.

## **Review of Effectiveness**

### **Progress on prior year Significant Internal control issues - resolved**

#### Overpayment of Salary

The Trust previously reported in 2009/10 an overpayment of salary of £83,593 to an individual who had left the Trust's employment. The error was identified in November 2009 and payments ceased immediately. Staff in post audits are now carried out on a quarterly basis to ensure adequate controls are in place to mitigate against such overpayments. The matter was referred to DLS in February 2010 and to the PSNI in March 2010. The Trust also reported the matter to DHSSPS, DFP and the Trust's Audit Committee. Through DLS the Trust has now agreed a repayment plan and the Public Prosecution Service (PPS) are currently considering the case for prosecution.

#### Senior Executive Pay

In 2009, the Trust used the opportunity provided by the departure of one Director and the early retirements of two other Directors to make changes to its Executive Team structures. The changes resulted in the overall number of Director posts reducing from twelve to ten and a band reduction of one post with annual net recurring savings expected to be in the order of £146,000. The duties and responsibilities carried out by the three former Directors were allocated following a review to some of the remaining Directors and one new Director was recruited at a lower level.

The Trust notified the Department, in advance in July 2009, of its intention to award those Directors taking on significant additional duties and responsibilities, additional responsibility allowances pending the outcome of a Regional Review of Senior Salaries by the Senior Salaries Review Board (SSRB), after which time the posts could be submitted to the Department for re-evaluation.

In September 2009, the Department notified the Trust that there was no scope within the Senior Executive pay scheme to make such allowances (a failing of the current scheme which is acknowledged by the Department). However, by that time the Trust had already implemented the changes and awarded the additional responsibility allowances.

An internal audit review commissioned by the Department in October 2010, concluded that the Trust had acted outside its authority in that it had not received formal approval from the Department for the payment of these allowances. The Department approved these payments with effect from 1 March 2011 pending a re-evaluation of the posts.

The Northern Ireland Audit Office (NIAO) issued a report in respect of Senior Executive pay and the Trust received a qualified audit opinion on the regularity of these transactions in the 2010/11 financial year.

The Trust has taken account of the Internal Audit Review and its recommendation and revised the Terms of Reference of its Remuneration Committee which were sent to the Permanent Secretary who advised on some minor amendments. The updated Terms of Reference have now been approved by the Remuneration Committee.

The Trust is confident that it has in place the necessary arrangements to ensure that any external approvals necessary to remuneration changes are obtained.

#### Information Governance

As reported in the 2010/11 Statement on Internal Control a serious information governance incident occurred at the now decommissioned Belvoir Park Hospital site. Following a series of unlawful entries to the site, photographs of the covers of patient's records and other patient related material were posted on a number of websites.

It was decided that all records should be moved to secure storage for retention or disposal in line with current Trust Policy. That process is now complete and the site is now clear of all records and other sensitive information material. Over the period of this clearance process, security on the site was increased.

Following the incident the Trust has introduced a new policy on the decommissioning of vacated buildings and departments which includes substantial requirements on Information Governance. A review has also been completed of all vacated buildings currently under the control of the Trust. The ICO was kept apprised of the disused buildings review and clearance project and all buildings were cleared of any information related material.

On the 13 June 2012 the Trust was served with a Civil Monetary Penalty of £225,000 from the Information Commissioner for breach of the Data Protection Act.

### **Progress on prior year Significant Internal control issues - ongoing**

#### Oral Medicine Review

In February 2011 the Trust initiated a call-back exercise and logged a Serious Adverse Incident (SAI) following a formal investigation into concerns regarding the care and treatment provided to five patients by the Oral Medicine Department of the School of Dentistry. The original call back exercise has now been completed and the SAI associated with it has been closed by the HSC Board.

During the latter part of 2011/12, the Trust has been working through the recommendations of the independent inquiry, this work being overseen by the Oral Medicine Clinical Governance Group which is attended by Trust, HSC Board and Public Health Authority (PHA) staff.

The Oral Medicine Clinical Governance Group will shortly consider a report (which in turn will be provided to DHSSPS), outlining how the recommendation that all patients treated in 2010 should be offered a review, has now been achieved.

The Oral Medicine Clinical Governance Group met on 28 May 2012 and it was agreed that a further meeting should take place to consider unresolved matters. It is anticipated that the Group will then be stood down with the continuing implementation of the recommendations from the Dental Inquiry falling to the normal business of the Trust, HSC Board, PHA and DHSSPS.

A second SAI in relation to Oral Medicine was reported to the HSC Board in August 2011 and further queries were received by the Trust on 30 April 2012. The Trust will liaise with the Board's Designated Review Officer and other members of the Clinical Governance workstream to resolve these queries and ensure satisfactory assurance is provided.

#### Management of Maintenance Contracts

In 2010/11 the Trust received a limited assurance Internal Audit report in regard to insufficient monitoring to ensure contracted equipment service and maintenance visits are occurring. In addition there were issues surrounding the award of contracts to suppliers without the use of competitive sourcing. The matters raised in the Internal Audit report were subject to a Report issued by the NIAO on all five HSC Trusts.

The Trust has undertaken a review of all Single Tender Actions where companies were considered sole providers. We have sought confirmation from the manufacturer / service provider of the sole provider status. Procedures are now imbedded for the approval of Single Tender Actions. Contract monitoring arrangements have been assessed and a formal review programme of contractor performance has been developed. The Estates Department will work with the Trusts Medical Devices Manager to audit the performance of the Departmental Equipment Controllers to enable targeted advice and training in the performance of this role.

The Trust has developed a procedure for the procurement of service and maintenance contracts. This has been discussed with colleagues from Health Estates Investment Group (HEIG) and the procedure has also been shared with the Directorate of Legal Services and BSO Procurement and Logistics Service (PaLS).

The Trust has received a satisfactory level of assurance from Internal Audit following the most recent audit of service and maintenance contracts completed in March 2012, however we will continue to address all recommendations made.

#### Trust Estate

The risks presented by the Trust's estate are managed by a combination of processes including compliance with legislation and guidance, the physical condition of the buildings themselves, and also the strategic situation, which considers the potential impact for the estate arising from wider incidents. Many of these issues have been presented to HEIG for capital investment funding under the heading of MES (maintaining existing services).

The Trust estate also faces a range of significant control challenges which require particular investment/development. There are ongoing challenges in the specific areas of fire and environmental improvements, asbestos management/removal, and also water hygiene which require considerable ongoing investment.

The Trust has been successful in bidding for funding to address some of the risks highlighted through existing MES review.

#### **New Significant Internal control issues**

##### Security Contract at Belvoir Park Hospital

Since the 2010/11 year-end an issue was identified by the Trust concerning a breach in procurement processes in relation to the security contract at Belvoir Park Hospital whereby a contract was rolled forward annually since 2006 without any recourse to tendering. The Trust has worked with BSO PaLS to ensure a 'fast track' tendering process was completed and a new contract has been awarded from September 2011.

##### Trust Procurement Processes including Single Tender Actions (STAs)

Since the 2010/11 year-end the Trust has received correspondence from the DHSSPS regarding the procurement processes in relation to Single Tender Actions. The Trust has provided the information requested and complied with the new requirements. The Trust welcomes the Departments findings on the HSC Review of Procurement and will ensure any relevant recommendations not already implemented are brought forward into an Action Plan. The Trust has adopted the new guidance from DHSSPS on single tender actions issued in February 2012 and has developed an Internal Protocol to ensure adherence.

A number of STAs required Departmental approval including;

The HSC Board has approved a business case for the expansion of the regional radiotherapy service provided by the Belfast Trust in the Cancer Centre at Belfast City Hospital.

The Business Case proposed, in line with expected demand that a 9th Linear accelerator should come on stream in 2012 and a 10th in 2014. The current service (8 linear accelerators) is provided under a Managed Equipment Service (MES) contract which runs for 25 years from 2006 to 2031.

The Cancer Centre's ability to maintain access to, and quality of, service depends in part on the capacity of its radiotherapy service. It had belatedly transpired that the existing Public Finance Initiative MES contract gave no scope for automatic expansion. Nevertheless, and in order to safeguard the welfare of patients, single tender action to procure an additional Linac from the existing service provider was proposed. The Department approved the Trust's proposal on the basis that alternative procurement routes would have entailed delay and jeopardised access to service at the Centre.

#### Financial Position

The Trust identified an anticipated deficit of £2.5m in its Trust Delivery Plan for 2011/12 and included a number of key risks and assumptions in relation to its financial plan. With additional funding and the achievement of our savings plan the Trust achieved break-even in 2011/12.

Going forward into 2012/13 financial year the Trust faces significant challenges within a tight funding environment to address clinical targets and capacity issues whilst achieving a balanced financial position.

#### Business Services Transformation Project

The Business Services Transformation Project (BSTP) will change the way that some of the critical business functions in HSC Trusts and organisations are delivered across Northern Ireland. Through modern technology, standardised processes and organisational improvements, BSTP aims to increase operational effectiveness in a range of business functions such as HR, Payroll, Finance, Procurement and Logistics in a shared services environment. Whilst no significant issues arose in the current year this will result in significant change during the 2012/13 financial year. The timetable for implementation of this project is extremely challenging and will continue to result in increased pressure on both the HR and Finance functions in order to achieve a smooth transition from existing to new systems. The Trust is managing this process through regional collaboration and local project management structures. Internal Audit have amended their 2012/13 audit plan to ensure key financial controls continue to be implemented during this process of system migration.

#### Paediatric Surgery Cardiac Review

Belfast Trust provides regional services for children and adults who require cardiac surgery for congenital conditions.

The Trust has been working with HSC Board, Departments of Health (NI and RoI) and Our Lady's Children's Hospital Crumlin to develop a networked service to ensure sustainability and resilience.

The HSC Board has decided that it needs to consider how it commissions the service for children in Northern Ireland and has commissioned an external review to assess the current service provision, activity, outcomes and sustainability of the paediatric congenital cardiac service and will provide assurance on the quality of services for patients in Northern Ireland.

A panel of experts from the UK "Safe & Sustainable" review team will undertake the review of the service in April 2012 and report to the HSC Board by the end of May 2012.

