

BELFAST HEALTH & SOCIAL CARE TRUST

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

BELFAST HEALTH & SOCIAL CARE TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

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BELFAST HEALTH & SOCIAL CARE TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

FOREWORD

These accounts for the year ended 31 March 2009 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 2009

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 Belfast Health & Social Care Trust is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Trust, of its income and expenditure and cash flows for the financial year.

In preparing the financial statements the Trust is required to:

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

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

BELFAST HEALTH & SOCIAL CARE TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

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 14 to 60) 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 Trusts approved by the DHSSPS.

Mrs Wendy Galbraith

Director of Finance

28th May 2009

Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 14 to 60) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Mr Pat McCartan

Chairman

28th May 2009

Date

Mr William McKee

Chief Executive

28th May 2009

Date

BELFAST HEALTH & SOCIAL CARE TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

The Trust Board of the Belfast HSC Trust was accountable for internal control within the Trust during 2008/09. As Accounting Officer, the Chief Executive of the Belfast HSC Trust has responsibility for maintaining a sound system of internal control to support the achievement of the policies, aims and objectives of the organisation, whilst safeguarding the public funds and assets for which he was responsible in accordance with the responsibilities assigned by the Department of Health, Social Services and Public Safety.

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 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 DHSS&PS, through the performance of functions and meeting statutory financial duties.

As a consequence of changes arising from the Review of Public Administration the provision of services formerly provided by Regional Medical Physics Agency are the responsibility of Belfast HSC Trust from 1 April 2009.

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 Belfast HSC Trust for the year ended 31 March 2009, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

The Board of Belfast HSC Trust exercised strategic control over the operation of the organisation through a system of corporate governance which included:-

- 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.

The system of internal financial control was 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 included:-

- 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.

The Belfast HSC Trust had an internal audit function which operated 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 2008/09 Internal Audit reviewed the following systems:-

- Key Financial Controls
- Boarded Out Payments
- Cash Management in Social Services
- Clinical Services Service Group
- Family & Childcare Service Group – Pathways to Service
- Family & Childcare Service Group – Financial Controls
- Private Patients Review
- Payroll
- Non Pay Expenditure
- Bank and Cash
- Income
- Budgetary Control
- General Ledger
- Contracts with Voluntary Sector
- Stocktaking
- Efficiency Savings
- Agenda for Change
- Safer Patient Initiative
- Performance Management
- Risk Management
- Infection Control – Hand Hygiene
- Incident, Complaints and Claims Management
- Records Management

The Chief Internal Auditor reported that there is a satisfactory system of internal control designed to meet the Trust's objectives for the year ended 31 March 2009. However, limited assurance has been provided in two audits: Records Management and Agenda for Change. Certain weaknesses and issues were identified by audit and recommendations to address these control weaknesses have been or are being implemented.

BMC Internal Audit Service conducted formal follow-up reviews in respect of the implementation of the priority one and two internal audit recommendations agreed in the 2008/2009 reports. Internal Audit presented a full Report which showed that the majority of agreed actions have been fully or partially implemented.

With regard to the wider control environment, the Belfast HSC 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 Belfast HSC Trust were pursued in accordance with the recognised and accepted standards of public administration.

By way of example, the Belfast HSC Trust had in place a range of human resource policies, procedures, protocols and practices governing activities across the various service groups 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 post-registration, alert and POCVA Policy requirements and other checks such as qualifications / registration checks, relevant references, health checks, appropriate vetting, recruitment checklists;
- 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;
- promotion of a culture of equality, diversity and fair treatment ensuring compliance with Statutory requirement and the implementation of the Trust's Employment, Equality and Diversity Plan;
- robust arrangements for conducting good employee relations in line with Statutory Procedures and Good Practice as set out in the Grievance and Disciplinary Procedures and the Trust's JNF arrangements.

These are regularly reviewed and updated to ensure that they continued 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 Belfast HSC Trust participated in the National Fraud Initiative 2008/09. The Trust complied with the Data Protection Act 1998 by issuing Fair Processing Notices to advise individuals that their data will be processed. The Trust received notification of data matches in February 2009 and have set-up a Project Board to oversee the investigation process. Members include Director of Finance, Director of Human Resources and the Trust's Data Protection Manager. There is a managed robust investigation process in place and the Trust will continue to work through the outcomes of this exercise. The Audit Committee have been updated with progress.

The Trust had a Fraud Policy and Fraud Response Plan in place during 2008/09. In addition fraud awareness training has been provided to senior management and to all new starts via the Corporate Induction Programme. All Trust staff were notified of their responsibilities for reporting fraud in the Trust Newsletter.

During 2008/09 the Trust dealt with 11 incidents of theft with a total value of £1,597. All cases were thoroughly investigated with the assistance of PSNI and Internal Audit where appropriate. The results of investigations have lead to improved and or new controls and disciplinary action.

Capacity to handle risk

The Belfast HSC 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 Service Group 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 Belfast HSC 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 has scrutinised the effectiveness of the Risk Management Strategy.

The Belfast 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 Belfast 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 Belfast Trust will balance the acceptability of any risk against the potential advantages of new and innovative methods of service. The Belfast Trust recognises that risks to its objectives may be shared with or principally owned by other individuals or organisations. The Belfast 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 Service Group, Corporate and Board levels. Dissemination of good practice has been facilitated by a range of mechanisms including clinical supervision and reflective practice, performance management, continuing professional development, management of adverse events and complaints, clinical audit and the application of evidence based practice.

The risk and control framework

The Assurance Framework was revised in 2008/09 to take account of the development of new professional and advisory committees. The Risk Management Strategy 2008-2011 was reviewed and the associated Action Plan updated and submitted to the Assurance Committee on the 4th March 2009. 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 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 Belfast Trust Management Plan was developed, as well as determining the mechanism through which assurances were provided to the Trust Board.

The Assurance Committee, have reviewed the schedule of meetings and have increased the frequency to quarterly to take account of the increased agenda. The Assurance Committee established a schedule of annual reports during 2008/09. The Trust has set up a Risk Register Review Group to scrutinise the evaluation of all significant risks arising from Service Group and Controls Assurance Risk Registers. In 2008/09 the Trust reviewed its arrangements to scrutinise the efficiency and efficacy of the professional and advisory committee and service group assurance committees to consolidate the arrangements for integrated governance. Each Service Group 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 Service Group risk registers, which are updated on an ongoing basis and which feed into the Belfast Trust's Corporate Risk Register and Assurance Framework Principal Risks and Controls.

The Trust is also informed by the reports and inspections carried out by a range of independent bodies, including RQIA, the Mental Health Commission, Social Services Inspectorate, etc. The Trust engages proactively with all such reviews and the Board is assured that appropriate actions are taken by the Assurance Committee.

The Trust gives the management of information the highest priority. As such we have established a very senior level management structure to steer the Information Governance agenda within the Trust. The Information Governance Board (IGB) is chaired by the Deputy Chief Executive and includes the Medical Director (who is the Trust's Data Guardian), lead officers from ICT, Records Management, Information Management, Corporate Communication and Nursing. A data protection manager has also been appointed. Beneath the IGB, four subgroups have been formed:- IT technical, Corporate Records, Information Quality, Training & Communications.

The IGB monitors all information related adverse incidents directly. In each case remedial action is prescribed and learning is communicated throughout the Trust. Based on the current civil service audit tool an action plan has been developed to address a number of information governance issues and this is kept under review. This work also informs the Corporate Risk Register.

The Trust is bringing forward a number of new policies to cover Data Protection, ICT Security, storage and retention of records. There are a number of projects ongoing to review and improve the security of data, ensure data is accurate and up to date, increase staff awareness of information governance issues and to update legacy Trust policies.

In addition, DIS hosts, processes and has access to Trust data as part of its role in providing ICT services to the Belfast HSC Trust. The Trust has received an assurance statement from DIS regarding access to and handling of this data.

The Belfast HSC Trust assessed its compliance with the 22 Controls Assurance Standards.

The Belfast HSC Trust achieved the following levels of compliance for 2008/09.

