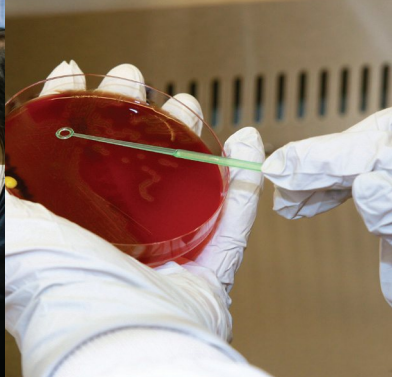
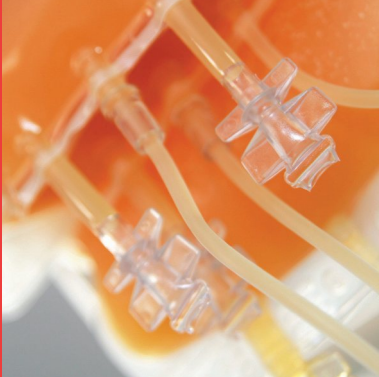




# NORTHERN IRELAND BLOOD TRANSFUSION SERVICE



## Annual Report and Accounts for the year ended 31 March 2019





**Northern Ireland Blood Transfusion Service**

Annual Report and Accounts  
For the year ended 31 March 2019

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  
17 July 2019



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# PERFORMANCE REPORT



## 1. REPORT OF THE LEAD NON-EXECUTIVE MEMBER

The Northern Ireland Blood Transfusion Service (NIBTS) is the only provider of blood products and services to the people of Northern Ireland. During the past year the Service has successfully met all its requirements for blood and blood products and associated clinical services.

Our achievements over the past year have been made possible by our donors through their selfless dedication 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.

**“Our achievements over the past year have been made possible by our donors through their selfless dedication in every part of Northern Ireland.”**

The safety of blood, blood products and services that 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, assurance systems and 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.

The Health Service in Northern Ireland is facing change as we seek to provide more clinically effective services to our people; NIBTS will play its part in delivering change and in providing better services over the coming years.

We are, as ever, wholly dependent on the dedication and professionalism of our staff in meeting the standards of excellence which we are required to achieve. Their commitment sets a notable example. On behalf of the Board I wish to thank them 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.

This is my final duty as Chairman and I wish my successor Ms Bonnie Anley, her Board colleagues and the staff continuing success in this important work. Finally I wish again to thank our donors as it is their selflessness that underpins the continuing success of NIBTS.

**Jim Lennon**



**Chairman (April 2007 - March 2019)**



## 2. OVERVIEW

The Overview section below describes the history, organisation, structure and services provided by NIBTS. The Agency's main service users and the external environment within which the organisation operates is described in further detail below.

### 2.1 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.

### 2.2 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 department incorporating the quality control laboratories
- Corporate functions including Finance and HR

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

### 2.3 Equal Opportunities

NIBTS has established robust policies and procedures to ensure equality in the workplace. This includes an overarching Equal Opportunities policy as well as specific procedures in relation to disability. Further reference on our Equal Opportunities policy can be found at page 41 of this report

## 2.4 Structure, main services and users

NIBTS is managed by a Senior Management Team led by a Chief Executive that reports through a Board chaired by a non-executive Chairman supported by three non-executive members and the Chief Executive.

NIBTS is required to respond to the needs of the health service in Northern Ireland and therefore works with HSC Trusts to establish the anticipated needs for blood components. Together with historical data information from the UK Blood Services Forum and the European Blood Alliance future demand is predicted.

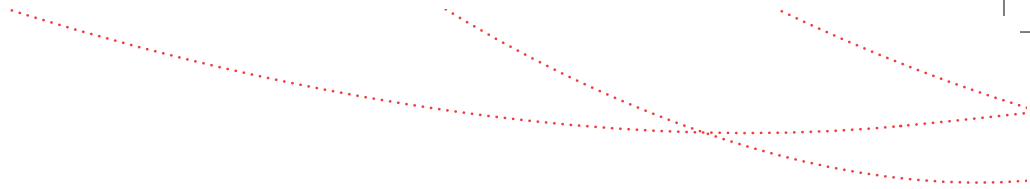
## 2.5 The external environment

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



**"NIBTS is the sole supplier of blood and blood products to Health and Social Care (HSC) in Northern Ireland."**





The Agency holds a blood establishment authorisation licence issued by MHRA for the collection, testing, processing, storage and distribution of blood components. In addition a wholesale distributor's licence for plasma products is also retained.