#### Immunology Review at Royal Victoria Hospital

During 2011/12 a group of immunology patients were offered a review appointment at the Royal Victoria Hospital, as a precautionary measure, to ensure they have received appropriate treatment and care.

The review, of adult patients only, follows a report commissioned by Belfast Trust and carried out by an independent expert after concerns were raised about the management of some patients. The issue has been reported as a SAI to the HSC Board.

The Trust has through the Immunology Clinical Governance Group (attended by Trust, HSC Board and PHA staff) taken appropriate action to ensure the safe and effective ongoing care of those patients where concern existed regarding their previous care. The Trust has communicated with those patients who experienced the distress of being part of the recall group and/or experienced a detriment from the care previously provided to them.

It was agreed that the Immunology Clinical Governance Group could be stood down at its last meeting on 22 February 2012, with ongoing patient issues being managed as part of normal Directorate business and outstanding regulatory and employment issues managed by the Medical Director's office.

#### Emergency Departments

On 7 September 2011 the Board of Directors took the decision to temporarily close the Belfast City Hospital A&E Department from 1 November 2011 due to medical staff shortages and associated supervision and training issues. An Emergency Department Implementation Team was established to ensure that the Royal and Mater Emergency Departments could cope with the additional workflow. In addition all nursing and medical staff transferred to either the Royal or the Mater Emergency Departments.

Patients who require urgent care continue to access the Royal Victoria Hospital and Mater Hospital Emergency Departments or alternatively be directed through their GP to an acute assessment unit on the Belfast City Hospital site. The Trust will be issuing a consultation paper on the long-term future of the Emergency Departments in August 2012.

Following a period of sustained pressure in the Emergency Departments in March 2012 the Trust has experienced an increase in the number of "12 hour wait" breaches. Concerns were raised around the system for managing patients through the Emergency Department. Project groups to address and reform the acute medical intake process and to develop effective care of the elderly pathway have now been established. The Trust is working closely with the HSC Board and PHA in this regard.

#### Pseudomonas Outbreak

The Trust declared an outbreak in relation to Pseudomonas within the neo-natal unit of the Royal Jubilee Maternity Service on Thursday 19 January 2012.

The Trust introduced a series of additional actions in collaboration with the DHSSPS, PHA, HSC Board and others and the outbreak was brought under rapid control.

Within Belfast Trust three babies died as a result of pseudomonas and this resulted in considerable press and political attention, culminating in the Minister for Health commissioning an independent report, chaired by Professor Patricia Troop. The Trust also commissioned its own Route Cause Analysis (RCA) investigation which is now complete and its findings and recommendations echo that of Professor Troop's report.

Professor Troop delivered her interim report to the Minister on Wednesday 4 April 2012 and the final report on Thursday 31 May 2012.

The Trust is developing action plans to implement the recommendations of both reports.

#### Radiology Information System

In Belfast Trust the Radiology Information System (RIS) automatically shifts plain film x-rays into individual work lists for radiologists to report. In May 2012 it was discovered that approximately 1,800 plain films requested by secondary care doctors in the Royal Victoria Hospital were not reported as required in 2011. When this matter first came to light on the 28 May 2012, the Trust immediately commenced an appropriate management plan.

All films have now been reported with no adverse or significant findings for patients. Additional manual systems were immediately put in place to ensure that all plain films are identified and allocated to a reporting work list. An urgent review of the incident is underway to determine how this IT workflow issue occurred and to establish if there are any further instances of unreported plain films from previous years.

#### Special Measures

On the 11 April 2012 the Health Minister asked for special measures to be put in place in respect of the oversight of Belfast Trust. These measures have been implemented due to a number of issues arising over recent months including, most recently, the conclusions of the Interim Report on the Review of Incidents of Pseudomonas aeruginosa infection in neonatal units. Special measures will mean that the Minister expects to see a specific and demonstrable improvement in the Trust's quality of service, patient experience, and performance against the strategic priorities, in line with the targets, standards and guidance as set out in the Commissioning Plan Direction and reflected in the Trust's Service and Budgetary Agreement.



The key requirements under special measures will be that:

- a. There will be specific milestones for improvement;
- b. The Department will require monthly reports on progress against the main Ministerial standards and targets in the Commissioning Plan Direction and against the specific milestones, including an assessment by Trust Board of progress;
- c. There will be monthly Governance and Accountability meetings to review progress, and to provide a forum for the Department, with the support of the HSC Board and the PHA, to draw out issues of concern and to discuss any appropriate corrective action.

The special arrangements will provide the Trust with a opportunity to demonstrate the effectiveness of our internal systems.

The Trust has, to date, attended two special measures governance and accountability oversight meetings with the Department, chaired by the Permanent Secretary. In advance of both meetings the Trust submitted detailed reports on progress against agreed milestones. These were complemented by progress reports from the HSC Board in its role of performance management.

In the course of these meetings the Department and the HSC Board acknowledged the progress which had been made by the Trust against the specific milestones and also the assurances provided by the Trust that its system of internal control is working effectively.

The need for special measures arrangements will be kept under review, informed by improvements being made by the Trust, and subject to continued satisfactory progress, the Department has signalled that it is hoped that normal arrangements can be resumed within a few months.

### **Conclusion**

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

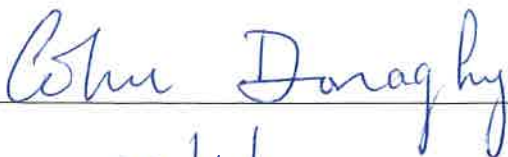
The role of the Trust Board is to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions. Throughout the year the Trust Board has been briefed on control issues by the Chairs of the Audit Committee and Governance Committee.

The Audit committee provides the Trust Board with an independent and objective review on its financial systems of internal control. 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 Assurance Committee.

During the year there were two Internal Audit reports that received limited assurance. Also one report received overall satisfactory assurance with limited assurance in a specific area. The Finance Directorates Governance & Audit Team has embedded an audit process which ensures that all Directorates are aware of their responsibilities for effective internal controls. The Governance & Audit Team have been issuing Action Plans throughout 2011/12 and monitor the implementation of all audit recommendations, in line with the agreed timetable. Those areas that received limited assurance Internal Audit Reports are closely monitored and regular progress reports are provided to the Audit Committee to demonstrate compliance with Action Plans.

The Trust continues to actively manage and address the significant internal control issues identified above and appropriate measures are in place to address these weaknesses.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, Audit Committee, Assurance Committee and sub committees. There is a process in place to instigate Action Plans, address weaknesses and ensure continuous improvement to the system of internal control. Follow up audits are carried out and the Trust will continue to implement the compliance regime during 2012/13.



21/6/12

**Mr Colm Donaghy**

**Accounting Officer**

**Date**

**BELFAST HEALTH AND SOCIAL CARE TRUST**

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

I certify that I have audited the financial statements of the Belfast Health and Social Care Trust 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 Chief Executive and auditor**

As explained more fully in the Statement of Belfast Health and Social Care Trust's and Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with 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 Belfast Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Belfast 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.

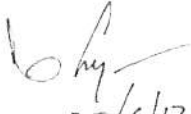
In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

**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:

  
25/6/12

- the financial statements give a true and fair view of the state of Belfast 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 the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements and 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.

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

*27* June 2012

## BELFAST HEALTH & SOCIAL CARE TRUST

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

	NOTE	2012 £000s	Restated 2011 £000s
<b>Expenditure</b>			
Staff costs	3.1	(694,057)	(693,156)
Depreciation	4.0	(41,989)	(43,250)
Other Expenditures	4.0	(481,655)	(441,748)
		<u>(1,217,701)</u>	<u>(1,178,154)</u>
<b>Income</b>			
Income from activities	5.1	40,557	37,206
Other Income	5.2	51,200	43,987
Deferred Income	5.3	0	0
		<u>91,757</u>	<u>80,593</u>
<b>Net Expenditure</b>		<b><u>(1,125,944)</u></b>	<b><u>(1,097,561)</u></b>
<b>Revenue Resource Limit (RRL)</b>	25.1	1,126,117	1,097,625
<b>Surplus/(deficit) against RRL</b>		<b><u>173</u></b>	<b><u>64</u></b>

### OTHER COMPREHENSIVE EXPENDITURE

	NOTE	2012 £000s	2011 £000s
Net gain/(loss) on revaluation of Property, Plant and Equipment	6.1-6.2/10	13,321	7,469
Net gain/(loss) on revaluation of Intangibles	7.1-7.2/10	0	0
Net gain/(loss) on revaluation of available for sale financial assets		0	0
		<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2012</b>		<b><u>(1,112,623)</u></b>	<b><u>(1,090,092)</u></b>

The notes on pages 22 to 63 form part of these accounts.

# BELFAST HEALTH & SOCIAL CARE TRUST

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	NOTE	2012		Restated 2011		Restated 2010	
		£000s	£000s	£000s	£000s	£000s	£000s
<b>Non Current Assets</b>							
Property, Plant and Equipment	6	1,025,888		980,660		933,604	
Intangible assets	7	4,800		2,497		2,283	
<b>Total Non Current Assets</b>			<u>1,030,688</u>		<u>983,157</u>		<u>935,887</u>
<b>Current Assets</b>							
Assets classified as held for sale	9	585		665		705	
Inventories	11	11,616		10,581		10,253	
Trade and other Receivables	12	36,088		40,738		54,767	
Other current assets	12	2,919		2,951		3,519	
Cash and cash equivalents	13	21,057		15,407		13,848	
<b>Total Current Assets</b>			<u>72,265</u>		<u>70,342</u>		<u>83,092</u>
<b>Total Assets</b>			<u><b>1,102,953</b></u>		<u><b>1,053,499</b></u>		<u><b>1,018,979</b></u>
<b>Current Liabilities</b>							
Trade and other Payables	14	(174,001)		(164,377)		(148,716)	
Other Liabilities	14	(2,882)		(575)		(1,574)	
Provisions	16	(30,343)		(32,151)		(35,000)	
<b>Total Current Liabilities</b>			<u>(207,226)</u>		<u>(197,103)</u>		<u>(185,290)</u>
<b>Non Current Assets plus/less Net Current Assets / Liabilities</b>			<u><b>895,727</b></u>		<u><b>853,396</b></u>		<u><b>833,689</b></u>
<b>Non Current liabilities</b>							
Provisions	16	(22,304)		(18,662)		(23,143)	
Other Payables > 1 yr	14	(4,195)		(6,116)		(6,691)	
<b>Total Non Current Liabilities</b>			<u>(26,499)</u>		<u>(24,778)</u>		<u>(29,834)</u>
<b>ASSETS LESS LIABILITIES</b>			<u><b>869,228</b></u>		<u><b>831,618</b></u>		<u><b>803,855</b></u>
<b>TAXPAYERS' EQUITY</b>							
Revaluation Reserve			88,422		75,365		68,279
SoCNE Reserve			780,806		756,253		735,576
			<u>869,228</u>		<u>831,618</u>		<u>803,855</u>

The notes on pages 22 to 63 form part of these accounts.