Standard	DHSS&PS Expected Level of Compliance	Trust Level of Compliance	Reviewed by
Building, Land, Plant and Non-Medical Equipment	70% - 99% (Substantive)	Moderate	Internal Audit
Decontamination of Medical Devices	70% - 99% (Substantive)	Substantive	Self Assessment
Emergency Planning	70% - 99% (Substantive)	Substantive	Internal Audit
Environmental Cleanliness	70% - 99% (Substantive)	Substantive	Self Assessment
Environmental Management	70% - 99% (Substantive)	Substantive	Self Assessment
Financial Management (core standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Fire Safety	70% - 99% (Substantive)	Substantive	Self Assessment
Fleet and Transport Management	70% - 99% (Substantive)	Substantive	Self Assessment
Food Hygiene	70% - 99% (Substantive)	Substantive	Self Assessment
Governance (core standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Health & Safety	70% - 99% (Substantive)	Substantive	Self Assessment
Human Resources	70% - 99% (Substantive)	Substantive	Self Assessment
Infection Control	70% - 99% (Substantive)	Substantive	Internal Audit
Information Communication Technology	70% - 99% (Substantive)	Moderate	Internal Audit
Management of Purchasing and Supply	70% - 99% (Substantive)	Substantive	Self Assessment
Medical Devices and Equipment Management	70% - 99% (Substantive)	Substantive	Internal Audit
Medicines Management	70% - 99% (Substantive)	Substantive	Self Assessment
Records Management	70% - 99% (Substantive)	Moderate	Internal Audit
Research Governance	70% - 99% (Substantive)	Substantive	Self Assessment
Risk Management (core standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Security Management	70% - 99% (Substantive)	Substantive	Internal Audit
Waste Management	70% - 99% (Substantive)	Substantive	Self Assessment

Extensive work has been carried out by Controls Assurance leads to achieve these results. The Trust has worked closely with Internal Audit on this process, completing baseline assessments and producing action plans to address areas of weakness.

Three standards reached moderate compliance rather than the required substantive compliance. The key actions to be undertaken to achieve the required compliance have been incorporated into action plans, which will be monitored through the Assurance Committee, and included on the appropriate Risk Register.

These standards are as follows:-

Buildings, land and plant

This standard has increased compliance by 3% during 2008/09. Further improvement is expected once use of a Trust wide assessment process known as SCART is established. Preliminary work has commenced, with further implementation and development planned during 2009/10.

Records management

Delays in publication of two key documents contributed in this standard remaining at moderate compliance. The Records Management Policy has now been posted on the Intranet and the Retention and Disposal Schedule is expected to be available early in 2009/10 reporting year. An action plan has been developed and will be taken forward for 2009/10 by the Corporate Records Managers Group to further improve compliance.

Information Communication Technology

There have been unavoidable delays in harmonising ICT legacy policies, procedures, governance arrangements and Senior Management reporting arrangements for Belfast HSC Trust. An action plan has been formulated and agreed. The Trust expects to return to substantive compliance early in 2009/10 reporting year.

Review of Effectiveness

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal control within the Belfast HSC Trust. My review has been informed by assurances provided by the Audit Committee and Assurance Committee of the Belfast HSC Trust, the Annual Report of the Chief Internal Auditor and by the external auditors.

During the year there were two Internal Audit reports that received limited assurance. Also a number of priority one findings were identified within individual audits. The Finance Department's Governance & Audit Team has implemented an audit process which ensures that all Corporate and Service Groups are aware of their responsibilities for effective internal controls. The Governance & Audit Team have been issuing Action Plans throughout 2008/09 and monitor the implementation of all audit recommendations, in line with the agreed timetable. Regular progress reports are provided to the Audit Committee to demonstrate compliance with Action Plans.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of the Belfast HSC Trust. 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 2009/10.

Mr William McKee

28th May 2009

Mr William McKee
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 2009 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These comprise the Net Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Trust, Chief Executive and auditor

The Trust and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Trust's Responsibilities and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited 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 made thereunder. I report to you whether, in my opinion, the information, which comprises the Directors' Report and section on Resources, included in the Annual Report is consistent with the financial statements. I also report whether 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.

In addition, I report to you if the Trust has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Health, Social Services and Public Safety regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Trust's compliance with the Department of Health, Social Services and Public Safety's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises, the unaudited part of the Remuneration Report, the Chairman's Foreword, Chief Executive's Report, Safety and Quality, Modernisation and People sections. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant

estimates and judgments made by the Trust and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by Department of Health, Social Services and Public Safety, of the state of the Belfast Health and Social Care Trust's affairs as at 31 March 2009 and of its deficit, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited 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 made thereunder; and
- information, which comprises the Directors' Report and section on Resources, included within the Annual Report, is consistent with the financial statements.

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.

Report

My detailed observations on these financial statements are included in my report at pages 61 and 62.



JM Dowdall CB
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

22nd June 2009

BELFAST HEALTH & SOCIAL CARE TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2009

		2009	Restated
	NOTE	£'000	2008
			£'000
Expenditure			
Staff costs	2.1	(661,841)	(610,062)
Depreciation	3	(44,129)	(43,675)
Other Expenditure	3	(466,497)	(441,761)
		<u>(1,172,467)</u>	<u>(1,095,498)</u>
Income			
Income from activities	4.1	43,805	40,105
Other Income	4.2	27,328	29,157
Reimbursements receivable	4.3	23,753	23,781
		<u>94,886</u>	<u>93,043</u>
Net Expenditure		<u>(1,077,581)</u>	<u>(1,002,455)</u>
Credit reversal of notional costs			
Cost of capital	3	30,844	29,531
Notional costs (audit fees)	3	86	122
Net expenditure for the financial year		<u>(1,046,651)</u>	<u>(972,802)</u>
Summary of Revenue Resource Outturn			
Net expenditure		(1,077,581)	(1,002,455)
Adjustments	18.1	74,378	74,999
Net resource outturn		<u>(1,003,203)</u>	<u>(927,456)</u>
Revenue Resource Limit (RRL)	18.1	<u>1,002,692</u>	<u>927,175</u>
Surplus/(deficit) against RRL		<u>(511)</u>	<u>(281)</u>

The notes on pages 18 to 60 form part of these accounts

All Income and expenditure is derived from continuing activities

BELFAST HEALTH & SOCIAL CARE TRUST

BALANCE SHEET AS AT 31 MARCH 2009

			2009	Restated 2008
	NOTE	£'000	£'000	£'000
FIXED ASSETS				
Tangible assets	7.0		1,001,836	972,956
Intangible assets	7.0		0	0
Financial assets	8.0		0	0
Total non current assets			<u>1,001,836</u>	<u>972,956</u>
CURRENT ASSETS				
Stocks and work in progress	9.0	10,153		10,333
Debtors: Amounts falling due within one year	10.1	95,610		64,729
Debtors: Amounts falling due after more than one year	10.2	23,592		27,428
Short term investments	11.1	9,170		29,206
Cash at bank and in hand	11.2	809		1,973
TOTAL CURRENT ASSETS			<u>139,334</u>	<u>133,669</u>
CREDITORS: Amounts falling due within one year	12.1		<u>(143,309)</u>	<u>(152,294)</u>
NET CURRENT ASSETS/(LIABILITIES)			<u>(3,975)</u>	<u>(18,625)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			997,861	954,331
CREDITORS: Amounts falling due after more than one year	12.2		0	0
PROVISIONS FOR LIABILITIES AND CHARGES	14.0		<u>(54,569)</u>	<u>(53,618)</u>
TOTAL ASSETS EMPLOYED			<u><u>943,292</u></u>	<u><u>900,713</u></u>
FINANCED BY:				
CAPITAL AND RESERVES				
Revaluation reserve	16.0		56,055	37,349
Donation reserve	16.0		40,430	41,082
General fund	16.0		846,807	822,282
			<u><u>943,292</u></u>	<u><u>900,713</u></u>

The notes on pages 18 to 60 form part of these accounts

Signed: Mr Pat McCartan (Chairman)

Date : 28th May 2009

Signed: Mr William McKee (Chief Executive)

