

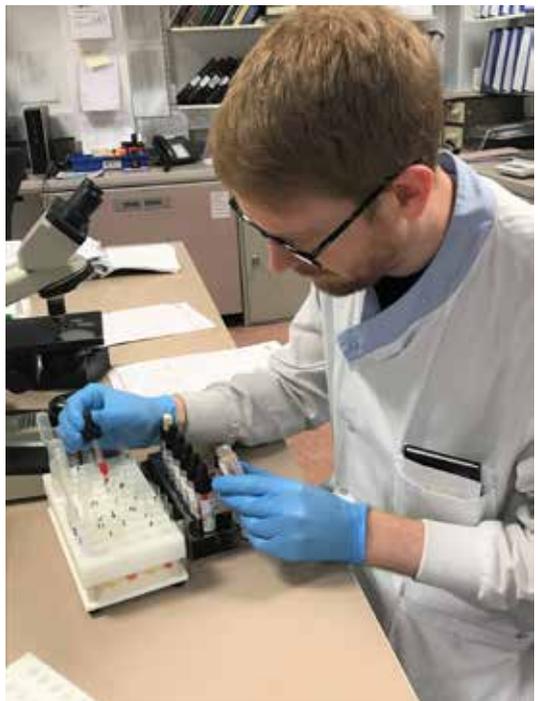
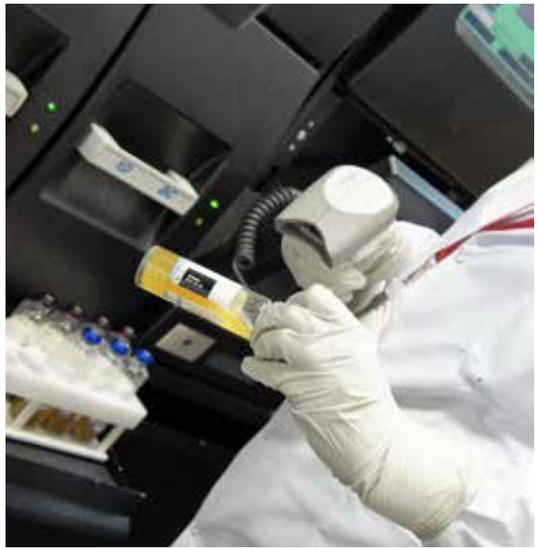
Northern Ireland Blood Transfusion Services

Annual Report and Accounts

For the year ended 31 March 2017



Northern Ireland
Blood Transfusion Service



Northern Ireland Blood Transfusion Service Annual Report and Accounts

For the year ended 31 March 2017

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

on

19 July 2017



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Chairman's Statement

The Northern Ireland Blood Transfusion Service (NIBTS) is the main provider of blood products and services to the people of Northern Ireland and during the past year the Service has successfully met all their requirements for blood and blood products along with the associated clinical services.

Our achievements over the past year have been made possible by our donors through their selfless dedication every month in every part of Northern Ireland. They are the irreplaceable core around which we work and upon which many common treatments in our hospitals depend. I and the Board would like to thank and congratulate each donor for this selfless and generous gesture for the good of others.

The safety of blood, blood products and services which NIBTS offers to the health service is paramount and is subject to independent inspection by the Medicines and Healthcare Products Regulatory Agency (MHRA). These inspections provide an essential element of independent assurance to patients, their families and other hospital users on the safety and quality of our blood products and services. The inspections require the Board and our staff to concentrate on continuous improvements to our quality control and assurance systems,

working practices with a constant focus on maintaining exacting standards to enable the service to provide the level of assurance required to the users of its blood products and to the regulatory authorities. We have met these standards over the past year and safety and quality will continue to be a focus of the Board's work over the next year.

We are as ever wholly dependent on all the members of our staff in meeting the standards of excellence which we are required to achieve. Their professionalism and commitment set a notable example and the Board gives them a profound vote of thanks for all that they have achieved in the past year. I am also grateful for the work and support of my colleagues on the Board over the past year.

I look forward to working with Board colleagues, with the staff and with our donors over the next year to ensure that we continue to meet the needs of the Health Service and the people of Northern Ireland.



Jim Lennon

Chairman

29 June 2017

Performance Report

1. Performance Overview

1.1 Brief History

NIBTS was established in 1994 as an independent Special Agency of the Health and Personal Social Services in Northern Ireland. It is the sole supplier of blood and blood products to Health and Social Care (HSC) in Northern Ireland. The Agency is funded through service and budget agreements with the Health and Social Care Board (HSCB) and HSC Trusts to recover the cost of services provided.

1.2 Facilities and Services

NIBTS operates from its headquarters on the Belfast City Hospital site which incorporates:

- Whole blood and plateletpheresis collection unit
- Processing and testing laboratories
- Donor administration
- Medical team
- Nursing team (which provides staff for headquarters and mobile donation units that collect blood around the eastern area of Northern Ireland)
- Quality and regulatory compliance department incorporating the quality control laboratories
- Corporate functions including Finance and HR

Additionally, NIBTS has a satellite blood collection team based in the Tyrone and Fermanagh Hospital in Omagh. There is a newly refurbished donation facility in College Street, Belfast and a purpose-built BloodMobile Unit that supports the collection of blood across Northern Ireland.

1.3 Equal Opportunities

The Agency has in place established and robust policies and procedures to ensure equality in the workplace including an overarching

Equal Opportunities policy as well as specific procedures in relation to disability. This is further referred to at page 29 of this report.

1.4 Structure, main services and users

The Agency is managed through a Board of Directors consisting of a non-executive Chairman, three non-executive members and the Chief Executive. Operational management is delegated via the Chief Executive to a Senior Management Team.

The Agency is required to respond to the needs of the health service in Northern Ireland and therefore is dependent on information from the HSC Trusts regarding anticipated needs for blood components. This, together with historical data, coupled with information from the UK (Blood Authorities) Forum and the European Blood Alliance, is used to plan future requirements. In recent years, there has been a gradual reduction in the demand for red cells. However, this has not been sufficient to materially affect the Agency's blood collection requirement.

In 2016/17, there was further reduction of 3.6% in red cells issued. This reduction is expected to continue in the medium term resulting in approximately 20 red cell component issues per 1,000 population. There has been an unexpected reduction in platelet components issued in 2016/17 which reflects new clinical practice guidelines recommending withholding of platelet transfusions and minimum tariffs for some indications. Additional demand for platelet components as a consequence of the opening of the new cancer centre (December 2016) in Altnagelvin Area Hospital is predicted. 2016/17 has witnessed an 18% increase in issues of fresh frozen plasma components and a 24% increase in issues of pooled cryoprecipitate fractions. This reflects new clinical practice guidelines that recommend balanced component ratios for treatment of massive haemorrhage. This one off correction achieves a new threshold which is not expected to change in the medium term.

1.5 The external environment

NIBTS works closely with patients, donors and colleagues across a number of disciplines in the Health and Social Care Trusts as well as the Health and Social Care Board (HSCB), the Public Health Agency (PHA) and the Patient and Client Council (PCC).

NIBTS holds a blood establishment authorisation licence from the MHRA. Licensed activities include collection, processing, storage, testing and distribution of blood components. The organisation also retains a wholesale distributor's licence for plasma products.

The Blood Safety and Quality Regulations (BSQR) 2005 (as amended) require adherence to Good Manufacturing Practice (GMP) principles which are supported by a quality management system. NIBTS is committed to retaining its licences and maintaining a state of readiness for licensing inspection visits.

Although the core function of NIBTS is to supply blood and blood products for the needs of patients in Northern Ireland, NIBTS also provides the regional antenatal testing programme and specialist immunohaematology support to hospital blood banks and is UKAS accredited to ISO 15189 standards in this regard.

Cord blood bank related activities ceased during the 2016/17 year resulting in the Human Tissue Authority revoking the Belfast Cord Blood Bank licence in 2016/17.

Following inspection in 2016/17, the diagnostic screening and testing laboratories at NIBTS have been recommended for UKAS certification. These laboratories include antenatal and blood group reference testing.

1.6 Resources, principal risks and uncertainties

NIBTS has developed a Risk Management Strategy which has identified the Agency's objectives and risks and sets out a control strategy for each of the significant risks. Procedures have been established to verify that aspects of risk management and internal control system are regularly reviewed and reported. Risk management has been incorporated fully into the corporate planning and decision making process of the organisation.

This includes the development of corporate, operational and departmental risk registers which are used to identify, evaluate and manage risk. As a Blood Establishment, risk management is embedded in all key activities, specifically those GMP activities including the management of change, incidents and validation. These mechanisms provide for effective risk identification.

The key risks for NIBTS in the next year are the recruitment of sufficient donors, maintaining an appropriate panel size, donor satisfaction and blood stocks. Controls to mitigate these risks are in place. Whilst the extent of funding available during this period is unclear, NIBTS is required to deliver its services efficiently, ensuring value for money with maximum productivity. As a consequence, NIBTS will develop a number of work streams to support these objectives which will be agreed with the HSCB and DoH.

1.7 Performance Summary

During 2016/17, the following key aspects of NIBTS service objectives have been achieved:

- Maintained an adequate panel of blood donors
- Collected, tested, processed and issued high quality blood components
- Met the demand for blood components from hospitals
- Met regulatory requirements
- Maintained relevant licences
- Achieved financial breakeven
- Paid suppliers in accordance with prompt payment requirements

1.8 Going Concern

NIBTS provides a key service within the health service in Northern Ireland and is the sole supplier of blood and blood products in the region. As such, it will continue to operate as a going concern reflecting the ongoing requirement for this service.

2. Performance Analysis

2.1 Assessment of Performance

In 2016/17, DoH set 49 objectives for NIBTS. Of these, 88% were achieved. These objectives cross a number of themes including those relating to the Agency's core function of collecting blood and issuing blood components. The objectives not fully achieved in 2016/17 will be addressed during 2017/18.

The table below summarises whole blood collection/plateletpheresis activity over the past two years. As shown, blood collection has reduced, and this is in line with a reduction in demand (issues) from hospitals. 2016/17 was also the first year of the updated donor programme strategy 2016 - 2020, and activity is generally in line with forecasts – apart from platelet demand which did not result in the small increase projected. Whilst donor deferral i.e. those ineligible to donate increased slightly, this is reflective of the increasingly complex acceptance criteria which are regularly updated.

Donation Activity in 2016/17 and 2015/16

	2016/17	2015/16
Whole blood donations	47,978	50,590
Whole blood attendance	56,846	58,543
New donor attendance	6,412	6,645
Donor panel	61,951	61,510
Plateletpheresis donations	4,632	4,747
Haemochromatosis donations	564	705
Total donations	54,954	56,042
Deferral rate (%) - of overall attendance	15.6%	14.2%
- of new donors	23.1%	22.6%

Blood Component Issues in 2016/17 and 2015/16

Blood Component	2016/17	2015/16
Red cell units (adult)	45,040	46,618
Platelets (adult therapeutic doses)	8,629	9,006
Fresh Frozen Plasma components	5,412	4,555
Pooled cryoprecipitate	1,254	1,065



Blood Filtration

Donors

By the end of the year, donor satisfaction increased to almost 99%. However, the average waiting time to commence donation increased to just over 27 minutes.

The active donor panel consists of over 61,951 volunteers with 6,412 new donors attending during the year.

1.2 Long Term Objectives/Corporate Plan

This section sets out the key issues faced by the Agency during 2016/17 as well as areas expected to influence the 2017/18 Business Plan and the longer term corporate outlook.

2.2.1 Blood Safety Initiatives

In 2016/17, the Advisory Committee for Safety of Blood Tissues and Organs (SaBTO) recommended the extension of discretionary testing for Hepatitis E Virus (HEV) to universal, or 100% of blood components for specific patient groups including donor screening.

In May 2016, the Agency's Microbiology Laboratory introduced HEV testing in relation to donations provided to solid organ transplant patients and stem cell transplant patients.

There are a number of blood safety initiatives which remain under consideration. Other UK Blood Services are exploring the possibility of introducing pathogen inactivation technology for platelet component donations. The current SaBTO recommendation is that this is not justified on economic cost grounds but the initiative is not prohibited and will be kept under review. Possible measures to reduce the risk of transmission of vCJD by blood transfusion include prion filtration and vCJD testing. NIBTS will continue to keep a watching brief in relation to developments in this area.

2.2.2 Research and Development

In 2016/17, NIBTS commenced the validation of the molecular assay for non-invasive pre-natal testing for the rhesus D gene. This development could be implemented in Northern Ireland during 2018.

2.2.3 Clinical Audit and Haemovigilance

The NIBTS medical team actively collaborates with the Northern Ireland Transfusion Committee (NITC) in improving clinical transfusion practice. The following work

streams were completed in 2016/17:

- Epidemiology survey of red cell component transfusion
- Improvements in diagnosis and treatment of anaemia in pre-hospital setting
- Implementation of single unit transfusion with repeat testing and clinical assessment before prescribing a second red cell component
- Revision and updating of major haemorrhage protocols to include the routine application of tranexamic acid which is linked to reduced requirements for blood
- Revising and updating of the care treatment pathway for patients with acute upper gastrointestinal haemorrhage recommending lower thresholds for transfusion and restrictive transfusion practice

NITC hosted an international delegate conference on the appropriate use of blood and blood components in conjunction with the European School of Transfusion Medicine (ESTM) in March 2017. This is linked to the centre of operational excellence award which NIBTS received from ESTM in the year.

