

Department of Health, Social Services and Public Safety

Eastern 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)*

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BELFAST CITY HOSPITAL HSS 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 Belfast City Hospital 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 Belfast City Hospital 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. J Q Coey of Belfast City Hospital HSS 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 keeping of proper records, are set out in 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 4 to 57) which I am required to prepare on behalf of the Belfast City Hospital 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.

S Taggart Acting Director of Finance
29th July 2005 Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (page 4 to 57) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Joan E Ruddock Chairman
25th August 2005 Date

J Q Coey Chief Executive
25th August 2005 Date

BELFAST CITY HOSPITAL HSS TRUST ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 STATEMENT OF INTERNAL CONTROL

Scope of Responsibility

The Board of Belfast City Hospital HSS Trust is accountable for internal control. As Accountable Officer and Chief Executive of the 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 provide only 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, also 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 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 the Department of Finance & Personnel guidance.

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

- Board approval for certain reserved matters.
- A scheme of delegation which delegates decision making authority and accountability within set parameters to the Chief Executive and other officers.
- Standing orders and standing financial instructions.
- The Audit and Corporate 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 the system of delegation and accountability. In particular this includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board through its Finance Committee.
- Regular reviews by the Board of periodic financial reports, which indicate financial performance against forecasts.
- Setting targets to measure financial and other areas of performance.
- Clearly defined capital investment control guidelines through the Capital Expenditure Control Group.
- Formal budget management disciplines.

The Trust has an internal audit function, which operates to defined standards. Its 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 Outside Contracts, Car Parking, Charitable Funds, Bank & Cash, Payments, Salaries & Wages, Belfast Link Labs, Agency &

Locum Staff, Asset Management, Travel Expenses and Transport. In his Annual Report, the Internal Auditor reported that the system of internal control was adequate and effective.

Independent validation by Internal Audit confirmed that compliance with the Financial Management Controls Assurance Standard was Substantive (84%). Where any weaknesses in control were identified during the course of the audit investigations, recommendations to address these control weaknesses have been, or are being, implemented by the Trust. With regard to the wider control environment the Trust has in place a range of organisational controls, designed to ensure the efficient and effective discharge of its business in accordance with the Law and Departmental Direction. The objectives of the Trust are pursued in accordance with the recognised and accepted standards of public administration e.g.

- The Trust's recruitment and selection policies are based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation.
- The Trust continues to meet its obligations to staff, patients and other users of its services under Equality Legislation.
- The procurement of goods and services complies with best practice and European Directives.
- Research Governance Standards have been implemented in line with regional guidance.
- The Trust complies with the DHSSPS guidance on complaints handling and regularly benchmarks response times.

Capacity to Handle Risk

During 2004/05 the Trust made significant progress in developing its policies and procedures for Corporate Governance and Risk Management.

A Corporate Governance Department was established in April 2004 with responsibility for ensuring a co-ordinated approach to clinical and non-clinical governance activity.

In June 2004 the Trust Board approved the Risk Management Strategy. The Strategy confirms the Trust's commitment to the management of risk in order to:

- Improve the quality of treatment and care be it through direct clinical care or indirectly through support services (in line with the new Statutory Duty of Quality i.e. Clinical & Social Care Governance).
- Provide a safe environment for the benefit of patients, staff and visitors by reducing and, where possible, eliminating the risk of loss/harm.
- Protect the Trust's assets and reputation.
- Introduce and maintain cost effective risk control measures to eliminate or reduce risks to an acceptable level e.g. risk assessment, cost benefit analysis, identification of opportunity costs, planning risk treatments, as well as the appropriate evaluation and monitoring procedures.
- Reduce the severity and number of incidents of actual loss and ensure that corrective measures are taken to reduce the probability of recurrent loss.
- Monitor the adoption and implementation of Standards to control risks at the lowest operational level e.g. good practice guidelines and medical devices notifications.

- Ensure there are fast, clear pathways to where decisions can be made quickly with appropriate support systems in place.
- Promote positive risk management in controlled circumstances in conjunction with the Department, Area Board Commissioners, service users, carers and others.

These objectives will be achieved through a process of risk monitoring, analysis, evaluation and control. Consideration will also be given to the elimination and transfer of risk where possible.

The updated Incident Reporting Policy and procedures for the investigation of incidents, complaints and claims were also approved by the Trust Board. During 2004/05 approximately 30 policies received Trust Board approval examples of which are as follows:

- Fraud Response Plan
- Whistleblowing Policy
- Provision & Receipt of Hospitality/Gifts
- Codes of Conduct & Accountability
- Chaperoning Policy.

All policies are easily available on the Governance Section of the Trust's Intranet.

The Risk & Controls Framework

The Trust has had nine Controls Assurance Standards assessed by Internal Audit, with self-assessment undertaken in a further five standards. The Trust has met the required level of compliance for all Standards and action plans have been developed based on the recommendations arising from the assessments.

Standard	Progress expected by HPSS in 2004/05	Achieved BCHT 2004/05	Reviewed by Internal Audit
1. Financial Management (core standard)	Substantive	Substantive	✓
2. Governance (core standard)	Substantive	Substantive	✓
3. Risk Management (core standard)	Substantive	Substantive	✓
4. Decontamination of Medical Devices	Substantive	Substantive	✓
5. Fire Safety	Substantive	Substantive	✓
6. Infection Control	Substantive	Substantive	✓
7. Human Resources	Moderate	Substantive	✓
8. Medical Devices and Equipment Management	Moderate	Moderate	✓
9. Medicines Management	Moderate	Moderate	✓
10. Buildings, land, plant and non-medical equipment	Moderate	Moderate (self assessment)	
11. Environmental Management	Moderate	Moderate (self assessment)	
12. Health and Safety	Moderate	Moderate (self assessment)	
13. Information Communication Technology	Moderate	Moderate (self assessment)	
14. Waste Management	Moderate	Substantive (self assessment)	

A Corporate Risk Register was compiled following training of Non-Executive and Executive Directors by Capita Management Consultants. A similar training programme has been

cascaded throughout the organisation and Risk Registers have been produced by each Directorate. Significant risks are brought to the attention of the Risk Management Committee and Trust Board.

A two-day workshop was held on Risk Management and Root Cause Analysis (RCA) techniques. This was attended by 80 multidisciplinary staff from the Directorate of Surgery. RCA is now routinely used as a mechanism to investigate serious incidents and complaints.

A computerised database for incidents, claims and complaints (DATIX) was introduced in October 2004. Monthly summary reports are produced for each Directorate's Governance Team to allow review and action to prevent recurrence. A summary report is submitted to the Risk Management Committee.

The Corporate Governance Committee and Risk Management Committee continue to meet regularly. Both are chaired by Non-Executive Directors of the Trust. A Complaints Review Group has also been introduced and has representation from the Health and Social Services Councils. All complaints are monitored to ensure lessons are learned and to encourage improvements in the quality of services.

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 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.

Chief Executive: J Q Coey

Date: 25th August 2005

BELFAST CITY HOSPITAL HSS 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 15 to 57 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 stocks/ and current asset investments] and the accounting policies set out on pages 19 to 24.

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page 5, 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 page 7 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 Belfast City Hospital HSS 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
Northern Ireland Audit Office
Comptroller and Auditor General
106 University Street
Belfast BT7 1EU
Date: 1st September 2005

**BELFAST CITY HOSPITAL HSS TRUST
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31
MARCH 2005**

	NOTE	2005 £000	2004 £000
Income from Activities	2	159,087	145,618
Other Operating Income	3	<u>33,249</u>	<u>28,271</u>
		192,336	173,889
Operating Expenses continuing activities	4, 5	<u>(185,098)</u>	<u>(167,420)</u>
OPERATING SURPLUS (DEFICIT)		7,238	6,469
Profit/(loss) on disposal of Fixed Assets	7	<u>(61)</u>	<u>(11)</u>
SURPLUS (DEFICIT) BEFORE INTEREST		7,177	6,458
Interest Receivable		404	300
Interest Payable	8	<u>(2,329)</u>	<u>(2,515)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		5,252	4,243
Public Dividend Capital Dividends Payable	15	<u>(5,211)</u>	<u>(4,204)</u>
OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS	21	41	39
Provisions for Future Obligations	9.1	<u>(79)</u>	<u>77</u>
RETAINED SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		<u><u>(38)</u></u>	<u><u>116</u></u>
BREAK EVEN POSITION	21	<u><u>41</u></u>	<u><u>39</u></u>

The notes on pages 19 to 57 form part of these accounts

**BELFAST CITY HOSPITAL HSS TRUST
BALANCE SHEET AS AT 31 MARCH 2005**

	NOTE	2005 £000	2004 £000
FIXED ASSETS			
Intangible assets	10	0	0
Tangible assets	11	<u>234,408</u>	<u>223,352</u>
		234,408	223,352
CURRENT ASSETS			
Stocks and work in progress	12	3,531	3,691
Debtors: Amounts falling due			
Within one year	13	12,615	11,100
After one year	13	2,222	1,255
Short term investments	14	4,800	0
Cash at bank and in hand		<u>298</u>	<u>695</u>
		23,466	16,741
CREDITORS: Amounts falling due within one year	15	<u>(25,106)</u>	<u>(19,905)</u>
NET CURRENT ASSETS (LIABILITIES)		<u>(1,640)</u>	<u>(3,164)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		232,768	220,188
Creditors: Amounts Falling Due			
After more than one year	15	(24,104)	(26,439)
Provisions for Liabilities and Charges	17	<u>(7,224)</u>	<u>(7,215)</u>
TOTAL ASSETS EMPLOYED		<u>201,440</u>	<u>186,534</u>
FINANCED BY:			
CAPITAL AND RESERVES			
Public dividend capital	18	101,710	88,674
Revaluation reserve	19	97,094	96,161
Donation reserve	19	5,258	4,807
Realised donation reserve	19	0	0
Other reserves	19	0	0
Income and expenditure reserve	19	<u>(2,622)</u>	<u>(3,108)</u>
		<u>201,440</u>	<u>186,534</u>

The notes on pages 19 to 57 form part of these accounts

I certify that the attached financial statements and annual report were approved by the Board of Directors on 25 August 2005.

Chairman Joan E Ruddock

Chief Executive J Q Coey

BELFAST CITY HOSPITAL 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)		19,552		12,472
Returns on Investments and Servicing of Finance				
Interest received	401		305	
Interest paid	(2,338)		(2,502)	
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		(1,937)		(2,197)
Capital Expenditure				
Payments to acquire intangible fixed assets	0		0	
Receipts from sale of intangible fixed assets	0		0	
Payments to acquire tangible fixed assets	(20,743)		(27,209)	
Receipts from sale of tangible fixed assets	<u>1,065</u>		<u>0</u>	
Net Cash Inflow (Outflow) from Capital Expenditure		(19,678)		(27,209)
Dividends Paid		(4,204)		(7,000)
Management of Liquid Resources				
Purchase of current asset investments	(4,800)		0	
Sale of current asset investments	<u>0</u>		<u>7,400</u>	
Net Cash Inflow (Outflow) from Management of Liquid Resources		<u>(4,800)</u>		<u>7,400</u>
Net Cash Inflow (Outflow) before Financing		(11,067)		(16,534)
Financing				
New money capital reserve	0		0	
New public dividend capital	13,035		19,097	
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	(2,365)		(1,958)	
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>10,670</u>		<u>17,139</u>
Increase/(Decrease) in Cash (Notes 29.2 and 29.3)		<u><u>(397)</u></u>		<u><u>605</u></u>

The notes on pages 19 to 57 form part of these accounts

**BELFAST CITY HOSPITAL 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		5,252		4,243
Provisions for future obligations		<u>(79)</u>		<u>77</u>
		5,173		4,320
Fixed asset impairment losses		(1,523)		0
Non donated Fixed Assets				
Indexation of fixed assets	13,448		14,349	
Unrealised Surplus/(Deficit) on revaluation of fixed assets	<u>(13,514)</u>		<u>0</u>	
		(66)		14,349
Donated Assets				
Additions to donated assets	1,348		513	
Changes to donation reserve (except transfers to realised donation reserve)	<u>(103)</u>	1,245	<u>273</u>	786
Total recognised gains and losses relating to the year		4,829		19,455
Additions to Capital Assets Reserve		<u>0</u>		<u>0</u>
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR		<u><u>4,829</u></u>		<u><u>19,455</u></u>

The notes on pages 19 to 57 form part of these accounts

BELFAST CITY HOSPITAL HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

NOTES TO THE ACCOUNTS

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 the HPSS Trusts. The accounting policies are selected in accordance with the principles set out in Financial Reporting Standard 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 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.

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 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 interest 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 a 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 Department Resource Account for the Department of Health, Social Services and Public Safety.

The costs of early retirement contributions are met by the Trust and are charged to the 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 give 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.

BELFAST CITY HOSPITAL 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	154,441	140,936
GB/Republic of Ireland Health Authorities	2	4
HSS Trusts	3,308	3,060
Non-HPSS:		
- private patients	1,015	1,160
- other	321	458
Clients contributions	0	0
Total	159,087	145,618

The figure above for NI Health & Social Services Boards includes £3,997 from Down LHSCG and £16,770 from S & E Belfast LHSCG.

3. Other Operating Income

	2005	2004
	£000	£000
Patient transport services	0	0
Other income from non-patient services	7,506	6,908
NIMDTA/NICPMDE	4,396	3,773
SUMDE	10,118	9,716
Charitable and other contributions to expenditure	4,810	3,527
Transfers from the donation reserve in respect of depreciation on donated assets	796	456
Income in respect of fixed asset impairments	1,523	17
Clinical Negligence Central Fund	549	594
Reversal of fixed asset impairments (specify)	0	0
Other income (specify where material)	3,551	3,280
Total	33,249	28,271

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

4. Operating Expenses

4.1 Other Operating Expenses are as follows:-

	2005	2004
	£000	£000
Salaries and Wages (excluding Board members' Executive Board members' remuneration)	115,906	104,254
Non Executive Board members' remuneration	481	483
Supplies and services - clinical	49	49
Supplies and services - general	34,265	31,388
Establishment	1,571	1,650
Transport	1,632	1,867
Premises	157	159
Bad debts	7,357	7,296
Depreciation and amortisation	132	43
Fixed asset impairments	9,171	8,516
Purchase of care from non-HPSS bodies and grants to voluntary organisations	1,523	17
Personal social services	0	0
Recharges from other HPSS organisations	0	0
Clinical Negligence Payments:	8,936	8,571
- Provisions Utilised	549	594
- Other	0	0
Audit fees	32	28
Other auditors remuneration	0	0
Miscellaneous	3,337	2,505
Total	<u>185,098</u>	<u>167,420</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	408	402
Other operating leases	<u>0</u>	<u>0</u>
	<u>408</u>	<u>402</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	67	58
Between 1 and 5 years	0	0	287	341
After 5 years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>354</u>	<u>399</u>

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

5.1 Staff Costs

	Directly employed £000	Other £000	2005 £000	2004 £000
Salaries and Wages	101,439	0	101,439	90,980
Social security costs	7,681	0	7,681	6,786
Pension costs for early retirements reflecting the single lump sum to buy over the full liability	55	0	55	13
Other pension costs	5,593	0	5,593	5,018
Early departure costs	0	0	0	55
Amounts in respect of staff secondment	0	0	0	0
Agency/Temporary Staff	0	1,138	1,138	1,402
Contracted Staff	0	0	0	0
Sub Total	<u>114,768</u>	<u>1,138</u>	<u>115,906</u>	<u>104,254</u>
Less: Recovered staff costs re secondees	0	0	0	0
Total	<u><u>114,768</u></u>	<u><u>1,138</u></u>	<u><u>115,906</u></u>	<u><u>104,254</u></u>

5.2 Average Number of Employees

	Directly employed No.	Other No.	2005 No.	2004 No.
The average number of employees during the year was				
Medical and dental	413	5	418	395
Nursing and Midwifery	1,449	17	1,466	1,458
Professions Allied to medicine	275	0	275	253
Ancillaries	368	8	376	354
Administrative and clerical	752	8	760	737
Ambulance staff	0	0	0	0
Works	63	0	63	63
Other Professional and technical	365	0	365	348
Social Services	0	0	0	0
Other	3	0	3	3
	<u><u>3,688</u></u>	<u><u>38</u></u>	<u><u>3,726</u></u>	<u><u>3,611</u></u>

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

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS - NOTE 5 (Contd)

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	Benefits in Kind (rounded to nearest £100)	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 and related lump sum	CETV at 31/03/04	CETV at 31/03/05	Real increase in CETV
	£000	£	£000	£000	£000	£000	£000
<u>Non-Executive Members</u>							
J Ruddock	20-25	0	-	-	-	-	-
R Huq	5-10	0	-	-	-	-	-
P Morgan	5-10	0	-	-	-	-	-
V Fiddis	5-10	0	-	-	-	-	-
M Moutray	5-10	0	-	-	-	-	-
W McKay	5-10	0	-	-	-	-	-
<u>Executive Members</u>							
Q Coey	100-105	100	3 plus 9 lump sum	48 plus 144 lump sum	737	798	26
K Fullerton	*	*	*	*	*	*	*
S Taggart	*	*	*	*	*	*	*
A Brown	*	*	*	*	*	*	*
M Barkley	*	*	*	*	*	*	*
E Hayes	*	*	*	*	*	*	*
P Haines	50-55	0	1 plus 4 lump sum	21 plus 63 lump sum	258	281	6

*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 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.

**BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS**

Staff Benefits

2005 £	2004 £
0	0
0	0
0	0

5.5 Trust Management Costs

	2005 £000	2004 £000
Trust Management Costs	5,858	5,455
Total Income	192,336	173,889
% of total income	3.0%	3.1%
	3.0%	3.1%

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 were 19 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities will be £21,406 per annum.

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	53,079	75,501	52,995	80,765
Total bills paid within 30 day target	39,580	60,694	38,687	66,155
% of bills paid within 30 day target	74.6%	80.4%	73.0%	81.9%
	74.6%	80.4%	73.0%	81.9%

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

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 is as follows :

	£
Total	<u><u>0</u></u>

7. Profit (Loss) on Disposal of Fixed Assets

	2005	2004
	£000	£000
Profit on disposal of land and buildings	0	0
Loss on disposal of land and buildings	(17)	0
Profit on disposal of plant and equipment	0	0
Loss on disposal of plant and equipment	<u>(44)</u>	<u>(11)</u>
Total	<u><u>(61)</u></u>	<u><u>(11)</u></u>

8. Interest Payable

	2005	2004
	£000	£000
Originating interest bearing debt	2,329	2,515
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other interest [specify]	0	0
	<u>0</u>	<u>0</u>
Total	<u><u>2,329</u></u>	<u><u>2,515</u></u>

An amount of £206,599 is included within note 9.1 for the unwinding of discounts on provisions.

BELFAST CITY HOSPITAL 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	310	1,579
Pensions	25	24
Employers liability	311	253
Public (Occupiers) liability	32	22
Injury benefit	29	233
Accrued leave	0	0
Restructuring	30	(120)
Industrial Relations cases		
Arising during the year (net) (note 9.2)	737	1,991
Unwinding of Discount on Provisions (9.3)	206	79
Utilised in year (9.4)	(934)	(1,118)
Other (Specify)		
Movement in year (subtotal) (Note 17)	9	952
Reimbursements receivable (Note 9.5)	70	(1,029)
Total increase/decrease		
(to Income and Expenditure Account)	79	(77)

9.2 Arising during the year

	2005	2004
	£000	£000
Provided in year	1,498	3,127
Provisions not required (reversed/unused)	(761)	(1,136)
Total Provided in year (9.1)	737	1,991

**BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS**

9.3 Unwinding of Discount on Provisions

	2005	2004
	£000	£000
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence	168	44
Other	38	35
	<hr/>	
Total Unwinding of Discounts on Provisions (Note 9.1)	206	79
	<hr/> <hr/>	

9.4 Utilised in year

	2005	2004
	£000	£000
Clinical Negligence (note 17)	(548)	(594)
Pensions relating to other staff (note 17)	(106)	(68)
Restructuring (note 17)	0	0
Other (note 17)	(280)	(456)
	<hr/>	
Total Utilised (note 9.4)	(934)	(1,118)
	<hr/> <hr/>	

9.5 Reimbursements Receivable

	2005	2004
	£000	£000
Clinical Negligence Central Fund	70	(1,029)
Other	0	0
	<hr/>	
Total Reimbursements Receivable	70	(1,029)
	<hr/> <hr/>	

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

10. Intangible Fixed Assets

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

BELFAST CITY HOSPITAL 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	32,392	168,784	4,088	27,418	29,846	262,528
Indexation	1,680	13,293	0	572	0	15,545
Additions	0	1,154	362	828	17,828	20,172
Reclassifications	0	0	0	0	0	
Transfers	0	0	0	0	0	0
Revaluation	(1,401)	(366)	0	0	0	(1,767)
Impairments	0	0	0	0	0	0
Disposals	(615)	(652)	(12)	(1,058)	0	(2,337)
National Revaluation Exercise	1,079	(12,827)	0	0	0	(11,748)
At 31 March 2005	33,135	169,386	4,438	27,760	47,674	282,393
Depreciation						
At 1 April 2004	0	21,232	3,002	19,751	0	43,985
Indexation	0	1,673	0	424	0	2,097
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Disposals	0	(186)	(12)	(1,015)	0	(1,213)
Reversal of impairments	0	0	0	0	0	0
Provided during the year	0	6,064	394	1,916	0	8,374
National Revaluation Exercise	0	0	0	0	0	0
At 31 March 2005	0	28,783	3,384	21,076	0	53,243
Net Book Value						
At 31 March 2005	33,135	140,603	1,054	6,684	47,674	229,150
At 31 March 2004	32,392	147,552	1,086	7,667	29,846	218,543

Of the total net book value at 31 March 2005

£1,130,000 related to buildings, installations and fittings valued at open market value for alternative use.

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

Note 11.1 (Contd)

Donated 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	3,312	313	3,168	0	6,805
Indexation	1	255	0	69	0	325
Additions	0	1,108	21	219	0	1,348
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	(136)	0	(164)	0	(300)
National Revaluation Exercise	(3)	(274)	0	0	0	(277)
At 31 March 2005	10	4,265	334	3,292	0	7,901
Depreciation						
At 1 April 2004	0	309	206	1,481	0	1,996
Indexation	0	24	0	32	0	56
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	(46)	0	(159)	0	(205)
Reversal of impairments	0	0	0	0	0	0
Provided during the year	0	151	38	607	0	796
National Revaluation Exercise	0	0	0	0	0	0
At 31 March 2005	0	438	244	1,961	0	2,643
Net Book Value						
At 31 March 2005	10	3,827	90	1,331	0	5,258
At 31 March 2004	12	3,003	107	1,687	0	4,809

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

11.2 Total Tangible Fixed Assets:

	Purchased	Donated	Total	
	£000	£000	2005	2004
			£000	£000
Net book value:				
Land	33,135	10	33,145	32,404
Buildings installations and fittings	140,603	3,827	144,430	150,555
Computer Equipment	1,054	90	1,144	1,193
Other Equipment	6,684	1,331	8,015	9,354
Assets under construction	<u>47,674</u>	<u>0</u>	<u>47,674</u>	<u>29,846</u>
Total	<u>229,150</u>	<u>5,258</u>	<u>234,408</u>	<u>223,352</u>

11.3 The net book value of land and buildings comprises:

	2005	2004
	£000	£000
Freehold	175,925	179,368
Long leasehold	1,650	3,591
Short leasehold	<u> </u>	<u> </u>
	<u>177,575</u>	<u>182,959</u>

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

	2005	2004
	£000	£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).

