

Department of Health, Social Services and Public Safety

Northern Health and Social Services Board Trust Accounts

For the year ended 31 March 2005

*Laid before the Houses of Parliament
by the Department of Health, Social Services and Public Safety in accordance
with Paragraph 12(2) and (4) of the Schedule to the Northern Ireland Act 2000 and Article
2(10) of the Northern Ireland Act 2000 (Prescribed Documents) Order 2004*

5th February 2007

*Laid before the Northern Ireland Assembly
by the Department of Health, Social Services and Public Safety
under Article 90(5) of the Health and Personal Social Services (NI) Order 1972
(as amended by the Audit and Accountability Order 2003)*

5th February 2007

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CAUSEWAY HEALTH & SOCIAL SERVICES TRUST
ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

FOREWORD

These accounts for the year ended 31 March 2005 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.

STATEMENT OF CAUSEWAY HSS 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 Causeway Health & Social Services 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 Causeway Health & Social Services 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. Brian Dornan of Causeway Health & Social Services Trust as the Accountable Officer for the Trust. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accountable 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.

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 11 to 55) which I am required to prepare on behalf of the Causeway Health & Social Services 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 HSS Trusts approved by the DHSSPS.

Neil Guckian
9th August 2005

Director of Finance
Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 11 to 55) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Jean Jefferson
22nd August 2005

Chairman
Date

Brian Dornan.
22nd August 2005

Chief Executive
Date

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

The Board of Causeway Health & Social Services Trust is accountable for internal control. As Accountable Officer and Chief Executive of the Board of Causeway Health & Social Services Trust, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the organisation, and for reviewing the effectiveness of the system.

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Causeway Health & Social Services Trust for the year ended 31 March 2005, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

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

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

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:-

- comprehensive budgeting systems;
- regular reviews by the Board of periodic annual financial reports which indicate financial performance against the forecast;
- measuring financial performance against finance duties;
- clearly defined capital investment control guidelines;
- formal budget management disciplines.

The Causeway Health & Social Services Trust has an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis. In 2004-05 Internal Audit reviewed the following systems:

Financial Systems

Payroll Services/ Personnel

Creditor Payments

Cash and Banking/ Treasury Management

Health Centre Charges

Debtor's invoicing

Trust Funds

Control Accounts

Travel Expenses

Financial Information Systems

SOSCARE

Client's Financial Assessments

Management Information Systems

Capital Charging

General Ledger

Stock

Other Areas

Wider Governance

Several ad hoc investigations at management's request:

Value for money studies

Security of Cash within Causeway Hospital

Security of Trust premises (Riverside House)

Fraud Awareness

In his annual report, the Internal Auditor reported that the Causeway Health & Social Services Trust's system of internal financial control was adequate and effective. However, weaknesses in control were identified in a number of areas, and recommendations to address these control weaknesses have been or are being implemented.

Northern Area Internal Audit also undertook an independent review of the ongoing embedding of the wider governance agenda (risk management/controls assurance/clinical and social care governance) and, based on the work undertaken, can confirm that the Trust complies with DHSS&PS current requirements.

With regard to the wider control environment the Causeway Health & Social Services Trust has in place a range of organisational controls, commensurate with the current assessment of risk, designed to ensure the efficient and effective discharge of its business in accordance with the law and departmental direction. Every effort is made to ensure that the objectives of the Causeway Health & Social Services Trust are pursued in accordance with the recognised and accepted standards of public administration.

Causeway Health & Social Services Trust's recruitment and selection policies are based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation. In the audit of Payroll Services/ Personnel Internal

Audit found that the use of “emergency appointments”, whereby normal Trust recruitment and selection procedures are set aside as a means of filling short term vacancies, has continued during 2004/5, albeit on a reduced level from 2003/4. It is felt that this represents a risk to the Trust.

Capacity to Handle Risk

Within the Trust the risk management process is given a high profile at all levels. All managers have been issued with a ‘Manager’s Risk Assessment Folder’ which includes a copy of the trust’s Risk Management Strategy, Risk Assessment Guidance, Risk Assessment Tools and Risk Register Template.

The risk management process and risk registers are a standing agenda item on the monthly Senior Management Team (SMT) Governance Forum meeting.

Training in risk management and the risk assessment process is available as part of the trust training directory.

The risk and control framework

Accountability for risk management is embedded within the Trust’s governance organisational structure and provides clear lines of responsibility and accountability. The direction and leadership for governance inclusive of risk management is through the SMT Governance Forum which is chaired by the Chief Executive.

The Governance Committee of the Trust Board, chaired by a non-executive director, in turn provides direction to the SMT and assurance to the Trust Board.

Controls Assurance Standards 2004 / 2005

Standard	% Score	Required Compliance Level	%	Actual Compliance
Building, Land, Plant	83	Moderate	30-69	Substantive
Decontamination Medical Devices	71	Moderate	30-69	Substantive
Environmental Management	42	Moderate	30-69	Moderate
Financial Management	90	Substantive	70-99	Substantive
Fire Safety	77	Substantive	70-99	Substantive
Governance	76	Substantive	70-99	Substantive
Health & Safety	54	Moderate	30-69	Moderate
Human Resources	75	Moderate	30-69	Substantive
Infection Control	72	Substantive	70-99	Substantive
Information Technology	58	Moderate	30-69	Moderate
Medical Devices	66	Substantive	30-69	Moderate
Medicines Management	57	Moderate	30-69	Moderate
Risk Management	73	Substantive	70-99	Substantive
Waste Management	54	Moderate	30-69	Moderate

Review of Effectiveness

As Accountable Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Causeway Health & Social Services Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. 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, Audit Committee and Governance Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

Significant Internal Control Problems

Internal Audit reported two high priority recommendations during the year – in Travel Expenses and Debtors Billing System. The initial audit conclusions were that the systems of internal control were insufficient, however an unannounced follow-up was carried out later in the year to re-assess the systems. On this occasion the audit conclusions were revised to satisfactory.

The Trust has had a number of operational difficulties within child care social work, giving rise to a number of unallocated cases. NSPCC is currently assisting the Trust with a review of this area. An action plan has been presented to Trust Board which will ensure this area receives the required attention. Key actions include monthly monitoring of referrals and unallocated cases, regular audits of referral processes and progress reports in relation to recruitment and retention of staff.

Signature of Accountable Officer:

Brian Dornan

Date: 22nd August 2005

Causeway Health & Social Services Trust

The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the financial statements on pages 11 to 55 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 15 to 20.

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page 3, the Board Members and Chief Executive are responsible for the preparation of 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. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are 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 whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Trust has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 5 to 8 reflects the Trust's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board members and Chief Executive in the preparation of the financial statements, and of whether the

accounting policies are appropriate to the Trust 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 are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Causeway Health & Social Services Trust at 31 March 2005 and of the deficit, total recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by the Department of Health, Social Services and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements

J M Dowdall CB
Comptroller and Auditor General
Date: 30th August 2005

Northern Ireland Audit Office
Londonderry House
21/27 Chichester Street
Belfast BT1 4HT

CAUSEWAY HSS TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	NOTE	2005 £000	2004 £000
Income from Activities	2	101,863	92,259
Other Operating Income	3	5,155	3,503
Operating Expenses	4	<u>(104,127)</u>	<u>(93,460)</u>
OPERATING SURPLUS (DEFICIT)		2,891	2,302
Profit/(loss) on disposal of Fixed Assets	7	<u>(-64)</u>	<u>807</u>
SURPLUS (DEFICIT) BEFORE INTEREST		2,827	3,109
Interest Receivable		325	328
Interest Payable	8	<u>(798)</u>	<u>(847)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		2,354	2,590
Public Dividend Capital Dividends Payable	15	<u>(2,334)</u>	<u>(2,563)</u>
OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS	21	20	27
Provisions for Future Obligations	9.1	<u>(109)</u>	<u>9</u>
RETAINED SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		<u><u>(89)</u></u>	<u><u>36</u></u>
BREAK EVEN POSITION	21	<u><u>20</u></u>	<u><u>27</u></u>

The notes on pages 15 to 55 form part of these accounts

All Income and Expenditure is derived from continuing activities.

CAUSEWAY HSS TRUST
BALANCE SHEET AS AT 31 MARCH 2005

	NOTE	2005		2004	
		£000	£000	£000	£000
FIXED ASSETS					
Intangible assets	10		43		0
Tangible assets	11		<u>95,034</u>		<u>88,114</u>
			95,077		88,114
CURRENT ASSETS					
Stocks and work in progress	12	575		544	
Debtors: Amounts falling due					
Within one year	13	5,548		7,339	
After one year	13	2,585		618	
Short term investments	14	0		0	
Cash at bank and in hand		<u>4,209</u>		<u>2,767</u>	
			12,917		11,268
CREDITORS: Amounts falling due					
within one year	15		<u>(10,716)</u>		<u>(9,557)</u>
NET CURRENT ASSETS			<u>2,201</u>		<u>1,711</u>
(LIABILITIES)					
TOTAL ASSETS LESS CURRENT LIABILITIES			97,278		89,825
Creditors: Amounts falling due after					
more than					
one year	15		(8,154)		(8,717)
Provisions for Liabilities and Charges	17		<u>(3,907)</u>		<u>(5,587)</u>
TOTAL ASSETS EMPLOYED			<u>85,217</u>		<u>75,521</u>
FINANCED BY:					
CAPITAL AND RESERVES					
Public dividend capital	18		47,563		48,766
Revaluation reserve	19		34,329		24,484
Donation reserve	19		1,692		1,294
Realised donation reserve	19		0		0
Other reserves	19		0		0
Income and expenditure reserve	19		1,633		977
			<u>85,217</u>		<u>75,521</u>

The notes on pages 15 to 55 form part of these accounts

Signed...Brian Dornan
(Chief Executive)

Date...22nd August
2005

CAUSEWAY HSS TRUST
CASHFLOW STATEMENT FOR THE YEAR ENDED
31 MARCH 2005

	2005		2004	
	£000	£000	£000	£000
Net Cash Inflow from Operating Activities (Note 29.1)		6,888		7,522
Returns on Investments and Servicing of Finance				
Interest received	325		328	
Interest paid	(800)		(849)	
Interest element of finance lease rental payments	<u>0</u>		<u>0</u>	
Net Cash (Outflow)/ Inflow from Returns on investments and Servicing of Finance		(475)		(521)
Capital Expenditure				
Payments to acquire intangible fixed assets	(43)		0	
Receipts from sales of intangible fixed assets	0		0	
Payments to acquire tangible fixed assets	(1,804)		(2,961)	
Receipts from sale of tangible fixed assets	<u>1</u>		<u>3,563</u>	
Net Cash Inflow/ (Outflow) from Capital Expenditure		(1,846)		602
Dividends Paid		(2,563)		(4,301)
Management of Liquid Resources				
Purchase of current asset investments	0		0	
Sale of current asset investments	<u>0</u>		<u>0</u>	
Net Cash Inflow/ (Outflow) from Management of Liquid Resources		<u>0</u>		<u>0</u>
Net Cash Inflow/ (Outflow) before Financing		2,004		3,302
Financing				
New money capital reserve	0		0	
New public dividend capital	0		0	
New long-term loans - Government	0		0	
New long-term loans - Others	0		0	
New short-term loans - Government	0		0	
New short-term loans - Others	0		0	
Repayment of loans - Government	(562)		(562)	
Repayment of loans - Others	0		(2,761)	
Capital element of finance lease rental payments	<u>0</u>		<u>0</u>	
Net Cash Inflow/ (Outflow) from Financing		<u>(562)</u>		<u>(3,323)</u>
Increase/ (Decrease) in Cash (Notes 29.2 and 3)		<u><u>1,442</u></u>		<u><u>(21)</u></u>

The notes on page 53 and 54 form part of this statement

CAUSEWAY HSS TRUST

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004	
	£000	£000	£000	£000
Surplus/ (Deficit) for the financial year		2,354		2,590
Provisions for future obligations		<u>(109)</u>		<u>9</u>
Fixed asset impairment losses		2,245 0		2,599 (6,219)
Non donated Fixed Assets				
Indexation of fixed assets	6,158		7,479	
Unrealised Surplus/ (deficit) on revaluation of fixed assets	<u>4,115</u>		<u>1,710</u>	
		10,273		9,189
Donated Assets				
Additions to donated assets	276		87	
Changes to donation reserve (except transfers to realised donation reserve)	<u>180</u>	<u>456</u>	<u>81</u>	<u>168</u>
Total recognised gains and losses relating to the year		12,974		5,737
Additions to Capital Assets Reserve		<u>0</u>		<u>0</u>
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR		<u>12,974</u>		<u>5,737</u>
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR (as above)		12,974		5,737
Prior year adjustment		<u>0</u>		<u>(3,434)</u>
TOTAL GAINS/(LOSSES) RECOGNISED SINCE THE LAST REPORT		<u>12,974</u>		<u>2,303</u>

CAUSEWAY HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

NOTES TO THE ACCOUNTS

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 the 2004/05 HPSS Trust Manual of Accounts issued by the Department of Health, 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 HPSS Trusts. The accounting policies are selected in accordance with the principles set out in FRS 18 "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:

Paragraph 20 of Financial Reporting Standard 3 "Reporting Financial Performance" requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Trusts by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

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.

However, where an impairment arises due to consumption of economic benefits FRS 15 requires the loss to be recognised in the income and expenditure account in its entirety.

In the context of their capital accounting HSS Trusts take those impairment losses resulting from short term changes in price that are considered to be recoverable, in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in

existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

1.4 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; they can be valued; 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.

1.5 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 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 adjustments arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All impairments resulting from price changes are charged to the Statement of Total Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Assets in the course of construction are valued at current cost using the indexes as for land and buildings, as above. These assets include any existing land or buildings under the control of a contractor.

Residual interests in off-balance sheet Private Finance Initiative properties 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. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

1.6 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 Expenditure Reserve.

1.7 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 therefrom 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.

1.8 Private Finance Initiative (PFI) transactions

The HPSS 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 property 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 property 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 property 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.

1.9 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.

1.10 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 3.5% in real terms.

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

1.11 Clinical negligence central fund

A Clinical Negligence Central Fund was established in 1998 to manage the payment of clinical negligence settlements. HSS Trusts are reimbursed by the Central Fund for payments made. Reimbursements are accounted for as income.

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

1.12 Pensions

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

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

1.13 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 31 to the accounts.

1.14 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.

1.15 Losses

This note (Note 27) 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.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

2. Income from Activities

	2005	2004
	£000	£000
NI Health and Social Services Boards	96,717	87,917
GB/Republic of Ireland Health Authorities	0	0
HSS Trusts	316	308
Non-HPSS:		
- private patients	83	107
- other	289	186
Clients contributions	4,458	3,741
Total	<u>101,863</u>	<u>92,259</u>

3. Other Operating Income

	2005	2004
	£000	£000
Patient transport services	0	0
Other income from non-patient services	1,809	1,821
NIMDTA/ NICPMDE	770	594
SUMDE	57	34
Charitable and other contributions to expenditure	27	13
- Transfers from the donation reserve in respect of depreciation on donated assets	59	62
Income in respect of fixed asset impairments	1,203	426
Clinical Negligence Central Fund	986	358
Reversal of fixed asset impairments	0	0
Other income	244	195
Total	<u>5,155</u>	<u>3,503</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

4. Operating Expenses

4.1 Operating Expenses are as follows:-

	2005	2004
	£000	£000
Salaries and wages (excluding board members remuneration)	60,234	54,015
Executive Board members remuneration	336	338
Non-executive Board members remuneration	55	48
Supplies and services - clinical	5,946	5,409
Supplies and services - general	1,493	1,665
Establishment	3,142	2,828
Transport	488	384
Premises	3,841	4,773
Bad debts	3	7
Depreciation and amortisation	4,459	3,826
Fixed asset impairments	1,203	426
Purchase of care from non-HPSS bodies and grants to voluntary organisations	16,819	14,611
Personal social services	2,568	2,237
Recharges from other HPSS organisations	1,670	1,503
Clinical Negligence Payments:		
- Provisions Utilised	985	622
- Other	29	0
Audit fees	24	19
Other auditors remuneration	0	0
Miscellaneous	832	749
Total	<u>104,127</u>	<u>93,460</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

4.2 Operating Leases

Operating expenses include the following amounts in respect of hire and operating lease rentals:

	2005	2004
	£000	£000
Hire of plant and machinery	728	662
Other operating leases	481	435
	<u>1,209</u>	<u>1,097</u>

Commitments under non-cancellable operating leases are:

	Land and buildings		Other leases	
	2005	2004	2005	2004
	£000	£000	£000	£000
Operating leases which expire:				
Within 1 year	0	0	84	4
Between 1 and 5 years	0	0	300	384
After 5 years	27	0	0	0
	<u>27</u>	<u>0</u>	<u>384</u>	<u>388</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 5.1

5.1 Staff Costs

	Directly employed £000	Other £000	2005 £000	2004 £000
Salaries and Wages	51,251	3,186	54,437	48,533
Social security costs	3,318	0	3,318	3,321
Pension Costs for early retirement reflecting the single lump sum to buy over the full liability	0	0	0	0
Other pension costs	2,438	0	2,438	2,456
Early departure costs	34	0	34	91
Total	57,041	3,186	60,227	54,401

Of the total, £0 has been charged to capital

5.2 Average Number of Employees

	Directly employed No.	Other No.	2005 No.	2004 No.
Medical and dental	115	21	136	127
Nursing and Midwifery	690	12	702	678
Professions Allied to medicine	137	0	137	125
Ancillaries	233	9	242	233
Administrative and clerical	480	1	481	464
Ambulance staff	0	0	0	0
Works	38	0	38	39
Other Professional and technical	43	0	43	37
Social Services	300	0	300	290
Other	97	3	100	92
	2,133	46	2,179	2,085

Figures refer to wholetime equivalents (WTEs) rather than individuals

CAUSEWAY HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

NOTES TO THE ACCOUNTS

NOTE 5 (Cont'd)

5.3 Senior Employee's Remuneration

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

Name	Salary, including Performance Pay £000	Benefits in Kind (rounded to nearest £100)	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 31/03/04 £000	CETV at 31/03/05 £000	Real increase in CETV £000
Non-Executive Members							
Mrs J. Jefferson Chairman	20-25	0	0	0	0	0	0
Mr B. McMurray Vice Chairman	5-10	0	0	0	0	0	0
Mrs S. Cummings	0-5	0	0	0	0	0	0
Mr S. Forsythe	5-10	0	0	0	0	0	0
Ms L. O'Connor	0-5	0	0	0	0	0	0
Mr P. McAteer	5-10	0	0	0	0	0	0
Mr F.A. Wheeler	0-5	0	0	0	0	0	0
Mr D.A. Irwin	0-5	0	0	0	0	0	0
Executive Members							
Mr B. Dornan, Chief Executive	10-15	0	n/a	30-35 plus 90-95 lump sum	n/a	512	n/a
Ms N. Evans Former Chief Executive	40-45	0	n/a	n/a	n/a	n/a	n/a
Mr N. Guckian, Director of Finance	*	*	*	*	*	*	*
Dr M. Ledwith, Director of Medicine	*	*	*	*	*	*	*

CAUSEWAY HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

NOTES TO THE ACCOUNTS

NOTE 5 (Cont'd)

Name	Salary, including Performance Pay £000	Benefits in Kind (rounded to nearest £100)	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 31/03/04 £000	CETV at 31/03/05 £000	Real increase in CETV £000
Mrs M. Gordon, Director of Nursing & Quality	*	*	*	*	*	*	*
Mr N. Oliver, Director of Business & Corporate Services	*	*	*	*	*	*	*
Mr J. Loughrey, Director of Child & Community Care Services	*	*	*	*	*	*	*
Mrs J. Melaugh, Director of Human Resources	*	*	*	*	*	*	*
Mr A. Braiden, Director of Special Projects	*	*	*	*	*	*	*

* Consent to disclose information withheld.