The Blood Safety and Quality Regulations (BSQR) 2005 (as amended) require adherence to Good Manufacturing Practice principles supported by a quality management system. The organisation 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 which are United Kingdom Accreditation Service (UKAS) accredited to the ISO 15189 standard.

Following a UKAS surveillance visit during January 2019, UKAS have confirmed the diagnostic screening and testing laboratories at NIBTS have retained accreditation for ISO:15189:2012. These laboratories include antenatal and blood group reference testing.

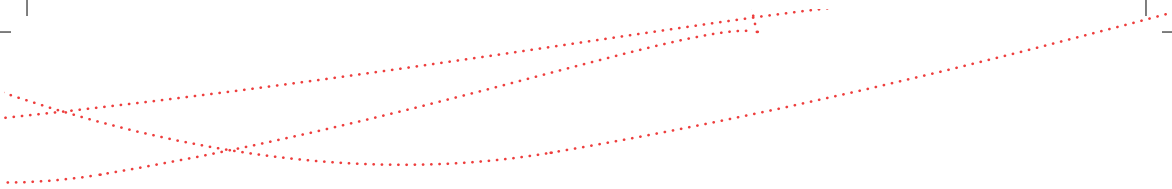
The Agency has been designated as a core participant with regard to the UK Infected Blood Inquiry. Throughout 2018/19 the Agency co-operated fully with all requests made to it by the Infected Blood Inquiry Team. A particular focus during 2018/19 has been the retrieval and communication to the Inquiry team of all information held by the Agency which may be of assistance. The Agency will continue to co-operate with and assist the Inquiry team with all requests made to it.

## **2.6 Resources, principal risks and uncertainties**

NIBTS has developed a Risk Management Strategy that identifies our 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 on.

Risk management is fully incorporated into the corporate planning and decision making processes of the organisation.

This includes the development of corporate and departmental risk registers which



identify, evaluate and manage risk. As a Blood Establishment, risk management is embedded in all key activities, including the Good Manufacturing Practice (GMP) activities related to the management of change, incidents and validation.

The key risk for NIBTS in the next year is the maintenance of adequate blood and platelet stocks. This risk is underpinned by the need to recruit and retain sufficient donors. Appropriate controls to mitigate this risk 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.

## 2.7 Performance Summary

As Chief Executive, I am satisfied that the organisation has, during 2018/19, made substantive progress across its key objectives listed below. The precise detail is provided in the Performance Analysis section at page 10:

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

## 2.8 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 demand for this service.

### 3. PERFORMANCE ANALYSIS

#### 3.1 Assessment of Performance

In 2018/19, the Department of Health (DoH) agreed 32 objectives for NIBTS. Twenty eight of these objectives were fully achieved. The objectives crossed a number of themes including those relating to our core function of collecting blood and issuing blood components. Of the 4 objectives not fully achieved, 1 was not met and 3 recorded partial progress. The area not achieved related to the corporate absence rate target and the 3 areas indicating partial achievement were; Enhancement of IT business continuity arrangements, implementation of agreed Departmental Blood Safety Initiatives and Implementation of a HR Strategy.

The table below summarises whole blood and platelet collection activity over the past two years. As shown, blood collection has remained constant, and is in keeping with the demand from hospitals. 2018/19 was the third year of the updated donor programme strategy 2016-2020, with activity generally in line with forecasts.

#### Donation Activity in 2018/19 and 2017/18

	2018/19	2017/18
Whole blood donations	43,319	43,207
Whole blood attendance	52,459	49,753
New donor attendance	5,480	4,988
Donor panel	58,243	57,684
Platelet donations	4,127	4,434
Haemochromatosis donations	509	499
Total donations	47,955	48,140
Deferral rate (%)		
- of overall attendance	16	15
- of new donors	24	15

## Blood Component Issues in 2018/19 and 2017/18

Blood Component	2018/19	2017/18
Red cell units (adult)	40,947	41,273
Platelets (adult therapeutic doses)	8,004	7,789
Fresh Frozen Plasma components	3,500	3,868
Pooled cryoprecipitate	747	1,049

### Donors

By the end of the year, donor satisfaction was at 97% (2017/18 - 98%) as assessed through donor comment cards. The average waiting time to commence donation was stable at 30 minutes.

(2017/18 - 27 minutes)

The active donor panel consists of 58,243 (2017/18 - 57,684) volunteers at year end with 5,480 (2017/18 - 4,988) new donors attending throughout the year.

## 3.2 Long Term Objectives Corporate Plan

This section sets out the key issues faced by the Agency during 2018/19 as well as areas expected to influence the 2019/20 Business Plan and the longer term corporate outlook.

NIBTS activities are mapped across seven domains linked to the NIBTS business plan and corporate plan. A brief review for 2018/19 is given below.