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

12. Stocks and Work in Progress

	2005 £000	2004 £000
Raw Materials and consumables	3,531	3,691
Work in progress	0	0
Finished goods	0	0
Total	<u><u>3,531</u></u>	<u><u>3,691</u></u>

13. Debtors

	2005 £000	2004 £000
Amounts falling due within one year:		
HSS or NHS debtors	4,426	2,343
Clinical Negligence - Central Fund	3,213	4,251
Other debtors	4,563	4,097
Pension Prepayments		
in respect of former directors	0	0
in respect of other staff	0	0
Other prepayments and accrued income	413	409
Sub Total	<u><u>12,615</u></u>	<u><u>11,100</u></u>
The balances are net of a provision for bad debts of £188,026 (2004 £66,222)		
Amounts falling due after more than one year:		
HSS or NHS debtors	0	0
Clinical Negligence - Central Fund	2,222	1,255
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><u>2,222</u></u>	<u><u>1,255</u></u>
Total	<u><u>14,837</u></u>	<u><u>12,355</u></u>

14. Short-term Investments

	2005 £000	2004 £000
Government Securities	0	0
Other Approved Public Sector Organisations	0	0
Banking Deposits	4,800	0
Others (specify if in excess of £50,000)	0	0
Total	<u><u>4,800</u></u>	<u><u>0</u></u>
Cash in hand	298	695

BELFAST CITY HOSPITAL 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	1,928	1,958
Interest payable	96	104
Public dividend capital dividend payable	5,211	4,204
Public dividend capital dividend payable in respect of impairments	1,523	0
Payments received on account	1,238	1,227
HPSS or NHS creditors and accruals	913	1,270
Non HPSS or NHS trade revenue creditors	3,828	5,551
Non HPSS or NHS trade capital creditors	433	1,305
Payroll creditors including taxation and social security	3,598	1,543
Net obligations under finance leases	0	0
Clinical Negligence	0	0
Pensions		0
- relating to former directors	0	0
- relating to other staff	0	0
Other accruals	1,235	1,310
Other creditors	5,103	1,433
	<hr/>	<hr/>
Sub Total	25,106	19,905
	<hr/>	<hr/>
15.2 Creditors: Amounts falling due after more than one year:		
Long Term Loans	24,104	26,439
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	24,104	26,439
	<hr/>	<hr/>
Total Creditors	49,210	46,344
	<hr/> <hr/>	<hr/> <hr/>

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

BELFAST CITY HOSPITAL 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	5,211	4,204
	<u>5,211</u>	<u>4,204</u>
	<u>5,211</u>	<u>4,204</u>

**BELFAST CITY HOSPITAL HSS TRUSTS
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	1,928	0	1,928	1,958
Between one and two years	1,928	0	1,928	1,958
Between two and five years	5,785	0	5,785	5,875
In five years or more	16,391	0	16,391	18,606
Total	26,032	0	26,032	28,397

	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 installments	0	0	0	0
Wholly or partially repayable after five years by installments	26,032	0	26,032	28,397
Total	26,032	0	26,032	28,397

Total Repayable after five years by installments	16,391	0	16,391	18,606
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Loans wholly or partially repayable after five years:

	Interest Rate %	2005 £000	2004 £000
Terms of payment			
Originating Capital Debt	8.375	26,032	28,397

BELFAST CITY HOSPITAL 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	Pensions relating to other staff	Clinical negligence	Restructuring	Other	2005 Total	2004 Total
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2004	0	314	5,506	255	1,140	7,215	6,263
Arising during the year	0	25	951	30	492	1,498	3,127
Utilised during the year	0	(106)	(548)	0	(280)	(934)	(1,118)
Reversed unused	0	0	(641)	0	(120)	(761)	(1,136)
Unwinding of discount	0	8	168	0	30	206	79
At 31 March 2005	0	241	5,436	285	1,262	7,224	7,215

Income and Expenditure Account Charges

	£000
Arising during the year	1,498
Utilised during the year	(934)
Reversed unused	(761)
Unwinding of discounts	206
Total	9

BELFAST CITY HOSPITAL 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	Restruct- uring £000	Other £000	2005 Total £000	2004 Total £000
Within 1 year	0	44	3,214	285	643	4,186	5,158
1 - 5 years	0	176	2,222	0	201	2,599	1,583
Over 5 years	0	21	0	0	418	439	474

The provision for medical negligence is based on professional advice from Central Services Agency. The provision for pensions is calculated on the basis of information on payments made by HPSS Superannuation Branch and Government Actuarial tables. Other Provisions includes provisions for Employers & Public Liability which are based on professional advice from Central Services Agency and Industrial Injury which is based on payments made by HPSS Superannuation Branch and Government Actuarial tables.

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

	£000
Clinical Negligence Central Fund	5,436

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.

BELFAST CITY HOSPITAL 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	13,036	19,097
In prior years	88,674	69,577
Total	<u>101,710</u>	<u>88,674</u>

19. Movements on Reserves

	Revaluation	Donation	Realised	Other	Income and	Total
	Reserve	Reserve	Donation	Reserves	Expenditure	Reserve
	£000	£000	Reserve	£000	Reserve	£000
	£000	£000	£000	£000	£000	£000
At 1 April 2004	96,161	4,807	0	0	(3,108)	97,860
Retained surplus (deficit) for year	0	0	0	0	(38)	(39)
Revaluation and indexation of fixed assets	(66)	270	0	0	0	204
Transfer of realised profits (losses)	0	0	0	0	0	0
Movements in donation reserve	0	181	0	0	0	181
Fixed Asset Impairments	1,523	0	0	0	0	1,523
Other reserve movements	(524)	0	0	0	524	0
At 31 March 2005	<u>97,094</u>	<u>5,258</u>	<u>0</u>	<u>0</u>	<u>(2,622)</u>	<u>99,729</u>

BELFAST CITY HOSPITAL 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	5,252	4,243
Prior Year adjustment	0	302
less provisions for future obligations	(79)	77
less public dividend capital dividends	(5,211)	(4,204)
	<u>(38)</u>	<u>418</u>
Gains (losses) from revaluation/indexation of		
Purchased fixed assets	(66)	14,349
Public dividend capital repayments	(440)	(303)
Public dividend capital issued	15,000	19,400
New Government loans issued	0	0
Government loans repayments	(2,365)	(1,958)
Additions (reductions) in other reserves	<u>0</u>	<u>43</u>
Net Movement in Government funds	12,091	31,949
Government funds at 31 March 2004	<u>210,124</u>	<u>178,175</u>
Government funds at 31 March 2005	<u>222,215</u>	<u>210,124</u>

**BELFAST CITY HOSPITAL 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 excluding the effects of the national revaluation exercise. The rate is calculated as the percentage that interest payable on Government borrowing plus dividends payable on public dividend capital, totalling £7,540,019 bears to the average relevant net assets of £168,857,587 that is 4.47% (2004 4.02%).

The variation from the target rate of 3.5% is due to an over-recovery on the capital return charged to Commissioners. The over-recovery (£1,630,273) is returned to DHSSPS as a windfall gain. Excluding the windfall gain, the Trust Debt Remuneration is £5,909,746, that is 3.50%.

The Capital Cost Absorption Rate is calculated as follows:

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

	2005
Trust Debt Remuneration is calculated as:	£
Interest payable on Government borrowing	2,329
Plus	
Dividends payable on Public Dividend Capital	<u>5,211</u>
Trust Debt Remuneration	<u><u>7,540</u></u>

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

NOTE 21.1 (Contd)

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 £000	Closing £000	Average £000
Total capital and reserves* (equivalent to total net assets)	186,534	189,415	187,975
Less:			
Donation reserve	(4,807)	(5,535)	(5,172)
Purchased assets in the course of construction	(29,846)	(47,674)	(38,760)
Short-term assets	0	(4,800)	(2,400)
Finance lease assets (during their primary lease term)	0	0	0
Plus:			
Loans and overdrafts	28,397	26,032	27,215
Finance lease creditors (capital only)	0	0	0
Relevant Net Assets	180,278	157,438	168,858

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

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

21.2 The Break Even Performance

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:

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
	£000	£000	£000	£000	£000
i. Turnover	132,232	145,700	162,267	173,889	192,336
ii. Operational Surplus/(Deficit) for Financial Year before Provisions and Exceptional Income	(1,163)	387	45	39	41
iii. Break Even in year position	(1,163)	387	45	39	41
iv. Break Even cumulative position(opening)	(3,219)	268	655	700	739
vii. Other adjustments					
vi. Exceptional Income Year ended 31 March 2001	4,650	0	0	0	0
vii. Break Even cumulative position(closing)	268	655	700	739	780
 If a Break Even cumulative deficit - anticipated financial year of recovery	_____				
 If more than 2 years, agreed period					
	%	%	%	%	%
Materiality Test:					
Break even in year position as % of turnover	-0.9%	0.3%	0.0%	0.0%	0.0%
Break even cumulative position as % of turnover	0.2%	0.4%	0.4%	0.4%	0.4%

BELFAST CITY HOSPITAL 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	6,278	23,949

The Trust stayed within its External Financing Limit by £10,849. The Trust's External Financing Requirement for the year was £6,278,000 and was met as follows:-

	2005	2004
	£000	£000
Increase (decrease) in:		
Public dividend capital	13,035	19,097
Government long-term loans	(2,365)	(1,958)
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	(4,800)	7,400
Cash at bank and in hand	397	(605)
External Finance Assessed	<u><u>6,267</u></u>	<u><u>23,934</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 Expenditure (charge against the CRL)	20,172
Capital Resource Limit	<u>21,630</u>
(Over) / Underspend against CRL	<u><u>1,458</u></u>

**BELFAST CITY HOSPITAL 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	2004
	£000	£000
Amounts included within operating expenses in respect of PFI transactions deemed to be off balance sheet	1,637	1,538

	2005	2004
	£000	£000
The Trust is committed to make the following payments during the next year		
PFI scheme which expires within one year		
2 to 5 years (inclusive)	0	0
6 to 10 years (inclusive)	1,675	1,600
11 to 15 years (inclusive)	0	0
16 to 20 years (inclusive)	0	0
21 to 25 years (inclusive)	1,075	0
26 to 30 years (inclusive)	0	0
31 to 35 years (inclusive)	0	0

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make during the next year for the Cancer Centre scheme (annual payment £4,300k).

	2005	2004
	£000	£000
Estimated capital value of the PFI scheme		
Renal Dialysis	2,845	2,845
Cancer Centre	36,700	0

	Renal Dialysis	Cancer Centre
Contract start date	01/11/98	01/01/06
Contract end date	31/10/13	31/12/30

The Renal Dialysis scheme delivers Haemodialysis treatments and includes building, equipment and a range of consumables. The Cancer Centre scheme provides equipment, equipment maintenance, upgrades and replacements for 25 years.

**BELFAST CITY HOSPITAL HSS TRUST
 ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
 NOTES TO THE ACCOUNTS**

22. Private Finance Transactions

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

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

	2005	2004
	£000	£000
The Trust is committed to make the following payments during the next year		
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)	0	0

**BELFAST CITY HOSPITAL 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	9,718	9,718	20,500
Authorised by the Board, but not contracted	<u>0</u>	<u>722</u>	<u>722</u>	<u>1,319</u>
Total	<u>0</u>	<u>10,440</u>	<u>10,440</u>	<u>21,819</u>

24. Post Balance Sheet Events

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

25. Contingent Liabilities

Clinical Negligence

The Trust has contingent liabilities of £440,814 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 £000	2004 £000
Total estimate of contingent clinical negligence liabilities	441	562
Amount recoverable from the Clinical Negligence Central Fund	<u>(441)</u>	<u>(562)</u>
Net Contingent Liability	<u>0</u>	<u>0</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 £000	2004 £000
Public Liability	0	0
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
ACS Ltd	<u>50</u>	<u>50</u>
Total	<u>50</u>	<u>50</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 Belfast City Hospital HSS Trust.

BELFAST CITY HOSPITAL 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	0	0
2	Cash Losses - Overpayments of salaries, wages and allowances	0	0
3	Cash Losses - Other causes (including unvouched and incompletely vouched payments)	2	83
4	Nugatory and fruitless payments - Abandoned Capital Schemes	0	0
5	Other nugatory and fruitless payments	0	0
6	Bad debts and claims abandoned	2	10,674
7	Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
	i. Bedding and linen	0	0
	ii. Other equipment and property	1	204
8	Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	0	0
9	Stores and Inventory Losses - Deterioration in store	0	0
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	43	18,281
12	Compensation payments (legal obligation)		
	i. Clinical Negligence	19	548,435
	ii. Public Liability	19	27,282
	iii. Employers Liability	63	208,344
13	Ex-gratia payments - Compensation payments (including payments to patients and staff)	12	2,721
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	161	816,024

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
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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 within 1 year £000	Amounts falling due after more than 1 year £000
Other central government bodies	6,968	24,104	2,827	0
Northern Ireland Health and Social Service Boards	24	0	2,470	0
HSS Trusts	467	0	1,880	0
NHS Trusts	26	0	7	0
Agencies & Special Agencies	397	0	69	0
Non-Departmental Public Bodies	0	0	1	0
Local Authorities	1	0	0	0
Public corporations and trading funds	0	0	0	0
Total	7,883	24,104	7,254	0

**BELFAST CITY HOSPITAL 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)	7,238	6,469
Depreciation charge	9,171	8,516
Provisions for future obligations (I&E Account)	(79)	77
Fixed asset impairments	1,523	17
Transfer from donation reserve	(796)	(456)
Non-cash Items	(0)	43
Increase (decrease) in provisions (Balance Sheet)	9	952
(Increase) decrease in stocks	160	(116)
(Increase) decrease in debtors	(2,715)	(1,850)
Increase (decrease) in creditors	5,041	(1,180)
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>19,552</u>	<u>12,472</u>

BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS

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				
	(397)		605	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and finance lease capital payments	2,365		1,958	
Cash (inflow)/outflow from (decrease)/increase in liquid resources	<u>4,800</u>		<u>(7,400)</u>	
Change in net debt resulting from cash flows		6,768		(4,837)
Non-cash changes in debt		<u>0</u>		<u>0</u>
Total		6,768		(4,837)
Net debt at 1 April 2004		<u>(27,703)</u>		<u>(22,866)</u>
Net debt at 31 March 2005		<u><u>(20,935)</u></u>		<u><u>(27,703)</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	695	(397)	0	298
Bank overdrafts	0	0	0	0
Debt due within 1 year	(1,958)	2,365	(2,335)	(1,928)
Debt due after 1 year	(26,440)	0	2,335	(24,105)
Finance leases	0	0	0	0
Current asset investments	<u>0</u>	<u>4,800</u>	<u>0</u>	<u>4,800</u>
	<u>(27,703)</u>	<u>6,768</u>	<u>0</u>	<u>(20,935)</u>

**BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS**

30. Financial Instruments

FRS13, Derivatives and other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks and entity faces in undertaking its activities. Because of the relationships with HSS Commissioners, and the manner in which they are funded, the Belfast City Hospital 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 the listed companies to which FRS13 mainly applies. The Belfast City Hospital 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 Belfast City Hospital HSS Trust in undertaking its activities.

31. Financial Instruments

The trust held £6,043 Cash at bank and in hand at 31/03/2005 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 TRUSTS RESPONSIBILITIES IN RELATION TO PATIENTS / RESIDENTS MONIES

The Belfast City Hospital HSS Trust is required by Health and Personal Social Services (Northern Ireland) Order 1991 to prepare and submit accounts in such form as the Department may direct .

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

BELFAST CITY HOSPITAL HSS 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 61 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 58, 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 present the payments and receipts of the monies held on behalf of patients/residents by the Belfast City Hospital 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: 1st September 2005

**BELFAST CITY HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

2004	RECEIPTS	2005
£		£
	At 1 April 2004	
0	1. Investments (at cost)	0
7,449	2. Cash at Bank	7,173
0	3. Cash in Hand	0
37,454	Amounts Received in the Year	21,227
411	Interest Received	210
45,314	TOTAL	28,610
	PAYMENTS	
38,141	Amounts Paid to or on behalf of Patients/Residents	22,567
	At 31 March 2005	
0	1. Investments (at cost)	0
7,173	2. Cash at Bank	6,043
0	3. Cash in Hand	0
45,314	TOTAL	28,610

Schedule of investments held at 31 March 2005

Cost Price £	Investment	Nominal Value £	Cost Price £
0	Cash remained in current account as interest rates paid were comparable to investment rates offered.	0	0

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

S Taggart Acting Director of Finance
29th July 2005 Date

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

J Q Coey Chief Executive
25th August 2005 Date

**DOWN LISBURN HEALTH AND SOCIAL SERVICES TRUST
ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005**

PRINCIPLES

- Provide for the population the widest possible range of Health and Social Care services, delivered **close to home** and family.
- Work with other agencies and add to the overall **quality of life** and environment, within Down and Lisburn.
- Design services in **partnership** with people and the local community.
- Provide services which are **professionally sound**, ever improving and innovative.
- Always respect the individuality of those receiving service and offer **choice**.
- Provide services which are convenient, easy to use and **easy to understand**.
- Meet people's need for professionals with different skills, through flexible Health and Social Care **teams**.
- Value all staff, by addressing their individual needs, offering **continuous development** and supporting them to achieve their full potential.
- Use the resource provided by the public to deliver **value for money** services.

MEMBERS OF THE FINANCE & AUDIT COMMITTEES 2004/05

Finance Committee

- | | |
|-------------------|---|
| Mr David Gorman | - Chairman |
| Mr Donal Flanagan | - Non-Executive Director |
| Mr John Compton | - Chief Executive |
| Mr Paul Simpson | - Director of Finance & Information Technology |
| Mr John Simpson | - Director of Planning & Performance Management |

Audit Committee

- | | |
|--------------------|--------------------------|
| Mr David Gorman | - Chairman |
| Mrs Lynda Tavakoli | - Non-Executive Director |
| Mr Donal Flanagan | - Non-Executive Director |

In Attendance

- | | |
|-----------------------|--|
| Mrs Denise Fitzsimons | - Chairman of the Board |
| Mr John Compton | - Chief Executive |
| Mr Paul Simpson | - Director of Finance & Information Technology |

Auditors in Attendance

- | | |
|---------------|--------------------------|
| Mr Peter Shaw | - Chief Internal Auditor |
|---------------|--------------------------|

Representatives from Internal Audit, PricewaterhouseCoopers and Northern Ireland Audit Office

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 DOWN LISBURN 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 Down Lisburn 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 Down Lisburn 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 J Compton of Down Lisburn 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 74 to 115) which I am required to prepare on behalf of the Down Lisburn 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.

Director of Finance: Paul Simpson
Date: 27th July 2005

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 75 to 115) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Chairman: Denise Fitzsimons
Date: 27th July 2005

Chief Executive: John Compton
Date: 27th July 2005

STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR 2004/05

Scope of Responsibility

The Board of Down Lisburn Health and Social Services Trust is accountable for internal control. As Accountable Officer and Chief Executive of the Board of Down Lisburn Health and Social Service 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 Down Lisburn Health and Social Service 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 with an annual budget which is reviewed and agreed by the board;
- regular reviews by the board of periodic annual financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines;
- as appropriate, formal budget management disciplines.

The Down Lisburn Health and 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:-

- Payments
- Bank & Cash
- Payroll
- Social Services
- Children's Homes
- Reviewed Financial Procedures

In their annual report, the Internal Auditor reported that the Down Lisburn Health and Social Services Trust's system of internal control was adequate and effective.

Internal Audit also reviewed the following Controls Assurance Standards to provide an Independent assessment of compliance with the standards as required by the DHSSPS.

- Financial Management
- Governance
- Fire Safety
- Infection Control
- Risk Management
- Decontamination of Medical Devices

All but one of the standards met the substantive compliance level. This was Decontamination of Medical Devices for which the Trust scored 2% below the substantive level of compliance. The Trust has already carried out action, which in the Trust's opinion, subject to rescoring by audit, will put the Trust well into the compliance zone. Some of the actions carried out were:

- The Trust Chief Executive wrote to the EHSSB Chief Executive requesting support and assistance in the provision of consistent and permanent micro-biologists support from Belfast laboratories.
- Arrangements are in place to produce an Annual Report on the efficacy of the decontamination process to be submitted to the Clinical and Social Care Governance Committee.
- Training arrangements for staff in the Community are being reviewed and record keeping improved.
- The Trust has developed an action plan to replace the existing steris equipment with equipment compliant with HTM2030.

Moderate compliance with the remaining standards has been assessed internally and all comply at least to this level. The Trust will continue with its programme of external verification for compliance with the Controls Assurance Standard during 2005/06.

With regard to the wider control environment the Down Lisburn Health and Social Service 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 Down Lisburn Health and Social Services Trust are pursued in accordance with the recognised and accepted standards of public administration.

Down Lisburn Health and 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. The Trust's Selection and Recruitment procedure is based on the merit principle, is in keeping with Best Practice in the Public Sector and complies with all relevant legislation. Controls in place through the Human Resources ISO procedures and audit process should ensure that all decisions relating to the recruitment and selection of staff are made in accordance with the Trust's procedure.

Capacity to handle risk

The Trust Risk Management Strategy has been embedded across the organisation and the provision of risk awareness programmes for staff has continued. When deemed necessary the Trust has secured external support to carry out risk assessments on service provision, for example the review of emergency surgery provision at the Downe Hospital. This approach both provides an appropriate framework for decision making and provides a major learning opportunity for the Trust staff.

The risk and control framework

The Down Lisburn Health and Social Services Trust has developed a risk management strategy, which has identified the organisation's objectives and risks and sets out a control strategy for each of the significant risks. Procedures have been put in place for verifying that aspects of risk management and internal control are regularly reviewed and reported and that risk management has been incorporated fully into the corporate planning and decision making processes of the organisation.

In 2004/05 the Senior Management Team reviewed its Key Corporate Risks. This was achieved through a mix of workshops and regular review at senior management level. In June 2004 the Trust's systems identified a problem with the decontamination process for endoscopes. This led to a major regional review of these processes. The Trust is of the opinion that it acted totally in accord with good governance practice and believes this demonstrates the effectiveness of its governance and risk arrangements. In August 2004 the Trust appointed a clinical risk manager to further promote and expand risk management practices across all the Trust's programmes of care. This will be further developed throughout 2005/06.

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 Down Lisburn Health and 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 and

Audit Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

Signature of Accountable Officer: John Compton

Date: 27th July 2005

Down Lisburn 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 74 to 115 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 to .

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page 66, 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 68 to 71 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 Down Lisburn 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
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Date: 31st August 2005

**DOWN LISBURN HSS TRUST
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31
MARCH 2005**

	NOTE	2005 £000	2004 £000
Income from Activities	2	151,339	138,568
Other Operating Income	3	6,125	5,299
Operating Expenses	4,5	<u>(154,948)</u>	<u>(141,578)</u>
OPERATING SURPLUS		2,516	2,289
(Loss) on disposal of Fixed Assets	7	<u>(66)</u>	<u>(43)</u>
SURPLUS BEFORE INTEREST		2,450	2,246
Interest Receivable		303	377
Interest Payable	8	<u>(1,291)</u>	<u>(1,377)</u>
SURPLUS FOR THE FINANCIAL YEAR		1,462	1,246
Public Dividend Capital Dividends Payable	15	<u>(1,395)</u>	<u>(1,201)</u>
OPERATIONAL SURPLUS BEFORE PROVISIONS	21	67	45
Provisions for Future Obligations	9.1	<u>(395)</u>	<u>(151)</u>
RETAINED (DEFICIT) FOR THE FINANCIAL YEAR		<u>(328)</u>	<u>(106)</u>
BREAK EVEN POSITION	21	<u>67</u>	<u>45</u>

The notes on pages 78 to 115 form part of these accounts

All Income and Expenditure is derived from continuing activities.