Mr B. Dornan took up his post on 1st February 2005.

Ms N. Evans left her post on 8th October 2004.

Mrs M. Gordon was acting Director from 1st April 2004 and subsequently appointed Director on 1st September 2004.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS
NOTE 5 (Cont'd)

5.3 (Cont'd)

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 from 2004-05 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.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

5.4 Staff Benefits	2005	2004
	£000	£000
(Specify)	0	0
	0	0
	0	0

5.5 Trust Management Costs

	2005	2004
	£000	£000
Trust Management Costs	5,192	4,903
Total Income	107,018	95,762
% of total income	4.9%	5.1%

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

5.6 Retirements due to ill-health

During 2004/ 05 there was 1 early retirement from the Trust agreed on the grounds of ill-health. The Trust has included the full capitalised amount of this early retirement in the accounts amounting to £12,500 and therefore there are no further additional pension liabilities payable.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Related Party Transactions

6.1 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:

	2005		2004
	Number	£000	Number
			£000
Total bills paid	41,283	30,127	39,756
Total bills paid within 30 day target	36,064	28,020	33,968
% of bills paid within 30 day target	87.4%	93.0%	85.4%
	92.2%		

6.2 The Late Payment of Commercial Debts Regulations 2002

The amount included within Interest Payable (Note 8) arising from claims made by small businesses under this legislation are as follows :

	£
Total	<u>0</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

7. Profit (Loss) on Disposal of Fixed Assets

	2005 £000	2004 £000
Profit on disposal of intangible assets	0	0
Loss on disposal of intangible assets	0	0
Profit on disposal of land and buildings	0	911
Loss on disposal of land and buildings	0	(80)
Profit on disposal of plant and equipment	1	3
Loss on disposal of plant and equipment	<u>(65)</u>	<u>(27)</u>
Total	<u>(64)</u>	<u>807</u>

8. Interest Payable

	2005 £000	2004 £000
Originating interest bearing debt	798	847
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other interest (Specify)	0	0
	<u> </u>	<u> </u>
Total	<u>798</u>	<u>847</u>

An amount of £19k is included within Note 9.3 for the unwinding of discount on provisions.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

9.1 Provisions for Future Obligations

	2005	2004
	£000	£000
Provisions in year:		
Clinical Negligence	(790)	3,816
Pensions	4	(18)
Employers liability	174	46
Public (Occupiers) liability	23	(72)
Injury benefit	33	150
Accrued leave	0	0
Restructuring	0	0
Industrial Relations Cases	(19)	(3)
Arising during the year (net) (9.2)	<u>(575)</u>	<u>3,919</u>
Unwinding of Discount on Provisions (9.3)	19	9
Utilised in year (9.4)	(1,124)	(535)
Other (Specify)	0	0
	<hr/>	<hr/>
Movement in Year (subtotal) (note 17.1)	(1,680)	3,393
Reimbursements receivable (note 9.5)	1,789	(3,402)
Total Increase/decrease (to Income and Expenditure Account)	<u>109</u>	<u>(9)</u>

9.2 Arising During the Year

	2005	2004
	£000	£000
Provided in year	2,773	4,356
Provisions not required (reversed unused)	(3,348)	(437)
Total Provided in year (9.1)	<u>(575)</u>	<u>3,919</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

9 (Contd)

9.3 Unwinding of Discount on Provisions

	2005	2004
	£000	£000
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence	10	0
Other	9	9
Total Unwinding of Discounts on Provisions (Note 9.1)	<u>19</u>	<u>9</u>

9.4 Utilised in year

	2005	2004
	£000	£000
Clinical Negligence (Note 17)	(1,009)	(414)
Pensions relating to other staff (note 17)	(21)	(22)
Restructuring (note 17)	0	0
Other (note 17)	(94)	(103)
Total Utilised (Note 9.4)	<u>(1,124)</u>	<u>(539)</u>

9.5 Reimbursements Receivable

	2005	2004
	£000	£000
Clinical Negligence Central Fund	1,789	(3,402)
Other (Specify)	0	0
Total Reimbursements Receivable	<u>1,789</u>	<u>(3,402)</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

10. Intangible Fixed Assets

Cost or Valuation	Total £000	Software licences £000	Other licences and trademarks £000	Patents £000	Development Expenditure £000
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Additions - purchased	43	43	0	0	0
Additions - donated	0	0	0	0	0
Reclassifications	0	0	0	0	0
Other Revaluation					
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 March 2005	43	43	0	0	0
Amortisation					
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
Reversal of impairments	0	0	0	0	0
Provided during the year	0	0	0	0	0
At 31 March 2005	0	0	0	0	0
Net Book Value					
At 31 March 2005					
- Purchased	43	43	0	0	0
- Donated	0	0	0	0	0
Total at 31 March 2005	43	43	0	0	0
At 31 March 2004					
- Purchased	0	0	0	0	0
- Donated	0	0	0	0	0
Total at 31 March 2004	0	0	0	0	0

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

11. Tangible Fixed Assets

11.1 Tangible fixed assets comprise the following elements:

Purchased Assets

Cost or Valuation	Buildings					Total
	Land	Installations	Computer	Other	Assets under	
	£000	and fittings	Equipment	Equipment	Construction	£000
		£000	£000	£000	£000	£000
At 1 April 2004	11,710	85,443	1,423	10,098	153	108,827
Indexation	607	6,768	0	218	0	7,593
Additions	0	278	256	535	532	1,601
Reclassifications	0	0	0	0	0	0
Transfers	0	84	0	0	(85)	(1)
Revaluation	0	0	0	0	0	0
Impairments	0	(749)	0	0	0	(749)
Disposals	0	(55)	(65)	(1,435)	0	(1,555)
National						
Revaluation						
Exercise	4,101	(20,740)	0	0	0	(16,639)
At 31 March 2005	16,418	71,029	1,614	9,416	600	99,077

Depreciation

At 1 April 2004	0	16,851	530	4,626	0	22,007
Indexation	0	1,335	0	100	0	1,435
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	137	0	0	0	137
Disposals	0	(55)	(65)	(1,370)	0	(1,490)
Reversal of						
impairments	0	0	0	0	0	0
Provided during						
the year	0	3,105	222	1,073	0	4,400
National						
Revaluation						
Exercise	0	(20,754)	0	0	0	(20,754)
At 31 March 2005	0	619	687	4,429	0	5,735

Net Book Value

At 31 March 2005	16,418	70,410	927	4,987	600	93,342
At 31 March 2004	11,710	68,592	893	5,472	153	86,820

Of the total net book value at 31 March 2005, £65,000 related to buildings, installations and fittings valued at open market value for alternative use.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Note 11.1 (Contd)

Donated Assets

	Land	Buildings	Computer	Other	Assets under	Total
	£000	Installations	Equipment	Equipment	Construction	£000
Cost or Valuation		and fittings				
		£000	£000	£000	£000	£000
At 1 April 2004	312	781	0	984	0	2,077
Indexation	16	61	0	21	0	98
Additions	0	276	0	0	0	276
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	(176)	0	(176)
National Revaluation Exercise	225	(269)	0	0	0	(44)
At 31 March 2005	553	849	0	829	0	2,231
Depreciation						
At 1 April 2004	0	113	0	670	0	783
Indexation	0	9	0	14	0	23
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	(171)	0	(171)
Provided during the year	0	33	0	26	0	59
National Revaluation Exercise	0	(155)	0	0	0	(155)
At 31 March 2005	0	0	0	539	0	539
Net Book Value						
At 31 March 2005	553	849	0	290	0	1,692
At 31 March 2004	312	668	0	314	0	1,294

**CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

NOTES TO THE ACCOUNTS

11.2 Total Tangible Fixed Assets:

	Purchased £000	Donated £000	Total £000	2004 £000
Net book value:				
Land	16,418	553	16,971	12,022
Buildings installations and fittings	70,410	849	71,259	69,260
Computer Equipment	927	0	927	893
Other Equipment	4,987	290	5,277	5,786
Assets under construction	600	0	600	153
Total	93,342	1,692	95,034	88,114

11.3 The net book value of land and buildings comprises:

	2005 £000	2004 £000
Freehold	88,231	81,282
Long leasehold	0	0
Short leasehold	0	0
	88,231	81,282

11.4 The net book value of assets held under finance leases and hire purchase contracts are as follows:

	2005 £000	2004 £000
Land	0	0
Buildings, Installations and fittings	0	0
Equipment	0	0
Assets under construction	0	0
	0	0

The total amount of depreciation charged in the Income and Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £0 (2004 £0)

CAUSEWAY HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

NOTES TO THE ACCOUNTS

12.	Stocks and Work in Progress	2005	2004
		£000	£000
	Raw Materials and consumables	575	544
	Work in progress	0	0
	Finished goods	0	0
	Total	575	544
13.	Debtors	2005	2004
		£000	£000
	Amounts falling due within one year:		
	HSS or NHS debtors	2,549	933
	Clinical Negligence - Central Fund	385	4,142
	Other debtors	2,130	1,828
	Pension Prepayments		
	in respect of former directors	0	0
	in respect of other staff	0	0
	Other prepayments and accrued income	484	436
	Sub Total	5,548	7,339
	The balances are net of a provision for bad debts of £118k (2004 £119k)		
	Amounts falling due after more than one year:		
	HSS or NHS debtors	0	0
	Clinical Negligence - Central Fund	2,585	618
	Other debtors	0	0
	Pension Prepayments		
	in respect of former directors	0	0
	in respect of other staff	0	0
	Other prepayments and accrued income	0	0
	Sub Total	2,585	618
	Total	8,133	7,957
14.	Short-term Investments	2005	2004
		£000	£000
	Government Securities	0	0
	Other Approved Public Sector Organisations	0	0
	Banking Deposits	0	0
	Others (specify if in excess of £50,000)	0	0
	Total	0	0

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

15. Creditors

	2005	2004
	£000	£000
15.1 Creditors: Amounts falling due within one year:		
Bank overdrafts	0	0
Current instalments due on loans	562	562
Interest payable	33	36
Public dividend capital dividend payable	2,334	2,563
Public Dividend Capital payable in respect of impairments	1,203	426
Payments received on account	0	0
HPSS or NHS creditors and accruals	213	356
Non HPSS or NHS trade revenue creditors	2,550	2,955
Non HPSS or NHS trade capital creditors	226	429
Payroll creditors including taxation and social security	3,595	2,230
Net obligations under finance leases	0	0
Clinical Negligence	0	0
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other accruals	0	0
Other creditors	0	0
Sub Total	<u>10,716</u>	<u>9,557</u>
15.2 Creditors: Amounts falling due after more than one year:		
Long Term Loans	8,154	8,717
Obligations under finance leases and hire purchase contracts	0	0
HPSS or NHS Creditors	0	0
Clinical Negligence	0	0
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other	0	0
Sub Total	<u>8,154</u>	<u>8,717</u>
Total Creditors	<u><u>18,870</u></u>	<u><u>18,274</u></u>

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

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 15 (Contd)

15.3 Finance lease obligations

The future minimum lease payments under finance leases to which the Trust was committed at the balance sheet date were as follows:

	2005 £000	2004 £000
Within one year	0	0
Between one and five years	0	0
After five years	<u>0</u>	<u>0</u>
Less finance charges allocated to future periods	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

This total net obligation under finance leases can be analysed as follows:

	2005 £000	2004 £000
Creditors: amounts due within one year	0	0
Creditors: amounts due after more than one year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

15.4 Public Dividend Capital Dividends

	2005 £000	2004 £000
The dividend is in respect of Public Dividend Capital	2,334	2,563
	<u>2,334</u>	<u>2,563</u>
	<u>2,334</u>	<u>2,563</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

16. Loans

	Government Loans £000	Other Loans £000	2005 £000	2004 £000
Amounts falling due:				
In one year or less	562	0	562	562
Between one and two years	562	0	562	562
Between two and five years	1,687	0	1,687	1,688
In five years or more	5,906	0	5,906	6,467
Total	8,717	0	8,717	9,279

	Government Loans £000	Other Loans £000	2005 £000	2004 £000
Wholly repayable within five years	0	0	0	0
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	8,717	0	8,717	9,279
Total	8,717	0	8,717	9,279

Total Repayable after five years by instalments	5,906	0	5,906	6,467
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Loans wholly or partially repayable after five years:

Terms of payment	Interest Rate %	2005 £000	2004 £000
Originating Capital Debt	8.750	8,717	9,279

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

17. Provisions for Liabilities and Charges

	Pensions relating to former directors £000	Pensions relating to other staff £000	Clinical negligence £000	Restructuring £000	Other £000	2005 £000	2004 £000
Balance at 31 March 2004	0	94	4,760	0	733	5,587	2,194
Arising during the year	0	4	2,436	0	333	2,773	4,356
Utilised during the year	0	(21)	(1,009)	0	(94)	(1,124)	(535)
Reversed unused	0	0	(3,226)	0	(122)	(3,348)	(437)
Unwinding of discount	0	2	10	0	7	19	9
At 31 March 2005	0	79	2,971	0	857	3,907	5,587

Income and Expenditure Account Charges

	£000
Arising during the year	2,773
Utilised during the year	(1,124)
Reversed unused	(3,348)
Unwinding of discounts	19
Total	(1,680)

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Note 17 (Contd)

Expected Timing of Cash Flow

	Pensions relating to former directors £000	Pensions relating to other staff £000	Clinical Negligence £000	Restructuring £000	Other £000	2005 £000	2004 £000
Within 1 year	0	21	385	0	546	952	4,564
1 - 5 years	0	20	2,586	0	195	2,801	870
Over 5 years	0	38	0	0	116	154	153

Provisions classed as 'other' consist of Employment Law, Occupiers' Liability, Employers' Liability cases and the maintenance of buildings under an operating lease.

Expected reimbursements from the Clinical Negligence Central Fund included in debtors are :-

	£000
Clinical Negligence Central Fund	3

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 25.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

18. Public Dividend Capital

	2005	2004
Public dividend capital was issued as follows:	£000	£000
During the reporting year	(1,203)	(3,188)
In prior years	48,766	51,954
Total	<u>47,563</u>	<u>48,766</u>

19. Movements on Reserves

	Revaluation Reserve £000	Donation Reserve £000	Realised Donation Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000	Total £000
At 1 April 2004	24,484	1,294	0	0	977	26,755
Retained surplus/ (deficit) for year	0	0	0	0	(89)	(89)
Revaluation and indexation of fixed assets	10,397	186	0	0	0	10,583
Transfer of realised profits/ (losses)	(745)	0	0	0	745	0
Movements in donation reserve	0	212	0	0	0	212
Fixed Asset Impairments	0	0	0	0	0	0
Other reserve movements - Negative revaluation reserve written off to I&E account.	193	0	0	0	0	193
At 31 March 2005	<u>34,329</u>	<u>1,692</u>	<u>0</u>	<u>0</u>	<u>1,633</u>	<u>37,654</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

20. Reconciliation of Movement in Government Funds

	2005 £000	2004 £000
Surplus (deficit) for the financial year	2,354	2,590
less provisions for future obligations	(109)	9
less public dividend capital dividends	<u>(2,334)</u>	<u>(2,563)</u>
	(89)	36
Gains (losses) from revaluation/indexation of		
Purchased fixed assets	10,590	2,970
Public dividend capital repayments	(1,203)	(3,188)
Public dividend capital issued	0	0
New Government loans issued	0	0
Government loans repayments	(562)	(562)
Additions (reductions) in other reserves	<u>0</u>	<u>0</u>
Net Movement in Government funds	8,736	(744)
Government funds at 31 March 2004	<u>83,506</u>	<u>84,250</u>
Government funds at 31 March 2005	<u><u>92,242</u></u>	<u><u>83,506</u></u>

CAUSEWAY HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

NOTES TO THE ACCOUNTS

21 Financial Performance Targets

21.1 Capital Cost Absorption Duty

The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that interest payable on Government borrowing plus dividends payable on public dividend capital, totalling £3,131,771, bears to the average relevant net assets of £87,061,210.

The return for 2004/2005 is calculated as 3.6% (2003/2004 4.0%)

The variation in the capital cost absorption rate is attributable to a dividend accrual for capital charges windfall for the year amounting to £84,333.