### 3.2.1 Clinical Effectiveness

There has been a further minor reduction in the issue of red cell components and issues of red cell components are 22 per 1,000 capita population.

The haematology clinical service across Northern Ireland is trialling withholding of prophylactic transfusions in autologous haemopoietic stem cell transplant recipients.

### 3.2.2 Patient Safety

A platelet strategy document for the medium term through to 2021/22 has been



developed. This identifies the proportion of apheresis and pooled platelet component donations during this period.

The implementation of additive solution for pooled platelet components is scheduled for 30 April 2019.

### **3.2.3 Donor Care**

The NIBTS medical team has authored the serious hazards of donations chapter in the national Serious Hazards of Transfusion (SHOT) report for 2018.

Competency assessments for NIBTS registered nurses and nurses attached to the surgical bone bank in Musgrave Park Hospital have been completed.

### **3.2.4 Regulatory Compliance**

Following UKAS inspection of NIBTS diagnostic screening laboratories on 9 January 2019, the inspectors recommended continuing accreditation of NIBTS to ISO 15189.

### **3.2.5 Service Improvement**

A proposal to implement non-invasive predictive foetal D typing in antenatal patients has been submitted to the Public Health Agency for consideration and approval.

### **3.2.6 Education and Training**

The recruitment of a trainee consultant biomedical scientist is currently being considered. This reflects the approach of other UK Blood Services and is possible because of the availability of a fellow of the Royal College of Pathologists qualification in Transfusion Science.

### **3.2.7 Research and Development**

An opportunity for assessing micro array technology for serological typing of donor and patient samples for blood grouping and antibody screening and infectious diseases screening has been identified and subject to research governance and ethical approval will be taken up in 2019/20.

### **3.2.8 Blood Collection**

2018/19 was the third year of the four-year Blood Donation Strategy which introduced a revised collection programme. This revised collection programme reflects the projected reduction in demand for red cells. A new double-pod BloodMobile was successfully put into operation in September 2018.



### 3.2.9 Organisational Change

Recommendations and actions flowing from Health and Wellbeing 2026, as well as the Expert Panel's Report 2016 have continued to influence the Agency's strategic goals and ambition. In particular, proposals for transforming HSC Pathology Services highlight NIBTS' pivotal role and its unique regulatory environment within the HSC. During 2018/19, a range of proposals for the transformation of pathology services were considered by DoH. At the end of March 2019, the Transformation Implementation Group (TIG) endorsed the DoH recommended option of granting an additional function to NIBTS to enable the necessary planning for the establishment of a new regional body for pathology services.

### 3.2.10 Integration of Supply Chain

Pathology transformation across the region provides the opportunity to integrate the supply chain. This would enable co-ordination of the supply of blood from donor to patient. This has the potential to maximise inventory, reduce waste, lead to the development of common standards across blood banks for testing and issue and would also facilitate compliance with the blood safety and quality regulations.

### 3.2.11 Quality - Ensuring Governance and Compliance


In addition to the two licences and one accreditation that must be maintained and are critical to the ongoing operation of the service, NIBTS is also subject to inspection by the Regulatory and Quality Improvement Authority (RQIA). The organisation is obliged, via its governance framework, to ensure it retains Investors in People accreditation and achieved the bronze award of the Generation Six standard as well as the Health & Wellbeing Award in June 2018.

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, NIBTS continued to develop its Governance Framework, in line with DoH requirements for areas previously encapsulated under the DoH Controls Assurance Framework. Progress on action plans for areas of governance continued to be reported to the Governance and Risk Management Committee.

## 3.3 Impacts on Financial Position in 2018/19 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 2018/19, NIBTS achieved the agreed cash release target and funding reduction for the year amounting to 3.0% of the 2017/18 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 49 to 82 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 £0.020m (2018: £0.007m surplus). Against RRL plus income from activities of £20.252m (2018: £22.590m), this represents a surplus of 0.10% (2018: 0.03%). Accordingly, the breakeven objective for the year has been achieved.

During the year NIBTS received income of £19.769m (2018: £22.212m). This comprised £5.537m (2018: £6.506m) in respect of Haemophilia Blood Products and Patient Testing Services from the Health and Social Care Board and £14.229m (2018: £15.702m) for the supply of blood and blood products from HSC Trusts. Other income amounted to £0.003m (2018: £0.004m). In addition, a revenue resource limit of £0.483m was provided by DoH to cover non cash costs.