2.2.4 Blood Collection

2016/17 was the first year of the four-year Blood Donation Strategy which introduced a revised collection programme. This reduction is likely to continue to reflect the projected reduction in demand for red cells. A new double-pod BloodMobile was planned and an order placed during the final quarter of the year. In contrast, plans for a second plateletpheresis collection unit in Omagh did not progress as planned. This project is ongoing with completion anticipated in 2017/18.

2.2.5 Organisational Change

Recommendations and actions flowing from Health and Wellbeing 2026, as well as the Expert Panel's Report 2016 will influence the Agency's strategic goals and ambition. In particular, proposals for modernising HSC Pathology Services highlight NIBTS's pivotal role and its unique regulatory environment

within the HSC. A range of proposals for reform of pathology services are currently under consideration, pending consultation with stakeholders.

2.2.6 Integration of Supply Chain

Pathology modernisation across the region provides the opportunity to integrate the supply chain. This would enable NIBTS to manage the supply of blood from donor to patient. This has the potential to maximise inventory, reduce waste and lead to the development of common standards across blood banks for testing and issue and would facilitate compliance with the Blood Safety and Quality Regulations.

2.2.7 Quality – Ensuring governance and compliance

In addition to the three licences and accreditations that must be maintained and are critical to the ongoing operation of the service (see para 1.4 above) NIBTS is also subject to inspection by the Regulatory and Quality Improvement Authority (RQIA). The organisation is also obliged, via its governance framework, to ensure it retains Investors in People accreditation.

To support the maintenance of these licences and accreditations, robust quality management processes and systems are embedded and are fully functioning across NIBTS.

In addition, there is a need to continue to develop the Controls Assurance framework according to DoH standards and provide relevant information to the NIBTS Board, Audit Committee and Governance and Risk Management Committee in relation to progress against relevant actions.

1.3 Impacts on Financial Position in 2016/17 and Looking Forward

NIBTS is committed to sound financial management and ensuring that the objectives of NIBTS are met in the most efficient and effective way. NIBTS, in common with other HSC organisations, is required to deliver cash release efficiency savings each year. During 2016/17, NIBTS achieved the agreed cash release target and funding reduction for the year amounting to 4.8% of the 2015/16 baseline.

The primary financial performance objective of

NIBTS is to break even on an annual basis. To meet the breakeven definition, any surplus or deficit must be contained within 0.25% of the Revenue Resource Limit (RRL) plus income from activities.

The financial statements are shown in pages 34 to 62 and are prepared in accordance with Article 90(2) of the Health and Personal Social Services (NI) Order 1972 as amended by Article 6 of the Audit and Accountability (NI) Order 2003 and comply with relevant accounting standards.

The Statement of Comprehensive Net Expenditure shows a surplus of £0.002m (2016: £0.002m surplus). Against RRL plus income from activities of £21.508m (2016: £21.978m) this represents a surplus of 0.01% (2016: 0.01%). Accordingly, the breakeven objective for the year has been achieved.

During the year NIBTS received income of £21.255m (2016: £21.372m). This comprised £6.381m (2016: £6.992m) in respect of Haemophilia Blood Products and Patient Testing Services from the Health and Social Care Board and £14.868m (2016: £14.365m) for the supply of blood and blood products from HSC Trusts. Other income amounted to £0.006m (2016: £0.015m).

During the year the NIBTS spent £21.506m (2016: £21.977m). The majority of the expenditure was on Clinical Supplies and Services £13.274m (62%). The average number of whole time equivalent persons employed during the year was 169.2 (2016: 167.9) and expenditure on these staff amounted to £6.061m (28%) (2016: £5.882m/27%). The remaining 10% of expenditure was on other expenditure £1.918m (9%) (2016: £1.823m/8%) and Non-cash items £0.253m (1%) (2016: £0.606m/3%).

NIBTS also invests each year in laboratory equipment, vehicles, ICT and building infrastructure to provide the capital assets essential for the running of the service. During the year capital income and expenditure amounted to £0.382m and £0.358m respectively. Capital income was comprised of £0.138m from sale of assets and £0.244m from DoH. The underspend was due to lower than anticipated actual costs and the inability to complete part of one project on schedule.

NIBTS is required to comply with the Better Payments Practice Codes and Government Accounting Rules. These require trader invoices to be paid within thirty days of receipt of a valid invoice. This constitutes another important performance measure for the service. During the past year 96% of invoices were paid within thirty days. In terms of the value of invoices, 96% was paid within 30 days.

The key financial issue looking forward is the ability of NIBTS to achieve the required level of efficiency savings which is noted above as a risk. The cost implications of the changing profile of product demand (increasing platelets and falling red cells) will require evaluation and may provide opportunity for cost improvement.

Within the bounds of the prudent use of public funds the Agency, in its role as a supplier of critical blood and blood products to hospitals, is a viable organisation. The Agency operates with a capital asset base of approximately £10m and new capital schemes are funded by DoH.

2.4 Environmental, Social and Community Issues

During 2016/17, the Agency developed a range of environmental objectives. The Sustainable Development Plan included the monitoring of energy performance including electricity, steam and water consumption. Together with the Environmental Management Controls Assurance Action Plan, the Sustainable Development Plan will inform actions designed to improve the relevant Controls Assurance Standard Compliance score.

During 2016/17, the Health and Safety Committee oversaw a number of initiatives and worked closely with colleagues in the Belfast Health and Social Care Trust to achieve reductions in carbon emissions in all of these areas.

The Agency is committed to reducing its carbon footprint by reducing greenhouse gas emissions by an average of 1% each year on 2012/13 levels until 2025. The Agency has continued to reduce its consumption of water in its operational activities.

However, there has been a noticeable increase in electricity usage during 2016/17. The

Agency is currently working with Belfast Health and Social Care Trust Estates Department to address this increase and to ensure that reductions in the Agency's carbon footprint by 2025 are achieved.

2.5 Employees and Board Members

NIBTS employs 206 staff, for 2016/17 and reported a sickness absence rate of 7.5% (2016: 5.9%). The target for absence in 2016/17 was <6%. More detailed information is provided in the Remuneration and Staff Reports on page 29.

NIBTS maintains a Register of Interests for Board members and Senior Management Team (SMT) to identify any potential conflict of interest. None of the Board or SMT members has undertaken any material transactions with NIBTS. The Register can be reviewed by contacting the Chief Executive's office.

2.6 Pension Liabilities

The treatment of pension liabilities is detailed in the Remuneration and Staff Report on page 26.

2.7 Information Governance

There were no personal data related incidents during the year.

2.8 Emergency/Business Continuity Plans

NIBTS will continue to further develop and test its emergency planning protocols and business continuity plans in line with the relevant DoH standards.

NIBTS continues to participate in the DoH Emergency Forum and UK Blood Service Emergency Planning and Business Continuity Group. Both the Emergency Plan and Business Continuity plan were reviewed in 2016/17.



Mrs K Jackson
Chief Executive

29 June 2017

Accountability Report

1. Corporate Governance Report

Directors' Report

The NI Blood Transfusion Service Agency (NIBTS) is governed by an Agency Board with the following offices:

Chairman	Mr Jim Lennon
Non-Executive Members	Mrs Lorraine Lindsay Mr Ian Henderson Mr Philip Cathcart
Chief Executive	Mrs Karin Jackson (since 1 October 2016) Mr Paul Simpson (to 30 September 2016)

During 2016/17, the Board met on seven occasions. Meetings are publically advertised and are usually held in NIBTS HQ.

The Agency Board has three sub-committees. The Audit Committee met on four occasions, the Governance and Risk Management Committee met on four occasions and the Remuneration Committee met once in 2016/17.

Operational management is provided through the Senior Management Team (SMT) which meets each week. It provides quality assured data and information for the Board. The SMT considers a range of issues including:

- Progress against objectives set by DoH;
- Progress against corporate objectives declared in the annual business plan and corporate plan;
- Finance and budgetary control report; and
- Quality Management System performance review.

NIBTS has prepared a set of accounts which are included in this report for the year ended 31 March 2017. These 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.

NIBTS positively promotes the objectives and principles of equality of opportunity and observes all of its statutory obligations in relation to all of the Section 75 groups in the Northern Ireland Act (1998).

NIBTS maintains a Register of Interests for Board members and Senior Management Team (SMT) to identify any potential conflict of interest. None of the Board or SMT members has undertaken any material transactions with NIBTS during the year. The Register can be reviewed by contacting the Chief Executive's office.

NIBTS did not make any charitable donations in 2016/17.

The Northern Ireland Audit Office (NIAO) is responsible for the audit of NIBTS accounts. The notional cost of the audit for the year ended 31 March 2017 which pertained solely to the audit of the accounts was £10,000. During the year, the Agency purchased no other non-audit services from NIAO.

In 2016/17, all relevant information was made available to the auditor. The Chief Executive and Board members have confirmed there is no relevant audit information of which the auditors are unaware. They have taken all steps required to make themselves aware of any relevant audit information and to establish that NIBTS's auditor is aware of that information.

There are no events occurring after the balance sheet date that would have a material effect on the accounts.

There were no reportable data breaches during the year. NIBTS is a Public Sector Information Holder and has complied with the requirements set out in HM Treasury and the Office of Public Sector Information guidance.

Statement of Accounting Officer Responsibilities

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003). The Department of Health has directed the Northern Ireland Blood Transfusion Service to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern Ireland Blood Transfusion Service, of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FREM) and in particular to :

- observe the Accounts Direction issued by the Department of Health including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis:
- make judgements and estimates on a reasonable basis:
- state whether applicable accounting standards as set out in FREM have been followed, and disclose and explain any material departures in the financial statements:
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Northern Ireland Blood Transfusion Service will continue in operation:
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Northern Ireland Blood Transfusion Service:
- pursue and demonstrate value for money in the services the Northern Ireland Blood Transfusion Service provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Mrs K Jackson of

Northern Ireland Blood Transfusion Service as the Accounting Officer for the Northern Ireland Blood Transfusion Service. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Northern Ireland Blood Transfusion Service's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health.

Governance Statement

1. Introduction / Scope of Responsibility

The Board of the Northern Ireland Blood Transfusion Service (NIBTS) is accountable for internal control. As Accounting Officer and Chief Executive of the Board, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health (DoH).

In essence, the role of Accounting Officer is to see that NIBTS carries out the following functions in a way that ensures proper stewardship of public money and assets:

- To meet statutory financial duties;
- To meet all relevant regulatory requirements;
- To enter into and fulfil service level agreements with commissioners; and
- To maintain and develop relationships with donors, commissioners and suppliers.

NIBTS is accountable to the DoH for the performance of these functions and participates in two formal accountability review meetings per annum with DoH.

The NIBTS works in partnership with the DoH by agreeing and progressing annual objectives and has key relationships with the Health and Social Care Board (HSCB) and HSC Trusts, through established service level agreements, to deliver services to agreed specifications. NIBTS also works closely with the Business

Service Organisation who provide a range of services under a service level agreement and with other groups such as the Communities Partnership.

2. Compliance with Corporate Governance Best Practice

The Board of NIBTS applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. The Board of NIBTS does this by undertaking continuous assessment of its compliance with Corporate Governance best practice by completing the Board Governance Self-Assessment Tool as issued by DoH. The current assessment undertaken in September 2016 indicates that there are no significant departures from best practice identified in the tool. However, there are some opportunities for continuous improvement and an action plan to facilitate this has been developed.

3. Governance Framework

In accordance with the Northern Ireland Blood Transfusion Service (Special Agency) (Establishment and Constitution) Order (Northern Ireland) 1994, NIBTS has a Board of Directors whose members are appointed by the DoH.

The Board consists of a Non-Executive Chair, three Non-Executive members and the Chief Executive. The NIBTS Medical Director also attends and participates in Board meetings. In 2016/17 the Board met on seven occasions.

Mr P Simpson, an Associate of the HSC Leadership Centre, assumed the role of Interim Chief Executive until 30 September 2016. Mrs K Jackson was appointed Chief Executive with effect from 1 October 2016 on a temporary basis for up to two years.

The NIBTS governance framework is described in the NIBTS Board Assurance Framework document which has been developed in keeping with the guidance issued by the DoH. The framework is based on accountability and reporting for all activities undertaken by NIBTS thereby facilitating robust assurance to the Board. This assurance framework aims to harness the existing risk management activity to resolve uncertainties and deepen NIBTS' understanding of these aspects of governance.

The NIBTS Board oversees the organisations activities to ensure that governance and management arrangements are effective. The Board must be assured that they will be able to identify and manage risks inherent in the provision of services by the organisation.