Signed..........(Chairman)

Date.....13.6.2012

Signed..........(Chief Executive)

Date.....13/6/12

## BELFAST HEALTH & 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	Total Reserve £000s
<b>Balance at 31 March 2010</b>		704,707	66,690	32,458	803,855
Change in accounting policy – removal of donated asset reserves	1.27	30,869	1,589	(32,458)	0
<b>Restated balance at 1 April 2010</b>		<b>735,576</b>	<b>68,279</b>	<b>0</b>	<b>803,855</b>
<b>Changes in taxpayers equity 2010-11</b>					
Grant from DHSSPS		1,117,900	0	0	1,117,900
(Comprehensive expenditure for the year)		(1,097,561)	7,469	0	(1,090,092)
Transfers between reserves		383	(383)	0	0
Transfer of asset ownership		(130)	0	0	(130)
Non cash charges - auditors remuneration	4	85	0	0	85
<b>Balance at 31 March 2011</b>		<b>756,253</b>	<b>75,365</b>	<b>0</b>	<b>831,618</b>
<b>Changes in taxpayers equity 2011-12</b>					
Grant from DHSSPS		1,150,000	0	0	1,150,000
(Comprehensive expenditure for the year)		(1,125,944)	13,321	0	(1,112,623)
Transfers between reserves		264	(264)	0	0
Transfer of asset ownership		(54)	0	0	(54)
Non cash charges - auditors remuneration	4	89	0	0	89
Movement – Other		198	0	0	198
<b>Balance at 31 March 2012</b>		<b>780,806</b>	<b>88,422</b>	<b>0</b>	<b>869,228</b>

# BELFAST HEALTH & SOCIAL CARE TRUST

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2012

	NOTE	2012 £000s	Restated 2011 £000s
<b>Cashflows from operating activities</b>			
Net expenditure after interest		(1,125,944)	(1,097,561)
Adjustments for non cash costs		63,687	59,560
(Increase)/decrease in trade & other receivables		4,682	14,598
<i>Less movements in receivables relating to items not passing through the SoCNE</i>			
Movements in receivables relating to the sale of property, plant and equipment		66	131
Movements in receivables relating to the sale of intangibles		0	0
Movements in receivables relating to finance leases		0	0
Movements in receivables relating to PFI and other service concession arrangement contracts		0	0
(Increase)/decrease in inventories		(1,035)	(328)
Increase/(decrease) in trade payables		10,010	14,087
<i>Less movements in payables relating to items not passing through the SoCNE</i>			
Movements in payables relating to the purchase of property, plant and equipment		(4,165)	(7,235)
Movements in payables relating to the purchase of intangibles		0	0
Movements in payables relating to finance leases		0	0
Movements in payables relating to PFI and other service concession arrangement contracts		155	(1,574)
Use of provisions	16	(10,061)	(15,415)
<b>Net cash outflow from operating activities</b>		<b>(1,062,605)</b>	<b>(1,033,737)</b>
<b>Cashflows from investing activities</b>			
(Purchase of property, plant & equipment)	6	(78,529)	(83,293)
(Purchase of intangible assets)	7	(3,155)	(917)
Proceeds of disposal of property, plant & equipment		94	32
Proceeds on disposal of intangibles		0	0
Proceeds on disposal of assets held for resale		0	0
<b>Net Cash (Outflow) from investing activities</b>		<b>(81,590)</b>	<b>(84,178)</b>
<b>Cash flows from financing activities</b>			
Grant in aid		1,150,000	1,117,900
Cap element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		(155)	1,574
<b>Net financing</b>		<b>1,149,845</b>	<b>1,119,474</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents in the period</b>		<b>5,650</b>	<b>1,559</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	13	<b>15,407</b>	<b>13,848</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	13	<b>21,057</b>	<b>15,407</b>

The notes on pages 22 to 63 form part of these accounts.

# **BELFAST HEALTH & SOCIAL CARE TRUST**

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

### **NOTE 1 STATEMENT OF ACCOUNTING POLICIES**

#### **1 Authority**

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

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

#### **1.1 Accounting Convention**

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

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

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

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

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

##### **Recognition**

Property, plant and equipment must be capitalised if:

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

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

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

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

The last valuation was carried out on 31 January 2010 by Land and Property Services (LPS) which is an independent executive within the Department of Finance and Personnel. The valuers are qualified to meet the 'Member of Royal Institution of Chartered Surveyors' (MRICS) standard. The valuation at 31 January 2010 was considered by LPS to be not materially different to 31 March 2012 and there has therefore been no change to the values used.

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



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

Fair values are determined as follows:

- Land and non-specialised buildings - open market value for existing use
- Specialised buildings - depreciated replacement cost
- Properties surplus to requirements - the lower of open market value less any material directly attributable selling costs or book value at date of moving to non current assets.

#### **Modern Equivalent Asset**

DFP has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services 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. The Trust has no borrowing costs and as such, no interest is capitalised in this respect.

#### **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 the estimated life of fixtures and equipment exceeds 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

#### **Revaluation Reserve**

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

### **1.4 Depreciation**

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

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used:

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

### **1.5 Impairment loss**

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. If the impairment is due to the consumption of economic benefits, the full amount of the impairment is charged to the 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 to expenditure to the extent of the decrease previously charged there and thereafter to the Revaluation Reserve.

#### **1.6 Subsequent expenditure**

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

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

#### **1.7 Intangible assets**

Intangible assets 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 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 General Reserve.

With effect from 1 April 2011, DFP changed the above policy on donated asset reserves. The donation reserve no longer exists and balances transferred 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 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 of 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 Net Expenditure.

#### **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.

#### **Off Statement of Financial Position PFI**

The Trust has one off Statement of Financial Position PFI agreement where the asset has been determined under IFRS to belong to the contractor. The Trust does not have the asset on its Statement of Financial Position, no payments to the contractor are made therefore no financial impact to the Trust is reflected in the Statement of Comprehensive Net Expenditure.

### **1.17 Financial instruments**

#### **Financial Assets**

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

Financial assets are initially recognised at fair value.

#### **Financial liabilities**

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

Financial liabilities are initially recognised at fair value.

#### **Financial risk management**

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

#### **Currency risk**

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

#### **Interest rate risk**

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

#### **Credit risk**

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

### **Liquidity risk**

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

### **1.18 Provisions**

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

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

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

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

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

### **1.19 Contingencies**

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

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

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

### **1.20 Employee benefits**

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

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2009. It is not anticipated that the level of untaken leave will vary significantly from year to year.

#### **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 will be 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.

### 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 amended £000
SoCNE – Net Expenditure	Nil	Nil
RRL	Nil	Nil
SOCNE – Total Comprehensive Expenditure	Nil	Nil

The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

### 1.25 Losses and Special Payments

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

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

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

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

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

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

There were two changes in Accounting policy during the year. The prior year figures have been changed in the accounts (where material) to reflect the changes in accounting policy. In the Statement of Financial Position the previous two years have been restated to comply with IAS 1 paragraph 39. The changes were;

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

Income, expenditure, reserves and RRL have been restated in the comparative years to reflect this.

**The tables below shows the effect of the above prior year adjustment**

<b>2010-11</b>	<b>Donation Reserve</b>	<b>Govt. Grant Reserve</b>	<b>Total</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Income	2,220	-	2,220
Expenditure	636	-	636
Donation Reserve	31,352	-	31,352
Revaluation Reserve	1,946	-	1,946
SoCNE Reserve	29,406	-	29,406
RRL	1,584	-	1,584

<b>2009-10</b>	<b>Donation Reserve</b>	<b>Govt. Grant Reserve</b>	<b>Total</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Donation Reserve	(32,458)	-	(32,458)
Revaluation Reserve	1,589	-	1,589
SoCNE Reserve	30,869	-	30,869

**(ii) Reclassification of Income within income categories per Note 5**

Changes in income classification have taken place during the year following guidance from the Department of Health to ensure consistent coding is applied across the Health and Social Care sector in preparation for migration to a regional IT billing system. The changes in income classification have been applied to comparative figures as outlined below, in line with the requirements of IAS 1.



The 2010/11 income balance disclosed remains consistent with the prior year financial statements. However, the classification of a number of prior year income activities have been restated in line with the current year financial statements to improve comparability within the current year financial statements.