During the year the NIBTS spent £20.233m (2018: £22.583m). The majority of the expenditure was on Clinical Supplies and Services £11.695m (58%) (2018: £14.255m/63%). The average number of whole time equivalent persons employed during the year was 165.7 (2018: 164.8) and expenditure on these staff amounted to £6.101m (30%) (2018: £5.906m/26%). The remaining 12% of expenditure was on other expenditure £1.954m (10%) (2018: £2.044m/9%) and Non-cash items £0.483m (2%) (2018: £0.378m/2%).

The movement in income and expenditure from the prior year primarily relates to the transfer of immunoglobulin products to Trusts and reduced cost of haemophilia blood products.

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 (from DoH) and expenditure amounted to £0.166m and £0.165m respectively.



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 94% of invoices were paid within thirty days. In terms of the value of invoices, 97% was paid within thirty 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 any changing profile of product demand will require evaluation and inclusion in financial plans.

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.

### **3.4 Environmental, Social and Community Issues**

During 2018/19, the Agency continued to make further progress with regard to its environmental objectives. This included the monitoring of energy performance including electricity, steam and water consumption. The environmental management action plan continued to inform actions designed to improve governance with regard to environmental management.

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. During 2018/19 the Agency continued to reduce its consumption of water in its operational activities. During 2018/19 the Agency continued a programme of replacing fluorescent lighting in office and other areas with more energy efficient LED bulbs as a means to continue to reduce energy use in its premises.

Measures such as those described above will help to ensure the Agency makes progress in reaching its overall target of a 1% reduction in its carbon footprint each year until 2025. The Agency will continue to work with Estates Professionals within the Belfast Health and Social Care Trust to achieve these aims.

During the year, NIBTS staff have supported a number of local and national charities through a range of activities and events. A number of donor engagements events took place in March 2019 which saw the launch of a short video showing the activities of NIBTS and the impact donations have on recipients.





### 3.5 Employees and Board Members

NIBTS employed 191 staff for 2018/19 and reported a sickness absence rate of 6.9 % (2017/18: 8.3%). The target for absence in 2018/19 was <6%. More detailed information is provided in the Remuneration and Staff Reports on page 33.

### 3.6 Pension Liabilities

The treatment of pension liabilities is detailed in the Remuneration and Staff Report on page 27-29.

### 3.7 Information Governance

The Agency had no reportable data breaches during 2018/19.

### 3.8 Emergency/Business Continuity Plans

NIBTS continued 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 Forum. The NIBTS participated in on-going regional preparations for a mass casualty event. The Business Continuity Plan was also tested in 2018/19.

### 3.9 Chairperson

The Chair of NIBTS, Jim Lennon retired from his role on 31 March 2019. I would like to wish Jim a happy retirement and thank him for his focus and guidance over the past two and a half years as well as for his dedication and support of the Northern Ireland Blood Transfusion Service since his appointment in 2007.



**Mrs K Jackson**  
**Accounting Officer**  
27 June 2019

# ACCOUNTABILITY REPORT

## 1. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report sets out the key governance fora within the Agency and, where applicable their role in reporting to the Agency Board. In addition, the Corporate Governance Report provides further data via the Governance Statement with regard to the role and function of the Committees. The report also provides further detail on the framework for Business Planning, Risk Management and Information Risk.

### Directors' Report

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

**Non-Executive Chair** Mr Jim Lennon (to 31 March 2019)  
Ms Bonnie Anley (from 1 April 2019)

**Non-Executive Members** Mrs Lorraine Lindsay  
Mr Ian Henderson  
Mr Philip Cathcart


**Interim Chief Executive** Mrs Karin Jackson

During 2018/19, 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 2018/19.

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 2019. 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 the 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 2018/19.

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 2019 which pertained solely to the audit of the accounts was £14,000 for Public Funds and £1,000 for Trust Funds. During the year, the Agency purchased no other non-audit services from the NIAO.

In 2018/19, 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.

The Chief Executive has confirmed that the annual report and accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

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

No data breaches were reported to the ICO 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
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Northern Ireland Blood Transfusion Service auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## **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 Services 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 last assessment was undertaken in September 2017 and indicated that there were 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 whose non-executive members are appointed by the DoH.

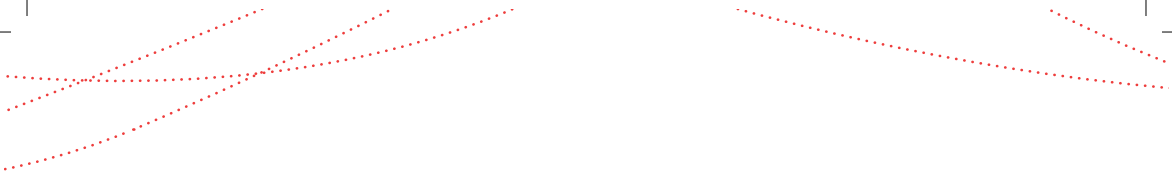
The Board consists of a Non-Executive Chair, three Non-Executive members and the Chief Executive. The Medical Director attends and participates in Board meetings. In 2018/19 the Board met on seven occasions.