The Board determines the level of assurance required to manage the principal risks and take stock of the various forms of assurance available to them. The Assurance Framework provides a tool by which the Board can monitor the effectiveness of internal control.

The operation of the Board was assessed in September 2016 against best practice using the Board Governance Self-Assessment Tool. The current self-assessment indicates that the Board operates with no significant departure from the best practice identified in the tool.

The Board has three sub-committees. These are the Audit Committee; the Governance and Risk Management Committee; and the Remuneration Committee.

Audit Committee

The Audit Committee is chaired by a Non-Executive Board member and consists of three Non-Executive Board members. The committee met four times during the year and was attended by Internal Audit, External Audit, the Finance Manager and other Senior Managers, as required.

The key role of the Audit Committee is to review the effectiveness of the internal financial control systems and advise the Board on the strategic processes for internal control; accounting policies and the annual accounts.

The Audit Committee reviewed internal and external audit reports including the Head of Internal Audit's Annual Opinion, and reported any material matters arising to the NIBTS Board. The Audit Committee also advised and updated the Board on the internal and external audit reports received.

The Audit Committee has completed in April 2016 the Audit Committee Self-Assessment checklist and found no significant divergences in its operation from the best practice identified in the checklist.

Governance and Risk Committee Management

The Governance and Risk Committee Management is chaired by a Non-Executive Member and consists of the remaining two Non-Executive Board Members. Senior Managers and the Business Continuity and Risk Manager attended meetings during the year as required. The Committee met four times during 2016/17.

The Committee ensures that there are robust and regularly reviewed systems and structures in place to support the effective implementation and development of integrated governance and risk management systems across the organisation. Risk management is a planned and systematic approach to identifying, evaluating and responding to risks and providing assurance that responses are effective and ensuring principal risks and significant gaps in controls and assurances are considered by the Board in a timely fashion.

Remuneration Committee

The Remuneration Committee is chaired by the Board Chairman and consists of the Non-Executive members. The Committee met once during the year to consider the remuneration of the Chief Executive.

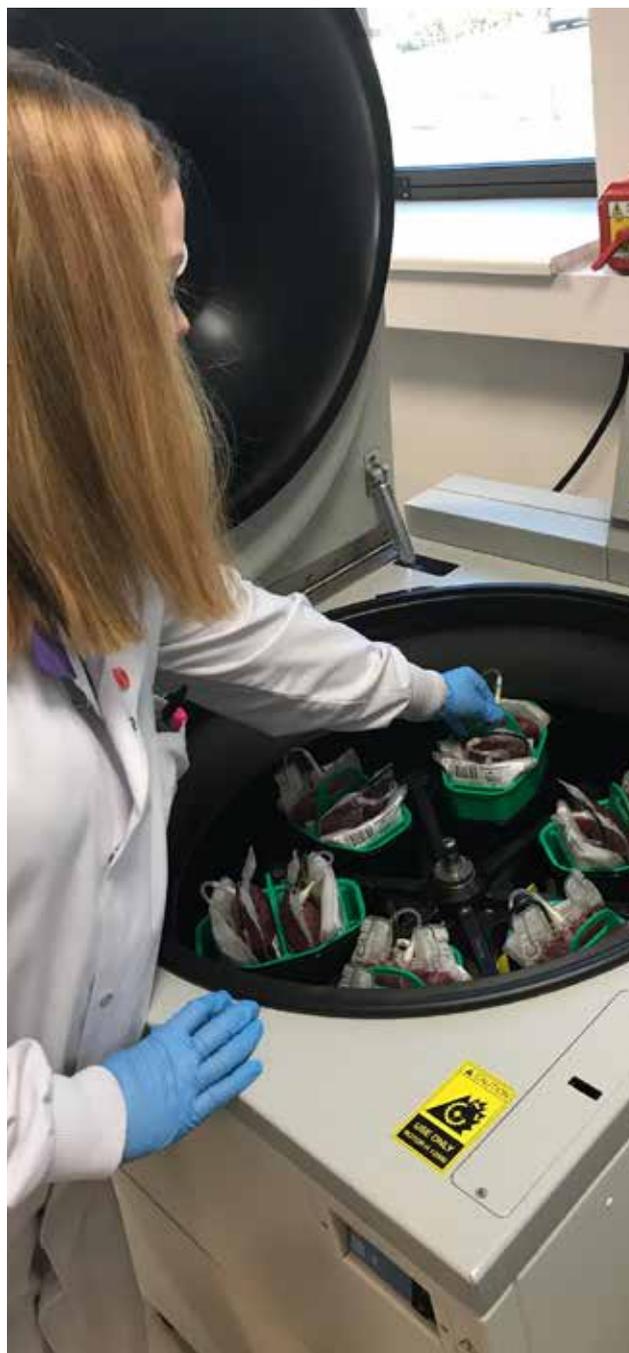
The role of the Remuneration Committee is to advise the Board about appropriate remuneration and terms of service for the Chief Executive and any senior executive.

Board and Committee Attendance Record

Attendance at the meetings of the Board and its sub committees was as follows:

	Board	Audit Committee	Governance & Risk	Remuneration Committee
Mr J Lennon Chairman - Non-Executive	7 of 7	-	-	1 of 1
Mr I Henderson Non-Executive Member	7 of 7	4 of 4	2 of 4	1 of 1
Mrs L Lindsay Non-Executive Member	6 of 7	4 of 4	4 of 4	1 of 1
Mr P Cathcart Non-Executive Member	7 of 7	4 of 4	4 of 4	1 of 1
Mrs K Jackson Chief Executive (from 1 October 2016)	4 of 4	-	-	-
Mr P Simpson Interim Chief Executive (until 30 September 2016)	2 of 3	-	-	-

No Audit Committee, Governance and Risk Committee or Remuneration Committee performance issues were raised as part of the Board Governance Self-Assessment.



Biomedical Scientist in Blood Group Reference Laboratory

4. Business Planning and Risk Management

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and Ministerial priorities are properly reflected in the management of business at all levels within the organisation.

Business Planning

In drawing up the annual business plan the Chief Executive and Senior Management Team discuss key issues affecting the service, develop appropriate objectives for the year ahead and prepare an initial draft.

The initial draft forms the basis of formal business planning consultation meetings which take place during the autumn with middle manager groups, who also discuss the draft plan with staff at their individual team and section meetings. Feedback from the consultation process is documented and factored into revised objectives and the business plan, as appropriate. More widely there is a range of communication channels designed to provide information to staff via face to face and electronic means. Staff are also represented by Trade Union organisations via the organisations Joint Negotiation and Consultative Committee (JNCC).

DoH guidance in relation to business planning for arm's length bodies is considered and specific DoH objectives and requirements are included. The business plan is reviewed against the corporate risk register so that all risks are addressed in the plan. The Agency also produces a Corporate Plan which sets out the strategic direction of the organisation for the next four years. This document is approved by the DoH.

The performance and achievement of business plan objectives and associated key performance indicators are monitored through regular reporting of progress to the Senior Management Team and the Agency Board. In addition, reports are provided to DoH on progress against objectives and these form part of the Accountability Review process held twice a year.

As detailed in Performance Analysis (page 11) above, NIBTS achieved breakeven in 2016/17

and has a balanced financial plan in place for 2017/18.

Risk Management

NIBTS 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. The Risk Management Strategy is also supported by policies and procedures and incorporates training and development plans appropriate to the level of responsibility.

The Risk Management Strategy clearly outlines the risk management arrangements in place within the organisation. They include the following:

- Risk management is an intrinsic part of NIBTS's business planning, decision making process and policy development. No change of direction, outcome or objective occurs without first considering the risks involved;
- Risks are assessed and monitored through an NIBTS corporate risk register which records all significant identified risks, along with action plans to reduce the risk to the lowest practicable level or to a level acceptable to the NIBTS Senior Management Team. The corporate risk register is reviewed on a quarterly basis by the Governance and Risk Management Committee and presented to the NIBTS Board; and
- The Governance and Risk Management Committee takes a holistic approach to risk that addresses all areas of NIBTS. The Committee reviews the development and performance of the organisation's risk management processes.

Procedures have been put in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on and that risk management has been incorporated fully into the corporate planning and decision making process of the organisation. This includes the development of corporate, operational and departmental risk registers which are used to identify and evaluate risk. The registers are formally reviewed quarterly and this process is used to identify new risks as well as reviewing existing

risks. Identification of risk takes account of factors such as incident reporting, complaints, risk assessments as well as staff responsibility to report any risks to which they or the Agency may be exposed. The registers also detail factors used to control and mitigate risk. Risk management is embedded in all key activities including the management of change, incidents and validation. These mechanisms provide for effective risk identification.

Risks are assessed in keeping with DoH guidance which has been refined to reflect the specialist activities undertaken by NIBTS.

This work was overseen by the Governance and Risk Management Committee throughout 2016/17.

Risk management is integral to the training for all staff, as relevant to their grade, both at induction and in service. During 2016/17 Risk Management training was completed by 88% of NIBTS staff. To support staff through the risk management process, expert guidance and facilitation has been available along with access to policies and procedures, outlining responsibilities and the means by which risks are identified and controlled.

5. Information Risk

The management of information within NIBTS remains a high priority. An Information Governance resource is in place to ensure that the information governance agenda is effectively progressed. NIBTS has in place a range of information governance and ICT security policies and procedures. Information governance risks are reported through the risk management process as applicable. Action plans have been developed and progressed following previous audits, Data Protection reviews and Controls Assurance reviews. These action plans are approved by, and progress reported to, the Board. Information Asset Owners (IAOs) who have responsibility for identification and management of information risks in their areas have been identified and trained across the Agency. Information Asset Registers have been established in each area by IAOs. The Head of HR and Corporate Services acts as the Senior Information Risk Owner and has a key role in considering emerging information risks and how these risks may be managed. In addition, Data Protection Awareness Training

is mandatory for all staff and is undertaken by e-learning and new staff are provided with specific Information Governance training sessions. Information Governance training was completed by 92% of NIBTS staff in 2016/17.

During the year there were no incidents of data loss reported to the DoH, HSCB or the Information Commissioner's Office (ICO).

6. Public Stakeholder Involvement

The Blood Transfusion Service Communities Partnership (BTSCP), comprising of three groups (two sub-groups based in Belfast and one based in County Tyrone), and a Youth Forum continues to help meet our obligations in respect of Personal and Public Involvement (PPI). BTSCP groups met a total of seven times during the year.

The Partnership continues to focus on blood donation session organisation, donor recruitment and consultation. In addition, complaints monitoring and management is a standing agenda item at the meetings. Complaints are managed under a well-established system Procedure for Processing Complaints and Other Contacts (SOP:94:BD017:NIBT). During 2016/17, 17 formal complaints were received and this is a significant reduction on the 26 logged in the previous year. Monitoring is managed under monthly, quarterly and year-end reports, with onward reporting to the Patient Client Council, NIBTS Governance and Risk Committee and the NIBTS Board at key points during the year. The year-end report helps to address learning points from the information provided, where for example, data relating to donors who return to donate and frequently encountered problems, are analysed.

7. Assurance

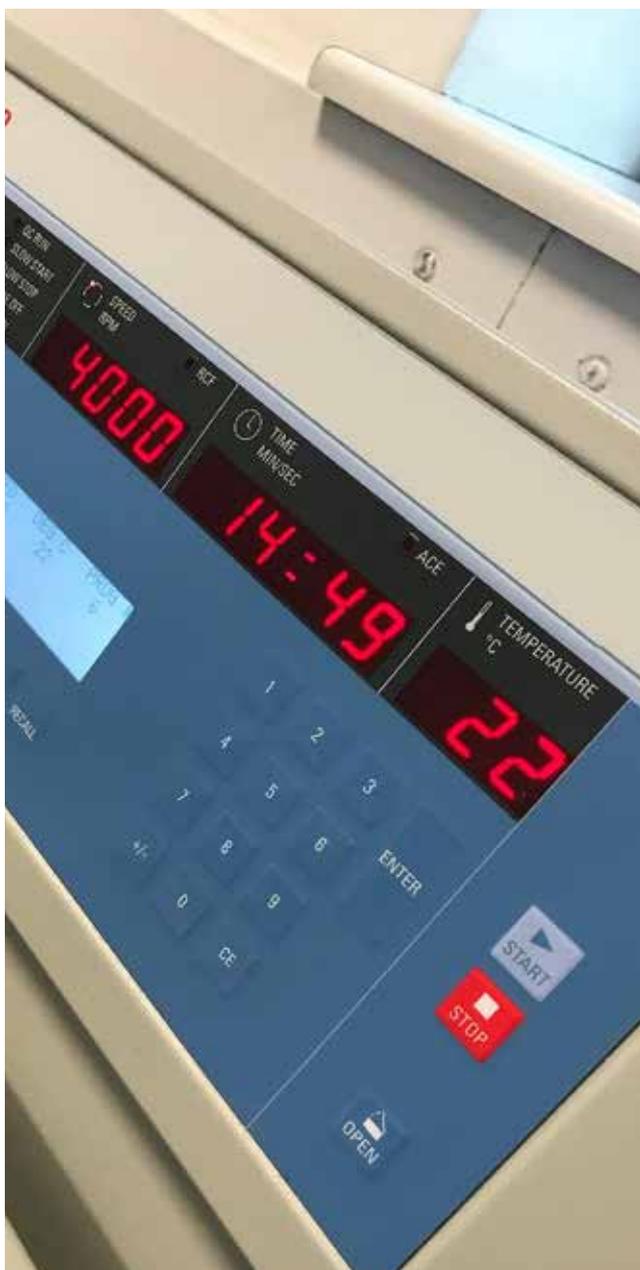
The Board is responsible for ensuring high standards of corporate governance with effective systems of internal control. Regular reports on risk management are presented to the Board for review. The level of compliance with Controls Assurance Standards is subject to self-assessment and the self-assessment of five of the standards was reviewed by internal audit in 2016/17. Reports to address any non-compliances are presented to the Board for review and approval of associated action plans.