**The tables below shows the effect of the above prior year adjustment**

	<b>2011 Revised</b>	<b>2011 Prior</b>	<b>2011 Differences</b>	
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	
<b>Income from Activities</b>				
GB/Republic of Ireland Health Authorities	604	618	-	14
HSC Trusts	878	8,272	-	7,394
Non-HSS - Private Patients	3,333	3,228		105
Non-HSS - Other	2,963	5,210	-	2,247
Clients Contributions	29,428	29,302		126
<b>Total</b>	<b>37,206</b>	<b>46,630</b>	-	<b>9,424</b>
<b>Other Operating Income</b>				-
Other Income from non-patient services	31,620	7,860		23,760
Seconded Staff	5,791	5,791		-
Charitable and other Contributions to expenditure	5,471	7,482	-	2,011
Other Income	-	12,325	-	12,325
Donations for non-current assets	505	-		505
<b>Total</b>	<b>43,387</b>	<b>33,458</b>		<b>9,929</b>
<b>Transfers from Reserves</b>				
Donated asset reserve transfer for depreciation	-	2,725	-	2,725
<b>Total</b>	<b>-</b>	<b>2,725</b>	-	<b>2,725</b>
<b>Total Income</b>	<b>80,593</b>	<b>82,813</b>	-	<b>2,220</b>

## BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

### ANALYSIS OF STATEMENT OF COMPREHENSIVE NET EXPENDITURE BY SEGMENT

Note 2 Service Group/Corporate Group	2012				2011			
	Staff Costs £'000	Other Expenditure £'000	Total Expenditure £'000	% of Total	Staff Costs £'000	Other Expenditure £'000	Total Expenditure £'000	% of Total
Cancer and Specialist Services	118,140	80,692	198,832	17.2%	115,239	75,800	191,039	17.0%
Social and Primary Care	174,307	150,987	325,294	28.1%	171,541	146,584	318,125	28.3%
Acute Services	227,343	126,427	353,770	30.5%	223,067	108,750	331,817	29.5%
Specialist Hospitals and Childcare	70,718	9,433	80,151	6.9%	69,449	11,141	80,590	7.2%
Patient and Client Support Services	44,930	15,844	60,774	5.2%	44,726	16,448	61,174	5.4%
Other Trust Service/Corporate Group	58,619	82,054	140,673	12.1%	69,134	71,342	140,476	12.6%
<b>Expenditure for Reportable Segments net of Non Cash RRL per Note 25</b>	<b>694,057</b>	<b>465,437</b>	<b>1,159,494</b>	<b>100.0%</b>	<b>693,156</b>	<b>430,065</b>	<b>1,123,221</b>	<b>100.0%</b>
<b>Non Cash RRL</b>			<b>58,207</b>				<b>54,933</b>	
<b>Total Expenditure per Statement of Comprehensive Net Expenditure</b>			<b>1,217,701</b>				<b>1,178,154</b>	
<b>Income Note 5</b>			<b>91,757</b>				<b>80,593</b>	
<b>Net Expenditure</b>			<b>1,125,944</b>				<b>1,097,561</b>	
<b>Revenue Resource Limit</b>			<b>1,126,117</b>				<b>1,097,625</b>	
<b>Surplus / (Deficit) against RRL</b>			<b>173</b>				<b>64</b>	

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

The Chief Operating Decision Maker does not receive information on asset split by segment and as such has not reported in this respect.

# BELFAST HEALTH & 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 & Salaries	592,942	567,755	25,187	594,900
Social security costs	42,765	42,765	0	40,245
Other pension costs	58,647	58,647	0	58,011
<b>Sub-Total</b>	<b>694,354</b>	<b>669,167</b>	<b>25,187</b>	<b>693,156</b>
Capitalised staff costs	297	297	0	0
<b>Total staff costs reported in Statement of Comprehensive Expenditure</b>	<b>694,057</b>	<b>668,870</b>	<b>25,187</b>	<b>693,156</b>
Less recoveries in respect of outward secondments	(6,086)			(5,791)
<b>Total net costs</b>	<b>687,971</b>			<b>687,365</b>

Staff costs exclude £297,000 charged to capital projects during the year (2011: £0k)

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

#### 3.2 Average number of persons employed

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

	2012			2011
	Total No.	Permanently employed staff No.	Others No.	Total No.
Medical and Dental	1,652	1,513	139	1,629
Nursing and Midwifery	6,046	5,946	100	6,142
Professions Allied to medicine	2,429	2,396	33	2,382
Ancillaries	1,733	1,713	20	1,831
Administrative and clerical	3,167	2,977	190	3,198
Ambulance staff	0	0	0	0
Works	206	206	0	205
Social Services	1,922	1,871	51	1,909
<b>Total average number of persons employed</b>	<b>17,155</b>	<b>16,622</b>	<b>533</b>	<b>17,296</b>
Less average staff number relating to capitalised staff costs	9	9	0	0
Less average staff number in respect of outward secondments	135	135	0	141
<b>Total net average number of persons employed</b>	<b>17,011</b>	<b>16,478</b>	<b>533</b>	<b>17,155</b>

# BELFAST HEALTH & 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	2011-12			2010-11		
	Salary £000s	Bonus / Performance pay £000s	Benefits in Kind (Rounded to nearest £100)	Salary £000s	Bonus / Performance pay £000s	Benefits in Kind (Rounded to nearest £100)
<b>Non-Executive Members</b>						
P McCartan	30-35	N/A	0	30-35	N/A	0
E Evason	5-10	N/A	0	5-10	N/A	0
L Drew	5-10	N/A	0	5-10	N/A	0
C Jenkins	5-10	N/A	0	5-10	N/A	0
V McGarrell	5-10	N/A	0	5-10	N/A	0
T Hartley	5-10	N/A	0	5-10	N/A	0
J O'Kane	5-10	N/A	0	5-10	N/A	0
MJ Allen	5-10	N/A	0	5-10	N/A	0
<b>Executive Members</b>						
W McKee (until 30 September 2010) (1)	0-5	N/A	N/A	70-75	N/A	0-2.5
C Donaghy (appointed 1 October 2010)	145-150	N/A	0-2.5	70-75	N/A	0-2.5
A Stevens	170-175	N/A	N/A	180-185	N/A	N/A
W Galbraith (until 18 October 2010) (2)	0-5	N/A	N/A	60-65	N/A	N/A
M Dillon (appointed 11 October 2010)	110-115	N/A	N/A	45-50	N/A	0-2.5
M Mallon	95-100	N/A	0-2.5	95-100	N/A	0-2.5
P Donnelly	95-100	N/A	N/A	100-105	N/A	N/A
D Stockman (until 16 January 2012) (3)	70-75	N/A	N/A	85-90	N/A	N/A
J Welsh	75-80	N/A	0-2.5	75-80	N/A	0-2.5
B McNally	90-95	N/A	N/A	90-95	N/A	N/A
B Creaney	70-75	N/A	N/A	70-75	N/A	N/A
C McNicholl (appointed 01 March 2010)	75-80	N/A	N/A	80-85	N/A	N/A
B Barry (acting from 01 November 2009)	85-90	N/A	N/A	85-90	N/A	N/A

(1) Mr W Mc Kee retired as Chief Executive from Belfast HSC Trust 30 September 2010 - estimated full year equivalent salary £140-£145k

(2) Mrs W Galbraith Director of Finance left Belfast HSC Trust 18 October 2010 - estimated full year equivalent salary £105-£110k

(3) Mrs D Stockman left Belfast HSC Trust 16 January 2012 - estimated full year equivalent salary £85-£90k

The Benefits in Kind listed above relate to Leased Cars.

# BELFAST HEALTH & 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 (Cont'd)

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	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
			CETV at 31/03/11 £000s	CETV at 31/03/12 £000s	
<b>Non-Executive Members</b>					
P McCartan	N/A	N/A	N/A	N/A	N/A
E Evason	N/A	N/A	N/A	N/A	N/A
L Drew	N/A	N/A	N/A	N/A	N/A
C Jenkins	N/A	N/A	N/A	N/A	N/A
V Mc Garrell	N/A	N/A	N/A	N/A	N/A
T Hartley	N/A	N/A	N/A	N/A	N/A
J O'Kane	N/A	N/A	N/A	N/A	N/A
MJ Allen	N/A	N/A	N/A	N/A	N/A
<b>Executive Members</b>					
C Donaghy (appointed 1 October 2010)	117.5 - 120	235 - 240	1,076	1,182	106
A Stevens	-2.5 - 0	240 - 245	1,170	1,264	94
M Dillon (appointed 11 October 2010)	85 - 87.5	145 - 150	616	710	94
M Mallon	-7.5 - 5	175 - 180	869	903	34
P Donnelly	-2.5 - 0	170 - 175	907	951	44
D Stockman (until 16 January 2012)	N/A	N/A	N/A	N/A	N/A
J Welsh	2.5 - 5	55-60	173	228	55
B McNally	0 - 2.5	110 - 115	502	558	56
B Creaney	0 - 2.5	85 - 90	288	344	56
C McNicholl (appointed 01 March 2010)	-2.5 - 0	130 - 135	548	609	61
B Barry (acting from 01 November 2009)	-2.5 - 0	140 - 145	683	749	66

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

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

\* CETV are at year end or date of retirement/resignation depending on which is earlier.

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.

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 3 STAFF NUMBERS AND RELATED COSTS

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

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	4	1	4	1
£10,000 - £25,000	0	0	13	4	13	4
£25,000 - £50,000	0	0	26	8	26	8
£50,000 - £100,000	0	0	15	12	15	12
£100,000- £150,000	0	0	5	7	5	7
£150,000- £200,000	0	0	2	8	2	8
>£200,000	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	0	0	65	40	65	40
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total resource cost</b>	0	0	3,455	3890	3,455	3890

The comparative figures in 2010/11 above are different from the utilised figure at note 16 due to the differences between estimated and actual costs.

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 for 2011/12 are accounted for in full in the year in which the exit package is approved and agreed and are included as operating costs at note 4, whereas the above exit cost comparatives for 2010/11 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. 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.

#### 3.5 Staff Benefits

The Belfast HSC Trust has no staff benefits.

#### 3.6 Trust Management Costs

	2012 £000s	Restated 2011 £000s
Trust Management Costs	38,952	42,119
<b>Income:</b>		
RRL	1,124,656	1,097,625
Income per Note 5	91,757	80,593
Non cash RRL for movement in clinical negligence provision	(6,317)	(14,784)
Less interest receivable	0	0
<b>Total Income</b>	<b>1,210,096</b>	<b>1,163,434</b>
<b>% of total income</b>	<b>3.2%</b>	<b>3.6%</b>

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

#### 3.7 Retirements due to ill-health

During 2011/12 there were 50 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £197,000. These costs are borne by the HSC Pension Scheme.