DOWN LISBURN HSS TRUST
BALANCE SHEET AS AT 31 MARCH 2005

	NOTE	2005		2004	
		£000	£000	£000	£000
FIXED ASSETS					
Intangible assets	10		276		414
Tangible assets	11		<u>110,457</u>		<u>87,632</u>
			110,733		88,046
CURRENT ASSETS					
Stocks and work in progress	12	373		309	
Debtors: Amounts falling due					
Within one year	13	9,106		5,704	
After one year	13	2,627		2,263	
Short term investments	14	3,394		53	
Cash at bank and in hand		<u>240</u>		<u>1,686</u>	
			15,740		10,015
CREDITORS: Amounts falling due					
within one year	15		<u>(18,073)</u>		<u>(17,634)</u>
NET CURRENT (LIABILITIES)			<u>(2,333)</u>		<u>(7,619)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			108,400		80,427
Creditors: Amounts falling due after more than					
one year	15		(14,110)		(15,155)
Provisions for Liabilities and Charges	17		<u>(8,286)</u>		<u>(6,160)</u>
TOTAL ASSETS EMPLOYED			<u>86,004</u>		<u>59,112</u>
FINANCED BY:					
CAPITAL AND RESERVES					
Public dividend capital	18		25,810		24,833
Revaluation reserve	19		54,259		31,873
Donation reserve	19		922		1,402
Other reserves	19		894		880
Income and expenditure reserve	19		<u>4,119</u>		<u>124</u>
			<u>86,004</u>		<u>59,112</u>

The notes on pages 78 to 115 form part of these accounts

Signed John Compton (Chief Executive) Date 27th July 2005

DOWN LISBURN HSS TRUST
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR
THE YEAR ENDED 31 MARCH 2005

	2005		2004	
	£000	£000	£000	£000
Surplus for the financial year		1,462		1,246
Surplus for the financial year (Beeches Management Centre)		14		0
Provisions for future obligations		<u>(395)</u>		<u>(151)</u>
		1,081		1,095
Fixed asset impairment losses		(96)		0
Non donated Fixed Assets				
Indexation of fixed assets	5,813		6,455	
Unrealised Surplus on revaluation of fixed assets	<u>20,992</u>		<u>2,586</u>	
		26,805		9,041
Donated Assets				
Additions to donated assets	0		137	
Changes to donation reserve (except transfers to realised donation reserve)	<u>(480)</u>	<u>(480)</u>	<u>(2)</u>	<u>135</u>
TOTAL GAINS RECOGNISED IN THE FINANCIAL YEAR		<u>27,310</u>		<u>10,271</u>
Prior year adjustment				-979
TOTAL GAINS RECONISED SINCE LAST ANNUAL REPORT				<u>9,292</u>

DOWN LISBURN 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)		7,964		5,854
Returns on Investments and Servicing of Finance				
Interest received	303		377	
Interest paid	<u>(1,295)</u>		<u>(1,380)</u>	
Net Cash (Outflow) from returns on Investments and Servicing of Finance		(992)		(1,003)
Capital Expenditure				
Payments to acquire tangible fixed assets	(7,739)		(2,777)	
Receipts from sale of tangible fixed assets	<u>3,506</u>		<u>5</u>	
Net Cash (Outflow) from Capital Expenditure		(4,233)		(2,772)
Dividends Paid		(1,201)		(3,053)
Management of Liquid Resources				
Purchase of current asset investments	(3,341)		0	
Sale of current asset investments	<u>0</u>		<u>5,667</u>	
Net Cash (Outflow) Inflow from Management of Liquid Resources		<u>(3,341)</u>		<u>5,667</u>
Net Cash (Outflow) Inflow before Financing		(1,803)		4,693
Financing				
New public dividend capital	2,500		0	
Repayment of loans - Government	(1,045)		(1,045)	
Repayment of Public Dividend Capital	<u>(1,098)</u>		<u>(2,018)</u>	
Net Cash Inflow (Outflow) from Financing		<u>357</u>		<u>(3,063)</u>
(Decrease) Increase in Cash (Notes 29.2 and 3)		<u><u>(1,446)</u></u>		<u><u>1,630</u></u>

The notes on pages 78 & 115 form part of this statement

DOWN LISBURN 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 a grouped assets i.e. collectively have a cost of at least £5,000, are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and have an individual cost of £1,000 ; OR
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed

for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

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

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

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

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

All 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 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.

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

DOWN LISBURN 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	141,175	128,639
GB/Republic of Ireland Health Authorities	47	46
HSS Trusts	3,947	3,826
Non-HPSS:		
- private patients	21	35
- other	335	310
Clients contributions	5,814	5,712
Total	<u>151,339</u>	<u>138,568</u>

3. Other Operating Income

	2005	2004
	£000	£000
Other income from non-patient services	2,720	2,668
NICPMDE *	1,145	960
SUMDE **	105	54
Charitable and other contributions to expenditure	271	178
Transfers from the donation reserve in respect of depreciation on donated assets	99	90
Income in respect of fixed asset impairments ***	1,523	1,098
Other income	262	251
Total	<u>6,125</u>	<u>5,299</u>

* NICPMDE (Northern Ireland Council for Postgraduate Medical and Dental Education)

** SUMDE (supplement for Undergraduate Medical and Dental Education)

*** Income in respect of fixed asset impairments relates to the reduction in the asset lives of buildings either as a result of the redevelopment work on site or as a result of a review carried out by Health Services Estates

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)	87,910	79,420
Executive Board members remuneration	456	477
Non-executive Board members remuneration	49	48
Supplies and services - clinical	7,712	7,545
Supplies and services - general	2,455	2,411
Establishment	4,086	4,289
Transport	558	478
Premises	9,044	9,542
Bad debts	97	(4)
Depreciation and amortisation	5,660	3,627
Fixed asset impairments	1,523	1,098
Purchase of care from non-HPSS bodies and grants to voluntary organisations	29,713	27,280
Personal social services	2,311	2,042
Clinical Negligence Payments:		
- Provisions Utilised	492	504
Audit fees	30	25
Miscellaneous	2,852	2,796
Total	154,948	141,578

4.2 Operating Leases

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

	2005	2004
	£000	£000
Other operating leases	63	63
	63	63

Commitments under non-cancellable operating leases are:

	Other leases	
	2005	2004
	£000	£000
Operating leases which expire:		
Within 1 year	63	63
Between 1 and 5 years	219	252
After 5 years	0	30
	282	345

**DOWN LISBURN 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	75,988	2,783	78,771	70,739
Social security costs	5,113	0	5,113	4,753
Pension Costs for early retirement reflecting the single lump sum to buy over the full liability	0	0	0	180
Other pension costs	4,026	0	4,026	3,748
Total	85,127	2,783	87,910	79,420

Of the total, £106,143 has been charged to capital

5.2 Average Number of Employees

	Directly employed No.	Other No.	2005 No.	2004 No.
Medical and Dental	139	24	163	125
Nursing and Midwifery	991	45	1,036	1,032
Professions Allied to Medicine	238	1	239	213
Ancillaries	279	36	315	283
Administrative and Clerical Works	600	50	650	671
Other Professional and Technical	32	0	32	40
Social Services	14	0	14	18
Other	754	73	827	731
	0	0	0	16
	3,047	229	3,276	3,129

Figures refer to wholetime equivalents (WTEs) rather than individuals

DOWN LISBURN 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							
D Fitzsimons	20-25	0					
D Flanagan	5-10	0					
D Gorman	5-10	0					
J Holt	5-10	0					
B MacErlane	5-10	0					
L Tavakoli	5-10	0					
Executive Members and Other Directors							
J Compton	90-95	6-7	*	*	*	*	*
N Devaney ***	*	*	*	*	*	*	*
A Finn	*	*	*	*	*	*	*
J Martin ***	*	*	*	*	*	*	*
P Simpson	*	*	*	*	*	*	*
K Thompson	*	*	*	*	*	*	*
A Best	*	*	*	*	*	*	*
P McBrearty	*	*	*	*	*	*	*
S O'Rourke	*	*	*	*	*	*	*
J Simpson	*	*	*	*	*	*	*

* consent to disclosure withheld

** lease car

*** J Martin acting for N Devaney wef 1 November 2004.

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.

**DOWN LISBURN HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS**

NOTE 5 (Contd)

5.4 Staff Benefits

There are no staff benefits

5.5 Trust Management Costs

	2005	2004
	£000	£000
Trust Management Costs	6,591	6,266
Total Income	157,464	143,867
% of total income	<u>4.2%</u>	<u>4.4%</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 21 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £83,175.

**DOWN LISBURN HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS**

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	43,563	32,937	40,075	27,747
Total bills paid within 30 day target	36,444	27,214	34,454	21,821
% of bills paid within 30 day target	83.7%	82.6%	86.0%	78.6%

6.2 The Late Payment of Commercial Debts Regulations 2002

There were no amounts included within Interest Payable (Note 8) arising from claims made by small businesses under this legislation.

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

7. (Loss) on Disposal of Fixed Assets

	2005 £000	2004 £000
Loss on disposal of land and buildings	(4)	0
Profit on disposal of plant and equipment	6	2
Loss on disposal of plant and equipment	(24)	(45)
Loss on disposal of gastroscope	(22)	0
Loss on disposal of generator	(11)	0
Loss on disposal of remote control table	(11)	0
	<hr/>	<hr/>
Total	<u>(66)</u>	<u>(43)</u>

8. Interest Payable

	2005 £000	2004 £000
Originating interest bearing debt	1,291	1,377
	<hr/>	<hr/>
Total	<u>1,291</u>	<u>1,377</u>

An amount of £189,997 is included within Note 9.3 for the unwinding of discount on provisions.

DOWN LISBURN 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	2,155	1,246
Pensions	166	3
Employers liability	345	291
Public (Occupiers) liability	329	69
Injury benefit	102	0
Accrued leave	4	(1)
	<hr/>	<hr/>
Arising during the year (net) (note 9.2)	3,101	1,608
Unwinding of Discount on Provisions (9.3)	190	166
Utilised in year (9.4)	(1,165)	(835)
	<hr/>	<hr/>
Movement in Year (subtotal) (note 17)	2,126	939
Reimbursements Receivable (note 9.5)	(1,731)	(788)
Total decrease (to Income and Expenditure Account)	395	151
	<hr/> <hr/>	<hr/> <hr/>

9.2 Arising During the Year

	2005	2004
	£000	£000
Provided in year	3,504	2,144
Provisions not required (reversed/unused)	(403)	(536)
	<hr/>	<hr/>
Total Provided in year (9.1)	3,101	1,608
	<hr/> <hr/>	<hr/> <hr/>

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

9.3 Unwinding of Discount on Provisions

	2005	2004
	£000	£000
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence	68	46
Other	122	120
	<hr/>	<hr/>
Total Unwinding of Discounts on Provisions (Note 9.1)	<u>190</u>	<u>166</u>

9.4 Utilised in year

	2005	2004
	£000	£000
Clinical Negligence (Note 17)	(492)	(504)
Pensions relating to other staff (note 17)	(238)	(228)
Other (note 17)	(435)	(103)
	<hr/>	<hr/>
Total Utilised (Note 9.4)	<u>(1,165)</u>	<u>(835)</u>

9.5 Reimbursements Receivable

	2005	2004
	£000	£000
Clinical Negligence Central Fund	(1,731)	(788)
	<hr/>	<hr/>
Total Reimbursements Receivable	<u>(1,731)</u>	<u>(788)</u>

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

10 Intangible Fixed Assets

	Software licences £000
Cost or Valuation	
At 1 April 2004	414
At 31 March 2005	<u>414</u>
Depreciation	
At 1 April 2004	0
Provided during the year	138
At 31 March 2005	<u>138</u>
Net Book Value	
At 31 March 2005	
- Purchased	276
- Donated	0
Total at 31 March 2005	<u>276</u>
At 31 March 2004	
- Purchased	414
- Donated	0
Total at 31 March 2004	<u>414</u>

DOWN LISBURN 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	15,406	72,639	2,410	8,558	1,106	100,119
Indexation	665	16,487	0	180	0	17,332
Additions	0	102	705	794	5,624	7,225
Transfers	0	1,293	0	0	(1,293)	0
Revaluation	(137)	0	0	0	0	(137)
Impairments	0	(159)	0	(55)	0	(214)
Disposals	(3,377)	(3,819)	0	(684)	0	(7,880)
National Revaluation Exercise Impairments	0	(1,404)	0	0	0	(1,404)
National Revaluation Exercise	17,326	(17,889)	0	0	0	(563)
At 31 March 2005	29,883	67,250	3,115	8,793	5,437	114,478

Depreciation

At 1 April 2004	0	9,679	894	3,316	0	13,889
Indexation	0	11,450	0	69	0	11,519
Disposals	0	(3,691)	0	(616)	0	(4,307)
Provided during the year	0	4,254	508	772	0	5,534
National Revaluation Exercise	0	(21,692)	0	0	0	(21,692)
At 31 March 2005	0	0	1,402	3,541	0	4,943

Net Book Value

At 31 March 2005	29,883	67,250	1,713 *	5,252 **	5,437	109,535
At 31 March 2004	15,406	62,960	1,516	5,242	1,106	86,230

* Computer equipment of £1.713m (£1.516m 2003/04) includes £0.226m (£0.279m 2003/04) relating to the Beeches Management Centre.

** Equipment of £5.252m (£5.242m 2003/04) includes £0.025m (£0.036m 2003/04) relating to the Beeches Management Centre.

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

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

Note 11.1 (Contd)

Donated Assets

	Buildings Installations and fittings £000	Other Equipment £000	Total £000
Cost or Valuation			
At 1 April 2004	999	700	1,699
Indexation	75	(5)	70
Disposals	(39)	0	(39)
National Revaluation Exercise	(504)	0	(504)
	<hr/>		
At 31 March 2005	531	695	1,226
<hr/>			
Depreciation			
At 1 April 2004	50	247	297
Indexation	0	(15)	(15)
Disposals	0	0	0
Provided during the year	27	72	99
National Revaluation Exercise	(77)	0	(77)
	<hr/>		
At 31 March 2005	0	304	304
<hr/>			
Net Book Value			
At 31 March 2005	531	391	922
<hr/>			
At 31 March 2004	949	453	1,402
<hr/>			

**DOWN LISBURN 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	29,883	0	29,883	15,406
Buildings installations and fittings	67,250	531	67,781	63,909
Computer Equipment	1,713	0	1,713	1,516
Other Equipment	5,252	391	5,643	5,695
Assets under construction	<u>5,437</u>	<u>0</u>	<u>5,437</u>	<u>1,106</u>
Total	<u>109,535</u>	<u>922</u>	<u>110,457</u>	<u>87,632</u>

11.3 The net book value of land and buildings comprises:

	2005 £000	2004 £000
Freehold	97,664	79,315
	<u>97,664</u>	<u>79,315</u>

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

There are no assets held under finance leases or hire purchase contract.

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

12. Stocks and Work in Progress

	2005 £000	2004 £000
Raw Materials and consumables	<u>373</u>	<u>309</u>
Total	<u>373</u>	<u>309</u>

13. Debtors

	2005 £000	2004 £000
Amounts falling due within one year:		
HSS or NHS debtors	4,128	2,564
Clinical Negligence - Central Fund	2,155	731
Other debtors	<u>2,823</u>	<u>2,409</u>
Sub Total	<u>9,106</u>	<u>5,704</u>

The balances are net of a provision for bad debts of £324,161 (£226,964 2003/04)

Amounts falling due after more than one year:		
HSS or NHS debtors	644	565
Clinical Negligence - Central Fund	1,976	1,670
Other debtors	<u>7</u>	<u>28</u>
Sub Total	<u>2,627</u>	<u>2,263</u>
Total	<u>11,733</u>	<u>7,967</u>

14. Short-term Investments

	2005 £000	2004 £000
Banking Deposits	<u>3,394</u>	<u>53</u>
Total	<u>3,394</u>	<u>53</u>

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

15. Creditors

15.1 Creditors: Amounts falling due within one year:

	2005	2004
	£000	£000
Current instalments due on loans	1,045	1,045
Interest payable	54	58
Public dividend capital dividend payable	1,395	1,201
PDC payable in respect of impairments	1,523	1,098
HPSS or NHS creditors and accruals	852	943
Non HPSS or NHS trade revenue creditors	7,473	8,149
Non HPSS or NHS trade capital creditors	1,743	2,304
Payroll creditors including taxation and social security	3,936	2,784
Other creditors	<u>52</u>	<u>52</u>
Sub Total	<u>18,073</u>	<u>17,634</u>

15.2 Creditors: Amounts falling due after more than one year:

Long Term Loans	<u>14,110</u>	<u>15,155</u>
Sub Total	<u>14,110</u>	<u>15,155</u>
Total Creditors	<u><u>32,183</u></u>	<u><u>32,789</u></u>

15.3 Finance lease obligations

There are no finance lease obligations.

15.4 Public Dividend Capital Dividends

	2005	2004
	£000	£000
The dividend is in respect of Public Dividend Capital	<u>1,395</u>	<u>1,201</u>
	<u><u>1,395</u></u>	<u><u>1,201</u></u>

**DOWN LISBURN HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS**

16. Loans

	2005	2004
	£000	£000
Amounts falling due:		
In one year or less	1,045	1,045
Between one and two years	1,046	1,046
Between two and five years	3,135	3,135
In five years or more	9,929	10,974
Total	15,155	16,200

	2005	2004
	£000	£000
Wholly or partially repayable after five years by instalments	15,155	16,200
Total	15,155	16,200
Total Repayable after five years by instalments	9,929	10,974

Terms of payment	Interest	2005	2004
	Rate	£000	£000
	%		
Government: Originating IBD	8.125	15,155	16,200

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

17. Provisions for liabilities and charges

	Pensions relating to other staff £000	Clinical negligence £000	Other £000	2005 £000	2004 £000
Balance at 31 March 2004	2,820	2,401	939	6,160	5,221
Arising during the year	166	2,462	876	3,504	2,144
Utilised during the year	(238)	(492)	(435)	(1,165)	(835)
Reverse unused	0	(307)	(96)	(403)	(536)
Unwinding of discount	99	68	23	190	166
At 31 March 2005	2,847	4,132	1,307	8,286	6,160

Income and Expenditure Account Charges

	£000
Arising during the year	3,504
Utilised during the year	(1,165)
Reversed unused	(403)
Unwinding of discounts	<u>190</u>
Total	<u>2,126</u>

**DOWN LISBURN 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 other staff £000	Clinical Negligence £000	Other £000	2005 £000	2004 £000
Within 1 year	218	2,155	457	2,830	1,278
1 - 5 years	869	1,977	619	3,465	2,952
Over 5 years	1,760	0	231	1,991	1,930

The "other" class comprises of provisions for Injury claims, Public and Employer Liability and Frozen Leave.

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

	£000
Clinical Negligence Central Fund	4,131

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

In addition to the clinical negligence provision, contingent liabilities for clinical negligence are given in Note 25.

DOWN LISBURN 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	977	(3,116)
In prior years	24,833	27,949
Total	<u>25,810</u>	<u>24,833</u>

19. Movements on Reserves

	Revaluation Reserve £000	Donation Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000	Total £000
At 1 April 2004	31,873	1,402	880	124	34,279
Retained surplus for year	0	0	14	(328)	(314)
Revaluation and indexation of fixed assets	5,676	85	0	0	5,761
Transfer of realised profits	(4,323)	0	0	4,323	0
Movements in donation reserve	0	(138)	0	0	(138)
Fixed Asset Impairments	(96)	0	0	0	(96)
National revaluation	21,129	(427)	0	0	20,702
At 31 March 2005	<u>54,259</u>	<u>922</u>	<u>894</u>	<u>4,119</u>	<u>60,194</u>

DOWN LISBURN 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 for the financial year	1,462	1,246
less provisions for future obligations	(395)	(151)
less public dividend capital dividends	(1,395)	(1,201)
	<u>(328)</u>	<u>(106)</u>
Gains from revaluation/indexation of		
Purchased fixed assets	22,386	9,041
Public dividend capital repayments	(1,523)	(3,116)
Public dividend capital issued	2,500	0
Government loans repayments	(1,045)	(1,045)
Additions in other reserves	<u>4,323</u>	<u>0</u>
Net Movement in Government funds	26,313	4,774
Government funds at 31 March 2004	<u>73,030</u>	<u>68,256</u>
Government funds at 31 March 2005	<u><u>99,343</u></u>	<u><u>73,030</u></u>

**DOWN LISBURN HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004
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 £2,686,000 bears to the average relevant net assets of £71,543,000 that is 3.8%.

The return for 2004/2005 is calculated as 3.8% (2003/2004 3.7%)

The variance is within the Department's materiality range of 3.5% to 4%.

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	1,291
Plus	
Dividends payable on Public Dividend Capital	1,395
	<hr/>
Trust Debt Remuneration	<u><u>2,686</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 £000	Closing £000	Average £000
Total capital and reserves* (equivalent to total net assets)	59,112	66,707	62,910
Less:			
Donation reserve	(1,402)	(922)	(1,162)
Purchased assets in the course of construction	(1,106)	(5,437)	(3,272)
Short-term assets	(53)	(3,394)	(1,724)
Other reserves	(880)	(894)	(887)
Plus:			
Loans and overdrafts	16,200	15,155	15,678
Relevant Net Assets	<u><u>71,871</u></u>	<u><u>71,215</u></u>	<u><u>71,543</u></u>

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

DOWN LISBURN HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004
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>104,730</u>	<u>114,090</u>	<u>130,638</u>	<u>143,867</u>	<u>157,464</u>
Operational Surplus for Financial Year before Provisions and					
ii. Exceptional Income	<u>48</u>	<u>60</u>	<u>63</u>	<u>45</u>	<u>67</u>
Break Even in year					
iii. position	48	60	63	45	67
Break Even cumulative					
iv. position(opening)	4,364	4,412	4,690	4,753	3,865
v. Other Adjustments	0	218	0	(933)	0
Break Even cumulative					
vi. position(closing)	<u><u>4,412</u></u>	<u><u>4,690</u></u>	<u><u>4,753</u></u>	<u><u>3,865</u></u>	<u><u>3,932</u></u>
Materiality Test:					
Break Even in year position as % of turnover	<u>0.0%</u>	<u>0.1%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Break Even cumulative position as % of turnover	<u>4.2%</u>	<u>4.1%</u>	<u>3.6%</u>	<u>2.7%</u>	<u>2.5%</u>

The cumulative surplus is largely as a result of the profit on disposal of Kilwarlin House in 1999/2000.

DOWN LISBURN 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>1,431</u></u>	<u><u>3,072</u></u>

The Trust stayed within its External Financing Limit by £2,969,000. The Trust's External Financing Requirement for the year was (£1,538,000) and was met as follows:-

	2005	2004
	£000	£000
Increase (decrease) in:		
Public dividend capital	1,402	(2,018)
Government long-term loans	(1,045)	(1,045)
(Increase) decrease in:		
Short-term investments	(3,341)	5,667
Cash at bank and in hand	1,446	(1,630)
External Finance Accessed	<u><u>(1,538)</u></u>	<u><u>974</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 Expenditure (charge against the CRL)	7,178
Capital Resource Limit	<u>7,183</u>
Underspend against CRL	<u><u>5</u></u>

22. Private Finance Transactions

There are no private finance transactions.

**DOWN LISBURN HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005
NOTES TO THE ACCOUNTS**

22. Private Finance Transactions

There are no private finance transactions

**DOWN LISBURN 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.

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is +/- £X (2004 +/- £X).

**DOWN LISBURN 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:-

	2005 Total £000	2004 Total £000
Contracted	1,693	3,006
Authorised by the Board, but not contracted	<u>54,816</u>	<u>3,670</u>
Total	<u>56,509</u>	<u>6,676</u>

	2005 £	Planned developments will be completed in
Contracted		
Thompson House Hospital	1,453	2005/06
LVH Infrastructure	240	2005/06
Authorised by the Board, but not contracted		
New Downe Hospital	53,800	2009/10
Replacement Children's Home	878	2005/06
Downshire Enabling Works	<u>138</u>	2005/06
Total	<u>56,509</u>	

Capital commitments will be financed by the Trust's Capital Resource Limit and from RRI funds in respect of the new Downe Hospital.