The Capital Cost Absorption Rate is calculated as follows:

Capital Cost Absorption rate (%) = (TDR/Average relevant net assets) x 100

2005

£000

Trust Debt Remuneration is calculated as:

Interest payable on Government borrowing	798
Plus	
Dividends payable on Public Dividend Capital	<u>2,334</u>
Trust Debt Remuneration	<u><u>3,132</u></u>

Average Relevant Net Assets is calculated as:

Average relevant net assets is the simple average of opening and closing relevant net assets, where each are calculated as follows:

	Opening	Closing	Average
	£000	£000	£000
Total capital and reserves* (equivalent to total net assets)	75,521	84,345	79,933
Less:			
Donation reserve	(1,294)	(1,692)	(1,493)
Purchased assets in the course of construction	(153)	(600)	(377)
Short-term assets	0	0	0
Finance Lease assets (during their primary lease term)	0	0	0
Plus:			
Loans and overdrafts	9,279	8,717	8,998
Finance Lease Creditors (capital only)	0	0	0
Relevant Net Assets	<u>83,353</u>	<u>90,770</u>	<u>87,061</u>

*Capital and reserves excludes the impact of the national revaluation exercise.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.2 Break Even Performance

The Trust is required to ensure that its income is sufficient to meet its expenditure taking one year with another. Over the last five years the Trust has achieved the following results:

	2000/01	2001/02	2002/03	2003/04	2004/05
	£000	£000	£000	£000	£000
i. Turnover	<u>73,311</u>	<u>76,755</u>	<u>87,734</u>	<u>95,762</u>	<u>107,018</u>
ii. Operational Surplus/(Deficit) for Financial Year before Provisions and Exceptional Income	<u>21</u>	<u>91</u>	<u>120</u>	<u>27</u>	<u>20</u>
iii. Break Even in year position	21	91	120	27	20
iv. Break Even cumulative position(opening)	389	410	529	649	1,451
v. Other Adjustments	0	28	0	775	746
vi. Exceptional Income Year ended 31 March 2001	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
vii. Break Even Cumulative position(closing)	<u><u>410</u></u>	<u><u>529</u></u>	<u><u>649</u></u>	<u><u>1,451</u></u>	<u><u>2,217</u></u>
If a Break Even cumulative deficit - anticipated financial year of recovery					<u>0</u>
If more than 2 years-agree period					<u>0</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Note 21.2 (Contd)

	2000/01	2001/02	2002/2003	2003/2004	2004/2005
	%	%	%	%	%
Materiality Test:					
Break Even in year position as % of turnover	0.0%	0.1%	0.1%	0.0%	0.0%
Break Even cumulative position as % of turnover	0.6%	0.7%	0.7%	1.5%	2.1%

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.3 External Financing Limit

	2005	2004
	£000	£000
External Financing Limit set by the Department	<u>(1,603)</u>	<u>694</u>

The Trust stayed within its External Financing Limit by £401,290. The Trust's External Financing Requirement for the year was (£2,004,290) and was met as follows:-

	2005	2004
	£000	£000
Increase/ (decrease) in:		
Public dividend capital	0	(2,761)
Government long-term loans	(562)	(562)
Other long-term loans		
Short-term loans		
Overdrafts	0	0
Finance lease capital creditors		
(Increase)/ decrease in:		
Short-term investments	0	0
Cash at bank and in hand	(1,442)	21
External Finance Accessed	<u>(2,004)</u>	<u>(3,302)</u>

21.4 Capital Resource Limit

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

	2005
	£000
Gross Capital Expenditure (charge against the CRL)	1,601
Capital Resource Limit	<u>2,590</u>
(Over)/Underspend against CRL	<u><u>989</u></u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

22. Private Finance Transactions

The Trust does not have any private finance transactions

23. Capital Commitments

Capital commitments at the balance sheet date are:-

	Finance Leases £000	Other £000	2005 Total £000	2004 Total £000
Contracted	0	559	559	1,147
Authorised by the Board, but not contracted	<u>0</u>	<u>505</u>	<u>505</u>	<u>0</u>
Total	<u>0</u>	<u>1,064</u>	<u>1,064</u>	<u>1,147</u>

24. Post Balance Sheet Events

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

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

25. Contingent Liabilities

Clinical Negligence

The Trust has contingent liabilities of £489,000 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:

	2005	2004
	£000	£000
Total estimate of contingent clinical negligence liabilities	489	685
Amount recoverable from the Clinical Negligence Central Fund	<u>(489)</u>	<u>(685)</u>
Net Contingent Liability	<u><u>0</u></u>	<u><u>0</u></u>

In addition to the above contingent liability, provisions for clinical negligence are given in Note 17.

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.

[Contingencies not relating to clinical negligence are as follows:]

	2005	2004
	£000	£000
Public Liability	0	0
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
Other (Specify)	<u>0</u>	<u>0</u>
Total	<u><u>0</u></u>	<u><u>0</u></u>

26. Related Party Transactions

There were no company directorships held by directors with companies likely to do business with the HPSS.

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 Causeway HSS Trust.

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

27.

Analysis of Losses and Special Payments

TYPE OF LOSS	NO. OF CASES	VALUE £
1 Cash Losses - Theft, fraud etc	5	2,154
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	0	0
6 Bad debts and claims abandoned	5	10
7 Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc	0	0
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	745	4,086
10 Stores and Inventory Losses - Stocktaking discrepancies	0	0
11 Stores and Inventory Losses - Other causes	2	8
i. Bedding and linen	0	0
ii. Other equipment and property	0	0
12 Compensation payments (legal obligation)	0	0
i. Clinical Negligence	16	1,027,781
ii. Public Liability	14	39,064
iii. Employers Liability	32	28,080
13 Ex-gratia payments - Compensation payments (including payments to patients and staff)	14	2,369
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	833	1,103,552

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 28 Intra-government balances

Name	Creditors		Debtors	
	Amounts falling due within 1 year	Amounts falling due after more than 1 year	Amounts falling due within 1 year	Amounts falling due after more than 1 year
	£000	£000	£000	£000
Other central government bodies	5,242	0	6	0
Northern Ireland Health and Social Service Boards	5	0	2,301	0
HSS Trusts	128	0	157	0
NHS Trusts	0	0	0	0
Agencies & Special Agencies	81	0	84	0
Non-Departmental Public Bodies	0	0	0	0
Local Authorities	0	0	0	0
Public corporations and trading funds	0	0	0	0
Total	5,456	0	2,548	0

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

29. Notes to the Cash Flow Statement

29.1 Reconciliation of operating surplus (deficit) to net cash inflow from operating activities

	2005	2004
	£000	£000
Operating surplus (deficit)	2,891	2,302
Depreciation charge	4,459	3,830
Provisions for future obligations (I&E Account)	(109)	9
Fixed asset impairments	1,203	426
Transfer from donation reserve	(59)	(62)
Non-cash Items	0	0
Increase/ (decrease) in provisions (Balance Sheet)	(1,680)	3,393
(Increase)/ decrease in stocks	(31)	43
(Increase)/ decrease in debtors	(177)	(2,788)
Increase/ (decrease) in creditors	391	369
	<u>391</u>	<u>369</u>
Net cash inflow from operating activities	<u>6,888</u>	<u>7,522</u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

29. Notes to the Cash Flow Statement

29.2 Reconciliation of net cash flow to movement in net debt

	2005		2004	
	£000	£000	£000	£000
Increase/(decrease) in cash in the period	1,442		(21)	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and finance lease capital payments	562		562	
Cash (inflow)/outflow from decrease/increase in liquid resources	<u>0</u>		<u>0</u>	
Change in net debt resulting from cash flows		2,004		541
Non-cash changes in debt		<u>0</u>		<u>0</u>
Net debt at 1 April 2004		<u>(6,512)</u>		<u>(7,053)</u>
Net debt at 31 March 2005		<u><u>(4,508)</u></u>		<u><u>(6,512)</u></u>

29.3 Analysis of changes in net debt

	At 1 April 2004 £000	Cash flows £000	Non-cash changes £000	At 31 March 2005 £000
Cash at bank and in hand	2,767	1,442		4,209
Bank overdrafts	0	0		0
Debt due within 1 year	(562)	562	(562)	(562)
Debt due after 1 year	(8,717)	0	562	(8,155)
Finance leases	0	0		0
Current asset investments	<u>0</u>	<u>0</u>		<u>0</u>
	<u><u>(6,512)</u></u>	<u><u>2,004</u></u>	<u><u>0</u></u>	<u><u>(4,508)</u></u>

CAUSEWAY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

30. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the relationships with HSS Commissioners, and the manner in which they are funded, Causeway HSS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies to which FRS 13 mainly applies. Causeway HSS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing Causeway HSS Trust in undertaking its activities.

31. Third Party assets

The Trust held £131,060 Cash at bank and in hand at 31/3/05 which relates to monies held by the Trust on behalf of patients and residents. This has been excluded from cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Trust.

STATEMENT OF CAUSEWAY TRUST'S RESPONSIBILITIES IN RELATION TO PATIENTS / RESIDENTS MONIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by the Health and Personal Social Services (Northern Ireland) Order 1991) , the Trust is required to prepare and submit accounts in such form as the Department may direct.

Causeway Health and Social Services Trust is also required to maintain proper and distinct accounting records and is responsible for safeguarding the monies held on behalf of patients/residents and for taking reasonable steps to prevent and detect fraud and other irregularities.

**CAUSEWAY HEALTH & SOCIAL SERVICES TRUST
ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS**

**The Certificate and Report of the Comptroller and Auditor General to the
House of Commons and the Northern Ireland Assembly**

I certify that I have audited the account on page 59 which the Trust is required by the Health and Personal Social Services (Northern Ireland) Order 1991 to prepare and submit in such form as the Department of Health, Social Services and Public Safety may direct.

Respective Responsibilities of the Board Members and Chief Executive and Auditor

As described on page 56 the Board Members and Chief Executive are responsible for the preparation and submission of the account as required by the Health and Personal Social Service (Northern Ireland) Order 1991 in such form as the Department of Health, Social Services and Public Safety directs and for ensuring the regularity of financial transactions. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the account properly presents the payments and receipts of the monies held on behalf of patients/residents and are properly prepared as required by the Health and Personal Social Services (Northern Ireland) Order 1991 in such form as the Department of Health, Social Services and Public Safety directs, and whether in all material respects the payments and receipts conform to the authorities which govern them. I also report if, in my opinion the Trust has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the account. It also includes an assessment of the judgements made by the Board Members and Chief Executive in the preparation of the account.

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 account is free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the payments and receipts conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the account.

Opinion

In my opinion:

- the account properly presents the payments and receipts of the monies held on behalf of patients/residents by the Causeway Health & social Services Trust for the year ended 31 March 2005 and balances held at that date and have been properly prepared as required by the Health and Personal Social Services (NI) Order 1991 in such form as the Department of Health, Social Services and Public Safety may direct; and
- in all material respects the payments and receipts conform to the authorities which govern them.

I have no observations to make on this account.

J M Dowdall CB
Comptroller and Auditor General
Date: 30th August 2005

Northern Ireland Audit Office
Londonderry House
21/27 Chichester Street
Belfast BT1 4HT

CAUSEWAY HSS TRUST

YEAR ENDING 31ST MARCH 2005

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

Previous Year	RECEIPTS		
£		£	£
	Balance at 31st March 2004		
112,857	1. Investments (at cost)	116,602	
34,829	2. Cash at Bank	51,656	
0	3. Cash in Hand	0	168,258
121,152	Amounts Received in the Year	71,043	
5,051	Interest Received	5,441	76,484
273,889	TOTAL		244,742
PAYMENTS			
105,631	Amounts Paid to or on behalf of Patients/Residents	113,682	113,682
	Balance at 31st March 2005		
116,602	1. Investments (at cost)	106,141	
51,656	2. Cash at Bank	24,919	
0	3. Cash in Hand	0	131,060
273,889	TOTAL		244,742

Schedule of investments held at 31 March 2005

Cost Price £	Investment	Nominal Value £	Cost Price £
£116,602	Money Market Deposit	106,140	106,140

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

Neil Guckian Director of Finance

9th August 2005 Date

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

Brian Dornan Chief Executive

22nd August 2005 Date

**HOMEFIRST COMMUNITY TRUST
ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005**

FOREWORD

These accounts for the year ended 31 March 2005 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.

STATEMENT OF HOMEFIRST COMMUNITY 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 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 Homefirst Community 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 social services resources in Northern Ireland has designated Mrs Norma Evans of Homefirst Community Trust as the Accountable Officer for the Trust. Her relevant responsibilities as Accountable Officer, including her responsibility for the propriety and regularity of the public finances for which she is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accountable 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.

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 61 to 111) which I am required to prepare on behalf of the Homefirst Community Health and Social Services 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 HSS Trusts approved by the DHSSPS.

Cathy McKillop
18/08/2005

Director of Finance
Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 61 to 111) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Robert Ferguson
18/08/2005

Chairman
Date

Norma Evans
18/08/2005

Chief Executive
Date

Statement on Internal Control for the Financial Year 2004/2005

The Board of Homefirst Community Trust is accountable for internal control. As Accountable Officer and Chief Executive of the Board of Homefirst Community Trust I have a responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the organisation, and for reviewing the effectiveness of the system.

The system of internal control is designed to manage, rather than eliminate, the 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 the principal risks to the achievement of the organisation's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Trust for the year ended 31 March 2005, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

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

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority, within set parameters, to the Chief Executive and other officers; and
- Standing Orders and Standing Financial Instructions and the establishment of Audit and Governance Committees.

The system of internal financial control is based on a framework of regular financial information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. In particular it includes:

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

The Trust has an internal audit function which operates to NHS Internal Audit Standards and whose work is informed by an analysis of financial risk to which the Trust is exposed. Strategic and annual audit plans are based on this analysis. In 2004/2005 internal audit reviewed the following systems.

- Controls Assurance
- IT Security Management
- Health Centre Charges
- Travel and Subsistence
- Debtors' Billing
- Trust Funds

- Community Services Indicators
- Transport/Community Equipment
- Capital Charges
- Contract Monitoring
- VFM on Pharmacy Issues
- General ledger
- Patients' Private Property
- Community Care Expenditure (Voluntary Organisations/Grant Aid)
- Cash and Banking/Treasury Management
- Creditor Payments
- HRMS
- Travel & Subsistence
- Control Accounts
- VFM on Analysis of Contracts
- Wider Governance

In his annual report, the Chief Internal Auditor reported that the Trust's system of internal financial control was adequate and effective. However, minor weaknesses in control were identified in certain areas such as obtaining prompt payment of invoices by General Practitioners, appropriate signing of cash receipts, completion of forms and receipts in accordance with Trust procedures, maintenance of safe registers, use of computer passwords, and accurate completion of travel and subsistence claims.

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

With regard to the wider control environment, the Board has in place a range of organisational controls, commensurate with the current assessment of risk, designed to make sure that its business is discharged efficiently and effectively in accordance with the law and Departmental direction. Every effort is made to make sure that the objectives of the Trust are pursued in accordance with the recognised and accepted standards of public administration and through a performance review system for senior staff.

The various checklists on the recruitment and selection procedures are designed to ensure full compliance. Also the Trust Board receives an annual Equal Opportunities Monitoring Report, which includes a section on appointments detailed in accordance with Section 75 of the NI Act 1998.

The Trust has continued to implement a programme of work in conjunction with the Northern Ireland Fire Service to address deficiencies in meeting the Fire Code requirements.

Health, safety and welfare issues, as identified through risk identification and assessment, are addressed by the development of policies supported by the provision of training and support on a continuing basis. Subject to the availability of resources, the Trust's Estates Strategy also includes provision for schemes to minimise the health and safety risks associated with the provision of services by the Trust.

The Trust's Corporate Governance and Risk Management Policy and Strategy, with its emphasis on the promotion of learning and improvement, continues to be applied and developed. A Trust Risk Register, as supplemented and supported by individual Directorate Risk Registers, is maintained and this permits the ongoing identification and monitoring of risks which might compromise achievement of the Trust's corporate and operational objectives. Action being taken or required to address those risks is also recorded.

The Trust Risk Register, as supplemented by other sources of relevant information, facilitates discharge of the governance accountabilities and responsibilities of the Trust Board and senior officers.

In accordance with the requirements of DHSSPS Circular HSS (PPM) 1/2005, during 2004/05 the Trust completed self-assessments of the following Controls Assurance Standards:

- Governance
- Financial Management
- Risk Management
- Human Resources Management
- Medicines Management
- Medical Devices and Equipment Management
- Infection Control
- Fire Safety
- Decontamination of Medical Devices
- Information Communication Technology
- Health and Safety Management
- Buildings, Land, Plant and Non-Medical Equipment
- Environmental Management
- Waste Management

The level of compliance in six of the Standards referred to above, including the three 'Core' Standards, was assessed as being 'Substantive', i.e. in excess of 70%. For only one Standard, i.e. Decontamination of Medical Devices, the assessed level of compliance was below the expected minimum. Whilst, in conjunction with other agencies, a strategy is in place to minimise the risks associated with this activity, as has been previously recorded, attainment of the required standard cannot be achieved without the provision of additional resources.

Following its review of arrangements for governance within the Trust the Internal Audit Department has indicated its satisfaction with the process by which assessments of compliance with these Controls Assurance Standards was completed.

The number of Controls Assurance Standards requiring to be assessed having increased from six to fourteen during 2004/05 it is anticipated that an additional four will be introduced during 2005/06. In conjunction with addressing issues identified during the 2004/05 assessments as requiring further attention preparations will be made for the assessment of those existing and new standards.

As Accountable Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Homefirst Community Trust

who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. 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 and Audit Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

Norma Evans

18/08/2005

Chief Executive

Date

Homefirst Community Trust

The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the financial statements on pages 70 to 111 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 74 to 79.