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 4 OPERATING EXPENSES

#### Operating Expenses

#### 4.0 Operating Expenses are as follows:-

	<b>2012</b>	<b>Restated</b>
	<b>£000s</b>	<b>2011</b>
		<b>£000s</b>
Purchase of care from non-HSC bodies	142,846	128,214
Revenue Grants to voluntary organisations	11,712	11,374
Capital Grants to voluntary organisations	0	0
Personal social services	10,984	10,475
Recharges from other HSC organisations	7,673	5,965
Supplies and services - clinical	177,211	165,004
Supplies and services - general	12,064	12,344
Establishment	12,361	12,349
Transport	1,208	1,218
Premises	63,778	60,442
Bad debts	(705)	1,481
Rentals under operating leases	760	752
Interest charges	1,282	1,309
PFI Service charges	8,801	7,869
Costs of exit packages provided for	3,455	0
Miscellaneous expenditure	6,527	6,640
<b>Non cash items</b>		
Depreciation	41,989	43,250
Amortisation	825	733
Impairments	8,858	7,411
(Profit) on disposal of property, plant & equipment (excluding profit on land)	0	(1)
(Profit) on disposal of intangibles	0	0
Loss on disposal of property, plant & equipment (including land)	31	0
Loss on disposal of intangibles	0	0
Provisions provided for in year	10,823	6,976
Unwinding of discount on Provisions	1,072	1,108
Auditors remuneration	89	85
<b>Total</b>	<b>523,644</b>	<b>484,998</b>

During the year the Trust purchased no non audit services from its external auditor the Northern Ireland Audit Office.

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 5 INCOME

#### 5.1 Income from Activities

	<b>2012</b>	<b>Restated</b>
	<b>£000s</b>	<b>2011</b>
		<b>£000s</b>
GB/Republic of Ireland Health Authorities	815	604
HSC Trusts	874	878
Non-HSS:- Private patients	3,963	3,333
Non-HSS:- Other	4,549	2,963
Clients' contributions	30,356	29,428
<b>Total</b>	<b>40,557</b>	<b>37,206</b>

#### 5.2 Other Operating Income

	<b>2012</b>	<b>2011</b>
	<b>£000s</b>	<b>£000s</b>
Other income from non-patient services	37,432	31,620
Seconded staff	6,086	5,791
Charitable and other contributions to expenditure	5,099	5,471
Donations / Government grant / Lottery funding for non-current assets	2,583	505
<b>Total</b>	<b>51,200</b>	<b>43,387</b>

#### 5.3 Deferred Income

	<b>2012</b>	<b>2011</b>
	<b>£000s</b>	<b>£000s</b>
Income released from conditional grants	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

#### TOTAL INCOME

<b>91,757</b>	<b>80,593</b>
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# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 6.1 Property, Plant & 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	141,363	639,116	25,548	124,852	141,499	7,087	26,600	5,881	1,111,946
Indexation	0	23,094	933	0	12,602	0	0	0	36,629
Additions	455	12,583	495	47,153	14,447	705	4,378	663	80,879
Donations	0	1,079	0	1,000	394	0	107	3	2,583
Reclassification	0	0	0	0	0	0	0	0	0
Transfers	(231)	24,985	0	(24,763)	(1,428)	171	73	895	(298)
Revaluation	139	1,709	0	0	0	0	0	0	1,848
(Impairments)	(21,341)	(745)	0	(2,806)	0	0	0	0	(24,892)
(Disposals)	(280)	(723)	0	0	(8,380)	(406)	(4,633)	0	(14,422)
<b>At 31 March 2012</b>	<b>120,105</b>	<b>701,098</b>	<b>26,976</b>	<b>145,436</b>	<b>159,134</b>	<b>7,557</b>	<b>26,525</b>	<b>7,442</b>	<b>1,194,273</b>
<b>Depreciation</b>									
At 1 April 2011	0	21,102	917	0	90,711	4,496	11,203	2,857	131,286
Indexation	0	766	33	0	8,091	0	0	0	8,890
Reclassification	0	0	0	0	0	0	0	0	0
Transfers	0	52	0	0	(584)	28	86	402	(16)
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	0	0	0	0	0	0	0	0	0
(Disposals)	0	(433)	0	0	(8,296)	(402)	(4,631)	0	(13,762)
Provided during the year	0	22,054	1,004	0	13,289	693	4,473	474	41,987
<b>At 31 March 2012</b>	<b>0</b>	<b>43,541</b>	<b>1,954</b>	<b>0</b>	<b>103,211</b>	<b>4,815</b>	<b>11,131</b>	<b>3,733</b>	<b>168,385</b>
<b>Carrying Amount</b>									
At 31 March 2012	<b>120,105</b>	<b>657,557</b>	<b>25,022</b>	<b>145,436</b>	<b>55,923</b>	<b>2,742</b>	<b>15,394</b>	<b>3,709</b>	<b>1,025,888</b>
At 31 March 2011	<b>141,363</b>	<b>618,014</b>	<b>24,631</b>	<b>124,852</b>	<b>50,788</b>	<b>2,591</b>	<b>15,397</b>	<b>3,024</b>	<b>980,660</b>
<b>Asset financing</b>									
Owned	116,451	640,284	22,910	145,436	35,866	2,742	15,394	3,709	982,792
Finance Leased On B/S PFI contracts	3,654	14,941	2,112	0	0	0	0	0	20,707
	0	2,332	0	0	20,057	0	0	0	22,389
<b>Carrying Amount</b>									
At 31 March 2011	<b>120,105</b>	<b>657,557</b>	<b>25,022</b>	<b>145,436</b>	<b>55,923</b>	<b>2,742</b>	<b>15,394</b>	<b>3,709</b>	<b>1,025,888</b>

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure in respect of assets held under finance leases and hire purchase contracts is £0 (2011 £0).

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

	2012 £000s	2011 £000s
Donations	2,583	417
Government grant	0	0
Lottery funding	0	0

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

The Trust's Land, Buildings and Dwellings were all revalued at 31 January 2010 by Land and Property Services. The valuations were carried out by the following valuers:  
Mr. I. Jamison BA MRICS  
Mr G. Coen Dip Est Man MRICS  
Ms. O. Maginness BSc(Hons)

**BELFAST HEALTH & SOCIAL CARE TRUST**

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

**NOTE 6.2 Property, Plant & 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	166,061	597,321	25,847	76,672	136,463	6,641	30,062	5,163	1,044,230
Indexation	0	22,200	980	0	3,367	0	0	0	26,547
Additions	50	13,115	1,147	55,894	10,945	414	7,859	691	90,115
Donations	0	4	0	0	347	0	47	19	417
Reclassification	0	0	0	0	0	0	0	0	0
Transfers	184	6,826	0	(7,714)	(21)	331	(143)	88	(449)
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	(24,909)	0	0	0	0	0	0	0	(24,909)
Reversal of impairments	0	650	0	0	0	0	0	0	650
(Disposals)	(23)	(1,000)	(2,426)	0	(9,602)	(299)	(11,225)	(80)	(24,655)
At 31 March 2011	<b>141,363</b>	<b>639,116</b>	<b>25,548</b>	<b>124,852</b>	<b>141,499</b>	<b>7,087</b>	<b>26,600</b>	<b>5,881</b>	<b>1,111,946</b>
<b>Depreciation</b>									
At 1 April 2010	0	0	0	0	84,509	4,104	19,492	2,521	110,626
Indexation	0	0	0	0	2,086	0	0	0	2,086
Reclassification	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	45	(10)	(118)	25	(58)
Revaluation	0	0	0	0	0	0	0	0	0
(Impairments)	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
(Disposals)	0	(1,000)	(2,426)	0	(9,600)	(297)	(11,216)	(79)	(24,618)
Provided during the year	0	22,102	3,343	0	13,671	699	3,045	390	43,250
At 31 March 2011	<b>0</b>	<b>21,102</b>	<b>917</b>	<b>0</b>	<b>90,711</b>	<b>4,496</b>	<b>11,203</b>	<b>2,857</b>	<b>131,286</b>
<b>Carrying Amount</b>									
At 31 March 2011	<b>141,363</b>	<b>618,014</b>	<b>24,631</b>	<b>124,852</b>	<b>50,788</b>	<b>2,591</b>	<b>15,397</b>	<b>3,024</b>	<b>980,660</b>
At 1 April 2010	<b>166,061</b>	<b>597,321</b>	<b>25,847</b>	<b>76,672</b>	<b>51,954</b>	<b>2,537</b>	<b>10,570</b>	<b>2,642</b>	<b>933,604</b>
<b>Asset financing</b>									
Owned	137,159	602,951	22,565	124,852	31,591	2,591	15,397	3,024	940,130
Finance Leased On B/S PFI contracts	4,204	12,760	2,066	0	0	0	0	0	19,030
	0	2,303	0	0	19,197	0	0	0	21,500
<b>Carrying Amount</b>									
At 31 March 2011	<b>141,363</b>	<b>618,014</b>	<b>24,631</b>	<b>124,852</b>	<b>50,788</b>	<b>2,591</b>	<b>15,397</b>	<b>3,024</b>	<b>980,660</b>
<b>Asset financing</b>									
Owned	161,185	581,749	23,815	76,672	31,816	2,537	10,570	2,642	890,986
Finance Leased On B/S PFI contracts	4,876	13,303	2,032	0	0	0	0	0	20,211
	0	2,269	0	0	20,138	0	0	0	22,407
<b>Carrying Amount</b>									
At 1 April 2010	<b>166,061</b>	<b>597,321</b>	<b>25,847</b>	<b>76,672</b>	<b>51,954</b>	<b>2,537</b>	<b>10,570</b>	<b>2,642</b>	<b>933,604</b>

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 7.1 INTANGIBLE ASSETS - Year ended 31 March 2012

Cost or Valuation	Software licenses £000s	Software £000s	Total £000s
At 1 April 2011	6,598	0	6,598
Indexation	0	0	0
Additions	3,155	0	3,155
Donations	0	0	0
Reclassifications	0	0	0
Transfers	(13)	0	(13)
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	(2,070)	0	(2,070)
At 31 March 2012	<b>7,670</b>	<b>0</b>	<b>7,670</b>
<b>Amortisation</b>			
At 1 April 2011	4,101	0	4,101
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	13	0	13
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	(2069)	0	(2069)
Provided during the year	825	0	825
At 31 March 2012	<b>2,870</b>	<b>0</b>	<b>2,870</b>
<b>Carrying Amount</b>			
At 31 March 2012	<b>4,800</b>	<b>0</b>	<b>4,800</b>
At 31 March 2011	<b>2,497</b>	<b>0</b>	<b>2,497</b>
<b>Asset financing</b>			
Owned	4,800	0	4,800
Finance Leased	0	0	0
On B/S PFI contracts	0	0	0
<b>Carrying Amount</b>			
At 31 March 2012	<b>4,800</b>	<b>0</b>	<b>4,800</b>