Date : 28th May 2009

BELFAST HEALTH & SOCIAL CARE TRUST

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2009

	2009	Restated
	£'000	2008
		£'000
Fixed asset impairment losses	(127)	(72)
Non donated Fixed Assets		
Indexation of fixed assets	18,974	33,429
Revaluation of fixed assets	0	4,052
	<u>18,974</u>	<u>37,481</u>
Donated Assets		
Additions to donated assets	432	593
Indexation	1,162	1,325
Revaluation	0	345
Disposals	(9)	(14)
(except transfers to realised donation reserve)	<u>1,585</u>	<u>2,249</u>
Total recognised gains and losses relating to the year	20,432	39,658
Additions to Capital Assets Reserve	<u>0</u>	<u>0</u>
GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR	<u>20,432</u>	<u>39,658</u>

BELFAST HEALTH & SOCIAL CARE TRUST

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	2009	Restated 2008
	£'000	£'000
Net Cash Inflow from Operating Activities (Note 29.1)	(1,040,567)	(899,795)
Returns on Investments and Servicing of Finance		
Interest received	163	2,776
Interest paid	0	(243)
Interest element of finance lease rental payments	0	0
Net Cash (Outflow)/Inflow from Returns on Investments and Servicing of Finance	163	2,533
Capital Expenditure		
Payments to acquire intangible fixed assets	0	(7)
Receipts from sales of intangible fixed assets	0	0
Payments to acquire tangible fixed assets	(52,944)	(44,228)
Receipts from sale of tangible fixed assets	1,113	675
Net Cash Inflow/(Outflow) from Capital Expenditure	(51,831)	(43,560)
Dividends paid		(23,775)
Management of Liquid Resources		
Purchase of current asset investments	0	(1,274)
Sale of current asset investments	20,036	
Net Cash Inflow/(Outflow) from Management of Liquid Resources	20,036	(1,274)
Net Cash Inflow/(Outflow) before Financing	(1,072,199)	(965,871)
Financing		
Funding	1,071,035	927,175
Movement in general fund working capital		
Cash drawn down	1,071,035	927,175
Additional public dividend capital advances in year	0	40,000
Repayment of prior year impairment	0	(806)
Net Cash Inflow/(Outflow) from Financing	1,071,035	966,369
Increase / (Decrease) in Cash (Notes 29.2 and 29.3)	(1,164)	498

The notes on page 59 and 60 form part of this statement

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 ACCOUNTING POLICIES

1 STATEMENT OF ACCOUNTING POLICIES

1.1 Authority

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety 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.

1.2 Accounting Convention

These accounts have been prepared under the historical cost convention as modified by the indexation and revaluation of tangible fixed assets.

1.3 Basis of Preparation of Accounts

The accounts have been prepared in accordance with guidance issued by the Department of Health and Social Services and Public Safety.

The accounting policies contained in that Manual follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to HSC Trusts. The accounting policies are selected in accordance with the principles set out in FRS18 "Accounting Policies" as the most appropriate for giving a true and fair view. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The principal variations between UK GAAP and the accounting policies directed by the Department of Health, Social Services and Public Safety are:

Financial Reporting Standard 15 "Tangible Fixed Assets" requires impairment losses on revalued fixed assets to be recognised in the Statement of Total Recognised Gains and Losses until the carrying value of the asset falls below depreciated historic cost, at which stage any further impairments are recognised in the Income and Expenditure Account. There are occasions, particularly in relation to new build where losses or downward revaluations arising from a general fall in prices are charged to the revaluation reserve and may lead to a temporary negative revaluation reserve in respect of certain assets.

1.4 Changes to Presentation

Due to changes in HM Treasury budgeting guidance, the Department of Health, Social Services and Public Safety has directed that HSC Trusts are accounted and budgeted for as Non Departmental Public Bodies (NDPB's). As a direct result, HSC Trusts are now required to adopt a new format of accounts in line with the NDPB format . The main changes are detailed below;

- a) Net Expenditure Account - The Income & Expenditure account has been replaced by the Net Expenditure Account, which shows the net operating cost rather than surplus/deficit.
- b) Revenue Resource Limit (RRL) - The RRL is a new mechanism for measuring performance against breakeven. The RRL is a resource budget for ongoing operations and is a combination of agreed funding from Commissioners, DHSSPS and other Departments. These income streams would previously have been reflected within the income and expenditure account as income, but are now classified as Grant in Aid income and therefore do not appear within the Net Expenditure account.
- c) Provisions - In previous years HSC Trusts diverged from UK GAAP under the direction of the Department in relation to FRS3 Reporting Financial Performance. HSC Trusts did not show the impact of provisions in the calculation of operating surplus /(deficit). These were previously disclosed after operating surplus/deficit as provisions for future obligations. However in line with Departmental accounting guidance in accordance with the Financial Reporting Manual (FReM) the Net Expenditure shows the full impact of provisions.
- d) Salaries & Wages –In line with Departmental guidance in accordance with FReM, the cost of staff related provisions are no longer reflected within the salaries and wages note, but continue to be disclosed within the operating costs note.
- e) General Fund – The General Fund is new and replaces the realised donated asset reserve, Public Dividend Capital and the Income & Expenditure reserve.

1.5 Changes to accounting policies

Income

As a direct result of changing the accounting and budgeting treatment for HSC Trusts as Non Departmental Public Bodies (NDPBs), HSC Trusts are now required to treat funding that is received from a controlling party such as the Department and Boards as Grant in Aid income. Under government accounting such income is treated as financing and credited to reserves. This is a change in accounting policy from previous years, when such income was recorded as income in the Net Expenditure Account. Prior year figures have been restated in the accounts to reflect this change in treatment. The effect of this change both in the current year and prior year are shown in the table below. There is no impact on the net liability position as a result of this change in policy.

	At 31 Mar 2008 (as stated previously) £'000	Impact of adopting new policy £'000	At 31 Mar 08 (Restated) £'000
Income	1,006,002	(927,175)	78,827

	At 31 Mar 2009 (without applying new policy) £'000	Impact of adopting new policy £'000	At 31 Mar 2009 (applying new policy) £'000
Income	1,094,574	(1,001,897)	92,677

Provisions

In line with adopting the NDPB format of accounts, HSC Trusts are required to change how provisions are reflected within the Net expenditure Account.

Clinical Negligence and Review of Public administration (RPA) –Provisions in respect of Clinical Negligence and RPA remain fully funded and as such have no impact on the Net expenditure Account. Previously reimbursements received in respect of clinical negligence and RPA utilisation, were reflected within income, whilst payments made were reflected within operating expenses. In the new format it is reimbursements receivable for the movement in the provision excluding utilisation which is recognised within income, with a similar recognition in operating expenses.

Other provisions – Similarly it is the movement in the provision excluding utilisation which is recognised within operating expenses. Previously this was not reflected within operating expenses, but rather as provisions for future obligations on the face of the Net Expenditure Account.

Prior year figures have been restated in the accounts to reflect this change in treatment. The effect of this change both in the current year and prior year are shown in the table below. There is no impact on the net liability position as a result of this change in policy.

	At 31 Mar 2008 (as stated previously) £'000	Impact of adopting new policy £'000	At 31 Mar 08 (Restated) £'000
Income	12,427	11,356	23,783
Expenditure	14,256	12,232	26,488

	At 31 Mar 2009 (without applying new policy) £'000	Impact of adopting new policy £'000	At 31 Mar 2009 (applying new policy) £'000
Income	21,544	2,209	23,753
Expenditure	23,477	951	24,428

1.6 Intangible Fixed Assets

Intangible fixed assets are capitalised when they are capable of being used in a Trust's activities for more than one year; and they have a cost of at least £5,000 (either individually or as a grouped asset).

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis, except capitalised Research and Development which is revalued using an appropriate index figure. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred (either individually or as a grouped asset). They are amortised over the shorter of the term of the licence and their useful economic lives.