Mrs K Jackson was appointed interim Chief Executive with effect from 1 October 2016 on a temporary basis for up to two years. This tenure was then extended for a further year until 30 September 2019. A further extension has now been agreed until 30 September 2021.

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 NIBTS' 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.



As noted at point 2 above, the operation of the Board was assessed in September 2017 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 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.

In December 2017, the Audit Committee Self-Assessment checklist was completed and found no significant divergences in its operation from the best practice identified in the checklist. The self-assessment will be undertaken again in 2019.

### **Governance and Risk Committee**

The Governance and Risk Committee is chaired by a Non-Executive Board member and consists of a further two Non-Executive Board members. SMT members and the Business Continuity and Risk Manager also attended meetings during the year. The Committee met four times during 2018/19.

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 Chairperson and consists of the Non-Executive members. The Committee met once during the year.

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	7 of 7	-	-	1 of 1
Mr I Henderson - Non Executive	6 of 7	4 of 4	4 of 4	1 of 1
Mrs L Lindsay - Non Executive	6 of 7	3 of 4	4 of 4	1 of 1
Mr P Cathcart - Non Executive	7 of 7	4 of 4	4 of 4	1 of 1
Mrs K Jackson - Chief Executive	6 of 7	-	-	-

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

## 4. Framework for 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 organisation's 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 a period of 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 10) above, NIBTS achieved breakeven in 2018/19 and has a balanced financial plan in place for 2019/20.

### **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

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- 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 record and evaluate risk. The registers are formally reviewed quarterly and this process is used to identify and record 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 2018/19.

Risk management is integral to the training for all staff, as relevant to their grade, both at induction and in service. During 2018/19 Risk Management training was completed by 58% 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 Information Management governance reviews. These action plans are approved by, and progress reported to, the Governance and Risk Management Committee. 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 organisation remains compliant with the requirements of the General Data Protection Regulation (GDPR).

The Head of HR and Corporate Services is the Agency's Senior Information Risk Owner and has a key role in considering emerging information risks and how these risks may be managed. The Information Governance Manager is the Agency's Data Protection Officer. The Medical Director is the Agency's Personal Data Guardian.

Information Governance Training is mandatory for all staff and is undertaken by e-learning and new staff are provided with specific Information Governance training sessions. Training was completed by 89% of NIBTS staff in 2018/19.

During 2018/19 there were no incidents of data loss reported to the Information Commissioner's Office (ICO).

NIBTS complies with HSC Security Policies and is conscious of the risk posed to information security by malware and other similar attacks. As such, cybersecurity measures such as client antivirus, email protection, full disk encryption are aligned with those within the broader HSC. A proactive vulnerability assessment and remediation approach is also followed within the organisation. During the year, an Information Security Review was undertaken. This highlighted a number of areas for improvement which will be addressed. NIBTS is represented on HSC Cyber Security Programme Board and fully participates in regional security initiatives.

## 6. Public Stakeholder Involvement

In 2018/19, NIBTS introduced Donor Information Events. Donors were invited to attend and participate in an evening with staff and members of SMT to find out more about the journey of their donation. This included the production of a video detailing the process from blood donation to the issue of blood components to hospitals. To date, two Donor Information Events have taken place: one in Belfast and one in Omagh. Further events are planned for 2019/20.

Complaints are managed under a well-established system. During 2017/18, seven formal complaints were received, investigated and closed. This is a reduction from the previous year. Reports are presented quarterly and at year-end to the NIBTS Governance and Risk Management Committee. Information and complaints received from donors may be used to improve NIBTS practices and procedures where appropriate.



## 7. Fraud

NIBTS takes a zero tolerance approach to fraud in order to protect and support our key public services. NIBTS has in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. The Fraud Liaison Officer (FLO) promotes fraud awareness, co-ordinates investigations in conjunction with the BSO counter Fraud and Probity Services team and provides advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in support of the Anti-Fraud Policy and Fraud Response plan, which are kept under review and updated as appropriate every five years.

## 8. Assurance

The Board is responsible for ensuring high standards of corporate governance with effective systems of internal control. Regular reports, via the Corporate Risk Register, are presented to the Board for review. The level of compliance with the various Governance standards is reported to the Governance and Risk Management Committee. Where necessary 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 2019/20, 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 2017) and by taking account of relevant comments by respective auditors.