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page 62, the Board Members and Chief Executive are responsible for the preparation of 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. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are 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 whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Trust has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 64 to 67 reflects the Trust's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board Members and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are 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 are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Homefirst Community Trust at 31 March 2005 and of the **surplus**, total recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by the Department of Health, Social Service and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements

J M Dowdall CB
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Date:
7th September 2005

HOMEFIRST COMMUNITY HSS TRUST
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 MARCH 2005

	NOTE	2005 £000	2004 £000
Income from Activities	2	181,955	167,357
Other Operating Income	3	<u>5,401</u>	<u>5,163</u>
		187,356	172,520
Operating Expenses	4.1	<u>(184,999)</u>	<u>(170,211)</u>
OPERATING SURPLUS (DEFICIT)		2,357	2,309
Profit/(loss) on disposal of Fixed Assets	7	<u>13</u>	<u>9</u>
SURPLUS (DEFICIT) BEFORE INTEREST		2,370	2,318
Interest Receivable		377	366
Interest Payable	8	<u>(1,323)</u>	<u>(1,400)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		1,424	1,284
Public Dividend Capital Dividends Payable	15	<u>(1,410)</u>	<u>(1,276)</u>
OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS	21	14	8
Provisions for Future Obligations	9.1	<u>109</u>	<u>(47)</u>
RETAINED SURPLUS (DEFICIT) BEFORE EXCEPTIONAL INCOME		<u>123</u>	<u>(39)</u>
Exceptional Income		<u>0</u>	<u>0</u>
RETAINED SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		<u>123</u>	<u>(39)</u>
BREAK EVEN POSITION	21	<u>14</u>	<u>8</u>

The notes on pages 80 to 111 form part of these accounts
All Income and Expenditure is derived from continuing activities

HOMEFIRST COMMUNITY HSS TRUST
BALANCE SHEET AS AT 31 MARCH 2005

	NOTE	2005		2004	
		£000	£000	£000	£000
FIXED ASSETS					
Intangible assets	10		0		0
Tangible assets	11		<u>107,756</u>		<u>77,090</u>
			107,756		77,090
CURRENT ASSETS					
Stocks and work in progress	12	396		524	
Debtors: Amounts falling due					
Within one year	13	3,778		4,035	
After one year	13	269		174	
Short term investments	14	3,092		783	
Cash at bank and in hand		<u>15</u>		<u>13</u>	
			7,550		5,529
CREDITORS: Amounts falling due					
within one year	15		<u>(11,314)</u>		<u>(9,054)</u>
NET CURRENT ASSETS (LIABILITIES)			<u>(3,764)</u>		<u>(3,525)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			103,992		73,565
Creditors: Amounts Falling Due					
After more than one year	15		(14,449)		(15,382)
Provisions for Liabilities and					
Charges	17		<u>(974)</u>		<u>(1,083)</u>
TOTAL ASSETS EMPLOYED			<u>88,569</u>		<u>57,100</u>
FINANCED BY:					
CAPITAL AND RESERVES					
Public dividend capital	18		24,708		24,708
Revaluation reserve	19		63,213		31,863
Donation reserve	19		16		20
Realised donation reserve	19		0		0
Other reserves	19		0		0
Income and expenditure reserve	19		<u>632</u>		<u>509</u>
			<u>88,569</u>		<u>57,100</u>

The notes on pages 80 to 111 form part of these accounts

Signed: Norma Evans Chief Executive 18/08/2005

HOMEFIRST COMMUNITY HSS TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004	
	£000	£000	£000	£000
Net Cash Inflow from Operating Activities (Note 29.1)		7,372		4,399
Returns on Investments and Servicing of Finance				
Interest received		377		366
Interest paid		(1,327)		(1,403)
Interest element of finance lease rental payments		<u>0</u>		<u>0</u>
Net Cash (Outflow) / Inflow from Returns on Investments and Servicing of Finance		(950)		(1,037)
Capital Expenditure				
Payments to acquire intangible fixed assets		0		0
Receipts from sales of intangible fixed assets		0		0
Payments to acquire tangible fixed assets		(2,193)		(4,109)
Receipts from sales of tangible fixed assets		<u>291</u>		<u>41</u>
Net Cash Inflow (Outflow) from Capital Expenditure		(1,902)		(4,068)
Dividends Paid		(1,276)		(2,665)
Management of Liquid Resources				
Purchase of current asset investments		0		0
Sale of current asset investments		<u>0</u>		<u>0</u>
Net Cash Inflow (Outflow) from Management of Liquid Resources		<u>0</u>		<u>0</u>
Net Cash Inflow (Outflow) before Financing		3,244		(3,371)
Financing				
New money capital reserve		0		0
New public dividend capital		0		0
New long-term loans - Government		0		0
New long-term loans - Others		0		0
New short-term loans - Government		0		0
New short-term loans - Others		0		0
Repayment of loans - Government		(932)		(932)
Repayment of loans - Others		0		0
Capital element of finance lease rental payments		<u>0</u>		<u>0</u>
Net Cash Inflow (Outflow) from Financing		<u>(932)</u>		<u>(932)</u>
Increase (Decrease) in Cash (Notes 29.2 and 29.3)		<u><u>2,312</u></u>		<u><u>(4,303)</u></u>

The notes on pages 109 to 110 form part of this statement

HOMEFIRST COMMUNITY HSS TRUST

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004	
	£000	£000	£000	£000
Surplus (Deficit) for the financial year		1,424		1,284
Provisions for future obligations		<u>109</u>		<u>(47)</u>
		1,533		1,238
Fixed asset impairment losses		0		0
Non donated Fixed Assets				
Indexation of fixed assets	5,335		5,504	
Unrealised Surplus (deficit) on revaluation of fixed assets	<u>0</u>		<u>0</u>	
		5,335		5,504
Donated Assets				
Additions to donated assets	0		0	
Changes to donation reserve (except transfers to realised donation reserve)	<u>(4)</u>		<u>(3)</u>	
		<u>(4)</u>		<u>(3)</u>
Total recognised gains and losses relating to the year		<u>6,864</u>		<u>6,739</u>
Additions to Capital Assets Reserve		<u>0</u>		<u>0</u>
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR		<u>6,864</u>		<u>6,739</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

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 substituted by the Health and Personal Social Services (Northern Ireland) Order 1991 No 194 (NI 1).

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 the accounting standards and policies for Health and Social Services Bodies approved by the Department of Health and Social Services and Public Safety.

The accounting policies adopted follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. The accounting policies are selected in accordance with the principles set out in FRS 18 "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:

Paragraph 20 of Financial Reporting Standard 3 "Reporting Financial Performance" requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Trusts by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

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.

However where an impairment arises due to consumption of economic benefits FRS 15 requires the loss to be recognised in the income and expenditure account in its entirety. In the context of their capital accounting HSS Trusts take those impairment losses resulting from short term changes in price that are considered to be recoverable, in full to the revaluation reserve. These include

impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain circumstances.

1.4 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; they can be valued; 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.

1.5 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 asset ie 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. Intangible assets which can be valued, are capable of being used in a Trust's activities for more than one year and have a value in excess of £5,000;

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 adjustments arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All impairments resulting from price changes are charged to the Statement of Total Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Assets in the course of construction are valued at current cost using the indexes as for land and buildings, as above. These assets include any existing land or buildings under the control of a contractor.

Residual interests in off-balance sheet Private Finance Initiative properties 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. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

1.6 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 Expenditure Reserve.

1.7 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 therefrom 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.

1.8 Private Finance Initiative (PFI) transactions

The HPSS 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 property 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 property 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 property 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.

1.9 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.

1.10 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 3.5% in real terms.

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

1.11 Clinical negligence central fund

A Clinical Negligence Central Fund was established in 1998 to manage the payment of clinical negligence settlements. HSS Trusts are reimbursed by the Central Fund for payments made. Reimbursements are accounted for as income.

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

1.12 Pensions

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

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

1.13 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 28 to the accounts.

1.14 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.

1.15 Losses

This note (Note 27) 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.

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2. Income from Activities

	2005	2004
	£000	£000
NI Health and Social Services Boards	168,138	154,237
GB/Republic of Ireland Health Authorities	0	0
HSS Trusts	284	290
Non-HPSS:		
- private patients	0	0
- other	7	13
Clients contributions	<u>13,526</u>	<u>12,817</u>
Total	<u>181,955</u>	<u>167,357</u>

3. Other Operating Income

	2005	2004
	£000	£000
Patient transport services	0	0
Other income from non-patient services	4,527	4,294
NIMDTA/NICPMDE	417	351
SUMDE	126	109
Charitable and other contributions to expenditure	0	0
Transfers from the donation reserve in respect of depreciation on donated assets	4	4
Income in respect of fixed asset impairments	0	0
Clinical Negligence Central Fund	0	0
Reversal of fixed asset impairments	0	0
Other income:	0	0
Homehelp Meal Contributions	164	171
Welfare and Proprietary Food	<u>163</u>	<u>234</u>
Total	<u>5,401</u>	<u>5,163</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
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4. Other Operating Expenses	2005	2004
	£000	£000
4.1 Other Operating Expenses are as follows:-		
Salaries and wages (excluding board members' remuneration)	98,452	88,577
Board members remuneration	457	437
Supplies and services - clinical	3,425	3,312
Supplies and services - general	3,060	2,599
Establishment	7,317	6,715
Transport	867	848
Premises	6,326	6,798
Bad debts	0	0
Depreciation and amortisation	3,034	2,682
Fixed asset impairments	0	0
Purchase of care from non-HPSS bodies and grants to voluntary organisations	51,919	48,702
Personal social services	3,829	3,375
Recharges from other HPSS organisations	3,391	3,102
Clinical Negligence Payments:		
Provisions Utilised		
Other	202	627
Audit fees	21	18
Other auditors remuneration	0	0
Miscellaneous	2,699	2,419
	<u>184,999</u>	<u>170,211</u>

4.2 Operating Leases

Operating expenses include the following amounts in respect of hire and operating lease rentals:

	2004/05	2003/04
	£000	£000
Hire of plant and machinery	0	0
Other operating leases	78	74
	<u>78</u>	<u>74</u>

Commitments under non-cancellable operating leases are:

	<u>Land and buildings</u>		<u>Other leases</u>	
	2004/05	2003/04	2004/05	2003/04
	£000	£000	£000	£000
Operating leases which expire:				
Within 1 year	0	0	0	0
Between 1 and 5 years	0	0	0	0
After 5 years	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
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5.1 Staff Costs

	Directly employed £000	Other £000	2005 £000	2004 £000
Salaries and Wages	85,507	2,838	88,345	79,228
Social security costs	5,656	-	5,656	5,285
Pension costs for early retirements reflecting the single lump sum to buy over the full liability	-	-	0	0
Other Pension Costs	4,908	-	4,908	4,501
Early departure costs	-	-	0	0
Total	96,071	2,838	98,909	89,014

Of the total, £ 0 has been charged to capital.

5.2 Average Number of Persons Employed

	Directly employed No.	Other No.	2005 No.	2004 No.
Medical and Dental	82	7	89	77
Nursing and Midwifery	853	17	870	775
Professions Allied to Medicine	158	9	167	139
Ancillaries	316	40	356	315
Administrative and Clerical	671	28	699	623
Ambulance staff	0	0	0	0
Works	40	0	40	39
Other Professional and Technical	99	0	99	84
Social Services	1,933	0	1,933	1,903
Other	2	33	35	3
	4,154	134	4,288	3,958

Figures refer to wholetime equivalents (WTEs) rather than individuals.

5.3 Senior Employees' Remuneration

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

Name	Salary, including Performance Pay (£'000)	Benefits in Kind (Rounded to the nearest £'000)	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 31/03/2004 (£'000)	CETV at 31/03/2005 (£'000)	Real increase in CETV (£'000)	Employer contribution to partnership pension account including risk benefit cover - (nearest £'000)
Non-Executive Members								
R S Ferguson	20							
M J Higgins	5							
S Hillan	5							
J W Rainey	3							
T Wilson	5							
A Little	4							
M Gordon	3							
Executive Members								
N Evans	41		0	138	0	599	0	nil
B Smyth	62		11	118	467	526	36	nil
C McKillop	51		8	73	223	259	21	nil
H Baird	52		5	73	242	270	10	nil
M Sloan	58		6	57	152	174	11	nil
J Stephenson	55		3	72	298	317	17	nil
R Simpson	54		5	77	255	282	10	nil
O Donnelly	12		3	64	212	228	1	nil
M Mannion	84*		7	119	356	388	9	nil
H Sharp	33**		0	0	0	0	0	nil
C Colhoun	59**		0	0	0	0	0	nil

* received an additional amount of £13,000 (non-superannuable) in respect of Medical Director role.

** consent given to disclosure of salary only.

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 from 2004-05 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 and framework 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.

HOMEFIRST COMMUNITY HSS TRUST
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	2005	2004
	£000	£000
5.4 Staff Benefits		
	1	0
	<u>0</u>	<u>0</u>
	<u>1</u>	<u>0</u>
	2005	2004
	£000	£000
Trust Management Costs	6,990	6,440
Total Income	186,353	171,418
% of Total Income	3.8%	3.8%

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

5.6 Retirements due to ill-health

During 2004/05 there were 29 Early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £983.

6.1 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:

	2005		2004	
	Number	£000	Number	£000
Total bills paid	54,005	55,259	56,864	56,189
Total bills paid within 30 day target	45,000	52,514	46,997	53,164
% of bills paid within 30 day target	<u>83.3%</u>	<u>95.0%</u>	<u>82.6%</u>	<u>94.6%</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

6.2 The Late Payment of Commercial Debts (Interest) Act 1998

The amounts included within Interest Payable (Note 8) arising from claims made by small businesses under this legislation are as follows :

	£
Total	<u>0</u>

7.0 Profit (Loss) on Disposal of Fixed Assets

	2005 £'000	2004 £'000
Profit on disposal of intangible assets	0	0
Loss on disposal of intangible assets	0	0
Profit on disposal of land and buildings	16	0
Loss on disposal of land and buildings	(14)	(10)
Profit on disposal of plant and equipment	11	19
Loss on disposal of plant and equipment	<u>0</u>	<u>0</u>
Total	<u>13</u>	<u>9</u>

8.0 Interest Payable

	2005 £'000	2004 £'000
Originating interest bearing debt	1,323	1,400
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other interest	0	0
	<u>0</u>	<u>0</u>
Total	<u>1,323</u>	<u>1,400</u>

An amount of £22,000 is included within Note 9.3 for the unwinding of discount on provisions.

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

9.1 Provisions for Future Obligations

	2005	2004
	£000	£000
Provisions in year:		
Clinical Negligence	(6)	60
Pensions	0	371
Employers liability	(43)	171
Public (Occupiers) liability	68	0
Injury benefit	0	0
Accrued leave	(11)	(6)
Restructuring	0	0
Industrial Relations Cases	0	65
Other	62	50
Arising during the year (net) (note 9.2)	70	711
Unwinding of Discount on Provisions (note 9.3)	22	27
Utilised in year (note 9.4)	(202)	(627)
Other (specify)	0	0
Movement in year (subtotal) (note 17)	(110)	111
Reimbursements receivable (note 9.5)	<u>2</u>	<u>(64)</u>
Total increase/decrease (to Income and Expenditure Account)	<u>(108)</u>	<u>47</u>

9.2 Arising during the year

	2004/05	2003/04
	£000	£000
Provided in year	423	936
Provisions not required (reversed/unused)	<u>(353)</u>	<u>(225)</u>
Total Provided in year (9.1)	<u>70</u>	<u>711</u>

HOMEFIRST COMMUNITY HSS TRUST
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9 (Contd)

9.3 Unwinding of discount on provisions

2005 2004
£000 £000

Unwinding of discount on provisions is analysed as follows:

Clinical Negligence	4	4
Other	<u>18</u>	<u>23</u>
Total Unwinding of discounts on provisions (note 9.1)	<u><u>22</u></u>	<u><u>27</u></u>

2005 2004
£000 £000

9.4 Utilised in year

Clinical Negligence (Note 17)	0	0
Pensions relating to other staff (note17)	0	413
Restructuring (note17)	0	0
Other (Note 17)	<u>202</u>	<u>214</u>
Total Utilised (Note 9.4)	<u><u>202</u></u>	<u><u>627</u></u>

2005 2004
£000 £000

9.5 Reimbursements receivable

Clinical Negligence Central Fund	(2)	64
Other (Specify)	<u>0</u>	<u>0</u>
Total reimbursements receivable	<u><u>(2)</u></u>	<u><u>64</u></u>

HOMEFIRST COMMUNITY HSS TRUST
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NOTES TO THE ACCOUNTS

10. Intangible Fixed Assets

	Total £000	Software licences £000	Other licences and trademarks £000	Patents £000	Development Expenditure £000
Cost or Valuation					
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Additions purchased	0	0	0	0	0
Additions donated	0	0	0	0	0
Reclassifications	0	0	0	0	0
Other Revaluation	0	0	0	0	0
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 March 2005	0	0	0	0	0
Amortisation					
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0
Provided during the year	0	0	0	0	0
At 31 March 2005	0	0	0	0	0
Net Book Value					
At 31 March 2005					
- Purchased	0	0	0	0	0
- Donated	0	0	0	0	0
Total at 31 March 2005	0	0	0	0	0
Net Book Value					
At 31 March 2004					
- Purchased	0	0	0	0	0
- Donated	0	0	0	0	0
Total at 31 March 2004	0	0	0	0	0

HOMEFIRST COMMUNITY HSS TRUST
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11. Tangible Fixed Assets

11.1 Tangible fixed assets comprise the following elements:

Purchased Assets

	Land £000	Buildings Installations and fittings £000	Computer equipment £000	Other Equipment £000	Assets under Construction £000	Total £000
Cost or Valuation						
At 01 April 2004	20,617	61,405	1,588	4,677	600	88,887
Indexation	1,068	4,873	0	88	0	6,029
Additions	31	1,008	466	201	725	2,431
Reclassifications	0	0	0	0	0	0
Transfers	50	581	0	0	(631)	0
Revaluation	0	(6)	0	0	(65)	(71)
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Disposals	(43)	(142)	(7)	(354)	0	(546)
National Revaluation Exercise	21,613	(6,727)	0	0	99	14,985
At 31 March 2005	<u>43,336</u>	<u>60,992</u>	<u>2,047</u>	<u>4,612</u>	<u>728</u>	<u>111,715</u>
Depreciation						
At 01 April 2004	0	8,024	920	2,873	0	11,817
Indexation	0	645	0	49	0	694
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Disposals	0	(30)	(7)	(355)	0	(392)
Provided during the year	0	2,419	182	433	0	3,034
National Revaluation Exercise	0	(11,178)	0	0	0	(11,178)
At 31 March 2005	<u>0</u>	<u>-120</u>	<u>1,095</u>	<u>3,000</u>	<u>0</u>	<u>3,975</u>
Net Book Value						
At 31 March 2005	<u>43,336</u>	<u>61,112</u>	<u>952</u>	<u>1,612</u>	<u>728</u>	<u>107,740</u>
At 31 March 2004	<u>20,617</u>	<u>53,381</u>	<u>668</u>	<u>1,804</u>	<u>600</u>	<u>77,070</u>

Of the total net book value at 31 March 2005, £104,448,600 related to buildings, installations and fittings valued at open market value for alternative use.