24. Post Balance Sheet Events

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

DOWN LISBURN 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 £7,468 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	<u>7</u>	<u>20</u>
Net Contingent Liability	<u><u>7</u></u>	<u><u>20</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.

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 Down Lisburn HSS Trust.

DOWN LISBURN 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	7	3,667
2 Bad debts and claims abandoned	68	34,171
3 Stores and Inventory Losses - Deterioration in store	24	10,996
4 Compensation payments (legal obligation)		
i. Clinical Negligence	55	493,610
ii. Public Liability	24	212,048
iii. Employers Liability	71	216,266
5 Ex-gratia payments - Compensation payments (including payments to patients and staff)	22	3,908
6 a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.	8	2,112
TOTAL	279	976,778

**DOWN LISBURN 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	1,538	0	0	213
Northern Ireland Health and Social Service Boards	61	0	0	3,724
HSS Trusts	600	0	0	185
Agencies & Special Agencies	278	0	0	219
Non-Departmental Public Bodies	181	0	0	12
Local Authorities	0	0	0	14
Total	2,658	0	0	4,367

DOWN LISBURN 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 to net cash inflow from operating activities

	2005	2004
	£000	£000
Operating surplus	2,516	2,289
Depreciation charge	5,660	3,627
Provisions for future obligations (I&E Account)	(395)	(151)
Fixed asset impairments	1,523	1,098
Transfer from donation reserve	(99)	(90)
Non-cash Items		
Increase in provisions (Balance Sheet)	2,126	939
(Increase) in stocks	(64)	(47)
(Increase) in debtors	(3,687)	(2,143)
Increase in creditors	384	332
	<u>384</u>	<u>332</u>
Net cash inflow from operating activities	<u>7,964</u>	<u>5,854</u>

DOWN LISBURN 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	(1,446)		1,630	
Cash outflow from debt repaid and finance lease capital payments	1,045		1,045	
Cash (inflow)/outflow from decrease/increase in liquid resources	<u>3,341</u>		<u>(5,667)</u>	
Change in net debt resulting from cash flows		2,940		(2,992)
Net Debt at 1 April 2004		<u>(14,461)</u>		<u>(11,469)</u>
Net Debt at 31 March 2005		<u><u>(11,521)</u></u>		<u><u>(14,461)</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	1,686	(1,446)	0	240
Debt due within 1 year	(1,045)	1,045	(1,045)	(1,045)
Debt due after 1 year	(15,155)	0	1,045	(14,110)
Current asset investments	<u>53</u>	<u>3,341</u>	<u>0</u>	<u>3,394</u>
	<u><u>(14,461)</u></u>	<u><u>2,940</u></u>	<u><u>0</u></u>	<u><u>(11,521)</u></u>

**DOWN LISBURN 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 Down Lisburn Health and Social Services 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 the listed companies to which FRS13 mainly implies. The Down Lisburn Health and Social Services 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 Down Lisburn Health and Social Services Trust in undertaking its activities.

31. Third Party Assets

The Trust held £940,059 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.

The Trust held £95,983 cash at bank and in hand at 31/3/05 which relates to monies held by the Trust on behalf of the Beeches Management Centre. 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.

DOWN LISBURN 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 pages 119-128 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 116 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 Down Lisburn 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: 31st August 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

Previous Year	Receipts		
£		£	£
	Balance at 1st April 2004		
699,230	1. Investments (at cost)	719,549	
129,932	2. Cash at Bank	145,306	
2,392	3. Cash in Hand	2,342	867,197
509,073	Amounts Received in the Year		647,156
25,005	Interest Received		33,654
1,365,632	Total		1,548,007
Payments			
498,435	Amounts Paid on Behalf of Patients/ Residents		607,948
	Balance at 31st March 2005		
719,549	1. Investments (at cost)	748,138	
145,306	2. Cash at Bank	189,737	
2,342	3. Cash in Hand	2,184	940,059
1,365,632	Total		1,548,007

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
719,549		748,138	

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

Director of Finance Paul Simpson Date 25th July 2005

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

Chief Executive John Compton Date 27th July 2005

I have audited the above Account of Monies Held on Behalf of Patients / Residents and in my opinion it is in accordance with the accounts and financial records maintained by the Trust.

Appointed Auditor J M Dowdall CB Date 31st August 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

		Downshire	
Previous Year	Receipts		
£	Balance at 1st April 2004	£	£
125,963	1. Investments (at cost)	119,573	
23,407	2. Cash at Bank	24,147	
1,000	3. Cash in Hand	1,000	144,720
103,291	Amounts Received in the Year		120,829
4,326	Interest Received		5,191
257,987	Total		270,740
Payments			
113,267	Amounts Paid on Behalf of Patients/ Residents		157,940
	Balance at 31st March 2005		
119,573	1. Investments (at cost)	89,182	
24,147	2. Cash at Bank	22,618	
1,000	3. Cash in Hand	1,000	112,800
257,987	Total		270,740

Schedule of Investments held
at
31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
119,573		89,182	

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

Director of Finance

Paul Simpson

Date

25th July 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

		Downe Hospital	
Previous Year	Receipts		
£		£	£
	Balance at 1st April 2004		
-	1. Investments (at cost)	-	
-	2. Cash at Bank	-	
-	3. Cash in Hand	-	-
-	Amounts Received in the Year		2,100
-	Interest Received		-
-	Total		2,100
Payments			
-	Amounts Paid on Behalf of Patients/ Residents		2,100
	Balance at 31st March 2005		
-	1. Investments (at cost)	-	
-	2. Cash at Bank	-	
-	3. Cash in Hand	-	-
-	Total		2,100

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
-		-	

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

Director of Finance

Paul Simpson

Date

25th July 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

		Lagan Valley	
Previous Year	Receipts		
£		£	£
	Balance at 1st April 2004		
302,396	1. Investments (at cost)	326,142	
56,192	2. Cash at Bank	65,861	
500	3. Cash in Hand	500	392,503
238,413	Amounts Received in the Year		262,101
11,202	Interest Received		14,820
608,703	Total		669,424
Payments			
216,200	Amounts Paid on Behalf of Patients/ Residents		248,761
	Balance at 31st March 2005		
326,142	1. Investments (at cost)	335,162	
65,861	2. Cash at Bank	85,001	
500	3. Cash in Hand	500	420,663
608,703	Total		669,424

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
326,142		335,162	

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

Director of Finance

Paul Simpson

Date

25th July 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

Ardview House

Previous Year	Receipts		
£	Balance at 1st April 2004	£	£
66,965	1. Investments (at cost)	75,583	
12,444	2. Cash at Bank	15,263	
-	3. Cash in Hand		90,846
21,423	Amounts Received in the Year		62,022
2,481	Interest Received		3,853
103,313	Total		156,721
Payments			
12,467	Amounts Paid on Behalf of Patients/ Residents		39,360
	Balance at 31st March 2005		
75,583	1. Investments (at cost)	93,618	
15,263	2. Cash at Bank	23,743	
	3. Cash in Hand		117,361
103,313	Total		156,721

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
75,583		93,618	

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

Director of Finance

Paul Simpson

Date

25th July 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

		Grove House	
Previous Year	Receipts		
£		£	£
	Balance at 1st April 2004		
8	1. Investments (at cost)	8	
1	2. Cash at Bank	2	
331	3. Cash in Hand	223	233
10,204	Amounts Received in the Year		22,079
-	Interest Received		44
10,544	Total		22,356
Payments			
10,311	Amounts Paid on Behalf of Patients/ Residents		13,514
	Balance at 31st March 2005		
8	1. Investments (at cost)	6,732	
2	2. Cash at Bank	1,707	
223	3. Cash in Hand	403	8,842
10,544	Total		22,356

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
8		6,732	

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

Director of Finance

Paul Simpson

Date

25th July 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

		Hillhall	
Previous Year	Receipts		
£	Balance at 1st April 2004	£	£
132,649	1. Investments (at cost)	118,699	
24,649	2. Cash at Bank	23,970	
-	3. Cash in Hand	-	142,669
60,431	Amounts Received in the Year		51,395
4,319	Interest Received		5,690
222,048	Total		199,754
Payments			
79,379	Amounts Paid on Behalf of Patients/ Residents		39,683
	Balance at 31st March 2005		
118,699	1. Investments (at cost)	127,688	
23,970	2. Cash at Bank	32,383	
-	3. Cash in Hand	-	160,071
222,048	Total		199,754

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
118,699		127,688	

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

Director of Finance

Paul Simpson

Date

25th July 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

St.Johns Resource Centre

Previous Year	Receipts		
£	Balance at 1st April 2004	£	£
38,326	1.Investments (at cost)	41,223	
7,122	2.Cash at Bank	8,325	
-	3. Cash in Hand	-	49,548
21,161	Amounts Received in the Year		66,878
1,395	Interest Received		2,144
68,004	Total		118,570
Payments			
18,456	Amounts Paid on Behalf of Patients/ Residents		50,262
	Balance at 31st March 2005		
41,223	1.Investments (at cost)	54,489	
8,325	2.Cash at Bank	13,819	
-	3. Cash in Hand	-	68,308
68,004	Total		118,570

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
41,223		54,489	

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

Director of Finance

Paul Simpson

Date

25th July 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

		Struell Lodge	
Previous Year	Receipts		
£	Balance at 1st April 2004	£	£
17,948	1. Investments (at cost)	16,596	
3,335	2. Cash at Bank	3,351	
561	3. Cash in Hand	619	20,566
27,918	Amounts Received in the Year		37,428
628	Interest Received		785
50,390	Total		58,779
Payments			
29,824	Amounts Paid on Behalf of Patients/ Residents		38,335
	Balance at 31st March 2005		
16,596	1. Investments (at cost)	16,084	
3,351	2. Cash at Bank	4,079	
619	3. Cash in Hand	281	20,444
50,390	Total		58,779

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
16,596		16,084	

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

Director of Finance

Paul Simpson

Date

25th July 2005

DOWN LISBURN HSS TRUST
Year Ended 31st March 2005
ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS

		Community	
Previous Year	Receipts		
£		£	£
	Balance at 1st April 2004		
14,975	1. Investments (at cost)	21,725	
2,782	2. Cash at Bank	4,387	
-	3. Cash in Hand	-	26,112
26,233	Amounts Received in the Year		22,324
654	Interest Received		1,127
44,644	Total		49,563
Payments			
18,532	Amounts Paid on Behalf of Patients/ Residents		17,993
	Balance at 31st March 2005		
21,725	1. Investments (at cost)	25,183	
4,387	2. Cash at Bank	6,387	
-	3. Cash in Hand	-	31,570
44,644	Total		49,563

Schedule of Investments held
at 31st March 2005

Previous Year	Investment First Trust Bank	Nominal Value	Cost Price
21,725		25,183	

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

Director of Finance

Paul Simpson

Date

25th July 2005

**GREEN PARK HEALTHCARE HSS TRUST
ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005**

**GREEN PARK HEALTHCARE HSS TRUST
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.

GREEN PARK HEALTHCARE HSS TRUST ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

STATEMENT OF GREEN PARK HEALTHCARE 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) Green Park Healthcare HSS 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 Green Park Healthcare HSS 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 Miss Hilary Boyd of Green Park Healthcare HSS 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.

**GREEN PARK HEALTHCARE HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**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 139 to 180) which I am required to prepare on behalf of Green Park Healthcare HSS 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 Bradley Director of Finance
10th June 2005 Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 139 to 180) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Mr J Stewart Chairman
4th August 2005 Date

Miss H Boyd Chief Executive
4th August 2005 Date

GREEN PARK HEALTHCARE HSS TRUST ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

STATEMENT OF INTERNAL CONTROL

The Board of Green Park Healthcare HSS Trust is accountable for internal control. As Accountable Officer and Chief Executive of the Board of Green Park Healthcare HSS 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 effectiveness of the system.

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

The Green Park Healthcare HSS 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:

- Bank and Cash
- Payroll
- Local Accounts Payable Systems (Payments to Creditors)
- Charitable Funds
- Patients Private Property
- Outside Contracts
- Ordering and Receipt of Goods
- Financial Management Standard, controls assurance
- Risk Management Standard, controls assurance
- Governance Standard, controls assurance
- Decontamination of Medical Devices Standard, controls assurance
- Infection Control Standard, controls assurance
- Fire Safety Standard, controls assurance
- Information and Communications Technology, controls assurance.

In his annual report, the Internal Auditor reported that Green Park Healthcare HSS Trust's system of internal financial control was adequate and effective. Where any weaknesses in control were identified during the course of the audit investigations, recommendations to address these control weaknesses have been or are being implemented.

With regard to the wider control environment the Green Park Healthcare HSS Trust has in place a range of organisation 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 Green Park Healthcare HSS Trust are pursued in accordance with the recognised and accepted standards of public administration.

In the recruitment and selection of its staff the Trust adheres to all relevant employment legislation. Its recruitment policy is based on existing codes of practice. Policies are kept under review in consultation with Trade Unions and the appointments process is audited on a regular basis and the outcomes reported to the Trust Board. All Trust staff who are involved in recruitment and selection are required to complete the recognised training course before being engaged in selection. Refresher training on a bi-annual basis is mandatory. Evidence of attendance at training courses is maintained on the recruitment file.

A workforce planning steering group involving all members of the Executive team meets quarterly to examine workforce issues. The agenda includes detailed reports on the

management of absenteeism, use of temporary and fixed term appointments and expenditure on overtime, on-call, agency and temporary staff.

In respect of the estate management, decisions are made in the context of an Estate Strategy Plan. This strategy demonstrates the programme of capital investment required taking into consideration assets realised as part of the Trust's overall estate rationalisation. The Trust is also developing a Strategic Development Plan which will assist it in delivering quality services into the future.

The Trust's commitment to fire safety is endorsed through the completion of the annual certificate of firecode compliance.

Green Park Healthcare HSS Trust is actively working to meet the statutory requirements of the Disability Discrimination Act 1995 and has identified a prioritised plan of action to address these issues.

In line with the Australian/New Zealand Risk Management Standard for Risk Management 4360:1999, the Green Park Healthcare HSS Trust has developed a risk management strategy which identifies the Trust's risk management objectives and the accountability and organisational arrangements in place. Training is available to all staff on accident/incident reporting, root cause analysis and a variety of health & safety workshops such as COSHH, manual handling, display screen equipment and general risk assessment. Embedded within this is the development of the Trust Risk Register, which has identified the organisation's objectives and risks and sets out a control strategy for each of the significant risks. A risk management committee is in place to monitor risk management issues on a Trust wide basis. Reporting procedures are in place for verifying that key risk areas are reviewed regularly and reported on and that risk management has been incorporated fully into the corporate planning and decision-making process of the organisation.

Using the DHSS&PS controls assurance standards for 2004/05, all 14 standards were audited by self assessment using the documentation and methodology from Internal Audit Beeches Management Centre. In addition internal audit externally verified the three core standards, the three issued for substantive compliance for 2004/05 and the ICT standard. Following this detailed review of evidence, action plans are being formulated where appropriate. These action plans will be monitored on a quarterly basis with both the Clinical and Corporate Governance Steering Group and Trust Board informed of progress.

Following the audit, the trust achieved the following levels of compliance for 2004/05

Standard	DHSS&PS Expected Level of Compliance	Trust Level of Compliance	Audited by BMC
Decontamination of Reusable Medical Devices	70%-99% (substantive)	78% (substantive)	Yes
Environmental Management	30%-69% (moderate)	19.5% (minimal)	No
Risk Management (core standard)	70%-99% (substantive)	76% (substantive)	Yes

Medicines Management	30%-69% (moderate)	84% (substantive)	No
Waste Management	30%-69% (moderate)	60% (moderate)	No
Medical Equipment and Devices Management	30%-69% (moderate)	54% (moderate)	No
Health & Safety	30%-69% (moderate)	85% (substantive)	No
Governance (core standard)	70%-99% (substantive)	86% (substantive)	Yes
Human Resources	30%-69% (moderate)	96% (substantive)	No
Information Management and Technology	30%-69% (moderate)	86% (substantive)	Yes
Infection Control	70%-99% (substantive)	70% (substantive)	Yes
Fire Safety	70%-99% (substantive)	88% (substantive)	Yes
Financial Management(core standard)	70%-99% (substantive)	86% (substantive)	Yes
Building, Land, Plant and Non-Medical Equipment	30%-69% (moderate)	71% (substantive)	No

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 Green Park Healthcare 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.

Chief Executive: Miss H Boyd
Date: 4th August 2005

GREEN PARK HEALTHCARE HSS 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 139 to 180 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 13 to 18.

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page 131, 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 133 to 136 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 Green Park Healthcare 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 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

GREEN PARK HEALTHCARE HSS TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	NOTE	2005 £000	2004 £000
Income from Activities			
continuing activities	2	62,699	54,670
Other Operating Income	3	<u>3,477</u>	<u>4,112</u>
		66,176	58,782
Operating Expenses	4, 5	<u>(63,133)</u>	<u>(56,031)</u>
continuing activities			
OPERATING SURPLUS (DEFICIT)			
continuing activities		3,043	2,751
Profit/(loss) on disposal of Fixed Assets	7	<u>(1)</u>	<u>(63)</u>
SURPLUS (DEFICIT) BEFORE INTEREST		3,042	2,688
Interest Receivable		145	249
Interest Payable	8	<u>(397)</u>	<u>(425)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		2,790	2,512
Public Dividend Capital Dividends Payable	15	<u>(2,761)</u>	<u>(2,467)</u>
OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS	21	29	45
Provisions for Future Obligations	9.1	<u>(231)</u>	<u>119</u>
RETAINED SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		<u><u>(202)</u></u>	<u><u>164</u></u>
BREAK EVEN POSITION	21	<u><u>29</u></u>	<u><u>45</u></u>

Notes 1 to 31 form part of these accounts

All Income and Expenditure is derived from continuing activities

GREEN PARK HEALTHCARE 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>103,959</u>		<u>86,656</u>
			103,959		86,656
CURRENT ASSETS					
Stocks and work in progress	12	1,123		1,106	
Debtors: Amounts falling due					
Within one year	13	3,684		3,421	
After one year	13	345		354	
Short term investments	14	444		856	
Cash at bank and in hand		<u>122</u>		<u>42</u>	
			5,718		5,779
CREDITORS: Amounts falling due					
within one year	15		<u>(12,117)</u>		<u>(8,359)</u>
NET CURRENT ASSETS (LIABILITIES)			<u>(6,399)</u>		<u>(2,580)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			97,560		84,076
Creditors: Amounts Falling Due					
After more than one year	15		(4,170)		(4,505)
Provisions for Liabilities and					
Charges	17		<u>(1,305)</u>		<u>(1,083)</u>
TOTAL ASSETS EMPLOYED			<u>92,085</u>		<u>78,488</u>
FINANCED BY:					
CAPITAL AND RESERVES					
Public dividend capital	18		13,661		13,866
Revaluation reserve	19		65,063		55,545
Donation reserve	19		7,101		2,862
Realised donation reserve	19		0		0
Other reserves	19		0		0
Income and expenditure reserve	19		<u>6,260</u>		<u>6,215</u>
			<u>92,085</u>		<u>78,488</u>

Notes 1 to 31 form part of these accounts

I certify that the attached financial statements and annual report were approved by the Board of Directors on 4th August 2005

Chief Executive: Miss H Boyd

Date: 4th August 2005

GREEN PARK HEALTHCARE 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		2,790		2,512
Provisions for future obligations		<u>(231)</u>		<u>119</u>
		2,559		2,631
Fixed Asset Impairment Losses		0		0
Non donated Fixed Assets				
Indexation of fixed assets	5,285		5,195	
Unrealised Surplus (deficit) on revaluation of fixed assets	<u>4,480</u>		<u>317</u>	
		9,765		5,512
Donated Assets				
Additions to donated assets	4,458		85	
Changes to donation reserve (except transfers to realised donation reserve)	<u>(219)</u>		<u>57</u>	
		<u>4,239</u>		<u>142</u>
Total recognised gains and losses relating to the year		16,563		8,285
Additions (reductions) in other reserves		<u>(205)</u>		<u>(375)</u>
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR		<u>16,358</u>		<u>7,910</u>
<i>Prior year adjustment</i>				<u>64</u>
<i>Total gains/(losses) recognised from previous Annual Report</i>				<u>7,974</u>

GREEN PARK HEALTHCARE 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)		8,688		5,141
Returns on Investments and Servicing of Finance				
Interest received	145		249	
Interest paid	(397)		(425)	
Interest element of finance lease rental payments	0		0	
Net Cash (Outflow) Inflow from returns on Investments and Servicing of Finance		(252)		(176)
Capital Expenditure				
Payments to acquire fixed assets	(5,761)		(4,620)	
Receipts from sale of fixed assets	0		585	
Net Cash Inflow (Outflow) from Capital Expenditure		(5,761)		(4,035)
Dividends Paid		(2,467)		(4,154)
Management of Liquid Resources				
Purchase of current asset investments	0		0	
Sale of current asset investments	412		3,928	
Net Cash Inflow (Outflow) from Management of Liquid Resources		412		3,928
Net Cash Inflow (Outflow) before Financing		620		704
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	(335)		(335)	
Repayment of public dividend capital	(205)		(375)	
Capital element of finance lease rental payments	0		0	
Net Cash Inflow (Outflow) from Financing		(540)		(710)
INCREASE (DECREASE) IN CASH (Notes 29.2 and 29.3)		80		(6)

The notes on pages 178 and 179 form part of this statement.

GREEN PARK HEALTHCARE 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 2004/2005 HPSS Trust Manual of Accounts issued by the Department of Health and Social Services and Public Safety.

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

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

Paragraph 20 of the 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 the 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 FRS15 requires the loss to be recognised in the income and expenditure account in its entirety. In the context of their capital accounting HSS bodies take those impairment losses resulting from short term changes in price that are considered 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 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. The only exception is that of pharmacy stock which is valued at average cost.

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

The costs of early retirement contributions are met by the Trust and are charged to the 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.