### Governance Standards

In line with DoH direction, the previous regime for monitoring areas of Governance, known as Controls Assurance, ceased (with a small number of exceptions) with effect from 01 April 2018. During 2018/19, NIBTS set in place arrangements for reporting against each area of governance and in line with the approach agreed by DoH policy leads. NIBTS continued to assess its compliance via action plans, as applicable, and reported on these to the Governance and Risk Management Committee during 2018/19.

NIBTS assessed progress on the basis of action plans in areas where the controls assurance approach discontinued. In a small number of areas the controls assurance approach continued in 2018/19 and NIBTS complied appropriately. NIBTS compliance level of assessment is outlined below.





<b>Governance Standard descriptor</b>	<b>Level of Compliance at 31/03/19</b>
Estates Infrastructure Safety Framework	Satisfactory
Emergency Planning Framework	Satisfactory
Financial Management	Satisfactory
Environmental Governance Framework	Satisfactory
Governance	Satisfactory
Health & Safety	Satisfactory
Human Resources	Satisfactory
Information & Communications Technology	Satisfactory
Procurement	Satisfactory
Medical Devices Management Framework	Satisfactory
Medicines Management	Satisfactory
Information Management Framework	Satisfactory
Research Governance	Satisfactory
Risk Management	Satisfactory
Security Management	Satisfactory

## 9. 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 2018/19, Internal Audit reviewed the following systems:

Financial Review	<b>Satisfactory Assurance</b>
Performance Management and Complaints Management	<b>Satisfactory Assurance</b>
Recruitment and Whistleblowing	<b>Satisfactory Assurance</b>
Information Governance	<b>Satisfactory Assurance</b>
Year End Stocktake	<b>Satisfactory Assurance</b>

In the five audit areas noted above, no Priority 1 and 24 Priority 2 weaknesses in control were identified.

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 on page 45. 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 the RQIA in 2018/19.

### **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 June 2017 has been closed post agreement of an action plan to address those issues raised. The next inspection is scheduled for June 2019.



NIBTS is also inspected by the United Kingdom Accreditation Service (UKAS) against ISO15189 standards for Medical Laboratories – Requirements for Quality and Competence. NIBTS obtained ISO:15189:2012 accreditation in 2018 and have retained this accreditation post a UKAS surveillance visit in January 2019.

### **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 2018/19, 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.

One weakness identified in payroll in 2017/18 resulted in the need to recalculate employer's superannuation contributions. The financial consequences of this recalculation have been included in the 2018/19 financial statements.

## **10. 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.

## **11. 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.



## 12. European Union (EU) Exit

NIBTS has actively scoped the potential impact of a 'no deal' outcome from the UK-EU negotiations on the services it provides, in line with the information provided by the Department. The process will continue to be refined as more clarity emerges on the detail of the final agreement.

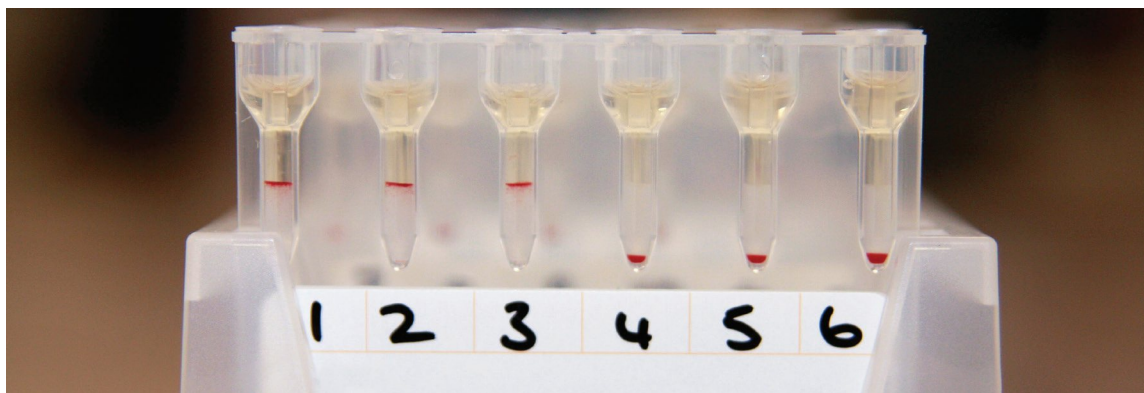
## 13. Budget Position and Authority

In the continuing absence of an Executive and a sitting Assembly the Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 20th July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15th March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

## 14. 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 2018/19.



## 2. REMUNERATION AND STAFF REPORT

The Remuneration and Staff Report sets out the role of the Non-Executive Board Members Remuneration Committee and in particular the Committees adherence to appropriate Remuneration Policy including relevant DoH circulars and Agenda for Change term and conditions.