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

Note 11.1 (Contd)
Donated Assets

	Buildings	Installations	Computer	Equipment	Assets	Total
	Land	and fittings	equipment	Equipment	under	£000
	£000	£000	£000	£000	Construction	£000
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At 1 April 2004	0	0	0	50	0	50
Indexation	0	0	0	1	0	1
Additions	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
National Revaluation Exercise	0	0	0	0	0	0
At 31 March 2005	0	0	0	51	0	51
Depreciation						
At 1 April 2004	0	0	0	30	0	30
Indexation	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	1	0	1
Provided during the year	0	0	0	4	0	4
National Revaluation Exercise	0	0	0	0	0	0
At 31 March 2005	0	0	0	35	0	35
Net Book Value						
At 31 March 2005	0	0	0	16	0	16
At 31 March 2004	0	0	0	20	0	20

HOMEFIRST COMMUNITY HSS TRUST
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11.2 Total Tangible Fixed Assets:

	Purchased	Donated	Total	2004
	£000	£000	£000	£000
Net book value:				
Land	43,336	0	43,336	20,617
Buildings installations and fittings	61,112	0	61,112	53,381
Computer Equipment	952	0	952	0
Other Equipment	1,612	16	1,628	2,492
Assets under construction	<u>728</u>	<u>0</u>	<u>728</u>	<u>600</u>
Total	<u>107,740</u>	<u>16</u>	<u>107,756</u>	<u>77,090</u>

11.3 The net book value of land and buildings comprises:

	2005	2004
	£000	£000
Freehold	104,448	73,998
Long leasehold	0	0
Short leasehold	<u>0</u>	<u>0</u>
	<u>104,448</u>	<u>73,998</u>

11.4 The net book value of assets held under finance leases and hire purchase contracts are as follows:

	2004/05	2003/04
	£000	£000
Land	0	0
Buildings, installations and fittings	0	0
Equipment	<u>0</u>	<u>0</u>
Assets under construction	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

The total amount of depreciation charged in the Income and Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £0 (2004 £0)

HOMEFIRST COMMUNITY HSS TRUST
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NOTES TO THE ACCOUNTS

12. Stocks and Work in Progress	2005	2004
	£000	£000
Raw Materials and consumables	396	524
Work in progress	0	0
Finished goods	<u>0</u>	<u>0</u>
Total	<u>396</u>	<u>524</u>
13. Debtors	2005	2004
	£000	£000
Amounts falling due within one year:		
HSS or NHS debtors	357	402
Clinical negligence - Central Fund		
Other debtors	3,421	2,868
Pension Prepayments		
in respect of former directors	0	0
in respect of other staff	0	0
Other prepayments and accrued income	<u>0</u>	<u>765</u>
Sub Total	<u>3,778</u>	<u>4,035</u>
The balances are net of a provision for bad debts of £112,582 (2003/04 £217,000)		
Amounts falling due after more than one year:		
HSS or NHS debtors	0	0
Clinical negligence - Central Fund	133	135
Other debtors	136	39
Pension Prepayments		
in respect of former directors	0	0
in respect of other staff	0	0
Other prepayments and accrued income	<u>0</u>	<u>0</u>
Sub Total	<u>269</u>	<u>174</u>
Total	<u>4,047</u>	<u>4,209</u>
14. Short-term Investments	2005	2004
	£000	£000
Government Securities	0	0
Other Approved Public Sector Organisations	0	0
Banking Deposits	3,092	783
Others (specify if in excess of £50,000)	<u>0</u>	<u>0</u>
Total	<u>3,092</u>	<u>783</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

15. Creditors	2005	2004
	£000	£000
15.1 Creditors: Amounts falling due within one year:		
Bank overdrafts	0	0
Current instalments due on loans	932	932
Interest payable	56	59
Public dividend capital dividend payable	1,410	1,276
Payments received on account	0	0
HPSS or NHS creditors and accruals	566	1,276
Non HPSS or NHS trade revenue creditors	3,627	3,254
Non HPSS or NHS trade capital creditors	238	0
Payroll creditors including taxation and social security	4,485	2,257
Net obligations under finance leases	0	0
Clinical Negligence	0	0
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other accruals	0	0
Other creditors	0	0
Sub Total	11,314	9,054
15.2 Creditors: Amounts falling due after more than one year:		
Long Term Loans	14,449	15,382
Obligations under finance leases and hire		
purchase contracts	0	0
HPSS or NHS Creditors	0	0
Clinical Negligence	0	0
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other	0	0
Sub Total	14,449	15,382
Total Creditors	25,763	24,436

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 15 (Contd)

15.3 Finance lease obligations

The future minimum lease payments under finance leases to which the Trust was committed at the balance sheet date were as follows :

	2005	2004
	£000	£000
Within one year	0	0
Between one and five years	0	0
After five years	0	0
	<u>0</u>	<u>0</u>
Less finance charges allocated to future periods	<u>0</u>	<u>0</u>
	<u><u>0</u></u>	<u><u>0</u></u>

This total net obligation under finance leases can be analysed as follows :

	2005	2004
	£000	£000
Creditors: amounts due within one year	0	0
Creditors: amounts due after more than one year	0	0
	<u>0</u>	<u>0</u>
	<u><u>0</u></u>	<u><u>0</u></u>

15.4 Public Dividend Capital Dividends

	2005	2004
	£000	£000
The dividend is in respect of Public Dividend Capital	<u>1,410</u>	<u>1,276</u>
Total	<u><u>1,410</u></u>	<u><u>1,276</u></u>

HOMEFIRST COMMUNITY HSS TRUST
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16. Loans

	Government Loans £000	Other Loans £000	2005 £000	2004 £000
Amounts falling due:				
In one year or less	932	0	932	932
Between one and two years	932	0	932	932
Between two and five years	2,797	0	2,797	2,797
In five years or more	10,721	0	10,721	11,653
Total	15,382	0	15,382	16,314

	Government Loans £000	Other Loans £000	2005 £000	2004 £000
Wholly repayable within five years	4,661	0	4,661	0
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	10,721	0	10,721	16,314
Total	15,382	0	15,382	16,314

Total Repayable after five years by instalments	10,721	0	10,721	11,653
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Loans wholly or partially repayable after five years:

Terms of payment	Interest Rate %	2005 £000	2004 £000
Government original interest bearing debt issued on 1 April 1996 repayable in equal instalments over 25 years	8.25	15,382	16,314

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

17. Provisions for liabilities and charges

	Pensions relating to former Directors £000	Pensions relating to other staff £000	Clinical negligence £000	Restructuring £000	Other £000	2005 £000	2004 £000
Balance at 31 March 2004	0	0	135	0	948	1,083	972
Arising during the year	0	0	14	0	409	423	936
Utilised during the year	0	0	0	0	(202)	(202)	(627)
Reversed unused	0	0	(20)	0	(333)	(353)	(225)
Unwinding of discount	0	0	4	0	18	22	27
At 31 March 2005	0	0	133	0	840	973	1,083

Income and Expenditure Account Charges	£000
Arising during the year	423
Utilised during the year	(202)
Reversed unused	<u>(353)</u>
Unwinding of discounts	<u>22</u>
	<u>(110)</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

17 (Contd)

Expected Timing of Cash Flow

	Pensions relating to former Directors £000	Pensions relating to other staff £000	Clinical negligence £000	Restruct- uring £000	Other £000	2004/05 £000	2003/04 £000
Within 1 year	0	0	0	0	0	0	4
1 - 5 years	0	0	133	0	840	973	1,079
Over 5 years	0	0	0	0	0	0	0

Expected reimbursements from the Clinical Negligence Central Fund included in debtors are :-

	£000
Clinical Negligence Central Fund	133

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 25.

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

18. Public Dividend Capital

	2005	2004
	£000	£000
Public dividend capital was issued as follows:		
During the reporting year	0	0
In prior years	<u>24,708</u>	<u>24,708</u>
Total	<u>24,708</u>	<u>24,708</u>

19. Movements on Reserves

	Revaluation	Donation	Realised	Other	Income and	Total
	Reserve	Reserve	Donation	Reserves	Expenditure	Total
	£000	£000	Reserve	£000	Reserve	£000
	£000	£000	£000	£000	£000	£000
At 1 April 2004	31,863	20	0	0	509	32,392
Retained surplus (deficit) for year	0	0	0	0	123	123
Revaluation and indexation of fixed assets	31,427	0	0	0	0	31,427
Transfer of realised profits (losses)	(77)	0	0	0	0	(77)
Movements in donation reserve	0	(4)	0	0	0	(4)
Fixed Asset Impairments	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0
At 31 March 2005	<u>63,213</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>632</u>	<u>63,861</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

20. Reconciliation of Movement in Government Funds

	2005	2004
	£000	£000
Surplus (deficit) for the financial year	1,424	1,284
less provisions for future obligations	109	(47)
less public dividend capital dividends	(1,410)	(1,276)
Gains (losses) from revaluation/indexation of		
Purchased fixed assets	5,264	5,380
Public dividend capital repayments	0	0
Public dividend capital issued	0	0
New Government loans issued	0	0
Less Government loans repayments	(932)	(932)
Additions (reductions) in other reserves	0	0
Net Movement in Government funds	4,455	4,409
Government funds at 31 March 2004	<u>73,394</u>	<u>68,985</u>
Government funds at 31 March 2005	<u><u>77,849</u></u>	<u><u>73,394</u></u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21 Financial Performance Targets

21.1 Capital cost Absorption Duty

The trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that interest payable on Government borrowing plus dividends payable on public dividend capital, totalling £2,733,000 bears to the average relevant net assets of £72,981,000.

The return for 2004/05 is calculated as 3.7% (2003/04 4.0%)

The Capital Cost Absorption Rate is calculated as follows :

Capital Cost Absorption rate (%) = (TDR / Average relevant net assets) x100

	2005
	£000
Trust Debt Remuneration is calculated as:	
Interest payable on Government borrowing	1,323
Plus	
Dividends payable on Public Dividend Capital	1,410
	<hr/>
Trust Debt Remuneration	2,733
	<hr/>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.1 (Cont'd)

Average relevant Net Assets is calculated as:

Average relevant net assets is the simple average of opening and closing relevant net assets, where each are calculated as follows:

	Opening	Closing	Average
	£000	£000	£000
Total capital reserves* (Equivalent to total net assets)	57,100	62,406	59,753
Less			
Donation Reserve	(20)	(16)	(18)
Purchased assets in the course of construction	(600)	(728)	(664)
Short term assets	(783)	(3,092)	(1,938)
Finance lease assets (During their primary lease term)	0	0	0
Plus			
Loans and overdrafts	16,314	15,382	15,848
Finance Lease Creditors (Capital only)	<u>0</u>	<u>0</u>	<u>0</u>
Relevant Net Assets	<u>72,011</u>	<u>73,952</u>	<u>72,981</u>

* Capital and reserves excludes the impact of the national revaluation exercise.

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.2 Break Even Performance

The Trust is required to ensure that its income is sufficient to meet its expenditure taking one year with another. Over the last five years the Trust has achieved the following results:

		2000/01	2001/02	2002/03	2003/04	2004/05
		£000	£000	£000	£000	£000
i.	Turnover	125,332	134,975	156,040	172,520	187,356
ii.	Operational Surplus/(Deficit) for financial year before Provisions and Exceptional Income	621	45	(9)	8	14
iii.	Break Even in year position	621	45	(9)	8	14
iv.	Break Even cumulative position (opening)	251	872	917	908	916
vii.	Other Adjustments	0	0	0	0	0
viii.	Exceptional Income Year ended 31 March 2001	0	0	0	0	0
ix.	Break Even cumulative position (closing)	<u>872</u>	<u>917</u>	<u>908</u>	<u>916</u>	<u>930</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.2Cont'd

	2000/01	2001/02	2002/03	2003/04	2004/05
	%	%	%	%	%
Materiality Test:					
Break even in year position as % of turnover	<u>0.5%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Break even cumulative position as % of turnover	<u>0.7%</u>	<u>0.7%</u>	<u>0.6%</u>	<u>0.5%</u>	<u>0.5%</u>

The cumulative surplus has arisen mainly from the 2000/01 surplus of £621,000. This occurred due to the deferment of expenditure into the 2001/02 year.

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.3 External Financing Limit

	2005	2004
	£000	£000
External Financing Limit set by the department	<u><u>1,848</u></u>	<u><u>5,350</u></u>

The Trust stayed within its External Financing Limit by £5,091,000. The Trust's External Financing Requirement for the year was (£3,243,000) and was met as follows :

	2005	2004
	£000	£000
Increase (decrease) in:		
Public dividend capital	0	0
Government long-term loans	(932)	(932)
Other long-term loans	0	0
Short-term loans	0	0
Overdrafts	0	0
Finance lease capital creditors	0	0
(Increase) decrease in:		
Short-term investments	(2,309)	4,304
Cash at bank and in hand	<u>(2)</u>	<u>(1)</u>
External Finance Assessed	<u><u>(3,243)</u></u>	<u><u>3,371</u></u>

21.4 Capital Resource Limit

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

	2005
	£000
Gross Capital Charge Expenditure (Charge against the CRL)	2,431
Capital Resource Limit	<u>5,008</u>
(Over) / underspend against CRL	<u><u>2,577</u></u>

22. Private Finance Transactions

22.1 PFI Schemes deemed to be off balance sheet

There are no amounts included within operating expenses in respect of PFI transactions deemed to be off balance sheet

22.2 Service element of PFI schemes deemed to be on balance sheet

The Trust does not have any service elements of PFI schemes which are deemed to be on balance sheet

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

23 Capital Commitments

Capital commitments at the balance sheet date are:

	Finance Leases £000	Other £000	2004/05 Total £000	2003/04 Total £000
Contracted	0	97	97	2,896
Authorised by the Board, but not contracted	0	0	0	0
Total	0	97	97	2,896

24 Post Balance Sheet Events

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

25 Contingent Liabilities

The Trust has contingent liabilities of £0 for clinical negligence incidents.

	2004/05 £000	2003/04 £000
Total estimate of contingent clinical negligence liabilities	0	0
Amount recoverable from the Clinical Negligence Central Fund	0	0
Net Contingent liability	0	0

In addition to the above contingent liability, provisions for clinical negligence are given in Note 17

Contingencies not relating to clinical negligence are as follows:

	2004/05 £000	2003/04 £000
Public Liability	0	0
Employers liability	0	0
Accrued leave	0	0
Injury Benefit	0	0
Other	0	0
Total	0	0

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 Homefirst Community HSS Trust

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 27

Analysis of Losses and Special Payments

TYPE OF LOSS	NO. OF CASES	VALUE £
1 Cash Losses - Theft, fraud etc	2	50
2 Cash Losses - Overpayments of salaries, wages and allowances	2	245
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	0	0
6 Bad debts and claims abandoned	30	14,539
7 Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
i. Bedding and linen	0	0
ii. Other equipment and property	61	16,791
8 Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	0	0
9 Stores and Inventory Losses - Deterioration in store	15	3,527
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	1,200
12 Compensation payments (legal obligation)		
i. Clinical Negligence	0	0
ii. Public Liability		
iii. Employers Liability	23	201,894
13 Ex-gratia payments - Compensation payments (including payments to patients and staff)	0	0
14 Ex-gratia payments - Other payments	24	9,419
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	17	8,720
TOTAL	175	256,385

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

28. Intra-government balances

Name	Creditors		Debtors	
	Amounts falling due within 1 year £000	Amounts falling due after more than 1 year £000	Amounts falling due after more than 1 year £000	Amounts falling due within 1 year £000
Other central government bodies	3,184	14,449	39	0
Northern Ireland Health and Social Services Boards	3	0	26	0
HSS Trusts	412	0	18	0
NHS Trusts	0	0	1	0
Agencies and Special Agencies	151	0	28	133
Non-Departmental Public Bodies	0	0	0	0
Local Authorities	0	0	0	0
Public corporations and trading funds	0	0	0	0
Total	3,750	14,449	112	133

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

29 Notes to the Cash Flow Statement

29.1 Reconciliation of operating surplus (deficit) to net cash inflow from operating activities

	2004/05	2003/04
	£000	£000
Operating Surplus (Deficit)	2,357	2,309
Depreciation charge	3,034	2,682
Provisions for future obligations (I&E Account)	109	(47)
Fixed asset impairments	0	0
Transfer from donation reserve	(3)	(3)
Non-cash Items	0	0
Increase / (decrease) in provisions (Balance Sheet)	(109)	111
(Increase) / decrease in stocks	129	7
(Increase) / decrease in debtors	(38)	(516)
Increase / (decrease) in creditors	<u>1,893</u>	<u>(144)</u>
Net cash inflow from operating activities	<u>7,372</u>	<u>4,399</u>

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

29 Notes to the Cash Flow Statement

29.2 Reconciliation of net cash flow to movement in net debt

	2004/05		2003/04	
	£000	£000	£000	£000
Increase / (decrease) in cash in the period	2,312		(4,303)	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and finance lease capital payments	932		932	
Cash (inflow) / outflow from decrease/increase in liquid resources	0		0	
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net debt resulting from cash flows		3,244		(3,371)
Non-cash changes in debt		<hr/> 0		<hr/> 0
Net debt at 1 April 2004		<hr/> (15,519)		<hr/> (12,148)
Net debt at 31 March 2005		<hr/> <u>(12,275)</u>		<hr/> <u>(15,519)</u>

29.3 Analysis of changes in net funds/debt

	At 1 April 2,004 £000	Cash flows £000	Non-cash changes £000	at 31 March 2,005 £000
Cash at bank and in hand	13	2	0	15
Bank overdrafts	0	0	0	0
Debt due within 1 year	(932)	932	(932)	(932)
Debt due after 1 year	(15,382)	0	932	(14,450)
Finance leases	0	0	0	0
Current asset investments	782	2,310	0	3,092
	<hr/> (15,519)	<hr/> 3,244	<hr/> 0	<hr/> (12,275)

HOMEFIRST COMMUNITY HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

30. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the relationships with HSS Commissioners, and the manner in which they are funded, the Homefirst Community HSS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Homefirst Community HSS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Homefirst Community HSS Trust in undertaking its activities.

31. Third Party Assets

The trust held £776,833 Cash at bank and in hand at 31/3/2005 which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Trust.

STATEMENT OF TRUST'S RESPONSIBILITIES IN RELATION TO PATIENTS/ RESIDENTS MONIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by the Health and Personal Social Services (Northern Ireland) Order 1991) the Trust is required to prepare and submit accounts in such form as the Department may direct.