GREEN PARK HEALTHCARE 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	56,612	49,242
GB/Republic of Ireland Health Authorities	11	12
Local Health & Social Care Groups	23	0
HSS Trusts	4,752	4,379
Non-HPSS:		
- private patients	1,129	837
- other	172	200
Clients contributions	0	0
	<u>0</u>	<u>0</u>
Total	<u>62,699</u>	<u>54,670</u>

3. Other Operating Income

	2005	2004
	£000	£000
Patient transport services	0	0
Other income from non-patient services	869	1,100
HPSS Research & Development	124	111
Northern Ireland Medical & Dental Training Agency	626	606
Supplement for Undergraduate Medical & Dental Education	451	462
Charitable and other contributions to expenditure	361	409
Transfers from the donation reserve in respect of depreciation on donated assets	277	177
Income in respect of fixed asset impairments	205	375
Clinical Negligence Central Fund	37	112
Reversal of fixed asset impairments	0	0
Other Income	527	760
	<u>527</u>	<u>760</u>
Total	<u>3,477</u>	<u>4,112</u>

GREEN PARK HEALTHCARE 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 £000	2004 £000
Salaries & Wages (excl. Board members remuneration)	36,389	32,606
Executive Board members remuneration	504	431
Non-executive Board members remuneration	50	53
Supplies and services - clinical	13,192	10,347
Supplies and services - general	3,806	3,763
Establishment	736	765
Transport	140	129
Premises	3,418	3,183
Bad debts	40	(1)
Depreciation and amortisation	2,844	2,162
Fixed Asset Impairments	205	375
Purchase of care from non-HPSS bodies and grants to voluntary organisations	0	0
Personal social services	0	0
Recharges from other HPSS organisations	1,014	1,248
Clinical Negligence Payments:		
Provisions Utilised	37	112
Other	0	0
Audit fees	28	24
Other auditors remuneration	0	0
Miscellaneous	730	834
Total	<u>63,133</u>	<u>56,031</u>

4.2 Operating Leases

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

	2005 £000	2004 £000
Hire of plant and machinery	0	0
Other operating leases	39	60
	<u>39</u>	<u>60</u>

Commitments under non-cancellable operating leases are:

	Land and buildings		Other leases	
	2005 £000	2004 £000	2005 £000	2004 £000
Operating leases which expire:				
Within 1 year	0	0	16	36
Between 1 and 5 years	0	0	5	21
After 5 years	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

5. Salaries & Wages

5.1 Staff Costs

	Directly Employed £000	Other £000	2005 £000	2004 £000
Salaries and Wages	29,820	2,484	32,304	28,908
Social security costs	2,024	304	2,328	2,089
Pensions costs for early retirements reflecting single lump sum to buy over full liability	0	0	0	0
Other pension costs	1,565	192	1,757	1,609
Early departure costs	0	0	0	0
Total	33,409	2,980	36,389	32,606

An amount of £56,096 has been charged to capital in the year

5.2 Average Number of Employees

	Directly Employed No	Other No	2005 No	2004 No
Medical and dental	62	26	88	85
Nursing and Midwifery	587	13	600	591
Professions Allied to medicine	161	2	163	156
Ancillaries	17	0	17	17
Administrative and clerical	246	14	260	253
Ambulance staff	0	0	0	0
Works	26	1	27	29
Other Professional and technical	63	2	65	57
Social Services	0	0	0	0
All other	0	0	0	0
	1,162	58	1,220	1,188

Figures refer to wholetime equivalents (WTEs) rather than individuals

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

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							
Mr J Stewart	£20 - £25	£0	N/A	N/A	N/A	N/A	N/A
Mr J Cooper	£5 - £10	£0	N/A	N/A	N/A	N/A	N/A
Mr A Hanna	£5 - £10	£0	N/A	N/A	N/A	N/A	N/A
Mr M Lewis	£5 - £10	£0	N/A	N/A	N/A	N/A	N/A
Mrs J Power	£5 - £10	£0	N/A	N/A	N/A	N/A	N/A
Mrs M Shevlin	£5 - £10	£0	N/A	N/A	N/A	N/A	N/A

Executive Members

Miss H Boyd	----- consent to disclosure withheld -----
Mr C Bradley	----- consent to disclosure withheld -----
Mr C Cairns	----- consent to disclosure withheld -----
Dr D Connolly	----- consent to disclosure withheld -----
Miss T McKernan	----- consent to disclosure withheld -----
Miss P O'Callaghan	----- consent to disclosure withheld -----
Mr B Sore	----- 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 a member leaves a scheme or 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 benefits 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 employees (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.

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

5.4 Staff Benefits

	2005 £000	2004 £000
Nil	0	0
	<u>0</u>	<u>0</u>
	<u><u>0</u></u>	<u><u>0</u></u>

5.5 Trust Management Costs

	2005 £000	2004 £000
Trust Management Costs	3,265	3,000
Total Income	<u>66,176</u>	<u>58,777</u>
% of total income	<u><u>4.9%</u></u>	<u><u>5.1%</u></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. The estimated additional pension liabilities of these ill-health retirements will be £0.

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 2004/2005	28,672	29,613	29,040	24,415
Total bills paid within 30 day target	<u>28,023</u>	<u>29,065</u>	<u>27,987</u>	<u>23,540</u>
% of bills paid within 30 day target	<u><u>97.7%</u></u>	<u><u>98.1%</u></u>	<u><u>96.4%</u></u>	<u><u>96.4%</u></u>

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 :

	£000
Total	<u><u>0</u></u>

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

7. Profit (Loss) on Disposal of Fixed Assets

	2005	2004
	£000	£000
Profit on disposal of land and buildings	0	62
Loss on disposal of land and buildings	0	(6)
Profit on disposal of plant and equipment	0	0
Loss on disposal of plant and equipment	(1)	(119)
Total	<u>(1)</u>	<u>(63)</u>

8. Interest Payable

	2005	2004
	£000	£000
Originating interest bearing debt	397	425
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other Interest	0	0
Total	<u>397</u>	<u>425</u>

An amount of £40,840 is included within Note 9.3 for the unwinding of discount on provisions.

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

9.1 Provisions for Future Obligations

	Note	2005 £000	2004 £000
Provisions in year:			
Clinical Negligence		16	(73)
Pensions		14	11
Employers Liability		232	(39)
Public (Occupiers) Liability		(15)	(6)
Injury Benefit		94	8
Accrued Leave		1	(2)
Restructuring		0	0
Industrial Relations Cases		0	0
Arising during the year (net)	9.2	342	(101)
Unwinding of discount on provisions	9.3	41	36
Utilised in year	9.4	(161)	(227)
Other		0	0
Movement in year (subtotal)	17.1	222	(292)
Reimbursements receivable	9.5	9	173
Total increase/decrease (to Income and Expenditure Account)		231	(119)

9.2 Arising during the year

		2005 £000	2004 £000
Arising during the year	17	525	199
Provisions not required (reversed unused)	17	(183)	(300)
Total provided in year	9.1	342	(101)

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

9.3 Unwinding of Discount on Provisions

	Note	2005 £000	2004 £000
Unwinding of discount on Provisions is analysed as follows:			
Clinical Negligence		12	12
Other		<u>29</u>	<u>24</u>
Total Unwinding of Discounts on Provisions	9.1	<u><u>41</u></u>	<u><u>36</u></u>

9.4 Utilised in year

		2005 £000	2004 £000
Clinical Negligence		(37)	(112)
Pensions		(29)	(28)
Employers Liability		(60)	(62)
Public (Occupiers) Liability		(9)	(7)
Injury Benefit		(25)	(15)
Accrued Leave		(1)	(3)
Restructuring		0	0
Industrial Relations Cases		<u>0</u>	<u>0</u>
Total Utilised	9.1	<u><u>(161)</u></u>	<u><u>(227)</u></u>

9.5 Reimbursements Receivable

		2005 £000	2004 £000
Clinical Negligence Central Fund		9	173
Other		<u>0</u>	<u>0</u>
Total Reimbursements Receivable	17	<u><u>9</u></u>	<u><u>173</u></u>

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

10. Intangible Fixed Assets

	Software licences £000	Other licences and trademarks £000	Patents £000	Development Expenditure £000	Total £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	
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
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

GREEN PARK HEALTHCARE 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

	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	39,580	46,428	1,053	4,770	1,344	93,175
Indexation	2,052	3,182	0	98	0	5,332
Additions	0	893	150	1,069	3,961	6,073
Reclassifications	0	0	0	0	0	0
Transfers	0	2,031	261	(247)	(2,045)	0
Revaluation	0	0	0	34	0	34
Impairments	0	(206)	0	(65)	0	(271)
Disposals	0	(297)	(197)	(173)	0	(667)
National Revaluation Exercise	7,113	(10,372)	0	0	0	(3,259)
At 31 March 2005	48,745	41,659	1,267	5,486	3,260	100,417
Depreciation						
At 1 April 2004	0	6,261	762	2,358	0	9,381
Indexation	0	0	0	47	0	47
Transfers	0	0	146	(146)	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	(17)	0	(49)	0	(66)
Disposals	0	(297)	(196)	(173)	0	(666)
Reversal of Impairments	0	0	0	0	0	0
Provided during the year	0	1,954	105	508	0	2,567
National Revaluation Exercise	0	(7,704)	0	0	0	(7,704)
At 31 March 2005	0	197	817	2,545	0	3,559
Net Book Value						
At 31 March 2005	48,745	41,462	450	2,941	3,260	96,858
At 31 March 2004	39,580	40,167	291	2,412	1,344	83,794

Of the total net book value at 31 March 2005 £0 related to buildings, installation and fittings calculated at open market value for alternative use.

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

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	2,577	25	881	0	3,483
Indexation	0	184	0	17	0	201
Additions	0	4,334	2	122	0	4,458
Transfers	0	0	121	(121)	0	0
Revaluation	0	0	0	3	0	3
Disposals	0	0	0	0	0	0
National Revaluation Exercise	0	(560)	0	0	0	(560)
At 31 March 2005	0	6,535	148	902	0	7,585
Depreciation						
At 1 April 2004	0	243	14	364	0	621
Indexation	0	0	0	6	0	6
Transfers	0	0	105	(105)	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Provided during the year	0	177	4	96	0	277
National Revaluation Exercise	0	(420)	0	0	0	(420)
At 31 March 2005	0	0	123	361	0	484
Net Book Value						
At 31 March 2005	0	6,535	25	541	0	7,101
At 31 March 2004	0	2,334	11	517	0	2,862

GREEN PARK HEALTHCARE 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	48,745	0	48,745	39,580
Buildings installations and fittings	41,462	6,535	47,997	42,501
Computer Equipment	450	25	475	302
Other Equipment	2,941	541	3,482	2,929
Assets under construction	3,260	0	3,260	1,344
Total	96,858	7,101	103,959	86,656

11.3 The net book value of land and buildings comprises:

	2005 £000	2004 £000
Freehold	0	0
Long leasehold	0	0
Short leasehold	0	0
	0	0

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).

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

NOTES TO THE ACCOUNTS

12. Stocks and Work in Progress

	2005 £000	2004 £000
Raw Materials and consumables	1,123	1,106
Work in progress	0	0
Finished goods	0	0
Total	1,123	1,106

13. Debtors

	2005 £000	2004 £000
Amounts falling due within one year:		
HSS or NHS debtors	1,655	1,907
Clinical negligence - Central Fund	6	0
Other debtors	1,954	1,444
Pension Prepayments		
in respect of former directors	0	0
in respect of other staff	0	0
Other prepayments and accrued income	69	70
Sub Total	3,684	3,421
The balances are net of a provision for bad debts of £78,925 (2004 £46,534)		
Amounts falling due after more than one year:		
HSS or NHS debtors	0	0
Clinical negligence - Central Fund	345	354
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	345	354
Total	4,029	3,775

14. Short-term Investments

	2005 £000	2004 £000
Government Securities	0	0
Other Approved Public Sector Organisations	0	0
Banking Deposits	444	856
Others (specify if in excess of £50,000)	0	0
Total	444	856

GREEN PARK HEALTHCARE HSS TRUST

NOTES TO THE ACCOUNTS

15. Creditors

	2005 £000	2004 £000
15.1 Creditors: Amounts falling due within one year:		
Bank overdrafts	0	0
Current instalments due on loans	335	335
Interest payable	18	19
Public dividend capital dividend payable	2,761	2,467
Payments received on account	307	292
HPSS or NHS creditors and accruals	1,619	1,018
Non HPSS or NHS trade revenue creditors	3,555	2,332
Non HPSS or NHS trade capital creditors	992	680
Payroll creditors including taxation and social security	2,499	1,189
Net obligations under finance leases	0	0
Clinical Negligence	1	1
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other accruals	30	26
Other creditors	0	0
	<u>12,117</u>	<u>8,359</u>
Sub Total	12,117	8,359
15.2 Creditors: Amounts falling due after more than one year:		
Long Term Loans	4,170	4,505
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
	<u>4,170</u>	<u>4,505</u>
Sub Total	4,170	4,505
Total Creditors	<u>16,287</u>	<u>12,864</u>

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

GREEN PARK HEALTHCARE 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	0	0
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 Dividend	<u>2,761</u>	<u>2,467</u>
	<u>2,761</u>	<u>2,467</u>

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

16. Loans

	Government Loans £000	Other Loans £000	Total 2005 £000	2004 £000
Amounts falling due:				
In one year or less	335	0	335	335
Between one and two years	335	0	335	335
Between two and five years	1,005	0	1,005	1,005
In five years or more	2,830	0	2,830	3,165
Total	4,505	0	4,505	4,840

	Government Loans £000	Other Loans £000	Total 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	4,505	0	4,505	4,840
Total	4,505	0	4,505	4,840

Total Repayable after five years by instalments	2,830	0	2,830	3,165
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Loans wholly or partially repayable after five years:

Terms of payment	Interest Rate %	2005 £000	2004 £000
	April 1 1993 - 25 Years	8.375	4,505

GREEN PARK HEALTHCARE 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	Restruct- uring £000	Other £000	Total £000	2004 £000
At 31 March 2004	0	580	354	0	149	1,083	1,375
Arising during the year	0	108	154	0	263	525	199
Utilised during the year	0	(54)	(37)	0	(70)	(161)	(227)
Reversed unused	0	0	(138)	0	(45)	(183)	(300)
Unwinding of discount	0	20	12	0	9	41	36
At 31 March 2005	0	654	345	0	306	1,305	1,083

Income & Expenditure Account Charges

£000

Arising during the year	525
Utilised during the year	(161)
Reversed Unused	(183)
Unwinding of Discount	41
Total	222

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

Note 17 (Cont'd)

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	Total £000	2004 £000
Within 1 year	0	45	216	0	96	357	377
1 - 5 years	0	179	129	0	183	491	294
Over 5 years	0	430	0	0	27	457	412

For Pensions the amounts determined have been based on current annual pension rates payable over average life expectancy derived from annuity tables. For Clinical Negligence the amounts have been determined by assigning probabilities to expected settlement values. These are court cases and actual settlement values may differ from the expected outcomes. Other provisions include items such as Employers and Public Liability, and Accrued Leave. Employers and Public Liability amounts have been determined on the same basis as Clinical Negligence and are therefore subject to the same uncertainties. Accrued Leave is based on the current salary costs for applicable grades of staff and is payable on the cessation of employment.

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

Clinical Negligence Central Fund	£000 345
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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.

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

18. Public Dividend Capital

	2005 £000	2004 £000
Public dividend capital was issued as follows:		
During the reporting year	(205)	(375)
In prior years	<u>13,866</u>	<u>14,241</u>
Total	<u>13,661</u>	<u>13,866</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	55,545	2,862	0	0	6,215	64,622
Retained surplus/ (deficit) for year	0	0	0	0	(202)	(202)
Revaluation and indexation of fixed assets	9,765	58	0	0	0	9,823
Transfer of realised profits/ (losses)	0	0	0	0	0	0
Movements in donation reserve	0	0	0	0	0	0
Fixed Asset Impairments	0	0	0	0	0	0
Other reserve movements	<u>(247)</u>	<u>4,181</u>	<u>0</u>	<u>0</u>	<u>247</u>	<u>4,181</u>
At 31 March 2005	<u>65,063</u>	<u>7,101</u>	<u>0</u>	<u>0</u>	<u>6,260</u>	<u>78,424</u>

GREEN PARK HEALTHCARE 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	2,790	2,512
less provisions for future obligations	(231)	119
less public dividend capital dividends	(2,761)	(2,467)
	<u>(202)</u>	<u>164</u>
Gains (losses) from revaluation/indexation of		
Purchased fixed assets	9,765	5,512
Public dividend capital repayments	0	0
Public dividend capital issued	0	0
New Government loans issued	0	0
less Government loans repayments	(335)	(335)
Additions (reductions) in other reserves	<u>(205)</u>	<u>(375)</u>
Net Movement in Government funds	9,023	4,966
Government funds at 31 March 2004 (after prior period adjustment)	<u>80,466</u>	<u>75,500</u>
Government funds at 31 March 2005	<u>89,489</u>	<u>80,466</u>

GREEN PARK HEALTHCARE 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 £3,158,000, bears to the average relevant net assets of £79,803,000, that is 4.0%.

The return for 2004/2005 is calculated at 4.0% (2003/2004 3.9%)

The variance is within the Department's materiality range of 3.0% to 4.0%.

The Capital Cost Absorption Rate is calculated as follows:

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

Trust Debt Remuneration is calculated as:

	£000
Interest payable on Government borrowing	397
Plus	
Dividends payable on Public Dividend Capital	<u>2,761</u>
Trust Debt Remuneration	<u><u>3,158</u></u>

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

NOTE 21.1 (Contd)

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 £000	Closing £000	Average £000
Total capital and reserves * (equivalent to total net assets)	78,488	87,780	83,134
Less:			
Donation reserve *	(2,862)	(7,241)	(5,052)
Purchased assets in the course of construction	(1,344)	(3,260)	(2,302)
Short-term assets	(856)	(444)	(650)
Finance lease assets (during their primary lease term)	0	0	0
Plus:			
Loans and overdrafts	4,840	4,505	4,673
Finance lease creditors (capital only)	0	0	0
Relevant net assets	<u>78,266</u>	<u>81,340</u>	<u>79,803</u>

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

GREEN PARK HEALTHCARE 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:

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
	£000	£000	£000	£000	£000
i. Turnover	49,267	51,202	55,711	58,782	66,176
ii. Operational Surplus/(Deficit) for the financial year before Provisions and Exceptional Income	(199)	115	16	45	29
iii. Break Even in year position	(199)	115	16	45	29
iv. Break Even cumulative position (opening)	(1,959)	292	407	423	468
v. Other Adjustments	-	-	-	-	-
vi. Exceptional Income Year Ended 31 March 2001	2,450	0	-	-	-
vii. Break Even Cumulative Position (closing)	292	407	423	468	497
If a Break Even cumulative deficit - anticipated financial year of recovery					N/A
If more than 2 years - agreed period					N/A
	%	%	%	%	%
Materiality Test:					
Break even in year position as % of turnover	-0.4%	0.2%	0.0%	0.1%	0.0%
Break even cumulative position as % of turnover	0.6%	0.8%	0.8%	0.8%	0.8%

The exceptional income received during the financial year 2000/2001 contributed to the cumulative surplus being marginally in excess of the materiality threshold of 0.5%.

GREEN PARK HEALTHCARE 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>4,930</u>	<u>6,631</u>

The Trust stayed within its External Financing Limit by £5,138,000. The Trust's External Financing Requirement for the year was £-208,000 and was met as follows:-

	2005	2004
	£000	£000
Increase (decrease) in:		
Public dividend capital	(205)	(375)
Government long-term loans	(335)	(335)
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	412	3,928
Cash at bank and in hand	<u>(80)</u>	<u>6</u>
External Finance Assessed	<u>(208)</u>	<u>3,224</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)	6,073	5,215
Capital Resource Limit	<u>6,450</u>	<u>6,321</u>
(Over)/Underspend against CRL	<u>377</u>	<u>1,106</u>

GREEN PARK HEALTHCARE 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>0</u>	<u>0</u>

	2005 £000	2004 £000
The Trust is committed to make the following payments during the next year		
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)	0	0
36 to 40 years (inclusive)	0	0
41 to 45 years (inclusive)	0	0
46 to 50 years (inclusive)	0	0
51 to 55 years (inclusive)	0	0

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

	2005 £000	2004 £000
Estimated capital value of the PFI scheme	0	0

Contract start date	N/A
Contract end date	N/A

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

22. Private Finance Transactions

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

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

	2005	2004
	£000	£000
The Trust is committed to make the following payments during the next year		
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)	0	0
36 to 40 years (inclusive)	0	0
41 to 45 years (inclusive)	0	0
46 to 50 years (inclusive)	0	0
51 to 55 years (inclusive)	0	0

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is £0 (2004 £0).

23. Capital Commitments

Capital commitments at the balance sheet date were:-

	Finance		2005	2004
	Leases	Other	Total	Total
	£000	£000	£000	£000
Contracted	0	7,316	7,316	1,750
Authorised by the Board, but not contracted	0	1,063	1,063	380
Total	0	8,379	8,379	2,130

24. Post Balance Sheet Events

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

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

25. Contingencies

Clinical Negligence

The Trust has contingent liabilities of £0 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
	Total	Total
	£000	£000
Total estimate of contingent clinical negligence liabilities	131	174
Amount recoverable from the Clinical Negligence Central Fund	<u>(131)</u>	<u>(174)</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
	Total	Total
	£000	£000
Public Liability	0	0
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
Other	<u>0</u>	<u>0</u>
Total	<u><u>0</u></u>	<u><u>0</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 transaction with Green Park Healthcare HSS Trust

GREEN PARK HEALTHCARE 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	0	0
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	52	10,865
7 Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
i. Bedding and linen	0	0
ii. Other equipment and property	1	542
8 Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	0	0
9 Stores and Inventory Losses - Deterioration in store	0	0
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	3	31,100
12 Compensation payments (legal obligation)		
i. Clinical Negligence	6	36,884
ii. Public Liability	1	9,535
iii. Employers Liability	7	60,215
13 Ex-gratia payments - Compensation payments (including payments to patients and staff)	2	742
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	72	149,883

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

28. Intra-government balances

	Creditors		Debtors	
	Amounts falling due within 1 year £000	Amounts falling due after more than 1 year £000	Amounts falling due within 1 year £000	Amounts falling due after more than 1 year £000
Other central government bodies	4,331	4,170	1,623	0
Northern Ireland Health & Social Services Boards	3	0	730	0
HSS Trusts	1,071	0	624	0
NHS Trusts	0	0	0	0
Agencies & Special Agencies	292	0	45	345
Non-Departmental Public Bodies	1	0	1	0
Local Authorities	0	0	5	0
Public corporations and trading funds	0	0	0	0
Total	5,698	4,170	3,028	345

GREEN PARK HEALTHCARE 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)	3,043	2,751
Depreciation charge	2,844	2,162
Provisions for future obligations (I&E Account)	(231)	119
Fixed Asset Impairments	205	375
Transfer from donation reserve	(277)	(177)
Non cash items	0	0
Increase / (decrease) in provisions (Balance Sheet)	222	(292)
(Increase) / decrease in stocks	(17)	113
(Increase) / decrease in debtors	(254)	(414)
Increase / (decrease) in creditors	<u>3,153</u>	<u>504</u>
Net cash inflow from operating activities	<u>8,688</u>	<u>5,141</u>

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

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	80		(6)	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and financial lease capital payments	335		335	
Cash (inflow)/outflow from decrease/increase in liquid resources	<u>(412)</u>		<u>(3,928)</u>	
Change in net debt resulting from cash flows		3		(3,599)
Non-cash changes in debt		<u>0</u>		<u>0</u>
Net debt at 1 April 2004		<u>(3,942)</u>		<u>(343)</u>
Net debt at 31 March 2005		<u><u>(3,939)</u></u>		<u><u>(3,942)</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	42	80	0	122
Bank overdrafts	0	0	0	0
Debt due within 1 year	(335)	335	(335)	(335)
Debt due after 1 year	(4,505)	0	335	(4,170)
Finance leases	0	0	0	0
Current asset investments	<u>856</u>	<u>(412)</u>	<u>0</u>	<u>444</u>
	<u><u>(3,942)</u></u>	<u><u>3</u></u>	<u><u>0</u></u>	<u><u>(3,939)</u></u>

GREEN PARK HEALTHCARE 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 Green Park Healthcare 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 that would be typical of the listed companies to which FRS 13 mainly applies. The Green Park Healthcare 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 Trust in undertaking its activities.

31. Third Party Assets

The Trust held £5,036 cash at bank and in hand at 31/03/05 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.

GREEN PARK HEALTHCARE HSS 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 184 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 183 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 Green Park 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
Date:
26th August 2005

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

STATEMENT OF TRUSTS RESPONSIBILITIES IN RELATION TO PATIENTS / RESIDENTS MONIES

The Trust is required by Health and Personal Social Services (Northern Ireland) Order 1991 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.