The Board, through the Audit Committee, receives assurance on the effectiveness of internal financial control systems. The Audit Committee reviews internal and external reports including the Head of Internal Audit's Annual Opinion on the Effectiveness of the System of Internal Control. Internal Audit is an independent function which operates in accordance with Public Sector Internal Audit Standards. The Board also reviews reports arising from external inspections and assessments, endorses the relevant action plans and monitors progress against the action plans.

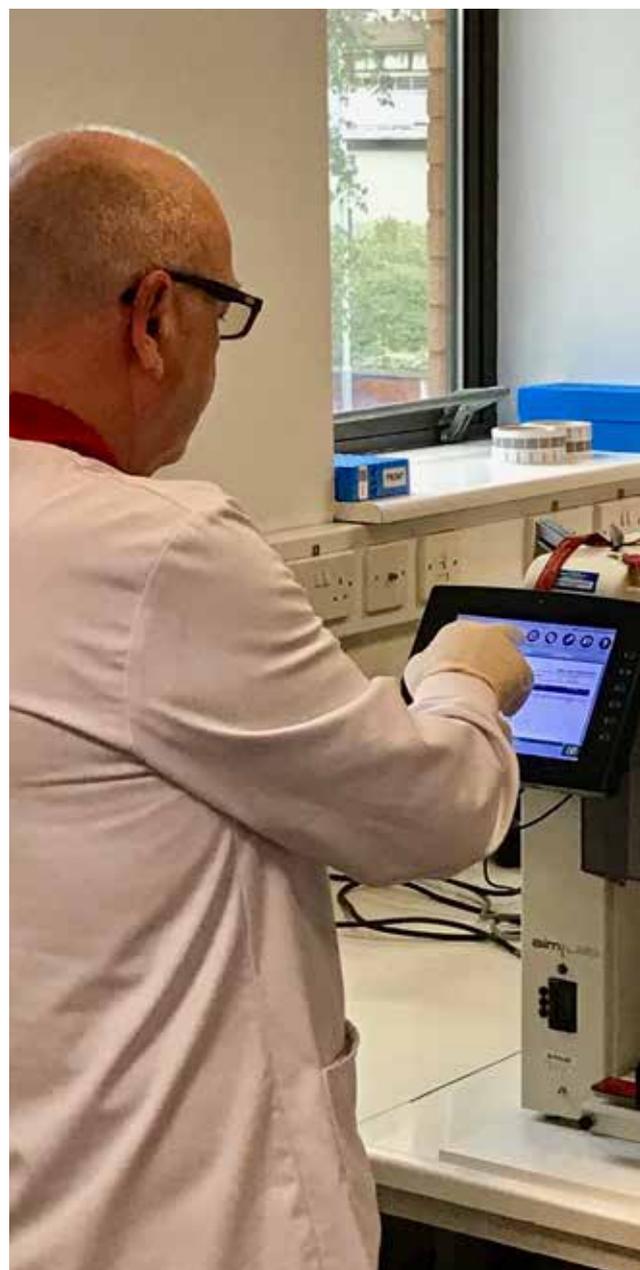
During the year, the Governance and Risk Management Committee ensured that there were robust and regularly reviewed systems and structures in place to support the effective

implementation and development of integrated governance and risk management systems across the organisation. This Committee reported all relevant matters to the NIBTS Board. During 2017/18, NIBTS expects to continue to enhance the effectiveness of the systems of internal control through the review and update of the NIBTS Assurance Framework.

The Board considers that the information and assurance provided to it is of sufficient quality to support it and the Accounting Officer in their decision making and accountability obligations. This view is determined following completion of the Board Governance Self-Assessment Tool (September 2016) and by taking account of relevant comments by respective auditors.



Blood Irradiation Unit



Microbiology testing

Controls Assurance Standards

NIBTS assessed its compliance with the applicable Controls Assurance Standards which were defined by the Department and against which a degree of progress is expected in 2017/18. Action plans are in place for all Controls Assurance Standards.

NIBTS achieved the following levels of compliance for 2016/17.

Standard	DoH Expected Level of Compliance	Agency Level of Compliance	Reviewed by:
Buildings, land, plant and non-medical equipment	75% - 99% Substantive	82% Substantive	Self Assessment
Emergency Planning	75% - 99% Substantive	84% Substantive	Internal Audit
Financial Management (Core Standard)	75% - 99% Substantive	84% Substantive	Internal Audit
Fire safety	75% - 99% Substantive	85% Substantive	Self Assessment
Fleet and Transport Management	75% - 99% Substantive	84% Substantive	Self Assessment
Governance (Core Standard)	75% - 99% Substantive	81% Substantive	Internal Audit
Health & Safety	75% - 99% Substantive	81% Substantive	Self Assessment
Human Resources	75% - 99% Substantive	82% Substantive	Internal Audit
Information Communication Technology	75% - 99% Substantive	87% Substantive	Self Assessment
Management of Purchasing	75% - 99% Substantive	84% Substantive	Self Assessment
Medical Devices and Equipment Management	75% - 99% Substantive	83% Substantive	Self Assessment
Medicines Management and Optimisation	75% - 99% Substantive	85% Substantive	Self Assessment
Information Management	75% - 99% Substantive	81% Substantive	Self Assessment
Research Governance	75% - 99% Substantive	81% Substantive	Self Assessment
Risk Management (Core Standard)	75% - 99% Substantive	86% Substantive	Internal Audit
Security Management	75% - 99% Substantive	81% Substantive	Self Assessment
Waste Management	75% - 99% Substantive	83% Substantive	Self Assessment
Environmental Management	75% - 99% Substantive	78% Substantive	Self Assessment

To improve the Environmental Management score, NIBTS will review the Environmental Management Policy; set waste and environmental targets; promote 'green' issues and implement the environmentally friendly travel plan.

8. Sources of Independent Assurance

NIBTS obtains independent assurance from the following sources:

Internal Audit

NIBTS utilises 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 2016/17, Internal Audit reviewed the following systems:

Financial Review	Satisfactory Assurance
Board Effectiveness	Satisfactory Assurance
Information Governance	Satisfactory Assurance
Transport - Procurement & Management of Contracts	Satisfactory Assurance
Risk Management	Satisfactory Assurance
Year End Stocktake	Satisfactory Assurance

In the six audit areas noted above, 2 Priority 1 and 25 Priority 2 weaknesses in control were identified.

Internal Audit prioritises findings on three levels. Priority 1 is defined as:

“An issue which requires urgent management decision and action without which there is a substantial risk to the achievement of key business/system objectives, to the reputation of the organisation, or to the regularity and propriety of public funds”.

Priority One findings identified in 2016/17 are outlined below under the heading of each audit undertaken.

Transport - Procurement & Management of Contracts

The audit identified that Non Contract spend is not being monitored by NIBTS. From a review of 2015/16 spend, Internal Audit identified 3 occasions where spend had been made to a supplier for similar services with no valid contract in place. These were as follows:

- Fuel card expenditure of £32,916;
- £11,795 for maintenance and repairs for the old Blood Mobile; and

- £5,432 for expert advice in relation to the technical problems associated with the new Blood Mobile.

Information Governance

NIBTS does not have Data Access Agreements in place with any organisation with which information is shared, other than with the Business Services Organisation.

The recommendations arising out of these Priority 1 findings have been accepted by NIBTS. Time bound plans to implement the recommendations have been developed and have either been actioned or will be actioned during 2017/18 year.

In their Annual Report, the Head of Internal Audit provided the overall opinion that there is a satisfactory system of internal control designed to meet the Agency’s objectives. Recommendations to address the control weaknesses identified by internal audit have been, or are being, implemented.

Northern Ireland Audit Office (NIAO)

The financial statements are audited by NIAO and the certificate and report to the Northern Ireland Assembly is included in pages 32-33. The NIAO provides a Report to Those Charged With Governance with recommendations and these are acted upon.

RQIA

The RQIA has, in the past, undertaken reviews on NIBTS activities. However, no audits of NIBTS were undertaken by RQIA in 2016/17.

Other Regulatory Bodies

All core services provided by NIBTS are subject to regulatory inspection and /or accreditation.

Legislation (Medicines Act 1968 and Blood Safety and Quality Regulations 2005/50 (as amended)) requires that the Agency possess appropriate licences in order to perform its core functions. The Agency holds the relevant licences and undergoes inspection by the Medicines and Healthcare Product Regulatory Agency (MHRA) on a regular basis to ensure compliance with the relevant standards. The last inspection, in February 2016, resulted in no ‘critical’ or ‘major’ findings. The next inspection is scheduled for June 2017.

NIBTS is also inspected by the United Kingdom Accreditation Service (UKAS) against ISO15189. NIBTS was inspected by UKAS in September and December 2016 and all findings have been cleared. NIBTS is currently awaiting confirmation of award of accreditation.

Business Services Organisation (BSO)

The Business Services Organisation (BSO) is responsible for providing NIBTS with a range of services through a Service Level Agreement. In 2016/17, these services included procurement, income, payments, payroll, recruitment and legal services.

BSO provides service monitoring and assurance reports during the year and a final year end assurance letter once the BSO's Governance Statement has been ratified. To support NIBTS Audit Committee considerations, a provisional assurance letter has been provided by BSO. The provisional assurance letter reported that significant weaknesses in control were identified by BSO Internal Audit in relation to payroll and recruitment services during 2016/17. NIBTS received assurance that BSO will continue to address the weaknesses identified and will pursue continuing improvements to the system of internal control in 2017/18.

One weakness identified in payroll resulted in the need to recalculate employer's superannuation contributions. The financial consequences of this recalculation have been included in 2016/17 financial statements. It is expected that this matter will be fully resolved in 2017/18 year.

9. Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the internal auditors and the executive managers within NIBTS who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee and

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

10. Internal Governance Divergences

Update on Prior Year Control Issues Now Resolved

There were no significant control issues or internal governance divergences identified in the prior year.

New Significant Control Issues

There were no significant control issues or internal governance divergences identified in the year.

The outlook for 2017-18 is increasingly constrained, particularly in respect of resource funding. In a statement to the House of Commons on 24 April 2017 the Secretary of State for Northern Ireland outlined an indicative Budget position for NI departments. This position was based on the advice of the Head of the NI Civil Service (NICS) in conjunction with the NICS Board. The purpose of this statement was to provide clarity to departments as to the basis for departmental allocations in the absence of an Executive, so that Permanent Secretaries can plan and prepare to take more detailed decisions in that light. The departmental allocations set out by the Secretary of State provide the basis on which departments are now planning for 2017-18. However, the Secretary of State was clear that the indicative budget position did not constrain the ability of an incoming Executive to adjust its priorities during the year. He also advised that some £42 million Resource DEL and £7 million Capital DEL was left unallocated in order to maintain flexibility for a new Executive to allocate resources to meet further priorities as they deem appropriate. Therefore, while there is the potential for an incoming Executive to adjust these plans and also to allocate the unallocated resources, individual departments cannot anticipate any additional funding at this stage until such decisions are made.

Across the HSC sector it is expected that the significant financial challenges faced will intensify and extensive budget planning work to support the 2017-18 financial plan is ongoing between NIBTS and the Department of Health (DOH). However, as with other

financial years NIBTS remains committed to achieving financial break-even.

11. Conclusion

NIBTS has a rigorous system of accountability upon which I can rely as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI (MPMNI).

Further to considering the accountability framework within NIBTS and in conjunction with assurances given to me by the Head of Internal audit, I am content that NIBTS has operated a sound system of internal governance during the period 2016/17.

2. Remuneration and Staff Report

Remuneration Report

Remuneration Committee

The Board of the Agency, as set out in its Standing Orders and Standing Financial Instructions has delegated certain functions to the Remuneration Committee including the provision of advice and guidance to the Board on matters of salary and contractual terms of the Chief Executive, guided by DoH policy. The membership of this committee during 2016/17 consisted of Mr J Lennon (Chairman), Mr I Henderson, Mr P Cathcart and Mrs L Lindsay (Non-Executive Board Members). The Remuneration Committee met once during the year.