1.7 Tangible Fixed Assets

Capitalisation

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000;

OR

- they satisfy the criteria of a grouped assets i.e. collectively have a cost of at least £5,000, are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and have an individual cost of £1,000 ; OR

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

Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

All land and buildings are restated to current value using professional valuations in accordance with FRS 15 every five years and in the intervening years by the use of indices. The buildings index is based on the All in Tender Price Index published by the Building Cost Information Service (BCIS). The land index is based on the residential building land values reported in the Property Market Report published by the Valuation Office.

Professional valuations are carried out by the District Valuers of the Valuations and Land Agency. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health, Social Services and Public Safety. In accordance with the requirements of the Department, asset valuations were undertaken in 2004/05 as at the valuation date of 31 March 2005.

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

All increases in value arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All decreases in value resulting from price changes are charged to the Statement of Total Recognised Gains and Losses to the extent that a revaluation reserve covers these price impairments and if there is insufficient cover in the revaluation reserve, the remainder is charged to the Net Expenditure Account.

Assets in the course of construction are valued at cost and are not indexed. These assets include any existing land or buildings under the control of a contractor.

Residual interests in off-balance sheet Private Finance Initiative contract assets are included in tangible fixed assets as 'assets under construction and payments on account' where the PFI contract specifies the amount, or a nil value, at which the assets will be transferred to the Trust at the end of the contract. The residual interest is built up, on an actuarial basis, during the life of the contract by capitalising part of the unitary charge so that at the end of the contract the balance sheet value of the residual value plus the specified amount equal the expected fair value of the residual asset at the end of the contract. The estimated fair value of the asset on reversion is determined by the District Valuer based on Department of Health guidance. The District Valuer should provide an estimate of the anticipated fair value of the assets on the same basis as the District Valuer values the NHS Trusts' estate.

Operational equipment other than IT equipment, which is considered to have nil inflation, is valued at net current replacement cost through annual uplift by the change in the value of the GDP deflator. Equipment surplus to requirements is valued at net recoverable amount.

Depreciation, amortisation and impairments

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Impairment losses resulting from short-term changes in price that are considered to be recoverable in the longer term are taken in full to the revaluation reserve, where one exists with any remaining balance charged to the Net Expenditure Account. Impairment losses caused by economic events are taken in full to the Net Expenditure Account with a transfer being made from the revaluation reserve to the General Fund up to the amount of the economic impairment.

1.8 Donated Fixed Assets

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the Donated Asset Reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the Donated Asset Reserve and, each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Income and Expenditure account. Similarly, any impairment on donated assets charged to the Income and Expenditure Account is matched by a transfer from the Donated Asset Reserve. On sale of donated assets, the value of the sale proceeds is transferred from the Donated Asset Reserve to the Income and General Fund.

1.9 Research and development

Research and development expenditure is charged against income in the year in which it is incurred, except in so far as development expenditure relates to a clearly defined project and the benefits there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project.

1.10 Private Finance Initiative (PFI) transactions

The HSS follows HM Treasury's Technical Note 1 (Revised) "How to Account for PFI transactions" which provides definitive guidance for the application of the FRS 5 Amendment.

PFI schemes are schemes under which the PFI operator receives an annual payment from the Trust for the services provided by the PFI operator.

Where the balance of the risks and rewards of ownership of the PFI contract assets are borne by the PFI operator, the PFI obligations are recorded as an operating expense. Where the Trust has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Income and Expenditure Account.

Where, at the end of the PFI contract, a contract asset reverts to the Trust, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year, as a tangible fixed asset.

Where the balance of risks and rewards of ownership of the PFI contract asset are borne by the Trust, it is recognised as a fixed asset along with the liability to pay for it which is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

1.11 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to current cost due to the high turnover of stocks.

Work in progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work in progress.

1.12 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are adjusted using the Treasury's discount rate of 2.2% in real terms.

Provisions for clinical negligence are recognised only where it is more probable than not that a settlement will be required.

1.13 Clinical negligence central fund

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

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

1.14 Pensions

The Trust participates in a HSC Superannuation Scheme. Under this multi-employer defined 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 HSS Superannuation scheme can be found in the HSS Superannuation Scheme Statement in the Department Resource Account for the Department of Health, Social Services and Public Safety.

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

As per the requirements of FRS17, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the balance sheet date, in this case the 2004 valuation, and updates it to reflect current conditions. An interim valuation is taking place with effect from 31 March 2006 and this is the valuations being used for 2008-09 accounting purposes.

1.15 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 27 to the accounts.

1.16 Leases

Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is subject to indexation and revaluation and is depreciated on its current fair value over the shorter of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of interest on the outstanding balance. Rentals under operating leases are charged to the Income and Expenditure Account in the year in which they arise.

1.17 Losses & Special Payments

This note (Note 25) is a memorandum statement unlike most notes to the accounts which provide further detail of figures in the primary accounting statements. Most of the contents will be included in operating expenses.

1.18 Financial Instruments

In 2008-09 HSC Trusts are required to implement financial Instruments standards FRS25, FRS 26 and FRS 29.

Financial assets

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

Financial assets are initially recognised at fair value.

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

Financial risk management

Financial Reporting Standard 29 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.

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 2 STAFF NUMBERS AND RELATED COSTS

2.1 Staff Costs

Staff costs comprise

	2009 £'000	Directly employed £'000	Other £'000	2008 £'000
Wages & Salaries	551,132	521,101	30,031	538,859
Social security costs	45,373	44,656	717	41,623
Other pension costs	65,336	64,586	750	30,066
Sub-Total	661,841	630,343	31,498	610,548
Less recoveries in respect of outward secondments		n/a	n/a	486
Total net costs	661,841			610,062

In addition an amount of £196,062 has been charged to capital in the year

2.2 Average number of persons employed

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

	2009 No.	Directly employed No.	Other No.	2008 No.
Medical and dental	1,559	1,473	86	1,478
Nursing and Midwifery	6,499	6,237	262	6,711
Professions Allied to medicine	1,221	1,189	32	1,098
Ancillaries	1,759	1,676	83	1,817
Administrative and clerical	3,515	3,136	379	3,569
Ambulance staff	0	0	0	0
Works	217	217	0	214
Other Professional and technical	1,067	1,063	4	1,122
Social Services	1,890	1,858	32	1,642
Other	0	0	0	356
Total	17,727	16,849	878	18,007

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 2 STAFF NUMBERS AND RELATED COSTS

2.3 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	2008-09		2007-08	
	Salary, including Performance Pay £'000	Benefits in Kind (Rounded to nearest £100)	Salary, including Performance Pay £'000	Benefits in Kind (Rounded to nearest £100)
Non-Executive Members				
P McCartan	30-35	0	30-35	0
E Evason	5-10	0	5-10	0
L Drew	5-10	0	5-10	0
C Jenkins	5-10	0	5-10	0
V McGarrell	5-10	0	5-10	0
T Hartley	5-10	0	5-10	0
J O'Kane	5-10	0	5-10	0
MJ Allen	5-10	0	5-10	0
Executive Members				
W McKee	135-140	0-2.5	125-130	0-2.5
H McCaughey	105-110	0-2.5	90-95	0-2.5
A Stevens	150-155	0	140-145	0
W Galbraith	95-100	0	85-90	0
M Mallon	90-95	0-2.5	80-85	0-2.5
P Donnelly	90-95	0	85-90	0
D Stockman	75-80	0	65-70	0
V Jackson	85-90	0	65-70	0
B Mullen	80-85	0	65-70	0
J Welsh	65-70	0-2.5	50-55	0-2.5
P O'Callaghan	65-70	0	55-60	0
A Brown (until 31 August 2008) *	30-35	0	65-70	0
B McNally	70-75	0	55-60	0

* Mr A Brown was given voluntary early retirement on the grounds of redundancy. The total cost to the Trust was £235k-£240k which included pension payment, lump sum and redundancy payment in accordance with the contractual entitlement.