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

	2012 £000s	2011 £000s
Donations	0	0
Government grant	0	0
Lottery funding	0	0

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 7.2 INTANGIBLE ASSETS - Year ended 31 March 2011

<b>Cost or Valuation</b>	<b>Software licenses £000s</b>	<b>Software £000s</b>	<b>Total £000s</b>
At 1 April 2010	7,469	0	7,469
Indexation	0	0	0
Additions	829	0	829
Donations	88	0	88
Reclassifications	0	0	0
Transfers	53	0	53
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	(1,841)	0	(1,841)
At 31 March 2011	<b>6,598</b>	<b>0</b>	<b>6,598</b>
<b>Amortisation</b>			
At 1 April 2010	5,186	0	5,186
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	24	0	24
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	(1,841)	0	(1,841)
Provided during the year	732	0	732
At 31 March 2011	<b>4,101</b>	<b>0</b>	<b>4,101</b>
<b>Carrying Amount</b>			
At 31 March 2011	<b>2,497</b>	<b>0</b>	<b>2,497</b>
At 1 April 2010	<b>2,283</b>	<b>0</b>	<b>2,283</b>
<b>Asset financing</b>			
Owned	2,497	0	2,497
Finance Leased	0	0	0
On B/S PFI contracts	0	0	0
<b>Carrying Amount</b>			
At 31 March 2011	<b>2,497</b>	<b>0</b>	<b>2,497</b>
<b>Asset financing</b>			
Owned	2,283	0	2,283
Finance Leased	0	0	0
On B/S PFI contracts	0	0	0
<b>Carrying Amount</b>			
At 1 April 2010	<b>2,283</b>	<b>0</b>	<b>2,283</b>

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 8 FINANCIAL INSTRUMENTS

#### 8.1 Financial instruments

The Belfast HSC Trust has no financial instruments.

### NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

	Land			Buildings			Total		
	2012 £000s	2011 £000s	2010 £000s	2012 £000s	2011 £000s	2010 £000s	2012 £000s	2011 £000s	2010 £000s
<b>Cost</b>									
At 1 April	430	705	387	235	0	310	665	705	697
Transfers from non current assets	177	0	678	79	235	(170)	256	235	508
Impairments	(172)	(144)	0	(60)	0	0	(232)	(144)	0
(Disposals)	(100)	(131)	(360)	0	0	(140)	(100)	(131)	(500)
At 31 March	<b>335</b>	<b>430</b>	<b>705</b>	<b>254</b>	<b>235</b>	<b>0</b>	<b>589</b>	<b>665</b>	<b>705</b>
<b>Depreciation</b>									
At 1 April	0	0	0	0	0	2	0	0	2
Transfers from non current assets	0	0	0	4	0	0	4	0	0
(Disposals)	0	0	0	0	0	(2)	0	0	(2)
At 31 March	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Net book value at 31 March</b>	<b>335</b>	<b>430</b>	<b>705</b>	<b>250</b>	<b>235</b>	<b>0</b>	<b>585</b>	<b>665</b>	<b>705</b>

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

During the year ended 31 March 2012, land at Parkmount, 704 Shore Road, Belfast was sold. Fair value at disposal date was £100,000.

At 31 March 2012 non current assets held for resale comprise ;

- 92 UniversityStreet, Belfast;
- 195 Templemore Avenue
- Annadale Avenue
- 53/57 Davaar Avenue

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### 10 IMPAIRMENTS

	2012		
	Property, Plant & Equipment	Intangibles	Total
	£000s	£000s	£000s
Total value of impairments for the period	25,124	0	25,124
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	(16,266)	0	(16,266)
<b>Impairments charged / (credited) to Statement of Comprehensive Net Expenditure</b>	<b><u>8,858</u></b>	<b><u>0</u></b>	<b><u>8,858</u></b>
	Restated 2011		
	Property, Plant & Equipment	Intangibles	Total
	£000s	£000s	£000s
Total value of impairments for the period	24,403	0	24,403
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	(16,992)	0	(16,992)
<b>Impairments charged / (credited) to Statement of Comprehensive Net Expenditure</b>	<b><u>7,411</u></b>	<b><u>0</u></b>	<b><u>7,411</u></b>
	Restated 2010		
	Property, Plant & Equipment	Intangibles	Total
	£000s	£000s	£000s
Total value of impairments for the period	225,804	0	225,804
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	(110,300)	0	(110,300)
<b>Impairments charged / (credited) to Statement of Comprehensive Net Expenditure</b>	<b><u>115,504</u></b>	<b><u>0</u></b>	<b><u>115,504</u></b>

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### 11 INVENTORIES

<b>Classification</b>	<b>2012 £000s</b>	<b>2011 £000s</b>	<b>2010 £000s</b>
X-ray	245	233	293
Pharmacy supplies	4,178	3,608	2,896
Theatre equipment	4,288	4,269	4,462
Community care appliances	1,301	649	452
Laboratory materials	568	487	786
Fuel	531	268	664
Building & engineering supplies	380	638	305
Other	125	429	395
<b>Total</b>	<b>11,616</b>	<b>10,581</b>	<b>10,253</b>

## BELFAST HEALTH & SOCIAL CARE TRUST

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

#### 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2012 £000s	2011 £000s	2010 £000s
<b>Amounts falling due within one year</b>			
Trade Receivables	4,966	11,878	18,439
Deposits and advances	0	0	0
Vat receivable	10,712	10,970	8,252
Other receivables – not relating to fixed assets	20,344	17,759	28,076
Other receivables – relating to property plant and equipment	66	131	0
Other receivables – relating to intangibles	0	0	0
<b>Trade and other Receivables</b>	<b>36,088</b>	<b>40,738</b>	<b>54,767</b>
Prepayments and accrued income	2,919	2,951	3,519
Current part of PFI prepayment	0	0	0
<b>Other current assets</b>	<b>2,919</b>	<b>2,951</b>	<b>3,519</b>
<b>Amounts falling due after more than one year</b>			
Trade Receivables	0	0	0
Deposits and advances	0	0	0
Other receivables	0	0	0
<b>Trade and other Receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>
Prepayments and accrued income	0	0	0
<b>Other current assets falling due after more than one year</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>36,088</b>	<b>40,738</b>	<b>54,767</b>
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>2,919</b>	<b>2,951</b>	<b>3,519</b>
<b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	<b>39,007</b>	<b>43,689</b>	<b>58,286</b>

The balances are net of a provision for bad debts of £4,775k (2011 £5,488k) (2010 £4,020k)



# BELFAST HEALTH & SOCIAL CARE TRUST

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

### 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

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

Name	Amounts falling due within 1 year 2011/12 £000s	Amounts falling due within 1 year 2010/11 £000s	Amounts falling due within 1 year 2009/10 £000s	Amounts falling due after more than 1 year 2011/12 £000s	Amounts falling due after more than 1 year 2010/11 £000s	Amounts falling due after more than 1 year 2009/10 £000s
Balances with other central government bodies	21,589	19,603	13,945	0	0	0
Balances with local authorities	15	36	37	0	0	0
Balances with NHS /HSC Trusts	4,966	11,878	18,439	0	0	0
Balances with public corporations and trading funds	0	0	0	0	0	0
Intra-Government Balances	26,570	31,517	32,421	0	0	0
Balances with bodies external to government	12,437	12,172	25,865	0	0	0
Total Receivables & other current assets at 31 March	<b>39,007</b>	<b>43,689</b>	<b>58,286</b>	<b>0</b>	<b>0</b>	<b>0</b>

## BELFAST HEALTH & SOCIAL CARE TRUST

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

#### 13 CASH AND CASH EQUIVALENTS

	2012 £000s	2011 £000s	2010 £000s
Balance at 1st April	15,407	13,848	10,822
Net change in cash and cash equivalents	5,650	1,559	3,026
<b>Balance at 31st March</b>	<b>21,057</b>	<b>15,407</b>	<b>13,848</b>

The following balances at 31 March were held at	2012 £000s	2011 £000s	2010 £000s
Commercial Banks and cash in hand	21,057	15,407	13,848
<b>Balance at 31st March</b>	<b>21,057</b>	<b>15,407</b>	<b>13,848</b>

## BELFAST HEALTH & SOCIAL CARE TRUST

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

#### 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2012 £000s	2011 £000s	2010 £000s
<b>Amounts falling due within one year</b>			
Other taxation and social security	22,660	21,935	21,833
Trade capital payables – property, plant and equipment	28,254	24,089	16,854
Trade revenue payables	76,155	66,509	62,937
Payroll payables	41,604	43,808	34,004
RPA payables	0	2,726	5,740
BSO payables	1,756	1,672	1,455
Other payables	1,346	1,457	1,696
Accruals and deferred income	2,226	2,181	4,197
<b>Trade and other payables</b>	<u>174,001</u>	<u>164,377</u>	<u>148,716</u>
Current part of finance leases	0	0	0
Current part of long term loans	0	0	0
Current part of imputed finance lease element of on balance sheet (SoFP) PFI and other service concession arrangements contracts	2,882	575	1,574
<b>Other current liabilities</b>	<u>2,882</u>	<u>575</u>	<u>1,574</u>
<b>Total payables falling due within one year</b>	<b>176,883</b>	<b>164,952</b>	<b>150,290</b>
<b>Amounts falling due after more than one year</b>			
Other payables, accruals and deferred income	0	0	0
Trade and other payables	231	0	0
Finance leases	0	0	0
Imputed finance lease element of on balance sheet (SoFP) PFI and other service concession arrangements contracts	3,964	6,116	6,691
Long term loans	0	0	0
<b>Total non current other payables</b>	<u>4,195</u>	<u>6,116</u>	<u>6,691</u>
<b>TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<u><u>181,078</u></u>	<u><u>171,068</u></u>	<u><u>156,981</u></u>