Remuneration Policy

All staff within NIBTS are paid in accordance with circulars issued by DoH. All non-medical staff are covered by Agenda for Change. Terms and Conditions of Service Handbook and were paid in accordance with HSC (AfC)(2) 2016 – “Agenda for Change (AFC) Pay Arrangements 2016/17”.

All medical staff were paid in accordance with HSC(TC8) 2/2016 – “Pay and Conditions of Service: Remuneration of Hospital Medical and Dental Staff and Doctors in Public Health Medicine and the Community Health Service”.

Service Contracts

During 2016/17 the Chief Executive post was temporarily filled by an Associate of the

HSC Leadership Centre, Mr P Simpson, who undertook this role until 30 September 2016. The process to fill the Chief Executive post recommenced in May 2016 in accordance with DoH agreement regarding a temporary appointment of up to two years. On 1 October 2016, Mrs K Jackson took up the post of Chief Executive.

During 2016/17, Dr K Morris was Medical Director of NIBTS. Dr Morris was employed under a contract issued in accordance with HSC Medical Consultant Terms and Conditions of Service (Northern Ireland) 2004. The Medical Director has a permanent Contract of Employment with continuation subject to satisfactory performance. A three months’ notice period is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice.

Termination Payment

There is a statutory provision for termination payments only, as detailed in the contracts of senior management. There were no payments made to directors in respect of compensation for loss of office during 2016/17.



Blood Product Vials

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of senior management and Board members.

	2016/17				2015/16					
	Salary (£000)	Bonus / Performance Pay £000	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £1000)	Total (£000)	Salary £000	Bonus / Performance Pay £000	Benefits in Kind (to nearest £100)	Pension benefits (to nearest £1000)	Total (£000)
Mrs K Jackson* Chief Executive	40-45 (80-85 full year equivalent)	-	-	-	40-45	-	-	-	-	-
Dr K Morris Medical Director	135-140	-	-	20	155-160	135-140	-	-	(14)	150-155
Mr P Simpson** Interim Chief Executive	-	-	-	-	-	-	-	-	-	-
Mr J Lennon Chairman	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Mrs L Lindsay Non Executive member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Mr I Henderson Non Executive member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Mr P Cathcart Non Executive member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Highest Earners total Remuneration (£'000)	155-160				150-155					
Median Total Remuneration	19.5				19.3					
Ratio	8.1				7.9					

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation of any increase or decreases due to a transfer of pension rights.

Pensions of Senior Management (Audited)

	Real increase in pension and related lump sum at age 60 £000	Total accrued pension at age 60 as at 31/03/17 and related lump sum £000	CETV at 31/03/16 £000	CETV at 31/03/17 £000	Real increase in CETV £000	Employer contribution to partnership pension account (Nearest £100)
Mrs K Jackson						
Pension	5-7.5	20-25	239	341	94	-
Lump sum	10-12.5	50-55				
Dr Morris						
Pension	0-2.5	45-50	861	922	33	-
Lump sum	2.5-5.0	135-140				

* Mrs K Jackson was appointed Chief Executive from 1 October 2016 on a temporary basis for up to two years. CETV is shown at 31 March 2016. Mrs Jackson is paid through Belfast Health and Social Care Trust payroll and the cost recharged to NIBTS. This is included under others' in staff costs below.

** Mr P Simpson, Associate of the HSC Leadership Centre, undertook the role of Interim Chief Executive until 30 September 2016.

The HSC Leadership Centre was paid £30k for the service provided by Mr Simpson. This is included under 'Others' in Staff costs below.

'Salary' includes gross salary, overtime, on call and other allowances. There were no bonuses paid or benefits in kind provided to senior management during 2016/17 or 2015/16.

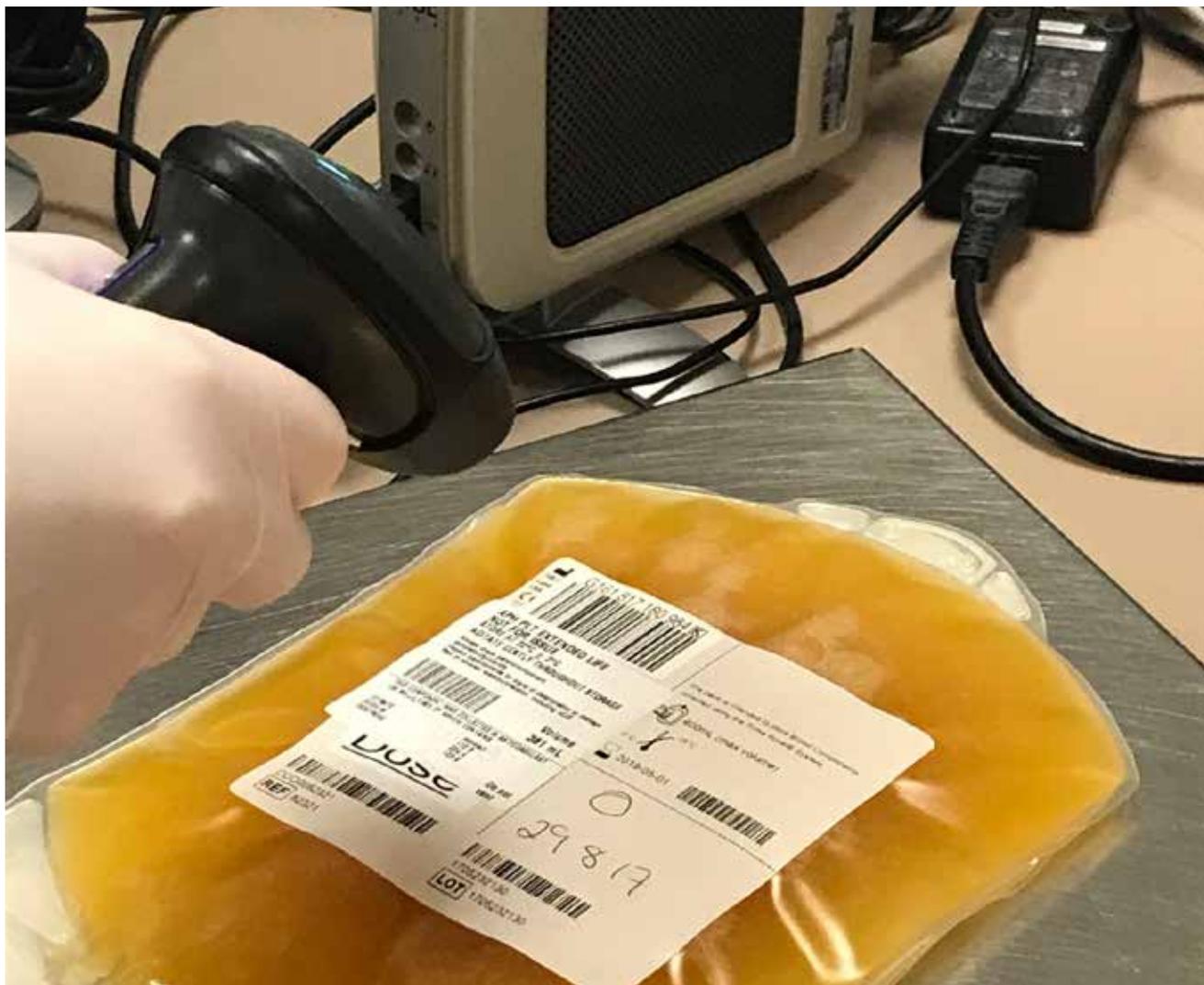
Non-Executive members do not receive pensionable remuneration, therefore there are no entries in respect of pensions for Non-Executive members.

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 include the value of any pension benefits in another scheme or arrangement which the individual has

transferred to the HSC 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 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.

Pension contributions deducted from individual employees are dependent upon the level of remuneration receivable and are deducted using a scale applicable to the level of remuneration received by the employee.



Unit of Plasma being validated

Staff Report

Staff Costs (Audited)

	2017		2016	
Staff costs comprise:	Permanently employed staff	Others	Total	Total
	£000s			
Wages and salaries	4,773	135	4,908	4,870
Social security costs	451	0	451	349
Other pension costs	702	0	702	663
Sub-total	5,926	135	6,061	5,882
Capitalised staff costs	0	0	0	0
Total staff costs reported in Statement of Comprehensive Expenditure	5,926	135	6,061	5,882
Less recoveries in respect of outward secondments			0	0
Total net costs			6,061	5,882
Total Net costs of which:			£000s	£000s
NI Blood Transfusion Service			6,061	5,882
Charitable Trust Fund			0	0
Total			6,061	5,882

No staff costs were charged to capital projects during the year (2016 £nil).

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

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. A full valuation as at 31 March 2012 was completed in 2015/16.

Average Number of Persons Employed (Audited)

The average number of whole time equivalent (WTE) staff employed during the year was as follows:

Category	Permanently employed staff No.	2017		2016	
		Others	Total	Total	Total
Medical and dental	3.9	0.2	4.1	4.3	4.3
Nursing and midwifery	45.6	3.5	49.1	49.7	49.7
Professions allied to medicine	0.0	0.0	0.0	0.0	0.0
Ancillaries	8.0	0.2	8.2	8.0	8.0
Administrative and clerical	47.8	2.7	50.5	52.1	52.1
Ambulance staff	0.0	0.0	0.0	0.0	0.0
Works	0.0	0.0	0.0	0.0	0.0
Other professionals and technical	53.3	4.0	57.3	53.8	53.8
Social Services	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Total average number of persons employed	158.6	10.6	169.2	167.9	167.9
Less average staff number relating to capitalised staff costs	0.0	0.0	0.0	0.0	0.0
Less average staff number in respect of outward secondments	0.0	0.0	0.0	0.0	0.0
Total net average number of persons employed	158.6	10.6	169.2	167.9	167.9
Of which:					
NI Blood Transfusion Service			169.2		
Charitable Trust Fund			0		
Total			169.2		

Reporting of early retirement and other compensation scheme – exit packages

There were no redundancy or early departure costs paid in 2016/17 or in 2015/16.

Staff Benefits

There were no staff benefits paid in 2016/17 or in 2015/16.

Retirements due to ill-health

There were no retirements due to ill-health during 2016/17 or in 2015/16.

Off Payroll Engagements

There were no 'off-payroll' engagements at a cost of over £58,200 per annum in place during 2016/17.

Consultancy Expenditure

There were no consultancy costs paid in 2016/17 or in 2015/16.

Staff Composition

The Agency employs a range of staff under a number of occupational groupings. This includes professional and technical, administrative and clerical, medical, nursing and ancillary grades.

As at 31/03/2017, the Agency employed a total of 206 staff (169.2 whole time equivalents). This figure included 198 staff employed on permanent contracts and 6 staff on temporary and/or fixed term contracts, including non-executive Board members.

The gender profile of staff employed by the Agency for the period was 63 male and 143 female.

For the senior manager group of employees (those defined as earning in excess of £68,000 p.a.) the gender breakdown of officers was three male and one female member of staff.

Sickness data

During 2016/17, the Agency was required to comply with the Departmental target of improving or maintaining sickness absence rates on 2015/16 levels. For the period ended 31/03/2017 the Agency did not achieve this target.

Cumulative absence for the workforce as a whole was 7.5%. Long term sickness, that is sickness lasting for four weeks or more, accounted for 6.19% with the remaining 1.35% of employee sickness attributable to short-term absences.

Staff Policies

The Agency has in place a robust recruitment and selection policy which is regularly reviewed. All staff who are involved with the selection of staff for employment are required to undertake mandatory training as well as separate equality awareness training. Equality and diversity is also a core dimension discussed formally with each member of staff via the annual staff review process. Applicants for posts within the Agency who declare a disability are given full and fair consideration at all stages.

During 2016/17 the Agency was not aware of any existing employee who became disabled. In such circumstances, the Agency will always engage with Occupational Health professionals and will fulfil all of its legal obligations and in particular the duty to make reasonable adjustments and to consider retraining and reallocation of duties whenever possible. During 2016/17 the Agency made a particular effort to engage with staff members to update their equality data in order for the organisation to better understand the composition of the workforce including those with disabilities.

Employees of the Agency who declare a disability, or who are known by the Agency to be disabled, enjoy the same benefits in terms of training, career development and promotion as those members of staff without disabilities.



BacTAlert Testing

3. Accountability and Audit report

Funding Report

Losses and Special Payments

Type of loss and special payment	Number of cases	2016-17 £	2015-16 £
Cash losses			
Cash Losses – Theft, fraud etc.	0	0	0
Cash Losses – Overpayments of salaries, wages and allowances	0	0	0
Cash Losses – Other causes	0	0	0
	0	0	0
Claims abandoned			
Waived or abandoned claims	0	0	0
	0	0	0
Administrative write-offs			
Bad debts	0	0	0
Other	0	0	0
	0	0	0
Fruitless payments			
Late payment of Commercial Debt	0	0	0
Other fruitless payments and constructive losses	0	0	0
	0	0	0
Stores losses			
Losses of accountable stores through any deliberate act	0	0	0
Other stores losses	3	14,247	856
	3	14,247	856
Special Payments			
Compensation payments;			
- Clinical Negligence	1	10,000	0
- Public Liability	0	0	0
- Employers Liability	0	0	0
- Other	0	0	0
	1	10,000	0
Ex-gratia payments			
Extra contractual	0	0	0
Special severance payments	0	0	0
TOTAL	4	24,247	856

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

Fees and Charges (Audited)

There were no fee and charges payments made during the year.