GREEN PARK HEALTHCARE HSS TRUST

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

2004		RECEIPTS	2005	
£			£	£
		Balance At 1 April 2004		
52,798		1. Investments (at cost)	53,738	
2,227		2. Cash at Bank	2,614	
0		3. Cash in Hand	0	56,352
7,226		Amounts Received in the Year		4,118
1,061		Interest Received		1,527
63,312		TOTAL		61,997
		PAYMENTS		
6,960		Amounts Paid to or on behalf of Patients/Residents		1,820
		Balance At 31 March 2005		
53,738		1. Investments (at cost)	55,141	
2,614		2. Cash at Bank	5,036	
0		3. Cash in Hand	0	60,177
63,312		TOTAL		61,997

Schedule Of Investments Held At 31 March 2005

Cost Price £	Investment	Nominal Value £	Cost Price £
50,870	Patients Property Account First Trust Deposit Account		52,249
544	Patients Property Account First Trust Deposit Account		548
2,324	Patients Property Account First Trust Deposit Account		2,344

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

Mr C Bradley Director of Finance
10th June 2005 Date

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

Miss H Boyd Chief Executive
4th August 2005 Date

**MATER HOSPITAL HSS TRUST
ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005**

MATER HOSPITAL HSS TRUST

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 .

MATER HOSPITAL HSS TRUST

STATEMENT OF MATER HOSPITAL HSS TRUST'S RESPONSIBILITIES AND CHIEF EXECUTIVE'S RESPONSIBILITIES.

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by the Health and Personal Social Services (Northern Ireland) Order 2003).The Mater Hospital Trust is required to prepare financial statements for each financial year in the the form and on the basis determined by the Department of Health and 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 Mater Hospital Trust, of its income and expenditure and cash flows for the financial year.

In preparing the financial statements the Mater Hospital Trust is required to :

- observe the accounts direction issued by the Department of Health and 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. Sean Donaghy of The Mater Hospital 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.

MATER HOSPITAL HSS TRUST

CERTIFICATE 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 197 to 246) which I am required to prepare on behalf of The Mater Hospital 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.

L.A. O'Neill
10th June 2005

Director of Finance
Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 197 to 246) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Anne McCollum
8th August 2005

Chairman
Date

Sean Donaghy
8th August 2005

Chief Executive
Date

MATER HOSPITAL HSS TRUST

STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR 2004/05

Scope of Responsibility

The Board of the Mater Hospital HPSS Trust is accountable for internal control. As Accountable Officer and Chief Executive of the Board of the Mater Hospital HPSS 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 manage them efficiently, effectively and economically. The system of internal control has been in place in the Mater Hospital HPSS 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 and 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 with an annual budget which is reviewed and agreed by the board;
- regular reviews by the board of periodic financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines.
- as appropriate, formal budget management disciplines

The Mater Hospital HPSS 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 Ledgers
- Budgetary Control
- Bank & Cash
- Payments (including Payroll)
- Financial Management
- Private Patients
- Payroll Processing

In his annual report, the Internal Auditor reported that the Mater Hospital HPSS Trust’s system of internal control was adequate and effective. However, weaknesses in control were identified in a small number of areas, in particular there are a number of priority one findings in relation to the Private Patients Income audit. Whilst the amount of income is not significant in the context of the overall income of the Trust, there is a risk of loss of income or of understatement of the income due to the Trust. The Trusts accepts the need to urgently address the issues raised in the report and to implement the recommendations in the 2005/06 year. All other identified control weaknesses have been or are being implemented.

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

For example, the Mater Hospital HPSS Trust’s Human Resources policies, which include recruitment and selection, disciplinary procedures and family friendly 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 (employment, diversity and human rights).

Capacity to handle risk

a. Leadership

The Trust has reviewed its controls assurance system taking into consideration AS/NZS 4360: 1999 Risk Management model and the Department’s guidance on organisation wide governance. The Trust has re-structured its governance framework and committee structure. A Governance Committee that is a sub-committee of the Mater Hospital HPSS Trust Board has been established. The Governance Committee consists of Board Members, three of whom are Non Executive Directors and is chaired by a Non Executive Director. The Trust has designated Lead Directors who provide executive accountability in the following areas:-

- Risk Management - Director of Corporate Development
- Clinical & Social Care - Medical Director

The purpose of the Governance Committee to ensure the integration of clinical, organisational and financial governance mechanisms, provide strategic direction, monitor the effectiveness of internal systems of controls and report to the board on significant risk.

b. Training Framework

Staff are provided with multi-disciplinary training on risk management and governance issues and are equipped with the necessary skills and understanding to identify, assess and manage risk within their level of authority and competency. This is demonstrated through the range of training provided on adverse incident reporting, risk assessment and risk rating and the risk register process. The Trust has developed much of this training in-house delivered by the Risk Management Co-ordinator and the Clinical and Social Care Co-ordinator, and this has been supplemented by external training on Health & Safety for Healthcare Workers provided by Institute of Occupational Safety and Health and Root Cause Analysis training, for example.

The risk and control framework

The Trust has in place a revised Risk Management Strategy (2002-2005), which sets out the Trust's objectives, roles and responsibilities and how risk is to be identified, assessed and managed. The Risk Management Strategy also details 'acceptable risk' and a reporting structure to report on significant risk.

1. Risk Management Strategy

Within the Risk Management Strategy progress within action plans has been made as follows:

- Risk assessment training provided (health & safety, manual handling, control of substances hazardous to health)
- Revised Adverse Incident Reporting System and training implemented which includes a risk-rating matrix to capture clinical, non-clinical and organisational adverse incidents.
- Corporate risk register, process and pro forma has been implemented and as required a risk review of the corporate objectives has been completed and action plans have been developed. The corporate risk register is also populated with those areas of significant risk identified following a risk identification/risk assessment process.

A summary of the Corporate Risk Register is presented at all meetings of the Governance Committee and is subsequently included in Trust Board papers for members attention.

The Trust recognises that the development and integration of the risk register is an on-going process and will be further developed and embedded in the culture as clinical and social care risk and other risks are assessed.

The Risk Management Strategy is currently under review and the revised strategy will be consulted on and implemented in 2005/06.

2. Clinical and Social Care

Clinical and Social Care Facilitator appointed in November 2003 to support the lead clinician and staff in the implementation of the Trust's Governance Framework, particularly in relation to clinical and social care.

Clinical Leads have been appointed across medical, nursing and allied health professional groups to co-ordinate and strengthen leadership within clinical and social care governance.

A clinical and social care baseline assessment of capacity and capability within the Trust has been completed and an Action Plan developed.

Preliminary steps have been taken to promote awareness of 'Root Cause Analysis' techniques and formal plans to have in place multi-disciplinary teams (clinical & non-clinical) trained in root cause analysis will be further developed in 2005/06.

In 2004/05 the clinical and social care governance baseline assessment action plan continued to be implemented and the role of the clinical leads embedded within the directorates. Clinical and social care awareness training programme has been developed which includes, adverse incident training, risk management and root cause analysis and will be delivered throughout the year.

The Trust has organised a Clinical and Social Care Governance Conference which will be open to all staff, will focus on good practice and lessons learnt and is due to be held in May 2005.

3. DHSS - Controls Assurance Standards

- During the year substantive work took place to further embed the governance assurance framework and in particular to focus on guidance issued by the Department on the Controls Assurance Standards issued for compliance in 2004/05, ie:

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

Internal Audit completed an audit review of the Trust's self-assessment of the six 'substantive' controls assurance standards and have confirmed that the Trust reached the expected level of compliance within Financial Management, Governance, Infection Control and Risk Management. The Trust did not achieve the expected substantive level of compliance in Decontamination of Reusable Medical Devices (score 66%) or in Fire Safety (score 45%). Both

these standards have now been placed on the Corporate Risk Register as items of 'significant risk' and action plans have been drawn up to achieve the expected compliance levels. However, it must be noted that in relation to the Decontamination of Reusable Medical Devices, full compliance with this standard will not be achievable. It is already known that within Northern Ireland, that there are region wide issues relating to the standard of accommodation and equipment that impact on decontamination which will need region wide investment to achieve substantive compliance across all the criterion within this standard.

In the coming year work within the fourteen standards named above will be consolidated to ensure that the self-assessment score is maintained and improved upon. Work is in progress to reach the expected levels of compliance in the further four standards issued in 2005/06 (Emergency Planning, Fleet and Transport Management, Records Management and Management of Purchasing and Supply).

The Department's guidance on the compliance levels to be achieved within each standard has been issued and evidence gathering has commenced.

Further training on risk management, risk assessment, adverse incidents and root cause analysis will be provided during 2005/06. Corporate and Departmental Risk Registers will also be further developed to ensure that as wide a spectrum of risk is identified and analysed and that the reporting of significant risk to the Trust Board is built upon.

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 Mater Hospital HPSS 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.

SEAN DONAGHY
Accountable Officer

8/8/05

Mater Infirmorum Hospital 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 197 to 246 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 202 to 207.

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page 188, 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 190 to 194 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 Mater Infirmorum Hospital 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
Date:
26th August 2005

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

MATER HOSPITAL HSS TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	NOTE	2005 £000	2004 £000
Income from Activities	2	42,025	37,281
Other Operating Income	3	4,033	3,525
Operating Expenses	4,5	<u>(45,597)</u>	<u>(40,182)</u>
OPERATING SURPLUS (DEFICIT)		461	624
Profit/(loss) on disposal of Fixed Assets	7	<u>(12)</u>	<u>0</u>
SURPLUS (DEFICIT) BEFORE INTEREST		449	624
Interest Receivable		99	94
Interest Payable	8	<u>(299)</u>	<u>(319)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		249	399
Public Dividend Capital Dividends Payable	15	<u>(293)</u>	<u>(328)</u>
OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS		(44)	71
Provisions for Future Obligations	9.1	<u>44</u>	<u>(78)</u>
RETAINED SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		<u>0</u>	<u>(7)</u>
BREAK EVEN POSITION	21	<u>(44)</u>	<u>71</u>

The notes on pages 202 to 246 form part of these accounts

All Income and Expenditure is derived from continuing activities.

MATER HOSPITAL 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>41,892</u>		<u>35,955</u>
			41,892		35,955
CURRENT ASSETS					
Stocks and work in progress	12	281		189	
Debtors: Amounts falling due					
Within one year	13	1,891		4,560	
After one year	13	3,880		415	
Short term investments	14	1,660		1,860	
Cash at bank and in hand		<u>132</u>		<u>179</u>	
			7,844		7,203
CREDITORS: Amounts falling due					
within one year	15		<u>(6,373)</u>		<u>(4,365)</u>
NET CURRENT ASSETS (LIABILITIES)			<u>1,471</u>		<u>2,838</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			43,363		38,793
Creditors: Amounts falling due after more than					
one year	15		(3,268)		(3,510)
Provisions for Liabilities and Charges	17		<u>(4,307)</u>		<u>(4,600)</u>
TOTAL ASSETS EMPLOYED			<u>35,788</u>		<u>30,683</u>
FINANCED BY:					
CAPITAL AND RESERVES					
Public dividend capital	18		8,179		7,429
Revaluation reserve	19		10,426		6,394
Donation reserve	19		17,314		16,991
Realised donation reserve	19		0		0
Other reserves	19		0		0
Income and expenditure reserve	19		(131)		(131)
			<u>35,788</u>		<u>30,683</u>

The notes on pages 202 to 246 form part of these accounts

Signed Anne McCollum.....(Chairman)

Date 8th August 2005

Signed Sean Donaghy.....(Chief Executive)

Date 8th August 2005

MATER HOSPITAL 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		249		400
Provisions for future obligations		<u>44</u>		<u>(78)</u>
		293		322
Fixed asset impairment losses		0		0
Non donated Fixed Assets				
Indexation of fixed assets	1,121		1,287	
Unrealised Surplus (deficit) on revaluation of fixed assets	<u>2,911</u>		0	
		4,032		1,287
Donated Assets				
Additions to donated assets	21		74	
Changes to donation reserve (except transfers to realised donation reserve)	<u>323</u>	<u>344</u>	<u>(4,563)</u>	<u>(4,489)</u>
Total recognised gains and losses relating to the year		4,669		(2,880)
Prior Year Adjustment		0		(206)
Additions to Capital Assets Reserve		<u>0</u>		<u>0</u>
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR		<u><u>4,669</u></u>		<u><u>(3,086)</u></u>

MATER HOSPITAL 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)		2,621		2,599
Returns on Investments and Servicing of Finance				
Interest received	99		94	
Interest paid	(299)		(319)	
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		(200)		(225)
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	(2,848)		(2,534)	
Receipts from sale of tangible fixed assets	<u>0</u>		<u>0</u>	
Net Cash Inflow (Outflow) from Capital Expenditure		(2,848)		(2,534)
Dividends Paid		(328)		(604)
Management of Liquid Resources				
Purchase of current asset investments	0		(811)	
Sale of current asset investments	<u>200</u>		<u>0</u>	
Net Cash Inflow (Outflow) from Management of Liquid Resources		<u>200</u>		<u>(811)</u>
Net Cash Inflow (Outflow) before Financing		(555)		(1,575)
Financing				
New money capital reserve	0		0	
New public dividend capital	750		2,000	
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	(242)		(242)	
Repayment of Public Dividend Capital	0		0	
Capital element of finance lease rental payments	<u>0</u>		<u>0</u>	
Net Cash Inflow (Outflow) from Financing		<u>508</u>		<u>1,758</u>

	2005		2004	
	£000	£000	£000	£000
Increase (Decrease) in Cash (Notes 29.2 and 3)		<u>(47)</u>		<u>183</u>

The notes on pages 244 & 245 form part of this statement

MATER HOSPITAL 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 a grouped assets i.e. collectively have a cost of at least £5,000, are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and have an individual cost of £1,000 ; OR
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed

for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

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

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

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

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

All 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.

MATER HOSPITAL 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	38,539	33,737
GB/Republic of Ireland Health Authorities	0	0
General Practice Fundholders	0	0
HSS Trusts	3,116	3,254
Non-HPSS:		
- private patients	83	81
- other	287	208
Clients contributions	0	0
Total	42,025	37,280

3. Other Operating Income

	2005 £000	2004 £000
Patient transport services	0	0
Other income from non-patient services	1,255	859
NICPMDE	1,105	922
SUMDE	963	948
Charitable and other contributions to expenditure	0	0
- Transfers from the donation reserve in respect of depreciation on donated assets	685	617
Income in respect of fixed asset impairments	25	0
Clinical Negligence Central Fund	0	179
Reversal of fixed asset impairments (specify)	0	0
Other income (specify where material)	0	0
Total	4,033	3,525

MATER HOSPITAL 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)	33,132	28,689
Executive Board members remuneration	296	329
Non-executive Board members remuneration	48	45
Supplies and services - clinical	3,698	3,657
Supplies and services - general	488	387
Establishment	618	623
Transport	6	3
Premises	2,803	2,535
Bad debts	0	0
Depreciation and amortisation	2,017	1,538
Fixed asset impairments	26	0
Purchase of care from non-HPSS bodies and grants to voluntary organisations	0	0
Personal social services	0	0
Recharges from other HPSS organisations	1,598	1,535
Clinical Negligence Payments:		
- Provisions Utilised	61	179
- Other	127	0
Audit fees	45	40
Other auditors remuneration	0	0
Miscellaneous	634	622
Total	<u>45,597</u>	<u>40,182</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	6	6
	<u>6</u>	<u>6</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	6	6
Between 1 and 5 years	0	0	0	6
After 5 years	0	0	0	0
	<hr/>		<hr/>	
	0	0	6	12
	<hr/>		<hr/>	

**MATER HOSPITAL HSS TRUST
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

NOTES TO THE ACCOUNTS

NOTE 5.1

5.1 Staff Costs

	Directly employed	Other	2005	2004
	£000	£000	£000	£000
Salaries and Wages	27,449	2,359	29,808	26,106
Social security costs	1,967	0	1,967	1,711
Pension Costs for early retirement reflecting the single lump sum to buy over the full liability	0	0	0	0
Other pension costs	1,357	0	1,357	1,246
Early departure costs	0	0	0	0
Total	30,773	2,359	33,132	29,063

Of the total, £0 has been charged to capital

5.2 Average Number of Employees

	Directly employed	Other	2005	2004
	No.	No.	No.	No.
Medical and dental	116	0	116	110
Nursing and Midwifery	444	0	444	430
Professions Allied to medicine	99	0	99	86
Ancillaries	141	0	141	130
Administrative and clerical	202	0	202	190
Ambulance staff	0	0	0	0
Works	16	0	16	16
Other Professional and technical	21	0	21	21
Social Services	0	0	0	0
Other	0	84	84	97
	1,039	84	1,123	1,080

Figures refer to wholetime equivalents (WTEs) rather than individuals

MATER HOSPITAL 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 and related lump sum at age 60 £000	CETV at 31/03/04 £000	CETV at 31/03/05 £000	Real increase in CETV £000
Non-Executive Members							
Lady McCollum	18	0	0	0	0	0	0
Mrs R.Dunlop	5	0	0	0	0	0	0
Mr C.Jenkins	5	0	0	0	0	0	0
Mr A Canavan	5	0	0	0	0	0	0
Mr B.McCaughey	5	0	0	0	0	0	0
Mr W.Odling- Smee	5	0	0	0	0	0	0
Executive Members							
Mr S.Donaghy	76	0	6	70	201	229	12
Mr L.O'Neill	62				Consent to disclose withheld		
Mrs M.Hinds	53				Consent to disclose withheld		
Mrs J.Peden	51				Consent to disclose withheld		
Mrs B.McQuillan	31				Consent to disclose withheld		
Clinical Director	8				Consent to disclose 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.

The salary and pension disclosure for the Medical Director relates only to that part of his role as an Executive Director and does not include any remuneration as a medical consultant.

Any performance related pay included above is an accrued amount as no decision has yet been made for 2004/05.

The actual amount will be based on the achievement of individual and corporate objectives and calculated as a percentage of basic salary.

MATER HOSPITAL 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
No Staff Benefits were paid	0	0
	0	0
	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

5.5 Trust Management Costs

	2005	2004
	£000	£000
Trust Management Costs	2,101	1,767
Total Income	46,059	40,806
% of total income	<u>4.6%</u>	<u>4.3%</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. The estimated additional pension liabilities of these ill-health retirements will be £0.

MATER HOSPITAL 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	24,277	12,820	23,674	13,546
Total bills paid within 30 day target	22,683	11,745	22,467	12,905
% of bills paid within 30 day target	93.4%	91.6%	94.9%	95.3%

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	0

MATER HOSPITAL HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

7. Profit (Loss) on Disposal of Fixed Assets

	2005	2004
	£000	£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	(7)	0
Profit on disposal of plant and equipment	0	0
Loss on disposal of plant and equipment	(5)	0
	<hr/>	<hr/>
Total	(12)	0
	<hr/> <hr/>	<hr/> <hr/>

8. Interest Payable

	2005	2004
	£000	£000
Originating interest bearing debt	299	319
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other interest (Specify)	0	0
	<hr/>	<hr/>
Total	299	319
	<hr/> <hr/>	<hr/> <hr/>

An amount of £137,056 is included within Note 9.3 for the unwinding of discount on provisions.

MATER HOSPITAL 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	(320)	77
Pensions	0	0
Employers liability	46	106
Public (Occupiers) liability	(11)	15
Injury benefit	0	0
Accrued leave	0	0
Restructuring	0	0
Industrial Relations Cases	44	0
Other	0	0
	<hr/>	<hr/>
Arising during the year (net) (9.2)	(241)	198
Unwinding of Discount on Provisions (9.3)	137	138
Utilised in year (9.4)	(188)	(229)
Other (Specify)	0	0
	0	0
	0	0
	<hr/>	<hr/>
Movement in Year (subtotal) (note 17)	(292)	107
Reimbursements receivable (note 9.5)	248	(29)
Total Increase/decrease (to Income and Expenditure Account)	(44)	78
	<hr/> <hr/>	<hr/> <hr/>

9.2 Arising During the Year

	2005	2004
	£000	£000
Provided in year (note 17)	993	737
Provisions not required (reversed unused) (note 17)	(1,234)	(539)
	<hr/>	<hr/>
Total Provided in year (9.1)	(241)	198
	<hr/> <hr/>	<hr/> <hr/>

MATER HOSPITAL HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

9.3 Unwinding of Discount on Provisions

	2005	2004
	£000	£000
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence	133	131
Other	4	7
Total Unwinding of Discounts on Provisions (Note 9.1)	<u>137</u>	<u>138</u>

9.4 Utilised in year

	2005	2004
	£000	£000
Clinical Negligence (Note 17)	(61)	(179)
Pensions relating to other staff (note 17)	0	0
Restructuring (note 17)	0	0
Other (note 17)	(127)	(50)
Total Utilised (Note 9.4)	<u>(188)</u>	<u>(229)</u>

9.5 Reimbursements Receivable

	2005	2004
	£000	£000
Clinical Negligence Central Fund	248	(29)
Other (Specify)	0	0
Total Reimbursements Receivable	<u>248</u>	<u>(29)</u>

MATER HOSPITAL 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 -	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
Disposals	0	0	0	0	0
At 1 April 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation					
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	0	0	0	0	0
Provided during the	0	0	0	0	0
At 31 March 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Book Value					
At 31 March 2005	0	0	0	0	0
- Purchased					
- Donated					
Total at					
31 March 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2004					
- Purchased	0	0	0	0	0
- Donated	0	0	0	0	0
Total at 31 2004					
March 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

MATER HOSPITAL 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	Buildings Installations and fittings	Computer Equipment	Other Equipment	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2004	953	14,560	1,413	6,533	2,362	25,821
Indexation	49	1,147	(266)	139	0	1,069
Additions	0	142	114	1,521	1,175	2,952
Reclassifications	0	2,401	0	0	(2,401)	0
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	(36)	0	0	0	(36)
Disposals	0	(9)	(164)	(1,308)	0	(1,481)
National Revaluation Exercise	2,173	(1,294)	0	0	0	879
At 31 March 2005	3,175	16,911	1,097	6,885	1,136	29,204

Depreciation

At 1 April 2004	0	1,488	1,084	4,286	0	6,858
Indexation	0	117	(260)	91	0	(52)
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	(4)	0	0	0	(4)
Disposals	0	0	(164)	(1,132)	0	(1,296)
Reversal of impairments	0	0	0	0	0	0
Provided during the year	0	610	93	628	0	1,331
National Revaluation Exercise	0	(2,211)	0	0	0	(2,211)
At 31 March 2005	0	0	753	3,873	0	4,626

Net Book Value

At 31 March 2005	3,175	16,911	344	3,012	1,136	24,578
At 31 March 2004	953	13,072	329	2,247	2,362	18,963

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.

MATER HOSPITAL HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

Note 11.1 (Contd)

Donated Assets

	Land	Buildings Installations and fittings	Computer Equipment	Other Equipment	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At 1 April 2004	0	17,243	39	1,234	0	18,516
Indexation	0	1,366	0	26	0	1,392
Additions	0	21	0	0	0	21
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	(8)	0	(8)
National Revaluation Exercise	0	(1,727)	0	0	0	(1,727)
At 31 March 2005	0	16,903	39	1,252	0	18,194
Depreciation						
At 1 April 2004	0	851	9	666	0	1,526
Indexation	0	67	0	14	0	81
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	(8)	0	(8)
Reversal of Impairments	0	0	0	0	0	0
Provided during the year	0	485	4	196	0	685
National Revaluation Exercise	0	(1,404)	0	0	0	(1,404)
At 31 March 2005	0	(1)	13	868	0	880
Net Book Value						
At 31 March 2005	0	16,904	26	384	0	17,314
At 31 March 2004	0	16,392	30	568	0	16,990

MATER HOSPITAL 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	3,175	0	3,175	953
Buildings installations and fittings	16,911	16,904	33,815	29,464
Computer Equipment	344	26	370	359
Other Equipment	3,012	384	3,396	2,815
Assets under construction	1,136	0	1,136	2,362
Total	24,578	17,314	41,892	35,953

11.3 The net book value of land and buildings comprises:

	2005 £000	2004 £000
Freehold	0	0
Long leasehold	36,988	30,417
Short leasehold	0	0
	36,988	30,417

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)

11.5 Classification of Fixed Assets

Included within purchased assets are equipment with a net book value £29,590 which were funded by donations but were treated as having been purchased from funds provided by the Department for the purposes of calculating the original capital debt on the formation of the Trust.