The Homefirst Community HSS Trust is also required to maintain proper and distinct accounting records and is responsible for safeguarding the monies held on behalf of patients/residents and for taking reasonable steps to prevent and detect fraud and other irregularities.

Homefirst Community Trust

Account of Monies held on behalf of Patients/Residents

The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the account on page 115 which the Trust is required by the Health and Personal Social Services (Northern Ireland) Order 1991 to prepare and submit in such form as the Department of Health, Social Services and Public Safety may direct.

Respective Responsibilities of the Board Members and Chief Executive and Auditor

As described on page 112 the Board Members and Chief Executive are responsible for the preparation and submission of the account as required by the Health and Personal Social Service (Northern Ireland) Order 1991 in such form as the Department of Health, Social Services and Public Safety directs and for ensuring the regularity of financial transactions. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the account properly presents the payments and receipts of the monies held on behalf of patients/residents and are properly prepared as required by the Health and Personal Social Services (Northern Ireland) Order 1991 in such form as the Department of Health, Social Services and Public Safety directs, and whether in all material respects the payments and receipts conform to the authorities which govern them. I also report if, in my opinion the Trust has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the account. It also includes an assessment of the judgements made by the Board Members and Chief Executive in the preparation of the account.

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 account is free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the payments and receipts conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the account.

Opinion

In my opinion:

- the account properly presents the payments and receipts of the monies held on behalf of patients/residents by the Homefirst Community Trust for the year ended 31 March 2005 and balances held at that date and have been properly prepared as required by the Health and Personal Social Services (NI) Order 1991 in such form as the Department of Health, Social Services and Public Safety may direct; and
- in all material respects the payments and receipts conform to the authorities which govern them.

I have no observations to make on this account.

J M Dowdall CB
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Date:
7th September 2005

HOMEFIRST HEALTH & SOCIAL SERVICES TRUST

YEAR ENDED 31 MARCH 2005

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

Previous Year	RECEIPTS			
£			£	£
	Balance at 1 April 2004			
643,513	1. Investments (at cost)	642,051		
20,852	2. Cash at Bank	19,975		
3,350	3. Cash in Hand	3,350		665,376
575,245	Amount Received in the Year			703,346
24,227	Interest Received			32,774
1,267,187	TOTAL			1,401,496
PAYMENTS				
601,811	Amounts Paid to or on behalf of Patients/Residents			624,663
	Balance at 31 MARCH 2005			
642,051	1. Investments (at cost)	751,688		
19,975	2. Cash at Bank	21,820		
3,350	3. Cash in Hand	3,325		776,833
1,267,187	TOTAL			1,401,496

Schedule of investments held at 31 MARCH 2005

Cost Price £	Investment	Nominal £	Cost Price £
642,051	Money Market Deposit	751,688	751,688

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

Cathy McKillop

Director of Finance

09/06/05

Date

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

Norma Evans

Chief Executive

18/08/05

Date

UNITED HOSPITALS HEALTH AND SOCIAL SERVICES TRUST
ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

FOREWORD

These accounts for the year ended 31 March 2005 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.

STATEMENT OF UNITED HOSPITALS HEALTH AND SOCIAL SERVICES 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 United Hospitals Health and Social Services 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 United Hospitals Health and Social Services 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 Bernard Mitchell of United Hospitals Health and Social Services Trust as the Accountable Officer for the Trust. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accountable 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.

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 127 to 170) which I am required to prepare on behalf of the United Hospitals Health and Social Services 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 HSS Trusts approved by the DHSSPS.

MR C. BAILIE	Director of Finance
2nd August 2005	Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (page 127 to 170) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

MR R. MILNES	Chairman
25 th August 2005	Date

MR J. B. MITCHELL	Chief Executive
25 th August 2005	Date

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

The Board of United Hospitals Health and Social Services Trust is accountable for internal control. As Accountable Officer and Chief Executive of the Board of United Hospitals Health and Social Services Trust, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the organisation, and for reviewing the effectiveness of the system.

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in United Hospitals Health and Social Services Trust for the year ended 31 March 2005, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

The Board exercises strategic control over the operation of the organisation through a system of Corporate Governance which includes:

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- Standing Orders and Standing Financial Instructions;
- two sub-committees of the Board with responsibility for audit and risk management. The Audit Committee membership is composed of three Non-Executive Directors with Executive Directors, the External Auditor and Internal Auditor in attendance. The Risk Management Committee is chaired by the Trust's Chairman with a membership of Trust Directors and Non-Executive Directors. Both Committees report back to the Trust Board on a regular basis.

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:-

- comprehensive budgeting systems which are monitored by the Trust Board on an ongoing basis;
- regular reviews by the Trust Board of monthly financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines;
- formal budget management disciplines as appropriate.

The Trust has an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the Trust is exposed and annual audit plans are based on this analysis. In 2004-05 Internal Audit reviewed the following systems:

- Salaries and Wages/Personnel;
- Creditor Payments;
- Cash and Banking/Treasury Management;
- Debtors' Invoicing;
- Supplies;
- Patients' Private Property;
- Stock (Labs and Engineering);
- Charitable Funds;
- Control Accounts;
- General Ledger/Financial Reporting;
- Capital Charging;
- Wider Governance;
- Commissioning with Local Health and Social Services Groups;
- Preparation for re-accreditation for ISO 14001 (Environmental Management) in Antrim Area Hospital;
- Review of Trust procedures for the appointment of locum doctors;
- Value for money studies:
 - costing of the catering service in Antrim Area Hospital;
 - analysis of x-ray expenditure.

In all cases an independent audit opinion was given by Internal Audit, based on the work undertaken and resultant findings. Recommendations made to address the issues raised that have been accepted by the Trust will be monitored by Internal Audit in due course to confirm appropriate implementation by the Trust. Internal Audit categorises its findings into high, medium or low. In all cases a satisfactory overall assurance was given in respect of the operation of internal controls with the following two exceptions:

- The findings in respect of the Stock (Laboratories and Engineering) audit indicated that regular stock checks, as per Trust procedures, had not been carried out during the audit period due to resource constraints.
- The review of the Trust's recently revised protocol for the appointment of locum doctors found that, at the time of review, further work was needed to ensure a higher level of compliance.

In respect of the Patients' Private Property audit the overall conclusion was that generally controls were operated satisfactorily during the audit period although there was evidence to show that there was not always full compliance with Trust procedures, especially at ward level.

The overall conclusion in the Salaries and Wages / Personnel audit also found that controls were generally operated satisfactorily during the audit period. However there was one case of an overpayment due to the late submission of documentation and another case where an employee

check had not been carried out promptly. These exceptions were seen as isolated incidents by the auditors.

In addition as part of the work undertaken during the audit of the 2004/05 annual accounts the appointed external auditor noted that the perpetual stocktaking procedures within Pharmacy at Antrim Area Hospital had not been applied during the year.

Trust management has taken active steps to ensure these issues have been fully addressed.

With regard to the wider corporate governance environment, the Trust has in place a range of organisational controls designed to promote the efficient and effective discharge of its business in accordance with the law and departmental direction. Every effort is made to ensure that the objectives of the Trust are pursued in accordance with the recognised and accepted standards of public administration.

Capacity to handle risk

The Trust has in place structures and systems to identify and manage risks which span all aspects of the Trust's activities including financial, organisational and clinical care. The Risk Management Committee over the past year has continued to meet its obligations in terms of ensuring that risks are effectively managed and communicated to Trust Board. Over the past year further progress was achieved with the development of Directorate Risk Registers for clinical and non-clinical areas. The Corporate Risk Register is a "live" register which is reviewed and presented to the Risk Management Committee on a quarterly basis. Its purpose is to manage risks that will have an impact on the Trust achieving key organisational objectives and to ensure that action plans to control and mitigate identified risk areas have been agreed and are implemented as appropriate.

However, the Trust was able to invest only a limited level of dedicated resources to risk management issues during 2004/05 although remains hopeful that further funding can be made available for 2005/06 if sustainable supporting structures are to be developed.

It is essential that Controls Assurance and Risk Management are 'mainstreamed' into the day to day activities of the Trust and all staff throughout the organisation have a role to play. The implementation of a training programme in Governance and Risk Management is planned for 2005/06 for staff at all levels of the organisation.

The risk and control framework

The Trust has revised the Corporate Governance Strategy (2004) which has helped to develop the culture, systems and processes that will fully embed Governance and Risk Management as a key component of all organisational activity. Managing Risk is an essential component of the strategy and the AS/NZS 4360:1999 Risk Management model has been adopted to ensure that systems and processes are in place to identify and manage risks. In January 2005 the generic Incident and Near Miss Reporting Policy was revised and a pilot of the new Incident and Near Miss Reporting form was undertaken during February and March 2005. The revised Incident and Near Miss Reporting Policy was launched throughout the Trust in June 2005 and a number of training sessions are planned on all sites for all staff.

Procedures have been put in place for verifying that aspects of risk management and internal control are regularly reviewed and reported and that a formal risk management process has been incorporated fully into the corporate planning and decision making of the organisation.

The Trust has made great efforts over the last year to ensure compliance with the Controls Assurance Standards issued by the DHSS&PS for implementation by 31 March 2005:

Controls Assurance Standards

- Financial Management (Core standard)
- Governance (Core standard)
- Risk Management (Core standard)
- Human Resources
- Medicines Management
- Medical Devices and Equipment Management
- Buildings, Land, Plant and Non-Medical Equipment
- Decontamination of Medical Devices
- Environmental Management
- Fire Safety
- Health & Safety
- Infection Control
- Information, Communication and Technology
- Waste Management.

Required Compliance

Substantive
Substantive
Substantive
Moderate
Moderate
Moderate
Moderate
Substantive
Moderate
Substantive
Moderate
Substantive
Moderate
Moderate

The Trust achieved or exceeded the required standard of compliance in all of the Controls Assurance Standards, the sole exception being 'Decontamination of Medical Devices' where compliance was assessed as 'Moderate'. This was primarily due to the Trust awaiting approval from the Department for a business case to upgrade the HSDU, Antrim Area Hospital. This has now been approved and work to be undertaken in 2005/06 will receive compliance.

Details on the content of each of the controls assurance standards can be accessed at www.dhsspsni.gov.uk/hss/governance/assurance_standards.asp.

The Trust has already put in place arrangements to monitor and report on the further four Controls Assurance Standards which will apply during 2005/06.

- Emergency Planning
- Fleet and Transport Management
- Management of Purchasing and Supply
- Records Management

Progress against all the Controls Assurance Standards and actions arising from the Corporate Risk Register will be presented to the Risk Management Committee on a regular basis.

During 2005/06, the Trust will continue to develop its existing risk management arrangements and build an appropriate infrastructure which embeds risk management at all levels within the organisation. This represents a considerable workload which so far has not attracted significant additional funding. The Trust remains fully committed to the controls assurance agenda but the rate of progress, particularly in the governance areas, may be determined by resource availability.

At the request of the Trust, in April 2005 its Internal Auditor undertook an independent review of the processes and procedures already implemented by Trust management in response to the requirements set out in Departmental circulars. On the basis of the evidence obtained, the Internal Auditor was able to provide an assurance that the Trust was complying with the directions and guidance issued by the Department.

Review of Effectiveness

As Accountable Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the United Hospitals HSS Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. 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 and Audit Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

Signature of Accountable Officer:

MR J. B. MITCHELL

Date:

25th August 2005

United Hospitals Health and Social Services Trust

The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the financial statements on pages 127 to 170 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 131 to 135.

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page 118, the Board Members and Chief Executive are responsible for the preparation of 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. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are 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 whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Trust has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 120 to 124 reflects the Trust's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board Members and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are 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 are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the United Hospitals Health and Social Services Trust at 31 March 2005 and of the surplus, total recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by the Department of Health, Social Service and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements

J M Dowdall CB
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Date:
26th August 2005

UNITED HOSPITALS HSS TRUST
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 MARCH 2005

	NOTE	2005 £000	2004 £000
Income from Activities	2	120,030	109,310
Other Operating Income	3	9,954	8,350
Operating Expenses	4,5	<u>(126,609)</u>	<u>(114,837)</u>
OPERATING SURPLUS (DEFICIT)		3,375	2,822
Profit/(loss) on disposal of Fixed Assets	7	<u>0</u>	<u>(16)</u>
SURPLUS (DEFICIT) BEFORE INTEREST		3,375	2,806
Interest Receivable		282	596
Interest Payable	8	<u>(2,020)</u>	<u>(2,137)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		1,637	1,265
Public Dividend Capital Dividends Payable	15.1	<u>(1,623)</u>	<u>(1,170)</u>
OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS		14	95
Provisions for Future Obligations	9.1	<u>96</u>	<u>(9)</u>
RETAINED SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		<u><u>110</u></u>	<u><u>86</u></u>
BREAK EVEN POSITION	21	<u><u>14</u></u>	<u><u>95</u></u>

The notes on pages 131 to 170 form part of these accounts
All Income and Expenditure is derived from continuing activities.

UNITED HOSPITALS HSS TRUST
BALANCE SHEET AS AT 31 MARCH 2005

	NOTE	2005 £000	2004 £000
FIXED ASSETS			
Intangible assets	10	249	0
Tangible assets	11	<u>138,713</u>	<u>101,991</u>
		138,962	101,991
CURRENT ASSETS			
Stocks and work in progress	12	1,789	1,609
Debtors: Amounts falling due			
Within one year	13	6,828	5,147
After one year	13	921	469
Short term investments	14	3,961	2,286
Cash at bank and in hand		<u>271</u>	<u>30</u>
		13,770	9,541
CREDITORS: Amounts falling due			
within one year	15	<u>(15,364)</u>	<u>(11,729)</u>
NET CURRENT ASSETS (LIABILITIES)		<u>(1,594)</u>	<u>(2,188)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		137,368	99,803
Creditors: Amounts falling due after more than			
one year	15	(22,049)	(23,471)
Provisions for Liabilities and Charges	17	<u>(3,416)</u>	<u>(3,418)</u>
TOTAL ASSETS EMPLOYED		<u>111,903</u>	<u>72,914</u>
FINANCED BY:			
CAPITAL AND RESERVES			
Public dividend capital	18	34,466	30,519
Revaluation reserve	19	76,012	41,117
Donation reserve	19	1,375	1,373
Realised donation reserve	19	0	0
Other reserves	19	0	0
Income and expenditure reserve	19	<u>50</u>	<u>(95)</u>
		<u>111,903</u>	<u>72,914</u>

The notes on pages 131 to 170 form part of these accounts

Signed J.B. MITCHELL

(Chief Executive)

Date 25th August 2005

Signed R. MILNES

(Chairman)

Date 25th August 2005

UNITED HOSPITALS HSS TRUST

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004
	£000	£000	£000
Surplus (Deficit) for the financial year		1,637	1,265
Provisions for future obligations		<u>96</u>	<u>(9)</u>
Fixed asset impairment losses		1,733 0	1,256 0
Non donated Fixed Assets			
Indexation of fixed assets	7,062		7,946
Unrealised Surplus (deficit) on revaluation of fixed assets	<u>28,102</u>		<u>6</u>
		35,165	7,952
Donated Assets			
Additions to donated assets	145		908
Changes to donation reserve (except transfers to realised donation reserve)	<u>2</u>	<u>147</u>	<u>814</u> <u>1,722</u>
Total recognised gains and losses relating to the year		37,045	10,930
Additions to Capital Assets Reserve		<u>0</u>	<u>0</u>
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR		<u><u>37,045</u></u>	<u><u>10,770</u></u>

UNITED HOSPITALS HSS TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004	
	£000	£000	£000	£000
Net Cash Inflow from Operating Activities (Note 29.1)		8,712		5,764
Returns on Investments and Servicing of Finance				
Interest received	286		631	
Interest paid	(2,025)		(2,142)	
Interest element of finance lease rental payments	<u>0</u>		<u>0</u>	
Net Cash (Outflow) Inflow from returns on Investments and Servicing of Finance		(1,739)		(1,511)
Capital Expenditure				
Payments to acquire intangible fixed assets	0		0	
Receipts from sales of intangible fixed assets	0		0	
Payments to acquire tangible fixed assets	(6,411)		(7,946)	
Receipts from sale of tangible fixed assets	<u>0</u>		<u>0</u>	
Net Cash Inflow (Outflow) from Capital Expenditure		(6,411)		(7,946)
Dividends Paid		(1,170)		(3,095)
Management of Liquid Resources				
Purchase of current asset investments	0		0	
Sale of current asset investments	<u>0</u>		<u>0</u>	
Net Cash Inflow (Outflow) from Management of Liquid Resources		<u>0</u>		<u>0</u>
Net Cash Inflow (Outflow) before Financing		(608)		(6,788)
Financing				
New money capital reserve	0		0	
New public dividend capital	3,947		0	
New long-term loans - Government	0		0	
New long-term loans - Others	0		0	
New short-term loans - Government	0		0	
New short-term loans - Others	0		0	
Repayment of loans - Government	(1,423)		(1,423)	
Repayment of Public Dividend Capital	0		(5,000)	
Capital element of finance lease rental payments	<u>0</u>		<u>0</u>	
Net Cash Inflow (Outflow) from Financing		<u>2,524</u>		<u>(6,423)</u>
Increase (Decrease) in Cash (Notes 29.2 and 3)		<u><u>1,916</u></u>		<u><u>(13,211)</u></u>

The notes on pages 131 to 170 form part of these accounts

UNITED HOSPITALS HEALTH AND SOCIAL SERVICES TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

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 the 2004/05 HPSS Trust Manual of Accounts issued by the Department of Health, 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 HPSS Trusts. The accounting policies are selected in accordance with the principles set out in FRS 18 "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:

Paragraph 20 of Financial Reporting Standard 3 "Reporting Financial Performance" requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Trusts by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

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.

However, where an impairment arises due to consumption of economic benefits FRS 15 requires the loss to be recognised in the income and expenditure account in its entirety.

In the context of their capital accounting HSS Trusts take those impairment losses resulting from short term changes in price that are considered to be recoverable, in full to the revaluation reserve. These

include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

1.4 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, they can be valued, 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.

1.5 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 asset 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 adjustments arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All impairments resulting from price changes are charged to the Statement of Total Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Assets in the course of construction are valued at current cost using the indexes as for land and buildings, as above. These assets include any existing land or buildings under the control of a contractor.