Remote Contingent Liabilities

In addition to contingent liabilities reported within the meaning of IAS 37, the NI Blood Transfusion Service also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. NIBTS had no such liabilities as at 31 March 2017.

Long Term Expenditure Trends and Plans

It is anticipated that for the foreseeable future the current pattern of NIBTS expenditure will be maintained. The level of future expenditure will be influenced by a projected fall in demand for red cells and a projected increase in demand for platelets. Plans to address these changes in demand have been developed.

In terms of financial management and control, a financial plan is prepared and approved by the Agency Board at the beginning of each financial year and budgets are established. Financial performance is monitored and reviewed through detailed financial reporting on a monthly basis. An aggregate summary of the financial position to date and forecast

year end position is presented by the Finance Manager to each meeting of the Agency Board.

NIBTS will continue to invest each year in laboratory equipment, vehicles, ICT and building infrastructure to provide the capital assets essential for the running of the service.

Regularity of Expenditure (Audited)

The Agency has continued to maintain sound systems of internal control which are designed to safeguard public funds and assets. These systems are subjected to annual internal audit by BSO Internal Audit. DoH guidance on expenditure is reviewed and implemented as appropriate. Approval of NIBTS expenditure is undertaken by a small number of senior staff. NIBTS uses BSO Procurement and Logistics, which is a Centre of Procurement Expertise (CoPE), for goods and services procurements. These processes are aimed at ensuring the regularity of expenditure within NIBTS.



Mrs K Jackson
Chief Executive

29 June 2017



Microbiology testing

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

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

I certify that I have audited the financial statements of the Northern Ireland Blood Transfusion Service for the year ended 31 March 2017 under the Health and Personal Social Services (Northern Ireland) Order 1972. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Assembly Accountability disclosures that are described in those reports as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Blood Transfusion Service's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Northern Ireland Blood Transfusion Service; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Northern Ireland Blood Transfusion Service's affairs as at 31 March 2017 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 and Department of Health directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Assembly Accountability disclosures within the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Health and Personal Social Services (Northern Ireland) Order 1972; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

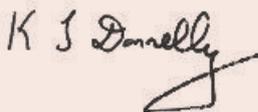
I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Remuneration and Staff Report and the Assembly Accountability disclosures within the Accountability Report to be audited are not in agreement with the accounting records; or

I have not received all of the information and explanations I require for my audit; or the Governance Statement does not reflect compliance with Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



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

7 July 2017

Financial Statements for the Year Ended 31 March 2017

Foreword

These accounts for the year ended 31 March 2017 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.

Certificates of Chairman and Chief Executive

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 39 to 62) which I am required to prepare on behalf of the Northern Ireland Blood Transfusion Service have been compiled from and are in accordance with the accounts and financial records maintained by the Northern Ireland Blood Transfusion Service with the accounting standards and policies for HSC bodies approved by the DoH.



Mrs K Jackson, Chief Executive
29 June 2017

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 39 to 62) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Mr J Lennon, Chairman
29 June 2017



Mrs K Jackson, Chief Executive
29 June 2017

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2017

This account summarises the income and expenditure generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	NOTE	2017		2016	
		£000s		£000s	
		Agency	Consolidated	Agency	Consolidated
Income					
Income from activities	4.1	21,255	21,255	21,372	21,372
Other operating income*	4.2	0	0	0	0
Deferred income	4.3	0	0	0	0
Total operating income		21,255	21,255	21,372	21,372
Expenditure					
Staff costs		(6,061)	(6,061)	(5,882)	(5,882)
Purchase of goods and services	3	(13,450)	(13,450)	(13,837)	(13,837)
Depreciation, amortisation and impairment charges	3	(378)	(378)	(586)	(586)
Provision expense	3	4	4	(11)	(11)
Other expenditures	3	(1,621)	(1,621)	(1,660)	(1,661)
Total operating expenditure		(21,506)	(21,506)	(21,976)	(21,977)
Net operating expenditure		(251)	(251)	(604)	(605)
Finance income	4.2	0	5	0	5
Finance expense	3	0	0	0	0
Net expenditure for the year		(251)	(246)	(604)	(600)
Revenue Resource Limit (RRL)	24.1	253	253	606	606
Add back charitable trust fund net expenditure*		0	(5)	0	(4)
Surplus against RRL		2	2	2	2
OTHER COMPREHENSIVE EXPENDITURE					
	NOTE	2017		2016	
		£000s		£000s	
Items that will not be reclassified to net operating costs:		Agency	Consolidated	Agency	Consolidated
Net gain/(loss) on revaluation of property, plant and equipment	5.1/8/5.2/8	255	255	680	680
Net gain/(loss) on revaluation of intangibles	6.1/8/6.2/8	0	0	0	0
Net gain/(loss) on revaluation of charitable assets	7	0	32	0	(10)
Items that may be reclassified to net operating costs:					
Net gain/(loss) on revaluation of investments		0	0	0	0
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March		4	41	76	70

The notes on pages 39 to 62 form part of these accounts.

* All donated funds have been used by the Agency as intended by the benefactor. It is for the Agency Board to manage the internal disbursements. The Board ensures that charitable donations received by the Agency are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Agency's Standing Financial Instructions, Departmental guidance and legislation. All such funds are allocated to the area specified by the benefactor and are not used for any other purpose than that intended by the benefactor.

Consolidated Statement of Financial Position as at 31 March 2017

This statement presents the financial position of NI Blood Transfusion Service. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	NOTE	2017		2016	
		Agency £000s	Consolidated £000s	Agency £000s	Consolidated £000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	9,684	9,684	9,467	9,467
Intangible assets	6.1/6.2	17	17	8	8
Financial assets	7	0	232	0	195
Trade and other receivables	12	0	0	0	0
Other non current assets	12	0	0	0	0
Total Non Current Assets		9,701	9,933	9,475	9,670
Current Assets					
Assets classified as held for sale	9	0	0	0	0
Inventories	10	1,746	1,746	2,162	2,162
Trade and other receivables	12	756	756	359	359
Other current assets	12	20	20	41	41
Intangible current assets	12	0	0	0	0
Financial assets	7	0	0	0	0
Cash and cash equivalents	11	474	474	319	319
Total Current Assets		2,996	2,996	2,881	2,881
Total Assets		12,697	12,929	12,356	12,551
Current Liabilities					
Trade and other payables	13	(2,013)	(2,013)	(1,920)	(1,920)
Other liabilities	13	0	0	0	0
Intangible current liabilities	13	0	0	0	0
Provisions	15	(10)	(10)	(15)	(15)
Total Current Liabilities		(2,023)	(2,023)	(1,935)	(1,935)
Total assets less current liabilities		10,674	10,906	10,421	10,616
Non Current Liabilities					
Provisions	15	(12)	(12)	(16)	(16)
Other payables > 1 yr	13	0	0	0	0
Financial liabilities	7	0	0	0	0
Total Non Current Liabilities		(12)	(12)	(16)	(16)
Total assets less total liabilities		10,662	10,894	10,405	10,600
Taxpayers' Equity and other reserves					
Revaluation reserve		8,310	8,310	8,147	8,147
SoCNE reserve		2,352	2,352	2,258	2,258
Other reserves - charitable fund		0	232	0	195
Total equity		10,662	10,894	10,405	10,600

The financial statements on pages 34 to 38 were approved by the Board on 29 June 2017 and were signed on its behalf by; The notes on pages 39 to 62 form part of these accounts.

Signed  (Chairman) Date: 29 June 2017

Signed  (Chief Executive) Date: 29 June 2017

Consolidated Statement of Cash Flows for the year ended 31 March 2017

The Statement of Cash Flows shows the changes in cash and cash equivalents of the NI Blood Transfusion Service during the reporting period. The statement shows how the NI Blood Transfusion Service generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the NI Blood Transfusion Service. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the NI Blood Transfusion Service future public service delivery.

	NOTE	2017 £000s	2016 £000s
Cash flows from operating activities			
Net surplus after interest/Net operating cost		(246)	(600)
Adjustments for non cash costs		253	606
(Increase)/Decrease in trade and other receivables	12	(376)	124
<i>Less movements in receivables relating to items not passing through the NEA</i>			
Movements in receivables relating to the sale of property, plant and equipment		0	0
Movements in receivables relating to the sale of intangibles		0	0
Movements in receivables relating to finance leases		0	0
Movements in receivables relating to PFI and other service concession arrangement contracts		0	0
Decrease/(Increase) in inventories	10	417	(695)
(Decrease) in trade payables	13	93	(3)
<i>Less movements in payables relating to items not passing through the NEA</i>			
Movements in payables relating to the purchase of property, plant and equipment	5	(188)	(10)
Movements in payables relating to the purchase of intangibles	6	(17)	0
Movements in payables relating to finance leases		0	0
Movements in payables relating to PFI and other service concession arrangement contracts		0	0
Use of provisions	15	(5)	(2)
Net cash outflow from operating activities		(69)	(580)
Cash flows from investing activities			
(Purchase of property, plant & equipment)	5	(153)	(54)
(Purchase of intangible assets)	6	0	0
Proceeds of disposal of property, plant & equipment		138	0
Proceeds on disposal of intangibles		0	0
Proceeds on disposal of assets held for resale		0	0
Drawdown from investment fund		0	0
Share of income reinvested		(5)	(4)
Net cash outflow from investing activities		(20)	(58)
Cash flows from financing activities			
Grant in aid		244	84
Capital element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		0	0
Net financing		244	84
Net increase (decrease) in cash & cash equivalents in the period		155	(554)
Cash & cash equivalents at the beginning of the period	11	319	873
Cash & cash equivalents at the end of the period	11	474	319

The notes on pages 39 to 62 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017

This statement shows the movement in the year on the different reserves held by NI Blood Transfusion Service. The Statement of Comprehensive Net Expenditure (SoCNE) Reserve reflects a contribution from the Department of Health. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE Reserve represents the total assets less liabilities of the NI Blood Transfusion Service, to the extent that the total is not represented by other reserves and financing items.

	NOTE	SoCNE Reserve £000s	Revaluation Reserve £000s	Charitable Fund £000s	Total £000s
Balance at 31 March 2015		2,769	7,467	201	10,437
Changes in Taxpayers Equity 2015-16					
Grant from DoH		84	0	0	84
Transfers between reserves		0	0	0	0
(Comprehensive expenditure for the year)		(604)	680	(6)	70
Transfer of asset ownership		0	0	0	0
Non cash charges - auditors remuneration	3	9	0	0	9
Movement - other		0	0	0	0
Balance at 31 March 2016		2,258	8,147	195	10,600
Changes in Taxpayers Equity 2016-17					
Grant from DoH		244	0	0	244
Transfers between reserves		92	(92)	0	0
(Comprehensive expenditure for the year)		(251)	255	37	41
Transfer of asset ownership		0	0	0	0
Non cash charges - auditors remuneration	3	9	0	0	9
Balance at 31 March 2017		2,352	8,310	232	10,894

Notes to the Accounts

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

1. Authority

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

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

1.1 Accounting convention

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

1.2 Currency and Rounding

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

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Transport Equipment, Plant & Machinery, Information Technology and Assets Under Construction.

Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits

will flow to, or service potential will be supplied to, the Agency;

- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building or unit, irrespective of their individual or collective cost.

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

Valuation of Land and Buildings

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

The last valuation was carried out on 31 January 2015 by Land and Property Services (LPS) which is an independent executive within the Department of Finance (formerly Department of Finance and Personnel (DoF)). The valuers are qualified to meet the 'Member of Royal Institution of Chartered Surveyors' (MRICS) standard.

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

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

Fair values are determined as follows:

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

Modern Equivalent Asset

DoF has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

Assets Under Construction (AUC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.

Short Life Assets

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

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

Revaluation Reserve

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

1.4 Depreciation

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

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

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

1.5 Impairment loss

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.6 Subsequent expenditure

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

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

1.7 Intangible assets

Intangible assets include any of the following held – software, licences, trademarks, websites, development expenditure, Patents, Goodwill and intangible Assets under Construction. Software that is integral to

the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Agency's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Agency; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value. Following initial

recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.8 Non-current assets held for sale

The Agency has no non-current assets held for sale.

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

1.9 Inventories

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

1.10 Income

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

Grant in aid

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

1.11 Investments

The Agency does not have any investments. Charitable Trust Funds are invested using the Northern Ireland Health and Social Services Charities Common Investment Fund and are shown at market value as at the balance sheet date.

1.12 Other expenses

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

1.13 Cash and cash equivalents

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

1.14 Leases

The Agency had no leases during the year.

1.15 Private Finance Initiative (PFI) transactions.

The Agency has had no PFI transactions during the year.

1.16 Financial instruments

- Financial assets

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

Financial assets are initially recognised at fair value.