MATER HOSPITAL 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	281	189
Work in progress	0	0
Finished goods	<u>0</u>	<u>0</u>
Total	<u>281</u>	<u>189</u>

13. Debtors

	2005	2004
	£000	£000
Amounts falling due within one year:		
HSS or NHS debtors	1,056	264
Clinical Negligence - Central Fund	152	3,865
Other debtors	618	432
Pension Prepayments		
in respect of former directors	0	0
in respect of other staff	0	0
Other prepayments and accrued income	<u>65</u>	<u>0</u>
Sub Total	<u>1,891</u>	<u>4,561</u>

The balances are net of a provision for bad debts of
£50,217 (2003/04 £61,217)

Amounts falling due after more than one year:		
HSS or NHS debtors	0	0
Clinical Negligence - Central Fund	3,880	415
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	<u>0</u>	<u>0</u>
Sub Total	<u>3,880</u>	<u>415</u>
Total	<u>5,771</u>	<u>4,976</u>

14. Short-term Investments

	2005	2004
	£000	£000
Government Securities	0	0
Other Approved Public Sector Organisations	0	0
Banking Deposits	1,660	1,860
Others (specify if in excess of £50,000)	<u>132</u>	<u>179</u>
Total	<u><u>1,792</u></u>	<u><u>2,039</u></u>

MATER HOSPITAL HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

15. Creditors

15.1 Creditors: Amounts falling due within one year:

	2005 £000	2004 £000
Bank overdrafts	0	0
Current instalments due on loans	242	242
Interest payable	13	13
Public dividend capital dividend payable	293	328
PDC payable in respect of impairments	0	0
Payments received on account	2	23
HPSS or NHS creditors and accruals	2,393	1,761
Non HPSS or NHS trade revenue creditors	834	707
Non HPSS or NHS trade capital creditors	121	16
Payroll creditors including taxation and social security	2,475	1,275
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>6,373</u>	<u>4,365</u>

15.2 Creditors: Amounts falling due after more than one year:

Long Term Loans	3,268	3,510
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>3,268</u>	<u>3,510</u>
Total Creditors	<u><u>9,641</u></u>	<u><u>7,875</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.

MATER HOSPITAL 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	293	328
	<u>293</u>	<u>328</u>

MATER HOSPITAL 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	242	0	242	242
Between one and two years	242	0	242	242
Between two and five years	726	0	726	726
In five years or more	2,300	0	2,300	2,542
Total	3,510	0	3,510	3,752

	Government Loans £000	Other Loans £000	2005 £000	2004 £000
Wholly repayable within five years	1,210	0	1,210	1,210
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	2,300	0	2,300	2,542
Total	3,510	0	3,510	3,752

Total Repayable after five years by instalments	2,300	0	2,300	2,542
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Loans wholly or partially repayable after five years:

Terms of payment	Interest Rate %	2005 £000	2004 £000
Originating Capital Debt.	8.125	6,052	6,052

MATER HOSPITAL 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	4,280	0	319	4,599	4,493
Arising during the year	0	0	885	0	108	993	737
Utilised during the year	0	0	(61)	0	(127)	(188)	(229)
Reverse unused	0	0	(1,205)	0	(29)	(1,234)	(539)
Unwinding of discount	0	0	133	0	4	137	138
At 31 March 2005	0	0	4,032	0	275	4,307	4,600

Income and Expenditure Account Charges

	£000
Arising during the year	993
Utilised during the year	(188)
Reversed unused	(1,234)
Unwinding of discounts	137
Total	(292)

MATER HOSPITAL 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	Restructu ring £000	Other £000	2005 £000	2004 £000
Within 1 year	0	0	152	0	275	427	4,106
1 - 5 years	0	0	3,880	0	0	3,880	493
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	4,031

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.

MATER HOSPITAL 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	750	2,000
In prior years	7,429	5,429
Total	<u>8,179</u>	<u>7,429</u>

19. Movements on Reserves

	Revaluation Reserve	Donation Reserve	Realised Donation Reserve	Other Reserves	Income and Expenditure Reserve	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2004	6,394	16,991	0	0	(131)	23,254
Retained surplus (deficit) for year	0	0	0	0	0	0
Revaluation and indexation of fixed assets	4,032	987	0	0	0	5,019
Transfer of realised profits (losses)	0	0	0	0	0	0
Movements in donation reserve	0	(664)	0	0	0	(664)
Fixed Asset Impairments	0	0	0	0	0	0
Other reserve movements (specify)	0	0	0	0	0	0
At 31 March 2005	<u>10,426</u>	<u>17,314</u>	<u>0</u>	<u>0</u>	<u>(131)</u>	<u>27,609</u>

Note

The Income & Expenditure Reserve at 1 April 2004 has been consolidated with the Other Reserves at 1 April 2004 and restated as £131,111. This has been done to bring the cumulative

MATER HOSPITAL HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

(Note Contd)

I & E Reserves into line with the Trusts General Ledger which shows a single figure for 2004/05 of £131,062

The closing position at 31 March 2005 is in line with the Trusts General Ledger. The Balance Sheet for 2003/04 has been restated to reflect this alignment.

A further adjustment of £1,007 has been made to correct a previous year error in creditors which is not considered to be material.

MATER HOSPITAL 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	249	399
less provisions for future obligations	44	(78)
less public dividend capital dividends	(293)	(328)
	<u>0</u>	<u>(7)</u>
Gains (losses) from revaluation/indexation of		
Purchased fixed assets	4,032	1,287
Public dividend capital repayments	0	0
Public dividend capital issued	750	2,000
New Government loans issued	0	0
Government loans repayments	(242)	(242)
Additions (reductions) in other reserves	<u>0</u>	<u>0</u>
Net Movement in Government funds	4,540	3,038
Government funds at 31 March 2004	<u>18,322</u>	<u>15,284</u>
Government funds at 31 March 2005	<u>22,862</u>	<u>18,322</u>

MATER HOSPITAL HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004 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 £592,205 bears to the average relevant net assets of £14,666,920 that is 4.0%.

The return for 2004/2005 is calculated as 4.0% (2003/2004 4.9%)

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	299
Plus	
Dividends payable on Public Dividend Capital	<u>293</u>
Trust Debt Remuneration	<u><u>592</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)	30,683	33,022	31,853
Less:			
Donation reserve	(16,990)	(17,314)	(17,152)
Purchased assets in the course of construction	(2,362)	(1,136)	(1,749)
Short-term assets	(2,039)	(1,792)	(1,916)
Finance Lease assets (during their primary lease term)			
Plus:			
Loans and overdrafts	3,752	3,510	3,631
Finance Lease Creditors (capital only)			
Relevant Net Assets	<u><u>13,044</u></u>	<u><u>16,290</u></u>	<u><u>14,667</u></u>

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

MATER HOSPITAL HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004 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>28,163</u>	<u>32,377</u>	<u>36,931</u>	<u>40,806</u>	<u>46,058</u>
Operational Surplus/(Deficit) for Financial Year before Provisions and Exceptional					
ii. Income	<u>12</u>	<u>9</u>	<u>2</u>	<u>71</u>	<u>(44)</u>
iii. Break Even in year position	12	9	2	71	(44)
iv. Break Even cumulative position(opening)	99	111	120	122	193
v. Other Adjustments	0	0	0	0	0
Exceptional Income Year ended 31					
vi. March 2001	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
vii. Break Even Cumulative position(closing)	<u>111</u>	<u>120</u>	<u>122</u>	<u>193</u>	<u>149</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>

MATER HOSPITAL 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	0.04%	0.03%	0.01%	0.20%	(0.1)%
Break Even cumulative position as % of turnover	0.4%	0.4%	0.3%	0.5%	0.3%

This in year deficit is due to an unanticipated increase in payroll costs in March 2005. It is not a recurrent expenditure issue for the Trust.

MATER HOSPITAL 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	3,944	3,833

The Trust stayed within its External Financing Limit by £3,189,155. The Trust's External Financing Requirement for the year was £3,944,000 and was met as follows:-

	2005	2004
	£000	£000
Increase (decrease) in:		
Public dividend capital	750	1,461
Government long-term loans	(242)	(242)
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	200	811
Cash at bank and in hand	47	183
External Finance Accessed	<u><u>755</u></u>	<u><u>2,213</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 Expenditure (charge against the CRL)	2,952
Capital Resource Limit	<u>5,240</u>
(Over)/Underspend against CRL	<u><u>2,288</u></u>

The overspend was caused by (please specify)

MATER HOSPITAL 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	2004
	£000	£000
Amounts included within operating expenses in respect of PFI transactions deemed to be off balance sheet	0	0

	£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)	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) etc.	0	0
	0	0

	2005	2004
	£000	£000
Estimated capital value of the PFI schemes		
Carparks	0	0
ATICS Equipment Scheme	0	0
Bed Management Scheme	0	0
Equipment Leases	0	0
Laboratory Equipment Scheme	0	0
	0	0
Contract start date	dd/mm/yy	
Contract end date	dd/mm/yy	

Description of the scheme (including whether or not it has resulted in guarantees, commitment or other rights and obligations).

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

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

	2005	2004
	£000	£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)	0	0
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is +/- £0 (2004 +/- £0).

MATER HOSPITAL 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		2005	2004
	Leases	Other	Total	Total
	£000	£000	£000	£000
Contracted	0	1,772	1,772	1,981
Authorised by the Board, but not contracted	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total	0	1,772	1,772	1,981
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

24. Post Balance Sheet Events

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

MATER HOSPITAL 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 £74,647 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	75	391
Amount recoverable from the Clinical Negligence Central Fund	<u>75</u>	<u>391</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	14	0
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
Tribunals	<u>40</u>	<u>0</u>
Total	<u><u>54</u></u>	<u><u>0</u></u>

26. Related Party Transactions

The Trust carried out a number of transactions to the total value of £24,199 with Broadway Housing Association in respect of accommodation provided for staff. The Trust is represented on the board of this organisation by an executive and non executive. This interest is declared in the Annual Report of the Trust.

The Trust provides Medical cover for the NI Hospice and received £22,945 of income in 2004/05. Mr William Odling- Smee, a non executive director of the Trust, is Vice- President of the Hospice.

MATER HOSPITAL 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	0	0
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	0	0
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	0	0
10 Stores and Inventory Losses - Stocktaking discrepancies	0	0
11 Stores and Inventory Losses - Other causes	0	0
i. Bedding and linen	0	0
ii. Other equipment and property	0	0
12 Compensation payments (legal obligation)	0	0
i. Clinical Negligence	8	61,280
ii. Public Liability	1	5,045
iii. Employers Liability	13	49,912
13 Ex-gratia payments - Compensation payments (including payments to patients and staff)	5	2,417
14 Ex-gratia payments - Other payments	0	0
15 Extra statutory payments	2	72,036
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	29	190,690

MATER HOSPITAL 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 1 year £000	Amounts falling due after 1 year £000	Amounts falling due within 1 year £000
Other central government bodies	643	3268	0	953
Northern Ireland Health and Social Service Boards	0	0	0	361
HSS Trusts	53	0	0	121
NHS Trusts	0	0	0	0
Agencies & Special Agencies	2058	0	3848	177
Non-Departmental Public Bodies	0	0	0	0
Local Authorities	0	0	0	0
Public corporations and trading funds	0	0	0	0
Total	2754	3268	3848	1612

MATER HOSPITAL 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 £000	2004 £000
Operating surplus (deficit)	461	624
Depreciation charge	2,017	1,538
Provisions for future obligations (I&E Account)	44	(78)
Fixed asset impairments	26	0
Transfer from donation reserve	(685)	(617)
Non-cash Items	0	0
Increase (decrease) in provisions (Balance Sheet)	(293)	107
(Increase) decrease in stocks	(92)	(29)
(Increase) decrease in debtors	(796)	23
Increase (decrease) in creditors	1,939	1,031
	<hr/>	<hr/>
Net cash inflow from operating activities	2,621	2,599
	<hr/> <hr/>	<hr/> <hr/>

MATER HOSPITAL 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	(47)		183	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and finance lease capital payments	242		242	
Cash (inflow)/outflow from decrease/increase in liquid resources	<u>(200)</u>		<u>811</u>	
Change in net debt resulting from cash flows		(5)		1,236
Non-cash changes in debt		<u>0</u>		<u>0</u>
Net Debt at 1 April 2004		<u>(1,713)</u>		<u>(2,949)</u>
Net Debt at 31 March 2005		<u><u>(1,718)</u></u>		<u><u>(1,713)</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	179	(47)	0	132
Bank overdrafts	0	0	0	0
Debt due within 1 year	(242)	242	(242)	(242)
Debt due after 1 year	(3,510)	0	242	(3,268)
Finance leases	0	0	0	0
Current asset investments	<u>1,860</u>	<u>(200)</u>	<u>0</u>	<u>1,660</u>
	<u><u>(1,713)</u></u>	<u><u>(5)</u></u>	<u><u>0</u></u>	<u><u>(1,718)</u></u>

MATER HOSPITAL 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 Mater Hospital HPSS 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 Mater Hospital HPSS 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 Mater Hospital HPSS Trust in undertaking its activities.

31. Third party assets

The Trust held £1640 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

The Trust is required by Health and Personal Social Services (Northern Ireland) Order 1991 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.

Mater Infirmorum Hospital 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 pages 250 and 251 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 247 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 Mater Infirmorum Hospital 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 BT

Date:
26th August 2005

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

Previous Year	RECEIPTS		
£		£	£
	At 1 April 2004		
	1. Investments (at cost)		
651	2. Cash at Bank	768	
	3. Cash in Hand		768
16,014	Amounts Received in the Year		3,442
117	Interest Received		57
16,782	TOTAL		4,267
	PAYMENTS		
16,014	Amounts Paid to or on behalf of Patients/Residents		2,627
	At 31 March 2005		
	1. Investments (at cost)		
768	2. Cash at Bank	1,640	
	3. Cash in Hand		1,640
16,782	TOTAL		4,267

Schedule of investments held at 31 March 2005

Cost Price £	Investment	Nominal Value £	Cost Price £
	Money Market Deposit		

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

L.A. O'Neill Director of Finance
31 May 2005 Date

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

S. Donaghy Chief Executive
31 May 2005 Date

**NORTH AND WEST BELFAST HSS TRUST
ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST 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 NORTH AND WEST BELFAST 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 North & West Belfast HSS 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 North & West Belfast HSS 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 R G Black of North & West Belfast HSS 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.

STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR 2004/05

Scope of Responsibility

The Board of North & West Belfast HSS Trust is accountable for internal control. As Accountable Officer and Chief Executive of the Board of North & West Belfast HSS 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 North & West Belfast HSS 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 existence of an Audit Committee;
- the existence of a Governance Committee;
- a Remuneration Committee to oversee senior executives' remuneration;
- a Complaints Review Committee;

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

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the board;
- regular reviews by the board of periodic annual financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;

- clearly defined capital investment control guidelines;
- as appropriate, formal budget management disciplines

The North & West Belfast HSS 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:-

- Payments to Creditors
- Charitable Funds
- Agency and Locum
- Bank and Cash
- Income
- Payroll
- Assessments
- Fortwilliam Childrens Home

In his annual report, the Internal Auditor reported that the North & West Belfast HSS Trust system of internal control was adequate and effective. Minor enhancements to the systems were recommended in a number of areas. Recommendations to address these control weaknesses have been or are being implemented.

With regard to the wider control environment the North & West Belfast HSS 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 North & West Belfast HSS Trust are pursued in accordance with the recognised and accepted standards of public administration.

The Trust's recruitment and selection policies are based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation. The Trust is fully compliant with all legal requirements.

With regard to estate management, decisions are taken within the context of an estate control plan, which prioritises management action based on an assessment of risk. The Trust has agreed with the Fire Authority a priority action plan which will ensure compliance with the Fire Code on an agreed timetable. In addition the Trust has identified the major areas of risk within and is actively moving toward compliance with the Health and Safety at Work Order. These actions are now prioritised within the Trust's Capital Planning Process.

Capacity to Handle Risk

The Chief Executive, as accountable officer, is responsible for leading the Risk Management Agenda. The Director of Human Resources and Corporate Affairs has delegated responsibility for the development and implementation of robust risk management systems and processes. The Trust Governance Committee chaired by a Non-Executive Director

provides assurance to the Trust Board that the risk management systems and processes are working effectively.

Local Governance Groups covering all areas of Trust Business have been established to implement the risk management systems and processes to ensure learning from both good practice and when things go wrong.

The Trust has developed a Risk Management Education and Training programme to equip staff to deal with this agenda.

The Risk and Control Framework

The Trust has developed a Risk Management Strategy, which has identified the organisation's objectives and risks and sets out an acceptability of risk framework and control strategy for dealing with different levels of risk.

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

Each of the Trust's directorates and key service areas continually conduct an assessment of the risks faced in meeting objectives and these are compiled in Directorate/Service Area Risk Registers. Moderate and high risks have been drawn together in the form of a Corporate Risk Register and Trust Board appraised of the top 12 Risk Themes.

The Trust assessed its compliance within the 14 Controls Assurance Standards issued by the DHSSPS and have obtained the required compliance levels in 13 of these. Compliance levels have not been reached for the Decontamination of Medical Devices Standard.

The Trust has been unable to meet this Standard due to a shortfall in regional capacity to decontaminate in a controlled environment. The Trust has in place an action plan which involves working with the DHSS&PS on the production of a regional business case to address the shortfall, with an implementation date of 2007/08.

In the interim, the Trust has put in place various arrangements. In treatment rooms, for example, all bench-top sterilisers have been withdrawn, and only single use instruments are used. This includes GP practices based in the Trust's facilities. In Family Planning Services similar arrangements have been implemented. In Dental Services, the Trust has purchased up to date bench-top sterilisers which draw a vacuum to deal with dental instruments which have lumens. In Podiatry, the Trust will continue to use suitable bench-top sterilisers for podiatry instruments until 2007, when the services of the local Central Sterile Services Department at the Royal Group of Hospitals will be utilised.

In 2005/06 the Trust will continue to work to mainstream risk management throughout the organisation by the following planned actions.

- Implement a Governance Communication Plan
- Further rollout of Risk Management Education and Training Programme
- Enhancing capacity at directorate and corporate levels to meet the requirements of the wider Governance Agenda

- Progress work on the further 4 Controls Assurance Standards
- Establish clear links between risk registers, business planning performance indicators and service improvement plans
- Implement a Governance reporting format for Local Governance Groups to provide assurance on Clinical and Social Care Governance / Risk Management Matters.

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 North & West Belfast 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.

R G Black
Accountable Officer

24 August 2005
Date

NORTH AND WEST BELFAST 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 262 to 304 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. 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 266 to 271.

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page 254, 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 by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003 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 Foreward. 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 by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003 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 Foreward is not consistent with the financial statements, 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 review whether the statement on pages 256 to 259 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 North and West Belfast HSS 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 by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003 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
Date: 1 September 2005

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

NORTH AND WEST BELFAST HSS TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	NOTE	2005 £000	2004 £000
Income from Activities	2	144,357	134,398
Other Operating Income	3	2,969	4,663
Operating Expenses	4,5	<u>(145,563)</u>	<u>(137,276)</u>
OPERATING SURPLUS		1,763	1,785
(Loss) Profit on disposal of Fixed Assets	7	<u>(45)</u>	<u>2</u>
SURPLUS BEFORE INTEREST		1,718	1,787
Interest Receivable		234	197
Interest Payable	8	<u>(595)</u>	<u>(634)</u>
SURPLUS FOR THE FINANCIAL YEAR		1,357	1,350
Public Dividend Capital Dividends Payable	15	<u>(1,312)</u>	<u>(1,343)</u>
OPERATIONAL SURPLUS BEFORE PROVISIONS		45	7
Provisions for Future Obligations	9.1	<u>(137)</u>	<u>141</u>
RETAINED (DEFICIT) SURPLUS FOR THE FINANCIAL YEAR		<u><u>(92)</u></u>	<u><u>148</u></u>
BREAK EVEN POSITION	21	<u><u>45</u></u>	<u><u>7</u></u>

The notes on pages 266 to 304 form part of these accounts.

All Income and Expenditure is derived from continuing activities.

NORTH AND WEST BELFAST HSS TRUST

BALANCE SHEET AS AT 31 MARCH 2005

	NOTE	2005 £000	2004 £000
FIXED ASSETS			
Tangible assets	11	<u>65,524</u>	<u>54,099</u>
		65,524	54,099
CURRENT ASSETS			
Stocks and work in progress	12	241	244
Debtors: Amounts falling due			
Within one year	13	6,835	7,369
After one year	13	143	157
Short term investments	14	3,000	2,090
Cash at bank and in hand		<u>19</u>	<u>95</u>
		10,238	9,955
CREDITORS: Amounts falling due within one year	15	<u>(18,599)</u>	<u>(16,093)</u>
NET CURRENT (LIABILITIES)		<u>(8,361)</u>	<u>(6,138)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		57,163	47,961
Creditors: Amounts falling due after more than one year	15	(6,536)	(7,035)
Provisions for Liabilities and Charges	17	<u>(2,194)</u>	<u>(1,977)</u>
TOTAL ASSETS EMPLOYED		<u>48,433</u>	<u>38,949</u>
FINANCED BY:			
CAPITAL AND RESERVES			
Public dividend capital	18	12,834	12,452
Revaluation reserve	19	33,345	24,363
Donation reserve	19	1,842	1,681
Realised donation reserve	19	0	0
Other reserves	19	0	0
Income and expenditure reserve	19	<u>412</u>	<u>453</u>
		<u>48,433</u>	<u>38,949</u>

The notes on pages 266 to 304 form part of these accounts

Chief Executive

RG Black

24 August 2005

NORTH AND WEST BELFAST HSS TRUST

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

	2005		2004	
	£000	£000	£000	£000
Surplus for the financial year		1,357		1,350
Provisions for future obligations		(137)		141
Fixed asset impairment losses		1,220 0		1,491 0
Non donated Fixed Assets				
Indexation of fixed assets	3,616		4,076	
Unrealised Surplus (deficit) on revaluation of fixed assets	5,417		0	
		9,033		4,076
Donated Assets				
Additions to donated assets	320		160	
Changes to donation reserve (except transfers to realised donation reserve)	(159)	161	15	175
Total recognised gains relating to the year		10,414		5,742
Additions to Capital Assets Reserve		0		0
TOTAL GAINS RECOGNISED IN THE FINANCIAL YEAR		10,414		5,742
Total recognised gains for the year (as above)				5,742
Prior year adjustment				(170)
TOTAL GAINS RECOGNISED SINCE LAST ANNUAL REPORT				5,572

NORTH AND WEST BELFAST 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)		7,631		5,095
Returns on Investments and Servicing of Finance				
Interest received	234		197	
Interest paid	<u>(597)</u>		<u>(636)</u>	
Net Cash (Outflow) from returns on Investments and Servicing of Finance		(363)		(439)
Capital Expenditure				
Payments to acquire tangible fixed assets	(3,552)		(2,594)	
Receipts from sale of tangible fixed assets	<u>44</u>		<u>2</u>	
Net Cash (Outflow) from Capital Expenditure		(3,508)		(2,592)
Dividends Paid		<u>(1,343)</u>		<u>(2,326)</u>
Net Cash Inflow (Outflow) before Financing		2,417		(262)
Financing				
New public dividend capital	1,500		1,500	
Repayment of loans - Government	(481)		(481)	
Repayment of Public Dividend Capital	<u>(2,925)</u>		<u>0</u>	
Net Cash (Outflow) Inflow from Financing		<u>(1,906)</u>		<u>1,019</u>
Increase in Cash (Notes 29.2 and 3)		<u><u>511</u></u>		<u><u>757</u></u>

The notes on pages 302 to 303 form part of this statement.