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

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

Name	Amounts falling due within 1 year 2011/12 £000s	Amounts falling due within 1 year 2010/11 £000s	Amounts falling due within 1 year 2009/10 £000s	Amounts falling due after more than 1 year 2011/12 £000s	Amounts falling due after more than 1 year 2010/11 £000s	Amounts falling due after more than 1 year 2009/10 £000s
Balances with other central government bodies	25,516	23,185	23,060	0	0	0
Balances with local authorities	91	47	43	0	0	0
Balances with NHS /HSC Trusts	6,280	7,553	16,653	0	0	0
Balances with public corporations and trading funds	0	0	0	0	0	0
Intra-Government Balances	31,887	30,785	39,756	0	0	0
Balances with bodies external to government	144,996	134,167	110,534	4,195	6,116	6,691
Total Payables and other liabilities at 31 March	<b>176,883</b>	<b>164,952</b>	<b>150,290</b>	<b>4,195</b>	<b>6,116</b>	<b>6,691</b>

#### NOTE 14.2 LOANS

##### Loans

The Belfast HSC Trust has no Government or other long term loans. (2011:£nil)

# BELFAST HEALTH & 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 creditors in accordance with the Better Payments Practice Code and Government Accounting Rules. The Trust's payment policy is consistent with the Better Payments Practice code and Government Accounting rules and its measure of compliance is:

	<b>2012 Number</b>	<b>2012 Value £000s</b>	<b>2011 Number</b>	<b>2011 Value £000s</b>
Total bills paid	372,709	537,597	356,767	498,093
Total bills paid within 30 day target or under agreed payment terms	341,134	481,199	319,905	449,007
% of bills paid within 30 day target or under agreed payment terms	<b>92%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>

As required by HSC(F) 04/2011 'Prompt Payment Policy', the Trust has updated its measurement whereby prompt payment is defined as invoices paid under standard HSC conditions of contracts or under other specific terms agreed with suppliers for the purchase of goods and services.

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

	<b>£</b>
Amount of Compensation paid for payment(s) being late	0
Amount of Interest paid for payment(s) being late	438
<b>Total</b>	<b>438</b>

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

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### 16 PROVISIONS FOR LIABILITIES AND CHARGES – 2012

	<b>Pensions relating to other staff £000s</b>	<b>Clinical negligence £000s</b>	<b>RPA/CSR Restructuring £000s</b>	<b>Other £000s</b>	<b>2011 £000s</b>
Balance at 1 April 2011	6,449	35,615	0	8,749	50,813
Provided in year	2,712	14,494	0	3,349	20,555
(Provisions not required written back)	0	(8,914)	0	(818)	(9,732)
(Provisions utilised in the year)	(467)	(8,286)	0	(1,308)	(10,061)
Unwinding of discount	135	736	0	201	1,072
At 31 March 2012	<b>8,829</b>	<b>33,645</b>	<b>0</b>	<b>10,173</b>	<b>52,647</b>

	<b>RPA / CSR £000s</b>
RPA/CSR Utilised costs include the following;	
Pension Costs for early retirement reflecting the single lump sum to buy over the full liability	0
Redundancy costs	0
	<u>0</u>

#### Statement of Comprehensive Net Expenditure charges

	<b>2012 £000s</b>	<b>2011 £000s</b>
Arising during the year	20,555	16,923
Reversed unused	(9,732)	(9,946)
Unwinding of discount	1,072	1,108
<b>Total charge within Operating costs</b>	<b>11,895</b>	<b>8,085</b>

#### Analysis of expected timing of discounted flows

	<b>Pensions relating to other staff £000s</b>	<b>Clinical Negligence £000s</b>	<b>RPA/CSR Restructuring £000s</b>	<b>Other £000s</b>	<b>2012 £000s</b>
Not later than one year	464	26,215	0	3,664	30,343
Later than one year and not later than five years	1,855	7,430	0	1,282	10,567
Later than five years	6,510	0	0	5,227	11,737
At 31 March 2012	<b>8,829</b>	<b>33,645</b>	<b>0</b>	<b>10,173</b>	<b>52,647</b>

Pensions relating to other staff is in relation to early retirement costs.

The provision for pensions is determined on the basis of information on current annual pension rates payable over average life expectancy derived from government actuarial tables and on payments made to HSC Superannuation Branch. The provisions for Clinical Negligence, Employers and Public Liability have been determined by assigning probabilities to expected settlement values.

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### 16 PROVISIONS FOR LIABILITIES AND CHARGES - 2011

	<b>Pensions relating to other staff £000s</b>	<b>Clinical negligence £000s</b>	<b>RPA/CSR Restructuring £000s</b>	<b>Other £000s</b>	<b>2011 £000s</b>
Balance at 1 April 2010	6,785	30,903	11,135	9,320	58,143
Provided in year	(1)	14,989	0	1,935	16,923
(Provisions not required written back)	0	(4,518)	(8,000)	(968)	(13,486)
Additional write back	0	3,540	0	0	3,540
(Provisions utilised in the year)	(477)	(10,072)	(3,135)	(1,731)	(15,415)
Unwinding of discount	142	773	0	193	1,108
At 31 March 2011	<b>6,449</b>	<b>35,615</b>	<b>0</b>	<b>8,749</b>	<b>50,813</b>

Provisions have been made for 4 types of potential liability: Pensions relating to other staff, Clinical negligence, Restructuring (RPA and CSR) and Other. The provision for Pensions relating to other staff is an estimate of 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.

#### Analysis of expected timing of discounted flows

	<b>Pensions relating to other staff £000s</b>	<b>Clinical Negligence £000s</b>	<b>RPA/CSR Restructuring £000s</b>	<b>Other £000s</b>	<b>2011 £000s</b>
Not later than one year	473	28,139	0	3,539	32,151
Later than one year and not later than five years	1,893	7,476	0	1,250	10,619
Later than five years	4,083	0	0	3,960	8,043
At 31 March 2011	<b>6,449</b>	<b>35,615</b>	<b>0</b>	<b>8,749</b>	<b>50,813</b>

Pensions relating to other staff is in relation to early retirement costs.

The provision for pensions is determined on the basis of information on current annual pension rates payable over average life expectancy derived from government actuarial tables and on payments made to HSC Superannuation Branch. The provisions for Clinical Negligence, Employers and Public Liability have been determined by assigning probabilities to expected settlement values.

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 17 CAPITAL COMMITMENTS

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Contracted capital commitments at 31 March not otherwise included in these financial statements			
Property, Plant & Equipment	25,095	74,566	119,085
Intangible assets	0	0	0
	<u>25,095</u>	<u>74,566</u>	<u>119,085</u>



# BELFAST HEALTH & 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>2010 £000s</b>
<b>Land</b>			
Not later than 1 year	0	0	0
Later than 1 year and not later than 5 years	0	0	0
Later than 5 years	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Buildings</b>			
Not later than 1 year	481	335	180
Later than 1 year and not later than 5 years	1,300	837	659
Later than 5 years	1,173	442	129
	<b>2,954</b>	<b>1,614</b>	<b>968</b>
<b>Other</b>			
Not later than 1 year	336	255	410
Later than 1 year and not later than 5 years	594	364	595
Later than 5 years	0	0	0
	<b>930</b>	<b>619</b>	<b>1,005</b>

#### 18.2 Finance Leases

The Trust have included within its fixed assets a number of land and buildings held under leasehold arrangements. Under accounting standard IAS 17 'Accounting for leases', the Trust have assessed these land and buildings to be finance leases in nature. However, the associated financial obligations of these finance leases are deemed insignificant and therefore no finance lease creditor has been recorded in the accounts in this respect.

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 18 COMMITMENTS UNDER LESSOR AGREEMENTS

#### 18.3 Operating Leases

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

Obligations under operating leases issued by the Trust comprise	2012 £000s	2011 £000s	2010 £000s
<b>Land &amp; Buildings</b>			
Not later than 1 year	669	675	675
Later than 1 year and not later than 5 years	1,384	1,352	1,352
Later than 5 years	2,057	2,277	2,277
	<b>4,110</b>	<b>4,304</b>	<b>4,304</b>
<b>Other</b>			
Not later than 1 year	0	0	0
Later than 1 year and not later than 5 years	0	0	0
Later than 5 years	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>

## BELFAST HEALTH & SOCIAL CARE TRUST

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

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

##### 19.1 Off Balance Sheet (SoFP) PFI Schemes and Other Service Concession Arrangement Contracts

	2012 £000s	2011 £000s	2010 £000s
Estimated capital value of the PFI schemes			
Carparks	3,200	3,200	3,200
	<b>3,200</b>	<b>3,200</b>	<b>3,200</b>
Contract Start Date	01/04/1997		
Contract End Date	30/03/2017		

The Trust has a PFI arrangement for the provision of a carpark at the Royal Group of Hospitals site. The carpark is not an asset of Belfast HSC Trust.

The carpark is owned and operated by Carpark Services .

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

<b>Total obligations under on balance sheet (SoFP) Service Concessions arrangements for the following periods comprise</b>	<b>2012 £000s</b>	<b>2011 £000s</b>	<b>2010 £000s</b>
Not later than one year	4,447	1,950	3,359
Later than one year and not later than five years	2,118	3,188	853
Later than five years	26,415	28,605	32,891
	32,980	33,743	37,103
Less interest element	20,861	21,273	22,582
Present value of obligations	<b>12,119</b>	<b>12,470</b>	<b>14,521</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	3,394	693	2,050
Later than one year and not later than five years	(3,637)	(2,217)	(4,413)
Later than five years	12,362	13,994	16,884
Total Present Value of obligations	<b>12,119</b>	<b>12,470</b>	<b>14,521</b>

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

	2012 £000s	2011 £000s	2010 £000s
Amounts included within operating expenses in respect of off Balance Sheet (SoFP) PFI and other service concession arrangement transactions	0	0	0
Amounts included within operating expenses in respect of the service element of on Balance Sheet (SoFP) PFI and other service concession transactions	8,801	7,869	7,719
	<b>8,801</b>	<b>7,869</b>	<b>7,719</b>

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

	2012 £000s	2011 £000s	2010 £000s
Not later than one year	7,296	7,080	6,864
Later than one year and not later than five years	25,406	26,492	27,462
Later than five years	51,581	58,902	65,012
	<b>84,283</b>	<b>92,474</b>	<b>99,338</b>

## **BELFAST HEALTH & SOCIAL CARE TRUST**

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

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

The Belfast HSC Trust has not entered into any non cancellable contracts (which are not leases, PFI or other service concession arrangement contracts) in the current or previous financial year.