Residual interests in off-balance sheet Private Finance Initiative properties 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 HPSS 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. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

1.6 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 Expenditure Reserve.

1.7 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 therefrom 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.

1.8 Private Finance Initiative (PFI) transactions

The HPSS 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 property 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 property 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 property 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.

1.9 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.

1.10 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 3.5% in real terms.

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

1.11 Clinical Negligence Central Fund

A Clinical Negligence Central Fund was established in 1998 to manage the payment of clinical negligence settlements. HSS Trusts are reimbursed by the Central Fund for payments made. Reimbursements are accounted for as income.

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

1.12 Pensions

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

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

1.13 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 28 to the accounts.

1.14 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.

1.15 Losses

This note (Note 27) 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.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

2. Income from Activities

	2005 £000	2004 £000
NI Health and Social Services Boards	119,119	108,497
GB/Republic of Ireland Health Authorities		
HSS Trusts		
Non-HPSS:		
- private patients	237	245
- other	674	568
Clients contributions		
Total	120,030	109,310

3. Other Operating Income

	2005 £000	2004 £000
NICPMDE	2,753	2,188
SUMDE	681	640
Charitable and other contributions to expenditure		
- Transfers from the donation reserve in respect of depreciation on donated assets	177	103
Income in respect of fixed asset impairments	22	0
Clinical Negligence Central Fund	643	189
Direct Staff Credits	1,017	961
Common Services	1,848	1,567
Income Generation	181	140
Other income	2,632	2,562
Total	9,954	8,350

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

4. Operating Expenses

4.1 Operating Expenses are as follows:-

	2005	2004
	£	£
Salaries and wages (excluding board members' remuneration)	90,666	80,476
Executive Board members remuneration	442	442
Non-executive Board members remuneration	48	52
Supplies and services - clinical	15,510	14,224
Supplies and services - general	1,878	1,807
Establishment	2,206	2,163
Transport	154	152
Premises	5,104	5,763
Bad debts	(70)	0
Depreciation and amortisation	4,981	4,263
Fixed asset impairments	53	0
Personal social services	0	3
Recharges from other HPSS organisations	1,057	1,151
Clinical Negligence Payments:		
- Provisions Utilised	0	0
- Other	0	0
Audit fees	31	30
Course Fees	270	274
Security Services	105	107
Common Services	2,198	2,198
Miscellaneous	1,976	1,733
	<hr/>	<hr/>
Total	<u>126,609</u>	<u>114,837</u>

4.2 Operating Leases

Operating expenses include the following amounts in respect of hire and operating lease rentals:

	2005	2004
	£000	£000
Hire of plant and machinery	0	0
Other operating leases	57	73
	<hr/>	<hr/>
	57	73

Commitments under non-cancellable operating leases are:

	Land and buildings		Other leases	
	2005	2004	2005	2004
	£000	£000	£000	£000
Operating leases which expire:				
Within 1 year	0	0	22	2
Between 1 and 5 years	0	0	61	131
After 5 years	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	0	0	83	133

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 5.1

5.1 Staff Costs

	Directly employed £000	Other £000	2005 £000	2004 £000
Salaries and Wages	75,337	5,743	81,080	71,401
Social security costs	5,393	0	5,393	5,145
Pension Costs for early retirement reflecting the single lump sum to buy over the full liability				
Other pension costs	4,193	0	4,193	3,930
Early departure costs				
Total	84,923	5,743	90,666	80,476

5.2 Average Number of Employees

	Directly employed No.	Other No.	2005 No.	2004 No.
Medical and dental	248	43	291	281
Nursing and Midwifery	1,366	25	1,391	1,338
Professions Allied to medicine	183	0	183	192
Ancillaries	344	4	348	336
Administrative and clerical	593	3	596	555
Ambulance staff	0	0	0	0
Works	61	0	61	69
Other Professional and technical	241	0	241	213
Social Services	0	0	0	0
Other	0	0	0	0
Total	3,036	75	3,111	2,984

Figures refer to wholetime equivalents (WTEs) rather than individuals

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 5 (Cond)

5.3 Senior Employees' Remuneration

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

Name	Salary, including Performance Pay £000	Benefits in Kind (rounded to nearest £100)	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 31/03/04 £000	CETV at 31/03/05 £000	Real increase in CETV £000
Non-Executive Members							
R MILNES	20-25	0	0	0	0	0	0
C ACKAH Appt. 20/9/04	0-5	0	0	0	0	0	0
H BAIRD Left 6/2/05	0-5	0	0	0	0	0	0
R BARNETT Left 8/8/04	0-5	0	0	0	0	0	0
M HALL Appt. 7/3/05	0-5	0	0	0	0	0	0
R MCCANN	5-10	0	0	0	0	0	0
M McCORMACK Appt. 7/3/05	0-5	0	0	0	0	0	0
M McKENNA Left 6/2/05	0-5	0	0	0	0	0	0
M McELHENNY Left 8/8/04	0-5	0	0	0	0	0	0
I RAINEY Appt. 1/10/04	0-5	0	0	0	0	0	0
Executive Members							
J B MITCHELL	85-90		2.0-2.5 plus 5.0-7.5	25-30 plus 85-90	380	421	18
			lump sum	lump sum			
C BAILIE	60-65		0-2.5 plus 2.5-5.0	10-15 plus 30-35	117	136	9
			lump sum	lump sum			
H FINDLATER	Consent to disclosure withheld						
P FLANAGAN Term of appt. started 1/9/04	90-95		2.0-2.5 plus 5.0-7.5	30-35 plus 100-105	449	500	20
			lump sum	lump sum			
G HUMPHREYS Term of appt. ended 31/8/04	125-130		2.5-5.0 plus 7.5-10.0	50-55 plus 150-155	811	883	34
			lump sum	lump sum			

5.3 Senior Employees' Remuneration *continued*

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

Name	Salary, including Performance Pay £000	Benefits in Kind (rounded to nearest £100)	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 31/03/04 £000	CETV at 31/03/05 £000	Real increase in CETV £000
J MALCOLM	45-50		0-2.5 plus 2.5-5.0	15-20 plus 55-60	284	308	8
			lump sum	lump sum			
C MCNICHOLL	45-50		0-2.5 plus 2.5-5.0	15-20 plus 45-50	181	203	8
			lump sum	lump sum			
J ORR	Consent to disclosure withheld						
B SCOTT	Consent to disclosure withheld						

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 from 2004-05 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.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

5.4 Staff Benefits	2005 £000	2004 £000
	<u>0</u>	<u>0</u>

5.5 Trust Management Costs

	2005 £000	2004 £000
Trust Management Costs	5,359	4,944
Total Income	129,068	117,660
% of total income	<u>4.2%</u>	<u>4.2%</u>

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

5.6 Retirements due to ill-health

During 2004/05 there were no early retirements from the Trust agreed on the grounds of ill-health.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Related Party Transactions

6.1 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:

	Number	2005 £000	Number	2004 £000
Total bills paid	67,912	36,041	68,361	33,583
Total bills paid within 30 day target	60,027	32,061	60,164	29,194
% of bills paid within 30 day target	88.4%	89.0%	88.0%	86.9%

6.2 The Late Payment of Commercial Debts Regulations 2002

The amount included within Interest Payable (Note 8) arising from claims made by small businesses under this legislation are as follows :

	£000
Total	<u>0</u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

7. Profit (Loss) on Disposal of Fixed Assets

	2005 £000	2004 £000
Profit on disposal of intangible assets	0	0
Loss on disposal of intangible assets	0	0
Profit on disposal of land and buildings	0	0
Loss on disposal of land and buildings	0	0
Profit on disposal of plant and equipment	0	0
Loss on disposal of plant and equipment	0	(16)
	<hr/>	<hr/>
Total	<u>0</u>	<u>(16)</u>

8. Interest Payable

	2005 £000	2004 £000
Originating interest bearing debt	2,020	2,137
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other interest (Specify)	0	0
	<hr/>	<hr/>
Total	<u>2,020</u>	<u>2,137</u>

An amount of £117K is included within Note 9.3 for the unwinding of discount on provisions.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

9.1 Provisions for Future Obligations

	2005 £000	2004 £000
Provisions in year:		
Clinical Negligence	934	1,273
Pensions	0	0
Employers liability	98	116
Public (Occupiers) liability	0	0
Industrial Relations Cases	12	20
Industrial Injury	(53)	0
	<hr/>	<hr/>
Arising during the year (net) (Note 9.2)	991	1,409
Unwinding of Discount on Provisions (Note 9.3)		
Clinical Negligence	101	97
Pensions	3	4
Employers liability	11	12
Public (Occupiers) liability	0	(1)
Industrial Relations Cases	1	2
Utilised in year (Note 9.4)	(1,109)	-260
	<hr/>	<hr/>
Movement in Year (subtotal) (Note 17)	(2)	1,263
Reimbursements receivable (Note 9.5)	94	1,254
Total Increase/decrease (to Income and Expenditure Account)	(96)	9
	<hr/> <hr/>	<hr/> <hr/>

9.2 Arising During the Year

	2005 £000	2004 £000
Provided in year (Note 17)	1,044	0
Provisions not required (reversed unused) (Note 17)	(53)	0
	<hr/>	<hr/>
Total Provided in year Note (9.1)	991	0
	<hr/> <hr/>	<hr/> <hr/>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

	2005	2004
	£000	£000
9.3 Unwinding of Discount on Provisions		
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence	101	97
Pensions	3	4
Employers / Occupiers Liability	11	11
Industrial Relations	1	2
	<hr/>	<hr/>
Total Unwinding of Discounts on Provisions (Note 9.1)	116	114
	<hr/> <hr/>	<hr/> <hr/>
	2005	2004
	£000	£000
9.4 Utilised in year		
Clinical Negligence (Note 17)	(940)	(115)
Pensions relating to other staff (Note 17)	(12)	(12)
Employers / Occupiers	(116)	(133)
Industrial Relations	(41)	0
	<hr/>	<hr/>
Total Utilised	(1,109)	(260)
	<hr/> <hr/>	<hr/> <hr/>
	2005	2004
	£000	£000
9.5 Reimbursements Receivable		
Clinical Negligence Central Fund	94	1,254
Pensions relating to other staff (Note 17)		
Employers / Occupiers		
Industrial Relations		
	<hr/>	<hr/>
Total Reimbursements Receivable	94	1,254
	<hr/> <hr/>	<hr/> <hr/>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

10 Intangible Fixed Assets

Cost or Valuation	Software licences £000	Other licences and trademarks £000	Patents £000	Development Expenditure £000	Total £000
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Additions - purchased	127	0	0	0	127
Additions - donated	0	0	0	0	0
Reclassifications	154	0	0	0	154
Other Revaluation					
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 March 2005	281	0	0	0	281
Depreciation					
At 1 April 2004	1	0	0	0	1
Indexation	0	0	0	0	0
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
Reversal of impairments	0	0	0	0	0
Provided during the year	31	0	0	0	31
At 31 March 2005	32	0	0	0	32
Net Book Value					
At 31 March 2005					
- Purchased	195	0	0	0	195
- Donated	54	0	0	0	54
Total as at 31 March 2005	249	0	0	0	249
At 31 March 2004					
- Purchased	91	0	0	0	91
- Donated	63	0	0	0	63
Total as at 31 March 2004	154	0	0	0	154

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

11. Tangible Fixed Assets

11.1 Tangible fixed assets comprise the following elements:

Purchased Assets

Cost or Valuation	Land £000	Buildings Installations and fittings £000	Computer Equipment £000	Other Equipment £000	Assets under Construction £000	Total £000
At 1 April 2004	12,586	92,502	3,766	14,831	3,428	127,113
Indexation	653	7,327	0	320	0	8,300
Additions	0	4,291	288	2,072	123	6,774
Reclassifications	0	0	(91)	0	0	(91)
Transfers	0	3,107	0	678	(3,373)	412
Revaluation	0	0	3	0	0	3
Impairments	0	0	0	0	0	0
Disposals	0	(2)	(13)	(1,381)	0	(1,396)
National Revaluation Exercise	26,323	(15,611)	0	0	0	10,712
At 31 March 2005	39,562	91,614	3,953	16,520	178	151,827
Depreciation						
At 1 April 2004	0	12,537	2,600	11,355	0	26,492
Indexation	0	993	0	245	0	1,238
Transfers	0	0	0	413	0	413
Revaluation	0	0	1	0	0	1
Impairments	0	290	0	0	0	290
Disposals	0	(2)	(13)	(1,381)	0	(1,396)
Reversal of impairments	0	0	0	0	0	0
Provided during the year	0	3,571	339	876	0	4,786
National Revaluation Exercise	0	(17,389)	0	0	0	(17,389)
At 31 March 2005	0	0	2,927	11,508	0	14,435
Net Book Value						
At 31 March 2005	39,562	91,614	1,026	5,012	178	137,392
At 31 March 2004	12,586	79,965	1,166	3,476	3,428	100,621

Of the total net book value at 31 march 2005, £0 related to buildings, installations and fittings valued at open market value for alternative use.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Note 11.1 (Contd)

Donated Assets

	Land £000	Buildings Installations and fittings £000	Computer Equipment £000	Other Equipment £000	Assets under Construction £000	Total £000
Cost or Valuation						
At 1 April 2004	0	0	179	1,122	710	2,011
Indexation	0	0	0	24	0	24
Additions	0	0	32	113	0	145
Reclassifications	0	0	-63	0	0	-63
Transfers	0	0	0	710	-710	0
Impairments	0	0	0	0	0	0
Revaluation	0	0	0	20	0	20
Disposals	0	0	(1)	(38)	0	(39)
National Revaluation Exercise	0	0	0	0	0	0
At 31 March 2005	0	0	147	1,950	0	2,097
Depreciation						
At 1 April 2004	0	0	39	599	0	638
Indexation	0	0	0	13	0	13
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	(1)	(38)	0	(39)
Reversal of Impairments Provided during the year	0	0	0	0	0	0
National Revaluation Exercise	0	0	23	140	0	164
At 31 March 2005	0	0	62	714	0	776
Net Book Value						
At 31 March 2005	0	0	85	1,236	0	1,321
At 31 March 2004	0	0	140	523	710	1,373

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

11.2 Total Tangible Fixed Assets:

	Purchased £000	Donated £000	Total £000	2004 £000
Net book value:				
Land	39,562	0	39,562	12,586
Buildings installations and fittings	91,614	0	91,614	79,965
Computer Equipment	1,026	85	1,111	1,306
Other Equipment	5,012	1,236	6,248	3,999
Assets under construction	<u>178</u>	<u>0</u>	<u>178</u>	<u>4,135</u>
Total	<u>137,392</u>	<u>1,321</u>	<u>138,713</u>	<u>101,991</u>

11.3 The net book value of land and buildings comprises:

	2005 £000	2004 £000
Freehold	131,176	92,551
Long leasehold	0	0
Short leasehold	0	0
	<u>131,176</u>	<u>92,551</u>

11.4

The net book value of assets held under finance leases and hire purchase contracts are as follows:

	2005 £000	2004 £000
Land	0	0
Buildings, Installations and fittings	0	0
Equipment	0	0
Assets under construction	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

The total amount of depreciation charged in the Income and Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £0 (2004 £0)

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

12.	Stocks and Work in Progress	2005	2004
		£000	£000
	Raw Materials and consumables	1,789	1,609
	Work in progress	0	0
	Finished goods	0	0
	Total	<u>1,789</u>	<u>1,609</u>
13.	Debtors	2005	2004
		£000	£000
	Amounts falling due within one year:		
	HSS or NHS debtors	1,665	479
	Clinical Negligence - Central Fund	2,040	2,397
	Other debtors	2,578	1,830
	Pension Prepayments		
	in respect of former directors	0	0
	in respect of other staff	0	0
	Other prepayments and accrued income	545	441
	Sub Total	<u>6,828</u>	<u>5,147</u>
	The balances are net of a provision for bad debts of £31K (2004 £101K)		
	Amounts falling due after more than one year:		
	HSS or NHS debtors	0	0
	Clinical Negligence - Central Fund	921	469
	Other debtors	0	0
	Pension Prepayments		
	in respect of former directors	0	0
	in respect of other staff	0	0
	Other prepayments and accrued income	0	0
	Sub Total	<u>921</u>	<u>469</u>
	Total	<u>7,749</u>	<u>5,616</u>
14.	Short-term Investments	2005	2004
		£000	£000
	Government Securities	0	0
	Other Approved Public Sector Organisations	0	0
	Banking Deposits	3,961	2,286
	Others (specify if in excess of £50,000)	0	0
	Total	<u>3,961</u>	<u>2,286</u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

15. Creditors

	2005	2004
	£000	£000
15.1 Creditors: Amounts falling due within one year:		
Bank overdrafts	0	0
Current instalments due on loans	1,423	1,423
Interest payable	85	90
Public dividend capital dividend payable	1,623	1,170
PDC payable in respect of impairments	53	0
Payments received on account	0	0
HPSS or NHS creditors and accruals	418	851
Non HPSS or NHS trade revenue creditors	4,671	4,451
Non HPSS or NHS trade capital creditors	1,622	1,159
Payroll creditors including taxation and social security	5,447	2,565
Net obligations under finance leases	0	0
Clinical Negligence	0	0
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other accruals	0	0
Other creditors	22	20
	<hr/>	<hr/>
Sub Total	15,364	11,729
	<hr/>	<hr/>
15.2 Creditors: Amounts falling due after more than one year:		
Long Term Loans	22,049	23,471
Obligations under finance leases and hire purchase contracts	0	0
HPSS or NHS Creditors	0	0
Clinical Negligence	0	0
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other	0	0
	<hr/>	<hr/>
Sub Total	22,049	23,471
	<hr/>	<hr/>
Total Creditors	37,413	35,200
	<hr/> <hr/>	<hr/> <hr/>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

15.3 Finance lease obligations

The future minimum lease payments under finance leases to which the Trust was committed at the balance sheet date were as follows:

	2005 £000	2004 £000
Within one year	0	0
Between one and five years	0	0
After five years	<u>0</u>	<u>0</u>
Less finance charges allocated to future periods	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

This total net obligation under finance leases can be analysed as follows:

	2005 £000	2004 £000
Creditors: amounts due within one year	0	0
Creditors: amounts due after more than one year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

15.4 Public Dividend Capital Dividends

	2005 £000	2004 £000
The dividend is in respect of Public Dividend Capital	1,623	1,170
	<u>1,623</u>	<u>1,170</u>
	<u>1,623</u>	<u>1,170</u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

16. Loans

	Government Loans £000	Other Loans £000	2005 £000	2004 £000
Amounts falling due:				
In one year or less	1,423	0	1,423	1,423
Between one and two years	1,423	0	1,423	1,423
Between two and five years	4,268	0	4,268	4,268
In five years or more	16,359	0	16,359	17,780
Total	23,473	0	23,473	24,894

	Government Loans £000	Other Loans £000	2005 £000	2004 £000
Wholly repayable within five years	0	0	0	0
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	23,473	0	23,473	24,894
Total	23,473	0	23,473	24,894

Total Repayable after five years by instalments	16,359	0	16,359	17,780
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Loans wholly or partially repayable after five years:

Terms of payment	Interest Rate %	2005 £000	2004 £000
Originating Capital Debt	8.25	23,473	24,894

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

17. Provisions for liabilities and charges

	Pensions relating to former directors £000	Pensions relating to other staff £000	Clinical negligence £000	Restructuring £000	Other £000	2005 £000	2004 £000
Balance at 31 March 2004	0	106	2,866	0	446	3,418	2,155
Arising during the year	0	0	934	0	110	1,044	1,587
Utilised during the year	0	(12)	(940)	0	(157)	(1,109)	(260)
Reverse unused	0	0	0	0	(53)	(53)	(178)
Unwinding of discount	0	3	100	0	13	116	114
At 31 March 2005	0	97	2,960	0	359	3,416	3,418

Income and Expenditure Account Charges

	£000
Arising during the year	1,044
Utilised during the year	(1,109)
Reversed unused	(53)
Unwinding of discounts	116
Total	(2)

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Note 17 (Contd)

Expected Timing of Cash Flow

	Pensions relating to former directors £000	Pensions relating to other staff £000	Clinical Negligence £000	Restructuring £000	Other £000	2005 £000	2004 £000
Within 1 year	0	12	2,040	0	315	2,367	2,802
1 - 5 years	0	50	920	0	48	1,018	572
Over 5 years	0	35	0	0	0	35	44

Provisions have been made for 5 types of potential liability: Clinical Negligence, Employer's and Occupiers liability, Early Retirement, Industrial Tribunal and Injury Benefits. The provision for early retirements relates to the future liabilities for the Trust based on information provided by the HPSS Superannuation Branch. For clinical negligence, employer's and occupiers claims the Trust has estimated an appropriate level of provision based on professional legal advice. The estimates for the remaining provisions are based on information available as at 31/3/05.