NORTH AND WEST BELFAST 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 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 assets 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.

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 in so far 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 related 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 systemic 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.

NORTH AND WEST BELFAST 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	134,469	124,440
GB/Republic of Ireland Health Authorities	381	289
HSS Trusts	1,354	1,267
Non-HPSS:		
- private patients	0	0
- other	870	418
Clients contributions	7,283	7,984
Total	144,357	134,398

3. Other Operating Income

	2005	2004
	£000	£000
Patient transport services	0	0
Other income from non-patient services	1,778	1,682
Charitable and other contributions to expenditure:		
- Transfers from the donation reserve in respect of depreciation on donated assets	73	7
Income in respect of fixed asset impairments	1,118	2,925
Clinical Negligence Central Fund	0	46
Other income	0	3
Total	2,969	4,663

Income from activities includes £187,000 (2004 - £357,000) received from Belfast Regeneration Office and £81,000 from Smile Sure Start.

NORTH AND WEST BELFAST 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 £000	2004 £000
Salaries and wages (excluding board members' remuneration)	70,830	63,889
Executive Board members remuneration	543	438
Non-executive Board members remuneration	49	46
Supplies and services - clinical	3,777	3,685
Supplies and services - general	2,179	2,221
Establishment	3,299	3,108
Transport	435	409
Premises	6,001	6,908
Bad debts	115	(26)
Depreciation and amortisation	2,367	2,080
Fixed asset impairments	1,118	2,925
Purchase of care from non-HPSS bodies and grants to voluntary organisations	37,287	34,532
Personal social services	4,521	4,304
Recharges from other HPSS organisations	10,128	9,828
Clinical Negligence Payments:		
- Provisions Utilised	0	46
Audit fees	25	22
Miscellaneous	2,889	2,861
Total	<u>145,563</u>	<u>137,276</u>

4.2 Operating Leases

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

	2005 £000	2004 £000
Hire of plant and machinery	65	65
Other operating leases	161	131
	<u>226</u>	<u>196</u>

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

Commitments under non-cancellable operating leases are:

	Land and buildings		Other leases	
	2005 £000	2004 £000	2005 £000	2004 £000
Operating leases which expire:				
Between 1 and 5 years	0	0	65	0
After 5 years	161	161	0	65
	161	161	65	65

NORTH AND WEST BELFAST 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	61,265	2,260	63,525	57,072
Social security costs	4,082	0	4,082	3,810
Pension Costs for early retirement reflecting the single lump sum to buy over the full liability	0	0	0	0
Other pension costs	3,036	0	3,036	2,826
Early departure costs	187	0	187	110
Total	68,570	2,260	70,830	63,818

5.2 Average Number of Employees

	Directly employed No.	Other No.	2005 No.	2004 No.
Medical and dental	55	3	58	54
Nursing and Midwifery	649	7	656	709
Professions Allied to medicine	139	1	140	118
Ancillaries	420	0	420	368
Administrative and clerical	521	49	570	519
Ambulance staff	0	0	0	0
Works	37	0	37	37
Other Professional and technical	10	0	10	9
Social Services	723	1	724	628
Other	351	50	401	383
Total	2,905	111	3,016	2,825

Figures refer to wholetime equivalents (WTEs) rather than individuals

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

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							
P McCartan	20-25	0	0	0	0	0	0
A Watson	Consent to disclosure withheld						
S Brennan	5-10	0	0	0	0	0	0
G McAteer	5-10	0	0	0	0	0	0
M Blood	5-10	0	0	0	0	0	0
D Power	5-10	0	0	0	0	0	0
Executive Members							
RG Black	110-115	6000	2.5 - 3.0 plus 9.0 - 9.5 lump sum	45-50 plus 141 - 145 lump sum	740	810	29
PS Harvey	Consent to disclosure withheld						
C Marriott	Consent to disclosure withheld						
B McNally	Consent to disclosure withheld						
R McKee	50-55	0	1.5 -2.0 plus 5.5 - 6.0 lump sum	25-30 plus 75 - 80 lump sum	404	445	24
B Connolly	Consent to disclosure withheld						
P Ryan	Consent to disclosure withheld						
M Somerville	Consent to disclosure withheld						
E Molloy	Consent to disclosure withheld						
B Barry	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.

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

5.4 Staff Benefits

There were no staff benefits paid during the year.

5.5 Trust Management Costs

	2005 £000	2004 £000
Trust Management Costs	6,476	6,103
Total Income	147,326	139,061
% of total income	<u>4.4%</u>	<u>4.4%</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 13 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £53,000.

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

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	96,680	64,759	91,236	59,494
Total bills paid within 30 day target	80,630	57,459	77,317	52,766
% of bills paid within 30 day target	83.4%	88.7%	84.7%	88.7%

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	£000
	<u>0</u>

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

7. (Loss) Profit on Disposal of Fixed Assets

	2005	2004
	£000	£000
Loss on disposal of land and buildings	(47)	0
Profit on disposal of plant and equipment	<u>2</u>	<u>2</u>
Total	<u>(45)</u>	<u>2</u>

8. Interest Payable

	2005	2004
	£000	£000
Originating interest bearing debt	595	634
Total	<u>595</u>	<u>634</u>

An amount of £72,000 is included within Note 9.3 for the unwinding of discount on provisions.

NORTH AND WEST BELFAST 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	74	(36)
Pensions	23	12
Employers liability	145	162
Public (Occupiers) liability	22	17
Injury benefit	93	18
	<hr/>	<hr/>
Arising during the year (net) (9.2)	357	173
Unwinding of Discount on Provisions (9.3)	72	63
Utilised in year (9.4)	(212)	(455)
	<hr/>	<hr/>
Movement in Year (subtotal) (note 17)	217	(219)
Reimbursements receivable (note 9.5)	(80)	78
	<hr/>	<hr/>
Total increase (decrease) (to Income and Expenditure Account)	137	(141)

9.2 Arising During the Year

	2005	2004
	£000	£000
Provided in year (note 17)	412	373
Provisions not required (reversed unused) (note 17)	(55)	(200)
	<hr/>	<hr/>
Total Provided in year (9.1)	357	173

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

9.3 Unwinding of Discount on Provisions

	2005	2004
	£000	£000
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence	6	4
Other	66	59
Total Unwinding of Discounts on Provisions (Note 9.1)	<u>72</u>	<u>63</u>

9.4 Utilised in year

	2005	2004
	£000	£000
Clinical Negligence (Note 17)	0	46
Pensions relating to other staff (note 17)	(71)	0
Other (note 17)	(141)	409
Total Utilised (Note 9.4)	<u>(212)</u>	<u>455</u>

9.5 Reimbursements Receivable

	2005	2004
	£000	£000
Clinical Negligence Central Fund	80	(78)
Total Reimbursements Receivable	<u>80</u>	<u>(78)</u>

10 Intangible Fixed Assets

The Trust has no intangible fixed assets.

NORTH AND WEST BELFAST 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

	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	9,633	46,204	2,530	3,563	1,761	63,691
Indexation	499	3,660	1	77	0	4,237
Additions	195	701	344	148	4,344	5,732
Reclassifications	(42)	42	0	0	0	0
Transfers	0	846	0	0	(846)	0
Impairments	(19)	0	0	0	0	(19)
Disposals	(7)	(88)	0	(320)	0	(415)
National Revaluation Exercise	5,901	(11,137)	0	0	0	(5,236)
At 31 March 2005	16,160	40,228	2,875	3,468	5,259	67,990
Depreciation						
At 1 April 2004	0	7,178	1,740	2,355	0	11,273
Indexation	0	569	1	51	0	621
Impairments	0	0	0	0	0	0
Disposals	0	(7)	0	(320)	0	(327)
Provided during the year	0	1,813	238	243	0	2,294
National Revaluation Exercise	0	(9,553)	0	0	0	(9,553)
At 31 March 2005	0	0	1,979	2,329	0	4,308
Net Book Value						
At 31 March 2005	16,160	40,228	896	1,139	5,259	63,682
At 31 March 2004	9,633	39,026	790	1,208	1,761	52,418

Of the total net book value at 31 March 2005, £10,998,000 related to buildings, installations and fittings valued at open market value for alternative use.

NORTH AND WEST BELFAST 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	5	1,699	0	0	0	1,704
Indexation	0	135	0	0	0	135
Additions	80	195	0	0	45	320
Transfers	0	45	0	0	(45)	0
Impairments	(0)	0	0	0	0	(0)
Disposals	0	0	0	0	0	0
National Revaluation Exercise	0	(317)	0	0	0	(317)
	85	1,757	0	0	0	1,842
At 31 March 2005	85	1,757	0	0	0	1,842
Depreciation						
At 1 April 2004	0	23	0	0	0	23
Indexation	0	2	0	0	0	2
Impairments	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Provided during the year	0	73	0	0	0	73
National Revaluation Exercise	0	(98)	0	0	0	(98)
	0	0	0	0	0	0
At 31 March 2005	0	0	0	0	0	0
Net Book Value						
At 31 March 2005	85	1,757	0	0	0	1,842
At 31 March 2004	5	1,676	0	0	0	1,681

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

11.2 Total Tangible Fixed Assets:

	Purchased	Donated	Total	2004
	£000	£000	£000	£000
Net book value:				
Land	16,160	85	16,245	9,638
Buildings installations and fittings	40,228	1,757	41,985	40,702
Computer Equipment	896	0	896	790
Other Equipment	1,139	0	1,139	1,208
Assets under construction	5,259	0	5,259	1,761
Total	63,682	1,842	65,524	54,099

11.3 The net book value of land and buildings comprises:

	2005	2004
	£000	£000
Freehold	47,610	41,789
Long leasehold	10,619	8,550
Short leasehold	0	0
	58,229	50,339

11.4 The Trust holds no assets under finance leases and hire purchase contracts.

11.5 Disclosure of Material Facts.

Formal conveyancing of the land and buildings taken into use by the Trust at 1 April 1994 and shown in the balance sheet has not been fully completed at the date of approval of these accounts. The Department of Health, Social Services and Public Safety intends to have this conveyancing completed as soon as possible. These land and buildings have been included in the balance sheet in accordance with the prescribed capital charging system.

NORTH AND WEST BELFAST 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	<u>241</u>	<u>244</u>
Total	<u>241</u>	<u>244</u>

13. Debtors

	2005	2004
	£000	£000
Amounts falling due within one year:		
HSS or NHS debtors	2,726	3,515
Clinical Negligence - Central Fund	85	5
Other debtors	3,314	3,130
Other prepayments and accrued income	<u>710</u>	<u>719</u>
Sub Total	<u>6,835</u>	<u>7,369</u>

The balances are net of a provision for bad debts of £418,000 (2004 - £363,000)

Amounts falling due after more than one year:

Clinical Negligence - Central Fund	107	106
Other debtors	<u>36</u>	<u>51</u>
Sub Total	<u>143</u>	<u>157</u>
Total	<u>6,978</u>	<u>7,526</u>

14. Short-term Investments

	2005	2004
	£000	£000
Banking Deposits	<u>3,000</u>	<u>2,090</u>
Total	<u>3,000</u>	<u>2,090</u>

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

15. Creditors

15.1 Creditors: Amounts falling due within one year:

	2005	2004
	£000	£000
Bank overdrafts	323	0
Current instalments due on loans	481	481
Interest payable	26	28
Public dividend capital dividend payable	1,312	1,343
PDC payable in respect of impairments	1,118	2,925
Payments received on account	75	0
HPSS or NHS creditors and accruals	652	339
Non HPSS or NHS trade revenue creditors	7,739	7,566
Non HPSS or NHS trade capital creditors	3,243	1,063
Payroll creditors including taxation and social security	3,537	2,257
Pensions		
- relating to former directors	0	0
- relating to other staff	18	18
Other creditors	75	73
Sub Total	<u>18,599</u>	<u>16,093</u>

15.2 Creditors: Amounts falling due after more than one year:

Long Term Loans	6,500	6,981
Pensions		
- relating to former directors	0	0
- relating to other staff	36	54
Sub Total	<u>6,536</u>	<u>7,035</u>
Total Creditors	<u><u>25,135</u></u>	<u><u>23,128</u></u>

Pension creditors include £54,000 relating to payments due in future years under arrangements to buy out the liability for one early retirement over 5 years.

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

15.3 Finance lease obligations

The Trust has no finance lease obligations.

15.4 Public Dividend Capital Dividends

	2005	2004
	£000	£000
The dividend is in respect of Public Dividend Capital	1,312	1,343
	<hr/>	<hr/>
	<u>1,312</u>	<u>1,343</u>

NORTH AND WEST BELFAST 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	481	0	481	481
Between one and two years	481	0	481	481
Between two and five years	1,444	0	1,444	1,444
In five years or more	4,575	0	4,575	5,056
Total	6,981	0	6,981	7,462

	Government Loans £000	Other Loans £000	2005 £000	2004 £000
Wholly or partially repayable after five years by instalments	6,981	0	6,981	7,462
Total	6,981	0	6,981	7,462

Total Repayable after five years by instalments	4,575	0	4,575	5,056
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Loans wholly or partially repayable after five years:

Terms of payment	Interest Rate %	2005 £000	2004 £000
Government Originating IBD (1/4/1994) Equal Instalments - 25 Years	8.125	6,981	7,462

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

17. Provisions for liabilities and charges

	Pensions relating to Pensions					2005	2004
	former directors £000	relating to other staff £000	Clinical negligence £000	Restruct- uring £000	Other £000	£000	£000
Balance at 31 March 2004	0	731	112	0	1,134	1,977	2,196
Arising during the year	0	30	79	0	303	412	373
Utilised during the year	0	(71)	0	0	(141)	(212)	(455)
Reversed unused	0	(7)	(5)	0	(43)	(55)	(200)
Unwinding of discount	0	24	6	0	42	72	63
At 31 March 2005	<u>0</u>	<u>707</u>	<u>192</u>	<u>0</u>	<u>1,295</u>	<u>2,194</u>	<u>1,977</u>

Income and Expenditure Account Charges

	£000
Arising during the year	412
Utilised during the year	(212)
Reversed unused	(55)
Unwinding of discounts	<u>72</u>
Total	<u><u>217</u></u>

NORTH AND WEST BELFAST 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	70	85	0	483	638	226
1 - 5 years	0	280	107	0	225	612	805
Over 5 years	0	358	0	0	586	944	946

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

	£000
Clinical Negligence Central Fund	192

Other provisions include amounts in respect of Public and Employer's Liability, Injury Benefit awards and Ancillary and General frozen holiday pay entitlement.

NORTH AND WEST BELFAST 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	382	(1,425)
In prior years	12,452	13,877
Total	<u>12,834</u>	<u>12,452</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	24,363	1,681	0	0	453	26,497
Retained surplus for year	0	0	0	0	(92)	(92)
Revaluation and indexation of fixed assets	8,228	(86)	0	0	0	8,142
Transfer of realised profits	(51)	0	0	0	51	0
Movements in donation reserve	0	247	0	0	0	247
Fixed Asset Impairments	0	0	0	0	0	0
Other reserve movements	805	0	0	0	0	805
At 31 March 2005	<u>33,345</u>	<u>1,842</u>	<u>0</u>	<u>0</u>	<u>412</u>	<u>35,599</u>

NORTH AND WEST BELFAST 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 for the financial year	1,357	1,350
less provisions for future obligations	(137)	141
less public dividend capital dividends	(1,312)	(1,343)
	<u>(92)</u>	<u>148</u>
Gains from revaluation/indexation of Purchased fixed assets	9,033	4,076
Public dividend capital repayments	(1,118)	(2,925)
Public dividend capital issued	1,500	1,500
Government loans repayments	(481)	(481)
Net Movement in Government funds	8,842	2,318
Government funds at 31 March 2004	<u>44,730</u>	<u>42,412</u>
Government funds at 31 March 2005	<u><u>53,572</u></u>	<u><u>44,730</u></u>

NORTH AND WEST BELFAST 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 £1,907,000, bears to the average relevant net assets of £40,876,000.

The return for 2004/2005 is calculated as 4.7% (2003/2004 5.0%)

The variance from the target return was due to an over recovery of capital charges. This over recovery resulted in a higher dividend for the year, increasing Trust Debt Remuneration below.

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	595
Plus	
Dividends payable on Public Dividend Capital	<u>1,312</u>
Trust Debt Remuneration	<u><u>1,907</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)	38,949	43,808	41,379
Less:			
Donation reserve	(1,681)	(1,981)	(1,831)
Purchased assets in the course of construction	(1,761)	(5,259)	(3,510)
Short-term assets	(2,090)	(3,000)	(2,545)
Finance Lease assets (during their primary lease term)			
Plus:			
Loans and overdrafts	<u>7,462</u>	<u>7,304</u>	<u>7,383</u>
Relevant Net Assets	<u><u>40,879</u></u>	<u><u>40,872</u></u>	<u><u>40,876</u></u>

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

NORTH AND WEST BELFAST 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>103,447</u>	<u>112,203</u>	<u>125,160</u>	<u>139,061</u>	<u>147,326</u>
Operational Surplus for Financial Year before Provisions and Exceptional					
ii. Income	<u>406</u>	<u>77</u>	<u>26</u>	<u>7</u>	<u>45</u>
iii. Break Even in year position	406	77	26	7	45
iv. Break Even cumulative position(opening)	(686)	20	97	123	130
v. Other Adjustments	0	0	0	0	0
Exceptional Income Year ended 31					
vi. March 2001	<u>300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
vii. Break Even Cumulative position(closing)	<u>20</u>	<u>97</u>	<u>123</u>	<u>130</u>	<u>175</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>

NORTH AND WEST BELFAST 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	0.4%	0.1%	0.0%	0.0%	0.0%
Break Even cumulative position as % of turnover	0.0%	0.1%	0.1%	0.1%	0.0%

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

21.3 External Financing Limit

	2005 £000	2004 £000
External Financing Limit set by the Department	<u>(330)</u>	<u>(2,424)</u>

The Trust stayed within its External Financing Limit by £280,000. The Trust's External Financing Requirement for the year was £(610,000) and was met as follows:-

	2005 £000	2004 £000
Increase (decrease) in:		
Public dividend capital	382	(1,425)
Government long-term loans	(481)	(481)
Overdrafts	323	0
Finance lease capital creditors		
(Increase) decrease in:		
Short-term investments	(910)	(680)
Cash at bank and in hand	76	(77)
External Finance Assessed	<u>(610)</u>	<u>(2,663)</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)	5,732
Capital Resource Limit	<u>10,672</u>
Underspend against CRL	<u>4,940</u>

The underspend was caused by changes to the spend profiles of major capital projects.

22. Private Finance Transactions

The Trust has no PFI Schemes.

NORTH AND WEST BELFAST 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	21,504	21,504	23,393
Authorised by the Board, but not contracted	<u>0</u>	<u>555</u>	<u>555</u>	<u>515</u>
Total	<u>0</u>	<u>22,059</u>	<u>22,059</u>	<u>23,908</u>

24. Post Balance Sheet Events

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

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005 NOTES TO THE ACCOUNTS

25. Contingent Liabilities

Clinical Negligence

The Trust has included all claims against it in respect of Clinical Negligence in Provisions for Liabilities and Charges (Note 17). Other such 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.

Other

The Trust has further contingencies relating to Accrued Leave in respect of Home Help staff. The expenditure which may arise from these cannot be determined as yet.

26. Related Party Transactions

Mr D Power, a non executive director, is a director of Top of the Rock Ltd, a company which has a rental agreement with the Trust in respect of office accommodation on the Springfield Road.

NORTH AND WEST BELFAST 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	3	96
2 Cash Losses - Overpayments of salaries, wages and allowances	1	200
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	1	30
6 Bad debts and claims abandoned	162	59,675
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	0	0
10 Stores and Inventory Losses - Stocktaking discrepancies	0	0
11 Stores and Inventory Losses - Other causes	0	0
i. Bedding and linen	0	0
ii. Other equipment and property	0	0
12 Compensation payments (legal obligation)	0	0
i. Clinical Negligence	0	0
ii. Public Liability	1	2,755
iii. Employers Liability	8	89,583
13 Ex-gratia payments - Compensation payments (including payments to patients and staff)	54	14,413
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	230	166,752

NORTH AND WEST BELFAST 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	3,128	0	0	1,136
Northern Ireland Health and Social Service Boards	4	0	0	2,504
HSS Trusts	577	0	0	165
NHS Trusts	15	0	0	1
Agencies & Special Agencies	64	0	107	146
Non-Departmental Public Bodies	53	0	0	18
Local Authorities	24	0	0	0
Public corporations and trading funds	0	0	0	0
Total	3,865	0	107	3,970

NORTH AND WEST BELFAST 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 to net cash inflow from operating activities

	2005	2004
	£000	£000
Operating surplus	1,763	1,785
Depreciation charge	2,367	2,080
Provisions for future obligations (I&E Account)	(137)	141
Fixed asset impairments	1,118	2,925
Transfer from donation reserve	(73)	(7)
Non-cash Items	0	(2,925)
Increase (decrease) in provisions (Balance Sheet)	217	(219)
Decrease in stocks	3	22
(Increase) decrease in debtors	548	(3,257)
Increase in creditors	<u>1,825</u>	<u>4,550</u>
Net cash inflow from operating activities	<u>7,631</u>	<u>5,095</u>

NORTH AND WEST BELFAST 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 in cash in the period	511		757	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and finance lease capital payments	<u>481</u>		<u>481</u>	
Change in net debt resulting from cash flows		992		1,238
Non-cash changes in debt		<u>0</u>		<u>0</u>
Net Debt at 1 April 2004		<u>(5,277)</u>		<u>(6,515)</u>
Net Debt at 31 March 2005		<u><u>(4,285)</u></u>		<u><u>(5,277)</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	95	(76)		19
Bank overdrafts	0	(323)		(323)
Debt due within 1 year	(481)	481	(481)	(481)
Debt due after 1 year	(6,981)	0	481	(6,500)
Current asset investments	<u>2,090</u>	<u>910</u>		<u>3,000</u>
	<u><u>(5,277)</u></u>	<u><u>992</u></u>	<u><u>0</u></u>	<u><u>(4,285)</u></u>

NORTH AND WEST BELFAST 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 North and West Belfast 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 that would be typical of the listed companies to which FRS 13 mainly applies. The North and West Belfast 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 North and West Belfast HSS Trust in undertaking its activities.

31. Third Party Assets

The Trust held £1,274,000 cash at bank and in hand at 31 March 2005 which relates to monies held by the Trust on behalf of patients. This has been excluded from the 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.

North & West Belfast 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 308 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 305 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 present 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 North and West Belfast 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
Date: 1 September 2005

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

NORTH AND WEST BELFAST HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

Previous Year	RECEIPTS		
£		£	£
	At 1 April 2004		
1,190,000	1. Investments (at cost)	1,240,000	
96,863	2. Cash at Bank	27,287	
6,797	3. Cash in Hand	6,863	1,274,150
491,405	Amounts Received in the Year		561,996
47,200	Interest Received		58,948
1,832,265	TOTAL		1,895,094
	PAYMENTS		
558,115	Amounts Paid to or on behalf of Patients/Residents		574,440
	At 31 March 2005		
1,240,000	1. Investments (at cost)	1,240,000	
27,287	2. Cash at Bank	79,332	
6,863	3. Cash in Hand	1,322	1,320,654
1,832,265	TOTAL		1,895,094

Schedule of investments held at 31 March 2005

Cost Price £	Investment	Nominal Value £	Cost Price £
1,190,000	Money Market Deposit	1,240,000	1,240,000

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

P S Harvey Director of Finance
24 August 2005 Date

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

R G Black Chief Executive
24 August 2005 Date