- Financial liabilities

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

Financial liabilities are initially recognised at fair value.

- Financial risk management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body

faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within HSC bodies in creating risk than would apply to a non-public sector body of a similar size, therefore HSC bodies are not exposed to the degree of financial risk faced by business entities.

HSC bodies have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the HSC bodies in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

- Currency risk

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

- Interest rate risk

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

- Credit risk

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

- Liquidity risk

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

1.17 Provisions

In accordance with IAS 37, Provisions are recognised when the Agency has a present legal or constructive obligation as a result of a past event, it is probable that the Agency will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised

as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using DoF-issued discount rates of:

Rate	Time Period	Real Rate
Short-term	0-5 years	-2.70%
Medium-term	5-10 years	-1.95%
Long-term	10+ years	-0.80%

as of March 2017. The discount rate to be applied for employee early departure obligations is +0.24% with effect from 31 March 2017.

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

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

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

The Agency has no restructuring provisions.

1.18 Contingencies

The Agency had no contingent liabilities at either 31 March 2017 or 31 March 2016.

1.19 Employee benefits

Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using staff numbers and costs applied to the untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2017. It is not anticipated that the level of untaken leave will vary significantly from year to year.

Retirement benefit costs

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

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2012 valuation for the HSC pension Scheme will be used in the 2016/17 accounts.

1.20 Reserves

Statement of Comprehensive Net Expenditure Reserve

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

Revaluation Reserve

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

Charitable Fund Reserve

This relates to the balance held in NIBTS Charitable Trust fund accounts.

1.21 Value Added Tax

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

1.22 Third party assets

The Agency does not hold any third party assets.

1.23 Government Grants

The Agency does not receive any government grants.

1.24 Losses and Special Payments

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

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

1.25 Charitable Trust Account Consolidation

The Agency is required to consolidate the accounts of controlled charitable organisations and funds held on trust into their financial statements. As a result the financial performance and funds have been

consolidated. The Agency has accounted for these transfers using merger accounting as required by the FReM.

It is important to note however the distinction between public funding and the other monies donated by private individuals still exists.

All funds have been used by the Agency as intended by the benefactor. It is for the Board to manage the internal disbursements. The Board ensures that charitable donations received by the Agency are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Agency's Standing Financial Instructions, Departmental guidance and legislation. All such funds are allocated to the area specified by the benefactor and are not used for any other purpose than that intended by the benefactor.

1.26 Accounting Standards that have been Issued but have not yet been Adopted

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

The IASB issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

Management consider that any other new accounting policies issued but not yet adopted are unlikely to have a significant impact on the

accounts in the period of the initial application.

1.27 Impact of implementation of ESA 2010 on research and development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), there has been a change in the budgeting treatment (a change from the revenue budget to the capital budget) of research and development (R&D) expenditure. In order to reflect this new treatment which was implemented from 2016/17, additional disclosures have been included in the notes to the accounts.

NOTE 2 ANALYSIS of NET EXPENDITURE by SEGMENT

The core business and strategic objective of NI Blood Transfusion Service is the supply of blood products and related services to hospitals in Northern Ireland and the provision of patient testing services.

The Agency Board acts as the Chief Operating Decision Maker and receives financial information on the Agency as a whole and makes decisions on this basis. Hence, it is appropriate that the Agency reports on a single operational segment basis.

NOTE 3 OPERATING EXPENSES

Operating Expenses are as follows:-	2017		2016	
	Agency	Consolidated	Agency	Consolidated
	£000s		£000s	
Staff costs ¹ :				
Wages and salaries	4,908	4,908	4,870	4,870
Social security costs	451	451	349	349
Other pension costs	702	702	663	663
Purchase of care from non-HPSS bodies	0	0	0	0
Revenue grants to voluntary organisations	0	0	0	0
Capital grants to voluntary organisations	0	0	0	0
Personal social services	0	0	0	0
Recharges from other HSC organisations	10	10	21	21
Supplies and services - Clinical	13,274	13,274	13,666	13,666
Supplies and services - General	63	63	61	61
Establishment	350	350	385	385
Transport	243	243	245	245
Premises	886	886	825	825
Bad debts	0	0	0	0
Rentals under operating leases	0	0	0	0
Interest charges	0	0	0	0
PFI and other service concession arrangements service charges	0	0	0	0
BSO services	103	103	89	89
Training	40	40	34	34
Miscellaneous expenditure ²	223	223	162	163
Non cash items				
Depreciation	371	371	383	383
Amortisation	7	7	7	7
Impairments	0	0	196	196
(Profit) on disposal of property, plant & equipment (excluding profit on land)	(130)	(130)	0	0
(Profit) on disposal of intangibles	0	0	0	0
Loss on disposal of property, plant & equipment (including land)	0	0	0	0
Loss on disposal of intangibles	0	0	0	0
Provisions provided for in year	(4)	(4)	10	10
Cost of borrowing of provisions (unwinding of discount on provisions)	0	0	1	1
Auditors remuneration ³	9	10	9	10
Add back of notional charitable expenditure	0	(1)	0	(1)
Total	21,506	21,506	21,976	21,977

¹ Further detailed analysis of staff costs is located in the Staff Report on page 27 within the Accountability Report.

² Miscellaneous expenditure includes the following material amounts: Waste Disposal £31k; UK Forum Recharges £45k; Hire of Halls £25k; Legal Fees and Liabilities £33k and Regulatory Body fees £18k.

³ During the year the Agency purchased no non audit services from its external auditor (NIAO).

NOTE 4 INCOME

4.1 Income from Activities

	2017		2016	
	£000s		£000s	
	Agency	Consolidated	Agency	Consolidated
GB/Republic of Ireland Health Authorities	2	2	9	9
HSC bodies	21,249	21,249	21,357	21,357
Non-HSC:- Private patients	4	4	6	6
Total	21,255	21,255	21,372	21,372

4.2 Other Operating Income

	2017		2016	
	£000s		£000s	
	Agency	Consolidated	Agency	Consolidated
Investment income	0	5	0	5
Total	0	5	0	5

TOTAL INCOME	21,255	21,260	21,372	21,377
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4.3 Deferred Income

The Agency had no deferred income or income released from conditional grants at either 31 March 2017 or 31 March 2016.

NOTE 5.1 Consolidated Property, plant & equipment - year ended 31 March 2017

	Land	Buildings (excluding dwellings)	Assets under Construction	Plant and Machinery (Equipment)	Transport Equipment	Information Technology (IT)	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation							
At 1 April 2016	1,601	7,572	0	1,788	360	759	12,080
Indexation	79	175	0	38	6	1	299
Additions	0	0	50	261	20	10	341
Donations / Government grant / Lottery funding	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Transfers	0	0	0	(39)	0	0	(39)
Revaluation	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0
Reversal of impairments (indexn)	0	0	0	0	0	0	0
Disposals	0	0	0	(66)	(46)	(109)	(221)
							0
At 31 March 2017	1,680	7,747	50	1,982	340	661	12,460
Depreciation							
At 1 April 2016	0	248	0	1,466	171	728	2,613
Indexation	0	10	0	30	3	1	44
Reclassifications	0	0	0	0	0	0	0
Transfers	0	0	0	(33)	0	0	(33)
Revaluation	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0
Reversal of impairments (indexn)	0	0	0	0	0	0	0
Disposals	0	0	0	(66)	(44)	(109)	(219)
Provided during the year	0	250	0	70	37	14	371
At 31 March 2017	0	508	0	1,467	167	634	2,776
Carrying Amount							
At 31 March 2017	1,680	7,239	50	515	173	27	9,684
At 31 March 2016	1,601	7,324	0	322	189	31	9,467
Asset financing							
Owned	1,680	7,239	50	515	173	27	9,684
Finance leased	0	0	0	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0	0	0	0
Carrying Amount							
At 31 March 2017	1,680	7,239	50	515	173	27	9,684
Of which:							
Agency	1,680	7,239	50	515	173	27	9,684
Charitable Agency fund	0	0	0	0	0	0	0

Any fall in value through negative indexation or revaluation is shown as an impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £nil (2016 £nil).

NOTE 5.2 Consolidated Property, plant & equipment - year ended 31 March 2016

	Land	Buildings (excluding dwellings)	Assets under Construction	Plant and Machinery (Equipment)	Transport Equipment	Information Technology (IT)	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation							
At 1 April 2015	1,525	6,958	0	2,067	562	766	11,878
Indexation	76	614	0	21	2	0	713
Additions	0	0	0	9	55	0	64
Donations / Government grant / Lottery funding	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	(250)	0	(250)
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0
Reversal of impairments (indexn)	0	0	0	0	0	0	0
Disposals	0	0	0	(309)	(9)	(7)	(325)
At 31 March 2016	1,601	7,572	0	1,788	360	759	12,080
Depreciation							
At 1 April 2015	0	0	0	1,687	173	716	2,576
Indexation	0	15	0	17	1	0	33
Reclassifications	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0	(54)	0	(54)
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0
Reversal of impairments (indexn)	0	0	0	0	0	0	0
Disposals	0	0	0	(309)	(9)	(7)	(325)
Provided during the year	0	233	0	71	60	19	383
At 31 March 2016	0	248	0	1,466	171	728	2,613
Carrying Amount							
At 31 March 2016	1,601	7,324	0	322	189	31	9,467
At 1 April 2015	1,525	6,958	0	380	389	50	9,302
Asset financing							
Owned	1,601	7,324	0	322	189	31	9,467
Finance leased	0	0	0	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0	0	0	0
At 31 March 2016	1,601	7,324	0	322	189	31	9,467
Asset financing							
Owned	1,525	6,958	0	380	389	50	9,302
Finance leased	0	0	0	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0	0	0	0
At 1 April 2015	1,525	6,958	0	380	389	50	9,302
Carrying amount comprises:							
NIBTS at 31 March 2017	1,680	7,239	50	515	173	27	9,684
NIBTS Charitable Trust fund at 31 March 2017	0	0	0	0	0	0	0
	1,680	7,239	50	515	173	27	9,684
NIBTS at 31 March 2016	1,601	7,324	0	322	189	31	9,467
NIBTS Charitable Trust fund at 31 March 2016	0	0	0	0	0	0	0
	1,601	7,324	0	322	189	31	9,467
NIBTS at 31 March 2015	1,525	6,958	0	380	389	50	9,302
NIBTS Charitable Trust fund at 31 March 2015	0	0	0	0	0	0	0
	1,525	6,958	0	380	389	50	9,302

NOTE 6.1 Consolidated Intangible assets - year ended 31 March 2017

	Software Licenses £000s	Information Technology £000s	Websites £000s	Total £000s
Cost or Valuation				
At 1 April 2016	0	51	0	51
Indexation	0	0	0	0
Additions	0	17	0	17
Donations / Government grant / Lottery funding	0	0	0	0
Reclassifications	0	0	0	0
Transfers	0	0	0	0
Revaluation	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0
Disposals	0	0	0	0
At 31 March 2017	0	68	0	68
Amortisation				
At 1 April 2016	0	43	0	43
Indexation	0	0	0	0
Reclassifications	0	0	0	0
Transfers	0	0	0	0
Revaluation	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0
Disposals	0	0	0	0
Provided during the year	0	8	0	8
At 31 March 2017	0	51	0	51
Carrying Amount				
At 31 March 2017	0	17	0	17
At 31 March 2016	0	8	0	8
Asset financing				
Owned	0	17	0	17
Finance leased	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0
Carrying Amount				
At 31 March 2017	0	17	0	17

NOTE 6.2 Consolidated Intangible assets - year ended 31 March 2016

	Software Licenses £000s	Information Technology £000s	Websites £000s	Total £000s
Cost or Valuation				
At 1 April 2015	0	51	0	51
Indexation	0	0	0	0
Additions	0	0	0	0
Donations / Government grant / Lottery funding	0	0	0	0
Reclassifications	0	0	0	0
Transfers	0	0	0	0
Revaluation	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0
Disposals	0	0	0	0
At 31 March 2016	0	51	0	51
Amortisation				
At 1 April 2015	0	36	0	36
Indexation	0	0	0	0
Reclassifications	0	0	0	0
Transfers	0	0	0	0
Revaluation	0	0	0	0
Impairment charged to the SoCNE	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0
Disposals	0	0	0	0
Provided during the year	0	7	0	7
At 31 March 2016	0	43	0	43
Carrying Amount				
At 31 March 2016	0	8	0	8
At 1 April 2015	0	15	0	15
Asset financing				
Owned	0	8	0	8
Finance leased	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0
Carrying Amount				
At 31 March 2016	0	8	0	8
Asset financing				
Owned	0	15	0	15
Finance leased	0	0	0	0
On B/S (SoFP) PFI and other service concession arrangements contracts	0	0	0	0
Carrying Amount				
At 1 April 2015	0	15	0	15
Carrying amount comprises:				
NIBTS at 31 March 2017	0	17	0	17
NIBTS Charitable Trust fund at 31 March 2017	0	0	0	0
	0	17	0	17
NIBTS at 31 March 2016	0	8	0	8
NIBTS Charitable Trust fund at 31 March 2016	0	0	0	0
	0	8	0	8
NIBTS at 31 March 2015	0	15	0	15
NIBTS Charitable Trust fund at 31 March 2015	0	0	0	0
	0	15	0	15

NOTE 7 FINANCIAL INSTRUMENTS

As the cash requirements are met through Grant-in-Aid provided by the Department of Health, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the NI Blood Transfusion Service expected purchase and usage requirements and the NI Blood Transfusion Service is therefore exposed to little credit, liquidity or market risk.