### 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 2018/19 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 Agenda for Change Terms and Conditions. All medical staff were paid in accordance 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

The Chief Executive, Mrs K Jackson, took up post on 1 October 2016 on a temporary basis for up to two years. This tenure has been extended until 30 September 2021. Mrs Jackson is on secondment from Belfast Health and Social Care Trust and is paid through Belfast Health and Social Care payroll and the cost recharged to NIBTS.

During 2018/19, 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 2018/19.

## Salary and Pension Entitlements

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

### Senior Management Remuneration (Audited) 2018/19

Name	2018/19					2017/18				
	Salary (£000)	Bonus / Performance Pay £000	Benefits in Kind (to nearest £100)	Pension Benefits (£'000)	Total (£000)	Salary £000	Bonus / Performance Pay £000	Benefits in Kind (to nearest £100)	Pension benefits (£'000)	Total (£000)
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
Mrs K Jackson (Chief Executive)*	80-85	-	-	28	110-115	80-85	-	-	12	95-100
Dr K Morris (Medical Director)	145-150	-	-	(10)	135-140	145-140	-	-	77	225-230
Highest Paid Director Total Remuneration					135-140					225-230
Median Total Remuneration					20.2					19.7
Ratio					6.8					11.5
Range of Staff Remuneration					17-140					15-230

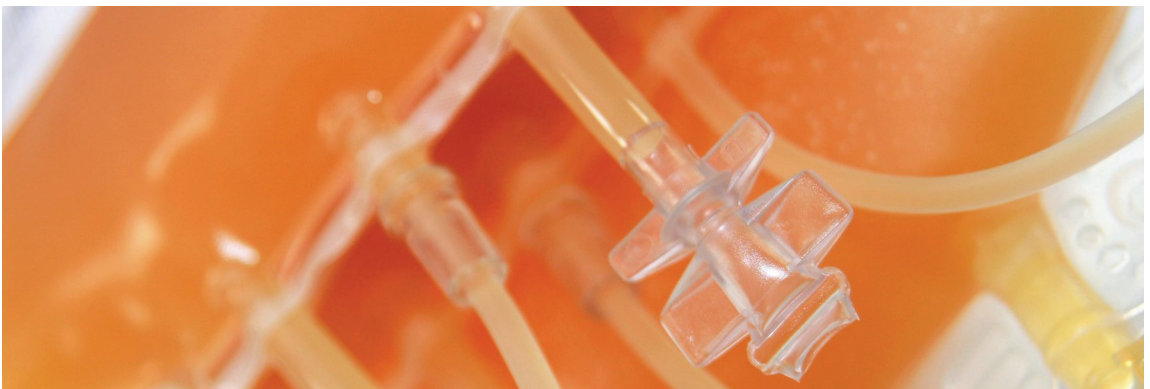
The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation of any increase or decreases due to a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

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid Director in NI Blood Transfusion Service in the financial year 2018-19 was £135k - £140k (2017-18, £225k - £230k). This was 6.8 times (2017-18, 11.5) the median remuneration of the workforce (excluding agency staff), which was £20.2k (2017-18, £19.7k). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind and pension benefit. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The ratio changed because the prior year included an increase in salary for the highest paid Director in accordance with HSC Medical Consultant Terms and Conditions of Service and an associated increase in pension benefit. There was no increase in salary in 2018/19.

*\*Mrs K Jackson was appointed Chief Executive on a temporary basis, on secondment from Belfast HSC Trust, until 30 September 2021. Mrs Jackson is paid through Belfast HSC Trust payroll and the cost recharged to NIBTS. 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 2018/19 or 2017/18*



## 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 31/03/19 and related lump sum £000	CETV at 31/03/18 £000	CETV at 31/03/19 £000	Real increase in CETV £000
Mrs K Jackson Pension Lump sum	0 - 2.5 0 - 2.5	20 - 25 35 - 40	278	348	26
Dr Morris Pension Lump sum	0 - 2.5 0 - 2.5	50 - 55 155 - 160	1,049	1,191	9

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.