#### **NOTE 21 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT**

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

The Belfast HSC Trust did not have any financial instruments at either 31 March 2012 or 31 March 2011.

#### **NOTE 22 CONTINGENT LIABILITIES**

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

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Clinical Negligence	3,142	2,298	1,111
Public Liability	0	0	0
Employers' Liability	0	0	0
Accrued Leave	0	0	0
Injury Benefit	0	0	0
Other	0	0	0
<b>Total</b>	<b>3,142</b>	<b>2,298</b>	<b>1,111</b>

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 23 RELATED PARTY TRANSACTIONS

The Trust is required to disclose details of transactions with individuals who are regarded as related parties consistent with the requirements of IAS 24 – Related Party Transactions. 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.

During the year the Belfast Health and Social Care Trust entered into the following material transactions with the following related parties.

#### HSC Bodies

The Belfast Health and Social Care Trust is an arms length body of the Department of Health, Social Services and Public Safety and as such the Department is a related party and the ultimate controlling parent with which the Trust has had various material transactions during the year. During the year the Belfast Health and Social Care Trust has had a number of material transactions with other entities for which the Department is regarded as the ultimate controlling parent. These entities include the Health and Social Care Board, the five HSC Trusts and the Business Services Organisation.

#### Non Executive Directors

Some of the Trust’s Non Executive Directors have disclosed interests with organisations from which the Trust purchased services from or supplied services to during 2011/12. Set out below are details of the amount paid to these organisations during 2011/12. In none of these cases listed did the Non Executive Directors have any involvement in the decisions to procure the services from the organisations concerned.

	<b>Payments to Related Party</b>	<b>Income from Related Party</b>	<b>Amounts owed to Related Party</b>	<b>Amounts due from Related Party</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Queen's University Belfast	6,282	4,228	535	875
Fostering Associates	1,091	0	2	0
Fostering Network	21	0	0	0
Simon Community	2	0	35	0
Belfast Carers Centre	104	0	0	0
Belfast City Council	331	41	82	11
NHS Confederation	18	0	0	0
Age Concern	115	0	0	0
Action Mental Health	219	39	0	6
West Belfast Partnership	4	0	0	0

Interests in the above organisations were declared by the following Board members:-

Mr JPJ O’Kane (Non Executive Director) holds the position of Registrar for Queen's University Belfast.

Ms J Allen (Non Executive Director) holds various positions for the following organisations - Fostering Network, Fostering Associates, Simon Community, Belfast Carer's Centre and Action Mental Health.

Mr T Hartley (Non Executive Director) holds the position of Councillor for Belfast City Council and Board Member for West Belfast Partnership.

Mr P McCartan (Chairman) holds the position of a Board member for NHS Confederation.

Ms E Evason (Non Executive Director) holds the position of Trustee for Age Concern.

Transactions with these related parties are conducted on an arm’s length basis. The purchase of goods and services are subject to the normal tendering processes under Northern Ireland Public Procurement Policy, Trust Standing Orders and Standing Financial Instructions. There are no provisions for doubtful debts against the related party balances owed. In addition, the Trust has not provided or received any financial guarantees in respect of any related parties identified.

## BELFAST HEALTH & SOCIAL CARE TRUST

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

#### NOTE 23 RELATED PARTY TRANSACTIONS (Cont'd)

##### Other Board Members and Senior Managers

In a similar way, 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. Again, the officers listed had no involvement in the decisions to procure the services from the organisations concerned.

	<b>Payments to Related Party</b>	<b>Income from Related Party</b>	<b>Amounts owed to Related Party</b>	<b>Amounts due from Related Party</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
HFMA	6	0	1	0
Action Cancer	5	10	0	4
Relate NI	1	0	0	0
NI Hospice	1	266	14	25

Interests in the above organisations were declared by the following Board members:-

Ms B McNally (Executive Director) is a Trustee for NI Hospice.

Mr B Barry (Acting Director) holds the position of Board member for Action Cancer.

Mr M Dillon (Director of finance) holds the position of Committee member for HFMA.

Mr P Donnelly (Executive Director) holds the position of Chairman for Relate NI.

#### NOTE 24 THIRD PARTY ASSETS

The Trust held £1,134,735 Cash at bank and in hand and £3,669,318 short term investments at 31 March 2012 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.

# BELFAST HEALTH & 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 Belfast HSC Trust is calculated as follows:

	<b>2012</b>	<b>Restated</b>
	<b>Total</b>	<b>2011</b>
	<b>£000s</b>	<b>Total</b>
		<b>£000s</b>
HSCB	1,041,743	1,015,202
PHA	9,636	9,183
NIMDTA	18,547	19,371
Non cash RRL (from DHSSPS)	58,207	54,933
Adjustment for Income received re Donations / Government grant / Lottery funding for non current assets	(2,583)	(505)
	<u>1,125,550</u>	<u>1,098,184</u>
Adjust for On Balance Sheet PFI	567	(559)
<b>Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure</b>	<u><u>1,126,117</u></u>	<u><u>1,097,625</u></u>

#### 25.2 Capital Resource Limit

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

	<b>2012</b>	<b>2011</b>
	<b>Total</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>
Gross Capital Expenditure (incl PFI)	84,033	90,942
Less IFRIC 12/PFI and other service concession arrangements spend	(4,562)	(3,145)
(Receipts from sales of fixed assets)	(735)	(165)
Net capital expenditure	<u>78,736</u>	<u>87,632</u>
Capital Resource Limit	<u>78,967</u>	<u>87,633</u>
Overspend/(Underspend) against CRL	<u><u>(231)</u></u>	<u><u>(1)</u></u>

# BELFAST HEALTH & SOCIAL CARE TRUST

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

### NOTE 25 Financial Performance Targets (Cont'd)

#### NOTE 25.3 Break Even Performance

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</b> <b>£000s</b>	<b>Restated</b> <b>2010/11</b> <b>£000s</b>
Net Expenditure	(1,125,944)	(1,097,561)
RRL	<u>1,126,117</u>	<u>1,097,625</u>
Surplus Deficit against RRL	173	64
Break Even cumulative position(opening)	<u>64</u>	<u>74</u>
Break Even Cumulative position (closing)	<u><u>237</u></u>	<u><u>138</u></u>

#### Materiality Test:

	<b>2011/12</b> <b>%</b>	<b>2010/11</b> <b>%</b>
Break Even in year position as % of RRL	<u>0.02%</u>	<u>0.01%</u>
Break Even cumulative position as % of RRL	<u>0.02%</u>	<u>0.01%</u>



## BELFAST HEALTH & SOCIAL CARE TRUST

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

#### NOTE 26 LOSSES & SPECIAL PAYMENTS

TYPE OF LOSS		NO. OF CASES	VALUE £
1	Cash Losses - Theft, fraud etc	6	175
2	Cash Losses - Overpayments of salaries, wages and allowances		
3	Cash Losses - Other causes (including unvouched and incompletely vouched payments)		
4	Nugatory and fruitless payments -		
	i. Abandoned capital Schemes		
	ii. Late payment of Commercial Debt	3	438
	iii. Other		
5	Bad Debts and claims abandoned	92	6,999
6	Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
	i. Bedding and linen		
	ii. Other equipment and property	7	17,823
7	Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	1	27,900
8	Stores and Inventory Losses - Deterioration in store	3	47,037
9	Stores and Inventory Losses - Stocktaking discrepancies		
10	Stores and Inventory Losses - Other causes		
	i. Bedding and linen		
	ii. Other equipment and property		
11	Compensation payments (legal obligation)		
	i. Clinical Negligence	182	8,285,898
	ii. Public Liability	14	120,785
	iii. Employers Liability	133	785,539
12	Ex-gratia payments - Compensation payments (including payments to patients and staff)	58	70,863
13	Ex-gratia payments - Other payments		
14	Extra statutory payments		
15	a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.		
	b. Damage to vehicles		
<b>TOTAL</b>		<b>499</b>	<b>9,363,457</b>

#### 26.1 Special Payments

The Belfast Health & Social Care Trust did not make any special payments or gifts during the financial year.

#### NOTE 27 POST BALANCE SHEET EVENTS

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

#### NOTE 28 DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 27<sup>th</sup> June 2012.

# **BELFAST HEALTH & SOCIAL CARE TRUST**

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

### **STATEMENT OF TRUSTS 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.

# BELFAST HEALTH & SOCIAL CARE TRUST

YEAR ENDED 31 MARCH 2012

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

Previous Year	RECEIPTS		
£	Balance at 1 April 2011	£	£
3,761,225	1. Investments (at cost)	3,674,568	
804,904	2. Cash at Bank	932,220	
8,417	3. Cash in Hand	7,712	4,614,500
2,020,653	Amounts Received in the Year		2,187,975
30,768	Interest Received		52,517
<b>6,625,967</b>	<b>TOTAL</b>		<b>6,854,992</b>
PAYMENTS			
2,011,467	Amounts Paid to or on behalf of Patients/Residents		2,050,939
	Balance at 31 March 2012		
3,674,568	1. Investments (at cost)	3,669,318	
932,220	2. Cash at Bank	1,123,191	
7,712	3. Cash in Hand	11,544	4,804,053
<b>6,625,967</b>	<b>TOTAL</b>		<b>6,854,992</b>

### Schedule of investments held at 31 March 2012

Cost Price £	Investment	Nominal Value £	Cost Price £
61,453	GPK Patients Property Account First Trust Deposit Account		61,483
2,009,195	North & West Locality		2,000,000
1,603,920	South & East Locality		1,607,835

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

*Martin Dillon*  
13/6/12

Date

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

Chief Executive

*Colin Donaghy*  
13/6/12

Date

**BELFAST 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 Belfast 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 audit the account 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 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 Belfast Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Belfast 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:

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

  
25/6/12

- 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.

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

27 June 2012