	2017			2016		
	Investments £000s	Assets £000s	Liabilities £000s	Investments £000s	Assets £000s	Liabilities £000s
Balance at 1 April	195	0	0	201	0	0
Additions	5	0	0	5	0	0
Disposals	0	0	0	(1)	0	0
Revaluations	32	0	0	(10)	0	0
Balance at 31 March	<u>232</u>	<u>0</u>	<u>0</u>	<u>195</u>	<u>0</u>	<u>0</u>
Agency	0	0	0	0	0	0
Charitable Trust fund	232	0	0	195	0	0
	<u>232</u>	<u>0</u>	<u>0</u>	<u>195</u>	<u>0</u>	<u>0</u>

NOTE 7.1 Market value of investments as at 31 March 2017

	Held in	Held	2017	2016
	UK £000s	outside UK £000s	Total £000s	Total £000s
Investment properties	0	0	0	0
Investments listed on Stock Exchange	0	0	0	0
Investments in CIF	232	0	232	195
Investments in a Common Deposit Fund or Investment Fund	0	0	0	0
Unlisted securities	0	0	0	0
Cash held as part of the investment portfolio	0	0	0	0
Investments in connected bodies	0	0	0	0
Other investments	0	0	0	0
Total market value of fixed asset investments	<u>232</u>	<u>0</u>	<u>232</u>	<u>195</u>

NOTE 8 IMPAIRMENTS

	2017		
	Property, plant & equipment £000s	Intangibles £000s	Total £000s
Total value of impairments for the period	0	0	0
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	0	0	0
Impairments charged / (credited) to Statement of Comprehensive Net Expenditure	0	0	0
	2016		
	Property, plant & equipment £000s	Intangibles £000s	Total £000s
Total value of impairments for the period	196	0	196
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	0	0	0
Impairments charged / (credited) to Statement of Comprehensive Net Expenditure	196	0	196

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

NIBTS did not hold any assets classified as held for sale in 2015/16 or 2016/17.

NOTE 10 INVENTORIES

Classification	2017		2016	
	£000s		£000s	
	Agency	Consolidated	Agency	Consolidated
Clinical Supplies	1,681	1,681	2,095	2,095
General Supplies	8	8	8	8
Establishment	51	51	48	48
Premises	0	0	0	0
Other	6	6	11	11
Total	1,746	1,746	2,162	2,162

NOTE 11 CASH AND CASH EQUIVALENTS

	2017		2016	
	£000s		£000s	
	Agency	Consolidated	Agency	Consolidated
Balance at 1st April	319	319	873	873
Net change in cash and cash equivalents	155	155	(554)	(554)
Balance at 31st March	474	474	319	319

The following balances at 31 March were held at	2017		2016	
	£000s		£000s	
	Agency	Consolidated	Agency	Consolidated
Commercial banks and cash in hand	474	474	319	319
Balance at 31st March	474	474	319	319

NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2017		2016	
	£000s		£000s	
Amounts falling due within one year	Agency	Consolidated	Agency	Consolidated
Trade receivables	463	463	49	49
Deposits and advances	0	0	0	0
VAT receivable	292	292	310	310
Other receivables - not relating to fixed assets	1	1	0	0
Other receivables - relating to property plant and equipment	0	0	0	0
Other receivables - relating to intangibles	0	0	0	0
Trade and other receivables	756	756	359	359
Prepayments and accrued income	20	20	41	41
Current part of PFI and other service concession arrangements prepayment	0	0	0	0
Other current assets	20	20	41	41
Amounts falling due after more than one year				
Trade receivables	0	0	0	0
Deposits and advances	0	0	0	0
Other receivables	0	0	0	0
Trade and other receivables	0	0	0	0
Prepayments and accrued income	0	0	0	0
Other current assets falling due after more than one year	0	0	0	0
TOTAL TRADE AND OTHER RECEIVABLES	756	756	359	359
TOTAL OTHER CURRENT ASSETS	20	20	41	41
TOTAL INTANGIBLE CURRENT ASSETS	0	0	0	0
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	776	776	400	400

The balances are net of a provision for bad debts of £nil (2016 £nil)

NOTE 13 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

13.1 Trade payables and other current liabilities

	2017		2016	
	£000s		£000s	
Amounts falling due within one year	Agency	Consolidated	Agency	Consolidated
Other taxation and social security	212	212	192	192
VAT payable	0	0	0	0
Bank overdraft	0	0	0	0
Trade capital payables - property, plant and equipment	209	209	21	21
Trade capital payables - intangibles	17	17	0	0
Trade revenue payables	1,116	1,116	1,392	1,392
Payroll payables	167	167	167	167
Clinical negligence payables	0	0	0	0
BSO payables	36	36	27	27
Other payables	1	1	1	1
Accruals and deferred income	255	255	120	120
Accruals and deferred income - relating to property, plant and equipment	0	0	0	0
Accruals and deferred income - relating to intangibles	0	0	0	0
Trade and other payables	2,013	2,013	1,920	1,920
Current part of finance leases	0	0	0	0
Current part of long term loans	0	0	0	0
Current part of imputed finance lease element of on balance sheet (SoFP) PFI and other service concession arrangements contracts	0	0	0	0
Other current liabilities	0	0	0	0
Total payables falling due within one year	2,013	2,013	1,920	1,920
Amounts falling due after more than one year				
Other payables, accruals and deferred income	0	0	0	0
Trade and other payables	0	0	0	0
Clinical negligence payables	0	0	0	0
Finance leases	0	0	0	0
Imputed finance lease element of on balance sheet (SoFP) PFI and other service concession arrangements contracts	0	0	0	0
Long term loans	0	0	0	0
Total non current other payables	0	0	0	0
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	2,013	2,013	1,920	1,920

13.2 Loans

The Agency did not have any loans payable at either 31 March 2017 or 31 March 2016.

NOTE 14 PROMPT PAYMENT POLICY

14.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that the Agency pays their non HSC trade creditors in accordance with applicable terms and appropriate Government Accounting guidance. The Agency's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	2017 Number	2017 Value £000s	2016 Number	2016 Value £000s
Total bills paid	4,014	18,912	4,177	19,820
Total bills paid within 30 day target or under agreed payment terms	3,870	18,224	4,005	19,462
% of bills paid within 30 day target or under agreed payment terms	96.4%	96.4%	95.9%	98.2%
Total bills paid within 30 days of receipt of an undisputed invoice*	3,870	18,224	4,005	
% of bills paid within 30 days of receipt of an undisputed invoice	96.4%	96.4%	95.9%	
Total bills paid within 10 day target	3,388	14,798	3,330	
% of bills paid within 10 day target	84.4%	78.2%	79.7%	

14.2 The Late Payment of Commercial Debts Regulations 2002

	£
Amount of compensation paid for payment(s) being late	0
Amount of interest paid for payment(s) being late	0
Total	0

This is also reflected as a fruitless payment on page 30.

* New late payment legislation (Late Payment of Commercial Debts Regulations 2013) came into force on 16 March 2013. The effect of the new legislation is that a payment is normally regarded as late unless it is made within 30 days after receipt of an undisputed invoice.

From 1 April 2015, the scope of the prompt payment compliance measurement increased to take account of all categories of supplier payments made by HSC bodies, with the only exception being payments made to other organisations within the broader HSCNI.

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES - 2017

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	CSR restructuring	Other	2017
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	0	16	0	0	15	31
Provided in year	0	0	0	0	12	12
(Provisions not required written back)	0	(16)	0	0	0	(16)
(Provisions utilised in the year)	0	0	0	0	(5)	(5)
Cost of borrowing (unwinding of discount)	0	0	0	0	0	0
At 31 March 2017	0	0	0	0	22	22

Comprehensive Net Expenditure Account charges

	2017	2016
	£000s	£'000
Arising during the year	12	10
Reversed unused	(16)	0
Cost of borrowing (unwinding of discount)	0	1
Total charge within Operating expenses	(4)	11

Analysis of expected timing of discounted flows

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	CSR restructuring	Other	2017
	£000s	£000s	£000s	£000s	£000s	£000s
Not later than one year	0	0	0	0	10	10
Later than one year and not later than five years	0	0	0	0	12	12
Later than five years	0	0	0	0	0	0
At 31 March 2017	0	0	0	0	22	22

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES - 2016

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical negligence £000s	CSR restructuring £000s	Other £000s	2016 £000s
Balance at 1 April 2015	0	17	0	0	5	22
Provided in year	0	0	0	0	10	10
(Provisions not required written back)	0	0	0	0	0	0
(Provisions utilised in the year)	0	(2)	0	0	0	(2)
Cost of borrowing (unwinding of discount)	0	1	0	0	0	1
At 31 March 2016	0	16	0	0	15	31

Provisions have been made for three types of potential liability: early retirement relating to the future liabilities for the Agency Board based on information provided by HSC Superannuation Branch; employment law and clinical negligence claims based on information provided by BSO Legal Services.

	Pensions relating to former directors £000s	Pensions relating to other staff £000s	Clinical negligence £000s	CSR restructuring £000s	Other £000s	2016 £000s
Not later than one year	0	0	0	0	15	15
Later than one year and not later than five years	0	16	0	0	0	16
Later than five years	0	0	0	0	0	0
At 31 March 2016	0	16	0	0	15	31

NOTE 16 CAPITAL COMMITMENTS

	2017	2016
	£000s	£000s
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, plant & equipment	274	22
Intangible assets	0	0
	274	22

The capital commitment relates to the procurement of a new Bloodmobile vehicle. Funding has been approved by DoH.

The project commenced in March 2017 and is expected to complete in September 2017. Expenditure prior to March 2017 is shown as Asset Under Construction in Note 5.1.

NOTE 17: COMMITMENTS UNDER LEASES**17.1 Operating Leases**

The Agency had no commitments under operating leases at either 31 March 2017 or 31 March 2016.

17.2 Finance Leases

The Agency had no commitments under finance leases at either 31 March 2017 or 31 March 2016.

NOTE 18 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

The Agency has no PFI contracts.

NOTE 19 OTHER FINANCIAL COMMITMENTS

The Agency did not have any other financial commitments at either 31 March 2017 or 31 March 2016.

NOTE 20 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

The Agency has not entered into quantifiable guarantees, indemnities or provided Letters of Comfort.

NOTE 21 CONTINGENT LIABILITIES

The Agency had no contingent liabilities at either 31 March 2017 or 31 March 2016.

NOTE 22 RELATED PARTY TRANSACTIONS

NI Blood Transfusion Service (Special Agency) is an arms length body of the Department of Health. During the year NIBTS has had various material transactions with that Department and with other entities for which the Department of Health is regarded as the parent Department. These are: Belfast HSC Trust, South Eastern HSC Trust, Southern HSC Trust, Northern HSC Trust, Western HSC Trust, Health and Social Care Board and Business Services Organisation. 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 Agency.

NOTE 23 THIRD PARTY ASSETS

The Agency does not hold any third party assets.

NOTE 24 FINANCIAL PERFORMANCE TARGETS

24.1 Revenue Resource Limit

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

The Revenue Resource Limit (RRL) for NI Blood Transfusion Service is calculated as follows:

	2017	2016
	Total	Total
	£000s	£000s
Non cash RRL (from DoH)	253	606
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	<u>253</u>	<u>606</u>

24.2 Capital Resource Limit

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

	2017	2016
	Total	Total
	£000s	£000s
Gross capital expenditure	358	64
Less charitable Agency fund capital expenditure	0	0
(Receipts from sales of fixed assets)	(138)	0
Net capital expenditure	<u>220</u>	<u>64</u>
Capital Resource Limit	<u>244</u>	<u>84</u>
Underspend against CRL	<u>(24)</u>	<u>(20)</u>

24.3 Financial Performance Targets

The NIBTS is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25% of RRL and income from activities.

	2017	2016
	£000s	£000s
Net Expenditure	(251)	(604)
RRL	253	606
Surplus against RRL	2	2
Break Even cumulative position(opening)	787	785
Break Even cumulative position (closing)	<u>789</u>	<u>787</u>
RRL and Income from activities		
RRL	253	606
Income from activities per note 4.1	21,255	21,372
Total for inclusion in materiality test	<u>21,508</u>	<u>21,978</u>
Materiality Test:		
	2017	2016
	%	%
Break Even in year position as % of RRL & Income	<u>0.01%</u>	<u>0.01%</u>
Break Even cumulative position as % of RRL & Income	<u>3.67%</u>	<u>3.58%</u>

NOTE 25 POST BALANCE SHEET EVENTS

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

DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 7 July 2017.