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 2 STAFF NUMBERS AND RELATED COSTS

2.3 Senior Employees' Remuneration (cont'd)

2008-09					
Name	Real increase in pension and related lump sum at age 60 £'000	Total accrued pension at age 60 and related lump sum £'000	CETV at 31/03/08 £'000	CETV at 31/03/09 £'000	Real increase in CETV £'000
Non-Executive Members					
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 McGarrell	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
Executive Members					
W McKee	17.5-20.0	225-230	892	1330	438
H McCaughey	20.0-22.5	125-130	331	505	174
A Stevens	10.0-12.5	195-200	723	983	260
W Galbraith	7.5-10.0	55-60	145	209	64
M Mallon	15.0-17.5	155-160	553	782	229
P Donnelly	7.5-10.0	150-155	595	816	222
D Stockman	10.0-12.5	45-50	114	180	66
V Jackson	12.5-15.0	90-95	228	327	100
B Mullen	17.5-20.0	50-55	522	766	245
J Welsh	5.0-7.5	35-40	94	140	46
P O'Callaghan	5.0-7.5	55-60	197	285	89
A Brown (until 31 August 2008)	N/A	N/A	N/A	N/A	N/A
B McNally	17.5-20.0	80-85	241	398	157

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

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

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

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

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 2 STAFF NUMBERS AND RELATED COSTS

2.4 Trust Management Costs

	2009	2008
	£'000	£'000
Trust Management Costs	41,454	37,533
Income:		
RRL	1,002,692	927,175
Income per Note 4	94,886	93,043
Less interest receivable	0	(2,860)
Less non cash income for provisions	(23,753)	(23,783)
Add cash income for provisions	21,570	12,427
TOTAL INCOME	1,095,395	1,006,002
% of total income	3.78%	3.73%

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

2.5 Retirements due to ill-health

During 2008/09 there were 85 early retirements from the Trust agreed on the grounds of ill-health.

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 3 OPERATING EXPENSES

Operating Expenses

3.0 Operating Expenses are as follows:-

	2009 £'000	Restated 2008 £'000
Purchase of care from non-HPSS bodies	122,646	109,543
Revenue Grants to voluntary organisations	11,732	13,528
Capital Grants to voluntary organisations	0	0
Personal social services	10,063	10,211
Recharges from other HPSS organisations	9,236	9,835
Supplies and services - clinical	135,201	127,965
Supplies and services - general	13,557	13,652
Establishment	13,315	14,212
Transport	1,322	1,570
Premises	68,305	59,095
Bad debts	147	1,342
Rentals under operating leases	894	1,408
Interest charges	18	0
PFI Service charges	14,015	13,553
Clinical Negligence - Other	(15)	45
Miscellaneous	7,841	6,504
Non cash items		
Depreciation	44,129	43,675
Amortisation	0	28
Impairments	2,807	2,804
(Profit) on disposal of fixed assets (excluding profit on land)	0	0
Loss on disposal of fixed assets (including land)	55	325
Cost of Capital	30,844	29,531
Provisions provided for in year	23,666	25,642
Unwinding of discount on Provisions	762	846
Auditors' remuneration	86	122
TOTAL OPERATING EXPENSES	510,626	485,436

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 4 INCOME

4.1 Income from Activities

	2009	Restated
	£'000	2008
		£'000
GB/Republic of Ireland Health Authorities	989	590
HSC Trusts	7,269	6,493
Non-HSS:- Private patients	4,070	4,458
Non-HSS:- Other	6,883	5,120
Clients' contributions	24,594	23,444
Total	43,805	40,105

4.2 Other Operating Income

	2009	Restated
	£'000	2008
		£'000
Other income from non-patient services	7,848	7,659
Charitable and other contributions to expenditure	3,750	3,035
Donated asset reserve transfer for Impairment	0	0
Donated asset reserve transfer for Depreciation	2,245	2,351
Profit on disposal of land	0	0
Interest receivable	0	2,860
Other income	13,485	13,252
Total	27,328	29,157

4.3 Reimbursements receivable in respect of provisions

	£'000	Restated
	£'000	£'000
		£'000
Movements in reimbursable income from Clinical Negligence Central Fund	8,253	5,126
Movements in reimbursable income for RPA/CSR	15,500	18,655
Total	23,753	23,781
TOTAL INCOME	94,886	93,043

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 5 TANGIBLE ASSETS

5.1 Tangible fixed assets comprise the following elements:

Purchased Assets

	Land £'000	Buildings (excluding dwellings) £'000	Dwellings £'000	Assets under Construction £'000	Plant and Machinery (Equipment) £'000	Transport Equipment £'000	Information Technology (IT) £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation									
At 1 April 2008	215,065	681,860	32,424	54,873	84,386	5,987	25,925	3,538	1,104,058
Indexation	0	18,815	895	0	2,206	60	0	25	22,001
Additions	0	11,313	400	34,933	4,539	182	4,188	988	56,543
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	22,829	0	(23,241)	2	413	(1)	0	2
Revaluation	0	0	0	0	0	0	0	0	0
Impairments	(86)	(56)	0	(2,792)	0	0	0	0	(2,934)
Disposals	(387)	(1,018)	0	0	(3,158)	(340)	(10)	0	(4,913)

At 31 March 2009	214,592	733,743	33,719	63,773	87,975	6,302	30,102	4,551	1,174,757
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Depreciation

At 1 April 2008	0	84,519	8,199	0	56,294	3,612	17,422	2,026	172,072
Indexation	0	1,320	185	0	1,471	36	0	15	3,027
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	(11)	1	10	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Disposals	0	(302)	0	0	(3,100)	(340)	(10)	0	(3,752)

Reversal of impairments	0	0	0	0	0	0	0	0	0
Provided during the year	0	29,427	2,503	0	6,092	644	3,022	211	41,899

At 31 March 2009	0	114,964	10,887	0	60,746	3,953	20,444	2,252	213,246
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Net Book Value

At 31 March 2009	214,592	618,779	22,832	63,773	27,229	2,349	9,658	2,299	961,511
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At 31 March 2008	215,065	597,341	24,225	54,873	28,092	2,375	8,503	1,512	931,986
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Asset financing

Owned	214,592	618,779	22,832	63,773	27,229	2,349	9,658	2,299	961,511
Finance Leased	0	0	0	0	0	0	0	0	0
On b/s PFI contracts	0	0	0	0	0	0	0	0	0

Net Book Value

At 31 March 2009	214,592	618,779	22,832	63,773	27,229	2,349	9,658	2,299	961,511
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The total amount of depreciation charged in the Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £0 (2008 £0)

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 5 TANGIBLE ASSETS

5.2 Donated fixed assets comprise the following elements:

	Land £'000	Buildings (excluding dwellings) £'000	Dwellings £'000	Assets under Construction £'000	Plant and Machinery (Equipment) £'000	Transport Equipment £'000	Information Technology (IT) £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation									
At 1 April 2008	581	39,311	200	0	12,331	63	1,344	0	53,830
Indexation	0	1,126	6	0	322	1	0	0	1,455
Additions	0	15	0	0	413	0	4	0	432
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(1,004)	0	0	0	(1,004)
At 31 March 2009	581	40,452	206	0	12,062	64	1,348	0	54,713
Depreciation									
At 1 April 2008	0	3,909	13	0	7,753	52	1,133	0	12,860
Indexation	0	89	0	0	203	1	0	0	293
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(995)	0	0	0	(995)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Provided during the year	0	1,282	6	0	865	5	72	0	2,230
At 31 March 2009	0	5,280	19	0	7,826	58	1,205	0	14,388
Net Book Value									
At 31 March 2009	581	35,172	187	0	4,236	6	143	0	40,325
At 31 March 2008	581	35,402	187	0	4,578	11	211	0	40,970
Asset financing									
Owned	581	35,172	187	0	4,236	6	143	0	40,325
Finance Leased	0	0	0	0	0	0	0	0	0
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2009	581	35,172	187	0	4,236	6	143	0	40,325

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 6 INTANGIBLE ASSETS

	Purchased	Donated	Total
	Software licences		
Cost or Valuation	£'000	£'000	£'000
At 1 April 2008	0	0	0
Indexation	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
Impairments	0	0	0
Disposals	0	0	0
At 31 March 2009	0	0	0
Amortisation			
At 1 April 2008	0	0	0
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
Impairments	0	0	0
Disposals	0	0	0
Provided during the year	0	0	0
At 31 March 2009	0	0	0
Net Book Value			
At 31 March 2009	0	0	0
At 31 March 2008	0	0	0