Expected reimbursements from the Clinical Negligence Central Fund included in debtors are :-

Clinical Negligence Central Fund	£000 2,960
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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 25.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

18. Public Dividend Capital

	2005	2004
Public dividend capital was issued as follows:	£000	£000
During the reporting year	3,947	0
In prior years	30,519	30,519
Total	<u>34,466</u>	<u>30,519</u>

19. Movements on Reserves

	Revaluation Reserve £000	Donation Reserve £000	Realised Donation Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000	Total £000
At 1 April 2004	41,117	1,373	0	0	(94)	42,396
Retained surplus (deficit) for year	0	0	0	0	110	110
Revaluation and indexation of fixed assets	35,165	31	0	0	0	35,196
Transfer of realised profits (losses)	0	0	0	0	0	0
Movements in donation reserve	0	(29)	0	0	0	(29)
Fixed Asset Impairments	(270)	0	0	0	34	(236)
Other reserve movements (specify)	0	0	0	0	0	0
At 31 March 2005	<u>76,012</u>	<u>1,375</u>	<u>0</u>	<u>0</u>	<u>50</u>	<u>77,437</u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

20. Reconciliation of Movement in Government Funds

	2005 £000	2004 £000
Surplus (deficit) for the financial year	1,637	1,265
less provisions for future obligations	96	(9)
less public dividend capital dividends	<u>(1,623)</u>	<u>(1,170)</u>
	110	86
Gains (losses) from revaluation/indexation of Purchased fixed assets	34,895	7,952
Public dividend capital repayments		(5,000)
Public dividend capital issued	3,978	0
New Government loans issued	0	0
Government loans repayments	(1,423)	(1,423)
Additions (reductions) in other reserves	<u>0</u>	<u>0</u>
Net Movement in Government funds	37,560	1,615
Government funds at 31 March 2004	<u>96,315</u>	<u>94,700</u>
Government funds at 31 March 2005	<u><u>133,875</u></u>	<u><u>96,315</u></u>

UNITED HOSPITALS HSS TRUST

NOTES TO THE ACCOUNTS

21 Financial Performance Targets

21.1 Capital Cost Absorption Duty

The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that interest payable on Government borrowing plus dividends payable on public dividend capital, totalling £3,643 K, bears to the average relevant net assets of £96,364 K that is 3.8%. This is within the Department's materiality range of 3.0% - 4.0%.

The Capital Cost Absorption Rate is calculated as follows:

$$\text{Capital Cost Absorption rate (\%)} = (\text{TDR}/\text{Average relevant net assets}) \times 100$$

	2005
	£000
Trust Debt Remuneration is calculated as:	
Interest payable on Government borrowing	2,020
Plus	
Dividends payable on Public Dividend Capital	<u>1,623</u>
Trust Debt Remuneration	<u><u>3,643</u></u>

Average Relevant Net Assets is calculated as:

Average relevant net assets is the simple average of opening and closing relevant net assets, where each are calculated as follows:

	Opening	Closing	Average
	£000	£000	£000
Total capital and reserves*			
(equivalent to total net assets)	72,914	84,048	78,481
Less:			
Donation reserve	(1,373)	(1,375)	(1,374)
Purchased assets in the course of construction	(3,425)	(178)	(1,802)
Short-term assets	(2,286)	(3,961)	(3,124)
Finance Lease assets (during their primary lease term)			
Plus:			
Loans and overdrafts	24,894	23,471	24,183
Finance Lease Creditors (capital only)			
Relevant Net Assets	<u><u>90,724</u></u>	<u><u>102,005</u></u>	<u><u>96,364</u></u>

*Capital and reserves excludes the impact of the national revaluation exercise.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.2 Break Even Performance

The Trust is required to ensure that its income is sufficient to meet its expenditure taking one year with another. Over the last five years the Trust has achieved the following results:

	2000/01 £000	2001/02 £000	2002/03 £000	2003/04 £000	2004/05 £000
i. Turnover	<u>92,367</u>	<u>101,021</u>	<u>108,170</u>	<u>117,660</u>	<u>129,984</u>
Operational Surplus/(Deficit) for Financial Year before Provisions and Exceptional					
ii. Income	<u>3</u>	<u>30</u>	<u>196</u>	<u>95</u>	<u>14</u>
iii. Break Even in year position	3	30	196	95	14
iv. Break Even cumulative position(opening)	150	153	183	379	474
v. Other Adjustments	0	0	0	0	0
vi. Exceptional Income Year ended 31 March 2001	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
vii. Break Even Cumulative position(closing)	<u><u>153</u></u>	<u><u>183</u></u>	<u><u>379</u></u>	<u><u>474</u></u>	<u><u>488</u></u>
If a Break Even cumulative deficit - anticipated financial year of recovery					<u>0</u>
If more than 2 years- agree period					<u>0</u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Note 21.2 (Contd)

	2000/01	2001/02	2002/2003	2003/2004	2004/2005
	%	%	%	%	%
Materiality Test:					
Break Even in year position as % of turnover	0.0%	0.0%	0.2%	0.1%	0.0%
Break Even cumulative position as % of turnover	0.2%	0.2%	0.4%	0.4%	0.4%

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.3 External Financing Limit

	2005	2004
	£000	£000
External Financing Limit set by the Department	<u>2,911</u>	<u>8,064</u>

The Trust stayed within its External Financing Limit by £2,303K. The Trust's External Financing Requirement for the year was £608K and was met as follows:-

	2005	2004
	£000	£000
Increase (decrease) in:		
Public dividend capital	3,947	(5,000)
Government long-term loans	(1,423)	(1,423)
Other long-term loans		
Short-term loans		
Overdrafts		
Finance lease capital creditors		
(Increase) decrease in:		
Short-term investments	(1,675)	12,934
Cash at bank and in hand	(241)	277
External Finance Accessed	<u>608</u>	<u>6,788</u>

21.4 Capital Resource Limit

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

	2005	2004
	£000	£000
Gross Capital Expenditure (charge against the CRL)	6,900	8,835
Capital Resource Limit	<u>8,163</u>	<u>10,294</u>
(Over)/Underspend against CRL	<u>1,263</u>	<u>1,459</u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

22. Private Finance Transactions

22.1 PFI Schemes deemed to be off balance sheet

	2005 £000	2004 £000
Amounts included within operating expenses in respect of PFI transactions deemed to be off balance sheet	<u>889</u>	<u>980</u>

	£000	£000
The Trust is committed to make the following payments during the next year		
PFI scheme which expires within one year	0	0
2 to 5 years (inclusive)	0	0
6 to 10 years (inclusive)	0	0
11 to 15 years (inclusive)	900	900
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) etc.	<u>0</u>	<u>0</u>
	<u>900</u>	<u>900</u>

	2005 £000	2004 £000
Estimated capital value of the PFI scheme	2,502	2,502
Contract start date	17/04/00	
Contract end date	16/04/15	

The Trust has a PFI arrangement for the provision of a renal dialysis service at Antrim Hospital. Under the agreement the Trust will make a single payment for each dialysis session commenced with the private sector partner providing the building, equipment and certain services.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

22.2 Service element of PFI schemes deemed to be on balance sheet.

	2005 £000	2004 £000
Amounts included within operating expenses in respect of the 'service' element of PFI schemes deemed to be on balance sheet	<u>0</u>	<u>0</u>

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

	2005 £000	2004 £000
PFI scheme which expires within one year		
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)	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

23. Capital Commitments

Capital commitments at the balance sheet date were:-

	Finance Leases £000	Other £000	2005 Total £000	2004 Total £000
Contracted	0	2,423	2,423	3,899
Authorised by the Board, but not contracted	<u>0</u>	<u>957</u>	<u>957</u>	<u>1,074</u>
Total	<u>0</u>	<u>3,380</u>	<u>3,380</u>	<u>4,973</u>

24. Post Balance Sheet Events

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

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

25. Contingent Liabilities

Clinical Negligence

The Trust has contingent liabilities of £1,161K 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:

	2005	2004
	£000	£000
Total estimate of contingent clinical negligence liabilities	1,161	1,237
Amount recoverable from the Clinical Negligence Central Fund	<u>(1,161)</u>	<u>(1,237)</u>
Net Contingent Liability	<u><u>0</u></u>	<u><u>0</u></u>

In addition to the above contingent liability, provisions for clinical negligence are given in Note 17.

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.

Contingencies not relating to clinical negligence are as follows:

	2005	2004
	£000	£000
Public Liability	22	50
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
Other	<u>0</u>	<u>0</u>
Total	<u><u>22</u></u>	<u><u>50</u></u>

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 United Hospitals HSS Trust.

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

27. Analysis of Losses and Special Payments

TYPE OF LOSS	NO. OF CASES	VALUE £
1 Cash Losses - Theft, fraud etc	2	23
2 Cash Losses - Overpayments of salaries, wages and allowances	3	121
3 Cash Losses - Other causes (including unvouched and incompletely vouched payments)		
4 Nugatory and fruitless payments - Abandoned Capital Schemes		
5 Other nugatory and fruitless payments		
6 Bad debts and claims abandoned	21	3,988
7 Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
i. Bedding and linen		
ii. Other equipment and property	5	8,704
8 Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)		
9 Stores and Inventory Losses - Deterioration in store		
10 Stores and Inventory Losses - Stocktaking discrepancies		
11 Stores and Inventory Losses - Other causes		
i. Bedding and linen		
ii. Other equipment and property	34	16,947
12 Compensation payments (legal obligation)		
i. Clinical Negligence	35	625,142
ii. Public Liability	13	16,660
iii. Employers Liability	40	88,712
13 Ex-gratia payments - Compensation payments (including payments to patients and staff)		0
14 Ex-gratia payments - Other payments	1	76
15 Extra statutory payments		
16 a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.		
b. Damage to vehicles		
TOTAL	154	760,373

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

28. Intra-Government balances

Name	Creditors		Debtors	
	Amounts falling due within 1 year £000	Amounts falling due after more than 1 year £000	Amounts falling due after more than 1 year £000	Amounts falling due within 1 year £000
Other central government bodies	2672	0	122	0
Northern Ireland Health and Social Service Boards	2	0	1091	0
HSS Trusts	215	0	559	0
NHS Trusts	11	0	0	0
Agencies & Special Agencies	190	0	15	0
Non-Departmental Public Bodies	0	0	11	0
Local Authorities	1	0	1	0
Public corporations and trading funds	0	0	2	0
Total	3091	0	1801	0

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

29. Notes to the Cash Flow Statement

29.1 Reconciliation of operating surplus (deficit) to net cash inflow from operating activities

	2005	2004
	£000	£000
Operating surplus (deficit)	3,375	2,823
Depreciation charge	4,981	4,263
Provisions for future obligations (I&E Account)	96	(9)
Fixed asset impairments	53	0
Transfer from donation reserve	(177)	(103)
Non-cash Items	0	0
Increase (decrease) in provisions (Balance Sheet)	(2)	1,263
(Increase) decrease in stocks	(180)	(203)
(Increase) decrease in debtors	(2,133)	(1,761)
Increase (decrease) in creditors	<u>2,699</u>	<u>(509)</u>
Net cash inflow from operating activities	<u>8,712</u>	<u>5,764</u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

29. Notes to the Cash Flow Statement

29.2 Reconciliation of net cash flow to movement in net debt

	2005		2004	
	£000	£000	£000	£000
Increase/(decrease) in cash in the period				
	1,916		(13,211)	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and finance lease capital payments	1,423		1,423	
Cash (inflow)/outflow from decrease/increase in liquid resources	<u>0</u>		<u>0</u>	
Change in net debt resulting from cash flows		3,339		(11,788)
Non-cash changes in debt		<u>0</u>		<u>0</u>
Net debt at 1 April 2004		<u>(22,578)</u>		<u>(10,790)</u>
Net debt at 31 March 2005		<u><u>(19,239)</u></u>		<u><u>(22,578)</u></u>

29.3 Analysis of changes in net debt

	At 1 April 2004 £000	Cash flows £000	Non-cash changes £000	At 31 March 2005 £000
Cash at bank and in hand	30	241		271
Bank overdrafts	0	0		0
Debt due within 1 year	(1,423)	1,423	(1,423)	(1,423)
Debt due after 1 year	(23,471)	0	1,423	(22,048)
Finance leases	0	0		0
Current asset investments	<u>2,286</u>	<u>1,675</u>		<u>3,961</u>
	<u><u>(22,578)</u></u>	<u><u>3,339</u></u>	<u><u>0</u></u>	<u><u>(19,239)</u></u>

UNITED HOSPITALS HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

30. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the relationship with HSS Commissioners, and the manner in which they are funded, the United Hospitals Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk that would be typical of the listed companies to which FRS 13 mainly applies. The United Hospitals Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the United Hospitals Trust in undertaking its activities.

31. Third party assets

The Trust held £9,790 cash at bank and in hand at 31/3/05, which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Trust.

STATEMENT OF TRUSTS RESPONSIBILITIES IN RELATION TO PATIENTS/RESIDENTS MONIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Trust is required to prepare and submit accounts in such form as the Department may direct.

The Trust is also required to maintain proper and distinct accounting records and is responsible for safeguarding the monies held on behalf of patients/residents and for taking reasonable steps to prevent and detect fraud and other irregularities.

United Hospitals Health and Social Services Trust

Account of Monies held on behalf of Patients/Residents

The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the account on page 174 which the Trust is required by the Health and Personal Social Services (Northern Ireland) Order 1991 to prepare and submit in such form as the Department of Health, Social Services and Public Safety may direct.

Respective Responsibilities of the Board Members and Chief Executive and Auditor

As described on page 171 the Board Members and Chief Executive are responsible for the preparation and submission of the account as required by the Health and Personal Social Service (Northern Ireland) Order 1991 in such form as the Department of Health, Social Services and Public Safety directs and for ensuring the regularity of financial transactions. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the account properly presents the payments and receipts of the monies held on behalf of patients/residents and are properly prepared as required by the Health and Personal Social Services (Northern Ireland) Order 1991 in such form as the Department of Health, Social Services and Public Safety directs, and whether in all material respects the payments and receipts conform to the authorities which govern them. I also report if, in my opinion the Trust has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the account. It also includes an assessment of the judgements made by the Board Members and Chief Executive in the preparation of the account.

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 account is free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the payments and receipts conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the account.

Opinion

In my opinion:

- the account properly presents the payments and receipts of the monies held on behalf of patients/residents by the United Hospitals Health and Social Services Trust for the year ended 31 March 2005 and balances held at that date and have been properly prepared as required by the Health and Personal Social Services (NI) Order 1991 in such form as the
- Department of Health, Social Services and Public Safety may direct; and
- in all material respects the payments and receipts conform to the authorities which govern them.

I have no observations to make on this account.

J M Dowdall CB
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Date:
26th August 2005

UNITED HOSPITALS H & S S TRUST

YEAR ENDED 31 MARCH, 2005

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS / RESIDENTS

Previous Year £	RECEIPTS	£	£
	Balance at 1 April, 2004		
14,200	1. Investments (at cost)	14,200	
15,350	2. Cash at Bank	9,540	
250	3. Cash in Hand	250	23,990
31,345	Amounts Received in the Year		17,745
767	Interest Received		716
61,912	TOTAL		42,451
	PAYMENTS		
37,922	Amounts Paid to or on behalf of Patients/Residents		26,526
	Balance at 31 March, 2005		
14,200	1. Investments (at cost)	10,000	
9,540	2. Cash at Bank	5,675	
250	3. Cash in Hand	250	15,925
61,912	TOTAL		42,451

Schedule of Investments held at 31 March, 2005

	Investment	Nominal Value £	Cost Price £
14,200		10,000	10,000

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

MR C. BAILIE
25th August 2005

Director of Finance
Date

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

MR J. B. MITCHELL
25th August 2005

Chief Executive
Date