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 7 SUMMARY FIXED ASSETS

	Purchased £'000	Donated £'000	2009 Total £'000	2008 Total £'000
Net book value:				
Land	214,592	581	215,173	215,646
Buildings (excluding dwellings)	618,779	35,172	653,951	632,743
Dwellings	22,832	187	23,019	24,412
Assets under construction	63,773	0	63,773	54,873
Plant and machinery (Equipment)	27,229	4,236	31,465	32,670
Transport Equipment	2,349	6	2,355	2,386
Information Technology (IT)	9,658	143	9,801	8,714
Furniture & Fittings	2,299	0	2,299	1,512
Total Tangible Fixed Assets	961,511	40,325	1,001,836	972,956
Total Intangible Fixed Assets	0	0	0	0
Total Assets	961,511	40,325	1,001,836	972,956

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 8 INVESTMENTS

8.1 Fixed Asset Investments

	2009	2008
	£'000	£'000
Balance at 1 April 2008	0	0
Additions	0	0
Disposals	0	0
Revaluations	0	0
Balance at 31 March 2009	<u>0</u>	<u>0</u>

NOTE 9 STOCKS

Stocks and Work in Progress

	2009	2008
	£'000	£'000
Raw Materials and consumables	10,153	10,333
Work in progress	0	0
Finished goods	0	0
Total	<u>10,153</u>	<u>10,333</u>

BELFAST HEALTH & SOCIAL CARE TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009****NOTE 10 DEBTORS****10.1 Debtors: Amounts falling due within one year:**

	2009	2008
	£'000	£'000
Trade Debtors	19,045	16,974
Deposits and advances	0	0
Clinical Negligence debtors	21,194	14,494
RPA/CSR debtor	21,247	5,523
Current part of PFI debtor	513	497
Other debtors	29,150	24,817
Other prepayments and accrued income	4,461	2,424
Sub Total	95,610	64,729

The balances are net of a provision for bad debts of £3,060k (2008 £2,998k)

10.2 Debtors: Amounts falling due after more than one year:

	2009	2008
	£'000	£'000
Trade Debtors	0	0
Deposits and advances	0	0
Clinical Negligence debtors	9,043	7,468
RPA/CSR debtor	8,250	13,132
Other debtors	0	0
PFI debtor over 1 year	6,299	6,828
Other prepayments and accrued income	0	0
Sub Total	23,592	27,428
TOTAL DEBTORS	119,202	92,157

BELFAST HEALTH & SOCIAL CARE TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009****NOTE 10 DEBTORS****10.3 Intra-Government balances (Debtors)**

Name	Amounts falling due within 1 year 2008/09 £'000	Amounts falling due within 1 year 2007/08 £'000	Amounts falling due after more than 1 year 2008/09 £'000	Amounts falling due after more than 1 year 2007/08 £'000
Balances with other central gov bodies	66,685	45,026	17,293	20,614
Balances with local Authorities	3	0	0	0
Balances with NHS /HSC Trusts	6,743	2,920	0	0
Balances with public corporations and trading funds	0	5	0	0
Intra-Government Balances	73,431	47,951	17,293	20,614
Balances with bodies external to government	22,179	16,778	6,299	6,814
Total Debtors at 31 March 2009	95,610	64,729	23,592	27,428

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 11 SHORT TERM INVESTMENTS AND CASH AT BANK

NOTE 11.1 SHORT TERM INVESTMENTS

Short-term Investments	2009 £'000	2008 £'000
Government Securities	0	0
Other Approved Public Sector Organisations	0	0
Banking Deposits	9,170	29,206
Others (specify if in excess of £50,000)	0	0
Total	9,170	29,206

NOTE 11.2 CASH

Cash at bank and in hand	2009 £'000	2008 £'000
Balance at 1st April	1,973	1,475
Net change in cash balances	(1,164)	498
Balance at 31st March	809	1,973

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 12 CREDITORS

	2009	2008
	£'000	£'000
12.1 Creditors: Amounts falling due within one year:		
Bank overdrafts	0	0
Trade capital creditors	23,088	19,489
Trade revenue creditors	70,932	67,593
Other taxation and social security	21,333	18,307
Payroll creditors	11,277	33,168
Clinical Negligence creditor	162	3,418
RPA creditor	10,750	0
Accruals and deferred income	3,876	5,894
Current part of finance leases	0	0
Current part of imputed finance lease of on balance sheet PFI	0	0
Other creditors	1,891	4,425
Sub Total	143,309	152,294
12.2 Creditors: Amounts falling due after more than one year:		
Other creditors, accruals and deferred income	0	0
Finance leases	0	0
Imputed finance lease of on balance sheet PFI	0	0
Long term loans	0	0
Sub Total	0	0
Total Creditors	143,309	152,294

Pension creditors include £0 relating to payments due in future years under arrangements to buy out the liability for early retirements over 5 years.

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 12 CREDITORS

12.3 Intra-government balances (Creditors)

Name	Amounts falling due within 1 year 2008/09 £'000	Amounts falling due within 1 year 2007/08 £'000	Amounts falling due after more than 1 year 2008/09 £'000	Amounts falling due after more than 1 year 2007/08 £'000
Balances with other central gov bodies	33,297	17,208	0	0
Balances with local Authorities	92	6,466	0	0
Balances with NHS/HSC Trusts	3,631	3,271	0	0
Balances with public corporations and trading funds	0	0	0	0
Intra-Government Balances	37,020	26,945	0	0
Balances with bodies external to government	106,289	125,349	0	0
Total Creditors at 31 March	143,309	152,294	0	0

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 13 PROMPT PAYMENT POLICY

13.1 Public Sector Payment Policy - Measure of Compliance

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

	2009 Number	2008 Number
Total bills paid	<u>366,981</u>	<u>358,369</u>
Total bills paid within 30 day target	<u>304,669</u>	<u>322,149</u>
% of bills paid within 30 day target	<u>83%</u>	<u>90%</u>

13.2 The Late Payment of Commercial Debts Regulations 2002

The amount included within Interest Payable (Note 3) arising from claims made by small businesses under this legislation are as follows :

	£'000
Total	<u><u>18</u></u>

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 14 PROVISIONS

Note 14.1 Provisions for liabilities and charges

	Pensions relating to former directors £'000	Pensions relating to other staff £'000	Clinical negligence £'000	Restructuring £'000	Other £'000	2009 £'000
Balance at 31 March 2008 (restated)	0	7,083	21,962	15,931	8,642	53,618
Arising during the year	0	269	10,916	16,500	2,364	30,049
Reversed unused	0	(650)	(3,092)	(1,000)	(1,641)	(6,383)
Utilised during the year	0	(493)	(9,123)	(12,447)	(1,414)	(23,477)
Unwinding of discount	0	133	455	0	174	762
At 31 March 2009	0	6,342	21,118	18,984	8,125	54,569

RPA Utilised costs include the following;

	RPA £'000
Pension Costs for early retirement reflecting the single lump sum to buy over the full liability	8,974
Redundancy costs	3,473
	<u>12,447</u>

14.2 Net Expenditure Account charges

	2009 £'000
Arising during the year	30,049
Reversed unused	(6,383)
Utilised during the year	(23,477)
Unwinding of discount	762
Total charge within Operating costs	<u><u>951</u></u>

Reimbursements receivable

Clinical Negligence Central Fund	(844)
RPA/CSR	3,053
Other	0
Total reimbursements receivable	<u><u>2,209</u></u>
Net increase/decrease to Net expenditure	<u><u>(1,258)</u></u>

BELFAST HEALTH & SOCIAL CARE TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009****NOTE 14 PROVISIONS**

	Pensions relating to former directors £'000	Pensions relating to other staff £'000	Clinical Negligence £'000	Restructuring £'000	Other £'000	2009 £'000	2008 £'000
Within 1 year	0	669	12,075	10,734	3,928	27,405	21,813
1 - 5 years	0	1,974	9,043	8,250	1,000	20,267	23,570
6 -10 years	0	2,468	0	0	1,250	3,718	2,101
Over 10 years	0	1,231	0	0	1,947	3,179	6,134
At 31 March 2009	0	6,342	21,118	18,984	8,125	54,569	53,618

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.

Expected reimbursements from the Central Funds included in debtors are :-

	£'000
Clinical Negligence Central Fund	21,118
RPA/CSR Central Fund	18,984

The clinical negligence provision includes £0 for incidents against which claims have not, as yet been received. The related reimbursements, included in debtors, amount to £0

In addition to the clinical negligence provision, contingent liabilities for clinical negligence are given in Note 24.

NOTE 15 LOANS**Loans**

The Belfast HSC Trust has no Government or other long term loans.

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 16 RESERVES

16.1 Opening balance General Fund 2008 £'000

At 31 March 2008

Realised donated asset reserve	0
Other Reserves	0
Income & Expenditure Reserve	(45,567)
Public Dividend Capital	867,849
	<hr/>

At 1 April 2008

822,282

16.2 Movements on Reserves

	General Fund £'000	Revaluation Reserve £'000	Donation Reserve £'000	2009 Total £'000	Restated 2008 Total £'000
At 31 March 2008	0	37,349	41,082	78,431	909,021
Changes in accounting policy	822,282	0	0	822,282	0
Restated balance as at 1 April 2008	<hr/> 822,282	<hr/> 37,349	<hr/> 41,082	<hr/> 900,713	<hr/> 909,021
Indexation of fixed assets	0	18,974	1,162	20,136	39,152
Impairment of fixed assets	0	(127)	0	(127)	(72)
Donated assets receipts	0	0	432	432	593
Release of reserves to Net Expenditure Account	0	0	(2,246)	(2,246)	(2,354)
Non cash charges - cost of capital	30,844	0	0	30,844	29,531
Non cash charges - auditors' remuneration	86	0	0	86	122
Transfer between reserves	141	(141)	0	0	0
Net expenditure for year	(1,077,581)	0	0	(1,077,581)	(1,002,455)
PDC	0	0	0	0	0
Cash drawdown	1,071,035	0	0	1,071,035	927,175
At 31 March 2009	<hr/> 846,807	<hr/> 56,055	<hr/> 40,430	<hr/> 943,292	<hr/> 900,713

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

17. Reconciliation of Movement in Government Funds

	2009	Restated
	£'000	2008
		£'000
Net expenditure	(1,077,581)	(1,002,455)
Gains/(losses) from revaluation/indexation of purchased fixed assets	18,847	37,410
PDC issued	0	0
Cash draw down	1,071,035	967,175
Additions (reductions) in other reserves	30,930	29,652
Net Movement in Government funds	43,231	31,782
Government funds at 31 March 2008	859,631	827,849
Government funds at 31 March 2009	902,862	859,631

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 18 Financial Performance Targets

18.1 Revenue Resource Limit

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

The Revenue Resource Limit for Belfast HSC Trust is calculated as follows:

	2009 £'000	2008 £'000
HSC Board allocation	934,847	866,500
SUMDE & NIMDTA	50,269	47,124
DHSSPS resource budget	17,576	13,551
Other Gov Department	0	0
Revenue Resource Limit	1,002,692	927,175

The following non cash costs are excluded from net expenditure to calculate net resource outturn.

		2009 £'000	2008 £'000
Non cash costs:			
Depreciation	5.1	41,899	41,351
Cost of Capital	3.0	30,844	29,531
Amortisation	6.1	0	24
Impairments	5.1 & 6.1	2,807	2,804
Loss on disposal of land & buildings		0	291
Notional audit fees	3.0	86	122
Other Provisions	14.2	(1,258)	876
Other			
Total Adjustments		74,378	74,999

18.2 Capital Resource Limit

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

	2009 £'000	2008 £'000
Gross Capital Expenditure	56,543	47,360
Receipts from sales of fixed assets	(1,098)	(465)
Net capital expenditure	55,445	46,895
Capital Resource Limit	55,482	47,062
Overspend/(Underspend) against CRL	(37)	(167)

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 18 Financial Performance Targets

18.3 Break even performance

The Trust is required to ensure that its income is sufficient to meet its expenditure taking one year with another.

		2008/09	2007/08
		£	£
Income	2.4	<u>1,095,395</u>	<u>1,006,002</u>
Break Even in year position		(511)	(281)
Break Even cumulative position(opening)		(281)	0
Other Adjustments		0	0
Break Even Cumulative position (closing)		<u><u>(792)</u></u>	<u><u>(281)</u></u>
If a Break Even cumulative deficit - anticipated financial year of recovery		<u>N/A</u>	<u>N/A</u>
If more than 2 years- agree period		<u>N/A</u>	<u>N/A</u>
Materiality Test:			
		2008/09	2007/08
		%	%
Break Even in year position as % of turnover		<u>(0.05%)</u>	<u>(0.03%)</u>
Break Even cumulative position as % of turnover		<u>(0.07%)</u>	<u>(0.03%)</u>

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 19 COMMITMENTS UNDER LEASES

19.1 Operating Leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires

Obligations under operating leases comprise	2009 £'000	2008 £'000
Land & Buildings		
Expiry within 1 year	0	0
Expiry after 1 year but not more than 5 years	40	35
Expiry thereafter	200	154
	240	189
Other		
Expiry within 1 year	89	294
Expiry after 1 year but not more than 5 years	523	788
Expiry thereafter	0	0
	612	1,082

19.2 Finance Leases

Obligations under finance leases comprise	2009 £'000	2008 £'000
Rentals due within 1 year	0	0
Rentals due after 1 year but not within 5 years	0	0
Rentals due thereafter	0	0
	0	0
Less interest element		
	0	0

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 20 CAPITAL COMMITMENTS

Capital commitments at the balance sheet date

	2009	2008
	Total	Total
	£'000	£'000
Contracted capital commitments for which no provision has been made	169,385	8,693
Total	169,385	8,693

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 21 COMMITMENTS UNDER PFI CONTRACTS

21.1 Off balance sheet PFI Schemes

	2009	2008
	£'000	£'000
Estimated capital value of the PFI schemes		
Carparks	3,200	3,200
Managed Equipment Service	24,000	24,000
Renal dialysis	2,845	2,845
Cancer centre	36,700	36,700
	66,745	66,745

	Contract Start Date	Contract End Date	Scheme Description
Carparks	01/04/1997	30/03/2017	Provision of car parking for staff & visitors
Managed Equipment Service	01/10/2006	30/09/2021	Provision & maintenance of equipment for Imaging Centre
Renal Dialysis	01/11/1998	31/10/2013	Provision of building, equipment & consumables for haemodialysis
Cancer Centre	01/01/2006	31/12/2030	Provision & maintenance of equipment for Cancer Centre

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 21 COMMITMENTS UNDER PFI CONTRACTS

21.2 On balance sheet PFI Schemes

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

	2009 £'000	2008 £'000
Expiry within 1 yr	0	0
2 to 5 years (inclusive)	0	0
6 to 10 years (inclusive)	0	0
11 to 15 years (inclusive)	0	0
16 to 20 years (inclusive)	0	0
21 to 25 years (inclusive)	0	0
26 to 30 years (inclusive)	0	0
31 to 35 years (inclusive)	0	0
	<hr/> 0	<hr/> 0
Less interest element	0	0
	<hr/> 0	<hr/> 0

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is £0 (2008 £0)

21.3 Charge to the Net Expenditure account and future commitments

	2009 £'000	Restated 2008 £'000
Amounts included within operating expenses in respect of off balance sheet PFI transactions	14,015	13,553
Amounts included within operating expenses in respect of the service element of on balance sheet PFI transactions	0	0
	<hr/> 14,015	<hr/> 13,553

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

	2009 £'000	2008 £'000
Expiry within 1 year	0	0
Expiry within 2 to 5 years	1,809	0
Expiry within 6 to 10 years	0	1,780
Expiry within 11 to 15 years	7,896	7,523
Expiry within 16 to 20 years	0	0
Expiry within 21 to 25 years	4,629	4,460
	<hr/> 14,334	<hr/> 13,763

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

22 Other Financial Commitments

The payments to which the Trust/body is committed during 2008-09 analysed by the period during which the commitment expires are as follows:

	2009	2008
	£'000	£'000
Expiry within 1 year	0	0
Expiry after 1 year but not more than 5 years	0	0
Expiry thereafter	0	0
	0	0

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 23 FINANCIAL INSTRUMENTS

23.1 Financial Guarantees, Indemnities and Letters of Comfort

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

The Trust has entered into no quantifiable guarantees, indemnities or provided Letters of Comfort.

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 24 CONTINGENT LIABILITIES

Clinical Negligence

The Trust has contingent liabilities of £780k for clinical negligence incidents. The Trust's financial liability, if any, cannot be determined until the related claims are resolved. An estimate of the amount involved, inclusive of legal costs, is:

	2009	2008
	£'000	£'000
Total estimate of contingent clinical negligence liabilities	780	517
Amount recoverable from the Clinical Negligence Central Fund	(780)	(517)
Net Contingent Liability	<u>0</u>	<u>0</u>

In addition to the above contingent liability, provisions for clinical negligence are given in Note 14

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

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 25 LOSSES & SPECIAL PAYMENTS

TYPE OF LOSS		NO. OF CASES	VALUE £
1	Cash Losses - Theft, fraud etc	11	1,597
2	Cash Losses - Overpayments of salaries, wages and allowances	0	0
3	Cash Losses - Other causes (including unvouched and incompletely vouched payments)	0	0
4	Nugatory and fruitless payments - Abandoned Capital Schemes	0	0
5	Other nugatory and fruitless payments		
6	Bad debts and claims abandoned	187	74,287
7	Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
	i. Bedding and linen	0	0
	ii. Other equipment and property	0	0
8	Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	0	0
9	Stores and Inventory Losses - Deterioration in store	3	1,619
10	Stores and Inventory Losses - Stocktaking discrepancies	0	0
11	Stores and Inventory Losses - Other causes		
	i. Bedding and linen	0	0
	ii. Other equipment and property	1	1,820
12	Compensation payments (legal obligation)		
	i. Clinical Negligence	122	9,122,894
	ii. Public Liability	20	79,740
	iii. Employers Liability	97	1,026,859
13	Ex-gratia payments - Compensation payments (including payments to patients and staff)	80	23,843
14	Ex-gratia payments - Other payments	0	0
15	Extra statutory payments	0	0
16	a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.	0	0
	b. Damage to vehicles	0	0
TOTAL		521	10,332,659

25.1 Special Payments

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

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 26 Related Party Transactions

During the year, none of the board members, members of the key management staff or other related parties has undertaken any material transactions with the Belfast HSC Trust.

NOTE 27 Third party assets

The Trust held £885,503 cash at bank and in hand and £3,756,974 short term investments at 31/3/09 which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand and short term investment figures reported in the accounts. A separate audited account of these monies is maintained by the Trust.

NOTE 28 POST BALANCE SHEET EVENTS

The operations, services, assets and liabilities of the Regional Medical Physics Agency transferred to the Belfast HSC Trust on 1 April 2009. There has been no effect on the current year Annual Accounts in this regard.

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

29 Notes to the Cash Flow Statement

29.1 Reconciliation of net expenditure to operating cash flows

		2009	Restated
		£'000	2008
			£'000
Net expenditure		(1,077,581)	(1,005,311)
Adjustments for non cash transactions (excl. provisions)	3.0	77,866	76,156
Profit on sale of fixed assets	3.0	55	325
Transfer from donation reserve		(2,246)	(2,351)
Increase/(decrease) in provisions		951	12,230
(Increase)/decrease in stocks		180	(22)
(Increase)/decrease in debtors		(27,208)	(9,597)
Increase/(decrease) in creditors		(12,584)	28,775
Net cash outflow from operating activities		(1,040,567)	(899,795)

BELFAST HEALTH & SOCIAL CARE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

29 Notes to the Cash Flow Statement

29.2 Reconciliation of net cash flow to movement in net debt

	2009	2008
	£'000	£'000
Increase/(decrease) in cash in the year	(1,164)	498
Cash inflow from new debt	0	0
Cash outflow from debt repaid and finance lease capital payments	0	0
Cash (inflow)/outflow from decrease/increase in liquid resources	(20,036)	1,274
Change in net debt resulting from cash flows	(21,200)	1,772
Non-cash changes in debt	0	0
Net Debt at 1 April 2008	31,179	29,407
Net Debt at 31 March 2009	9,979	31,179

29.3 Analysis of changes in net fund

	At 1 April 2008	Cash flows	Non-cash changes	At 31 March 2009
	£	£	£	£
Cash at bank and in hand	1,973	(1,164)	0	809
Bank overdrafts	0	0	0	0
Debt due within 1 year	0	0	0	0
Debt due after 1 year	0	0	0	0
Finance leases	0	0	0	0
Current asset investments	29,206	(20,036)	0	9,170
	31,179	(21,200)	0	9,979

Belfast Health and Social Care Trust

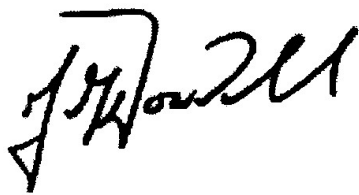
THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Asset valuations at 31 March 2009

1. Fixed assets, including land and buildings, are stated at the lower of replacement costs and recoverable value in the balance sheet. Every five years land and buildings in the public sector must be professionally valued in line with financial reporting standards¹. Professional valuations are carried out by the District Valuers of the Land & Property Services Agency (LPS). The values of these assets are then restated in the balance sheet in line with their current value. Within the health and social care sector the next asset valuations are due in 2009-10 as at the valuation date of 31 March 2010.
2. Between five-year valuations land and buildings' values are updated annually to reflect current value through the use of indices. The indices to be applied are communicated to health and social care bodies by the Department of Health, Social Services & Public Safety (the Department), based on information provided by LPS. The buildings index is based on the All in Tender Price Index published by the Building Cost Information Service. The land indices are based on urban and rural land value indices provided to the Department by LPS and accord with the Royal Institution of Chartered Surveyors' red book.
3. I note, from my review of the 2008-09 accounts of the 6 Health & Social Care Trusts and one Agency that the accounts record land values at 31 March 2009 remaining the same as at 31 March 2008 and building values increasing by 2.93 per cent leading to significant changes in values recorded in the accounts over this period. I am content that Trusts and the Agency have correctly applied the indices advised by the Department. However this is against a background where in general, land and buildings values have reduced and, in many instances, declined considerably. My staff sought the Department's views on this anomaly.
4. The Department advised that LPS is requested to forecast the indices for 31 March at the start of each financial year. Consequently, there is a risk that these forecasts may not be in line with the actual values at the year end. LPS has confirmed that it is content with the levels of building and land values, derived from the indices supplied, at the time the forecast indices were provided. Furthermore, it considers that the indexed land and building values at 31 March 2009 to be fair and reasonable. The Department also advised that, in applying this methodology, it is likely that land and buildings' values were understated in prior years during Northern Ireland's recent property boom and that any previous over/under estimates have been corrected in the new forecasts going forward.
5. Based on these facts, the Department needs to revisit its methodology for valuing assets in the period between five year valuations, in consultation with LPS. It should also be prepared to challenge the outcome of the process.

¹ Financial Reporting Standard (FRS) 15 Tangible Fixed Assets

6. I am also interested in why land and buildings' valuations appeared to vary so much throughout the public sector in 2008-09. To this end, I recommend that the Department of Finance & Personnel reviews the position as to the valuations being applied to accounts throughout the public sector and, in particular, the application of indices to ensure consistency.
7. I will keep developments on this matter under review and I may wish to comment further in the next General Report on the Health & Social Care Sector and elsewhere. It will be important that any lessons to be learned are properly disseminated across Northern Ireland and I will look to the Department to take the lead in that regard, as appropriate.

A handwritten signature in black ink, appearing to read 'JM Dowdall', written in a cursive style.

JM Dowdall CB
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

22nd June 2009