**Payments to Past Directors (Audited)**

There were no payments made to past directors during the year (2017/18: nil)



## STAFF REPORT

### Staff Costs (Audited)

	2019		2018	
Staff costs comprise:	Permanently employed staff £000s	Others	Total	Total
Wages and salaries	4,734	220	4,954	4,824
Social security costs	434	0	434	425
Other pension costs	713	0	713	657
Sub-total	5,881	220	6,101	5,906
Capitalised staff costs	0	0	0	0
Total staff costs reported in Statement of Comprehensive Expenditure	5,881	220	6,101	5,906
Less recoveries in respect of outward secondments			0	0
Total net costs			<b>6,101</b>	<b>5,906</b>
Total Net costs of which:			<b>£000s</b>	<b>£000s</b>
NI Blood Transfusion Service			6,101	5,906
Charitable Trust Fund			0	0
Total			<b>6,101</b>	<b>5,906</b>

No staff costs were charged to capital projects during the year (2018 £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. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) is used in the 2018-19 accounts.

**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.	2019		2018
		Others	Total	Total
Medical and dental	3.7	0.1	3.8	4.1
Nursing and midwifery	48.4	1.6	50.0	49.2
Ancillaries	6.6	0.2	6.8	7.2
Administrative and clerical	44.9	2.9	47.8	47.4
Other professionals and technical	57.3	0.0	57.3	56.9
<b>Total average number of persons employed</b>	160.9	4.8	165.7	164.8
<b>Less average staff number relating to capitalised staff costs</b>				
<b>Less average staff number in respect of outward secondments</b>				
<b>Total net average number of persons employed</b>	160.9	4.8	165.7	164.8

Of which:

NI Blood Transfusion Service  
Charitable Trust Fund

165.7  
0.0

Total

165.7



## Reporting of early retirement and other compensation scheme - exit packages (Audited)

Exit package cost band	*Number of other departures agreed		Total number of exit packages by cost band	
	2019	2018	2019	2018
<b>£10,001-£25,000</b>	0	2	0	2
<b>£25,001-£50,000</b>	0	1	0	1
<b>Total number of exit packages by type</b>	0	3	0	3
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total resource cost</b>	0	66	0	66

\*Redundancy and other departure costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses at note 3. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

### Staff Benefits

There were no staff benefits paid in 2018/19 or in 2017/18.

### Retirements due to ill-health

During 2018/19 there was one early retirement from the Agency, agreed on the grounds of ill-health (2017/18: 1). The estimated additional pension liabilities of these ill-health retirements will be £3K. These costs are borne by the HSC Pension Scheme.

### Off Payroll Engagements

There were no 'off-payroll' engagements at a cost of over £58,200 per annum in place during 2018/19 (2017/18: Nil).



### Consultancy Expenditure

During the year there was one consultancy engagement at a cost of £10,000. (2017/18 : nil).

### 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 31/03/2019, the Agency employed a total of 191 staff (149 whole time equivalents). This figure included 184 staff employed on permanent contracts and 7 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 58 male and 133 female.

For the senior manager group of employees (those defined as earning in excess of £71,000 p.a.) the gender breakdown of officers was three male and two female members of staff.

### Sickness data

During 2018/19 the Agency was required to comply with the Departmental target of improving or maintaining sickness absence rates on 2017/18 levels. For the period ended 31/03/2019 the Agency did not achieve this target.

Cumulative absence for the workforce as a whole was 6.9%. Long term sickness, that is sickness lasting for four weeks or more, accounted for 5.4% with the remaining 1.5% 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 2018/19 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 2018/19 the Agency made efforts 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.



### 3. ACCOUNTABILITY AND AUDIT REPORT

The Accountability and Audit report provides detail of all audited losses and special payments during 2017/18 as well as confirmation of no remote contingent liability. Details of fees and charges confirmation of long term expenditure and financial planning is also provided.

#### FUNDING REPORT

##### Losses and Special Payments (Audited)

Type of loss and special payment	2018-19		2017-18
	Number of cases	£	£
<b>Stores losses</b>			
Losses of accountable stores through any deliberate act	0	0	0
Other stores losses	2	3,982	13,058
	<b>2</b>	<b>3,982</b>	<b>13,058</b>
<b>Special Payments</b>			
Compensation payments;	0	0	0
- Clinical Negligence	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>2</b>	<b>3,982</b>	<b>13,058</b>

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 (Audited)

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 2019.



### 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 any changes in demand for red cells and for platelets. Changes to the supply arrangements for immunoglobulin products will result in a full year effect impact on income and expenditure in 2019/20.

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**  
**Accounting Officer**  
27 June 2019



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

**Opinion on financial statements**

I certify that I have audited the financial statements of the Northern Ireland Blood Transfusion Service for the year ended 31 March 2019 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Group and Parent 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 Accountability Report that is described in that report as having been audited.

**In my opinion the financial statements:**

- give a true and fair view of the state of the group's and of Northern Ireland Blood Transfusion Service's affairs as at 31 March 2019 and of the group's and the Northern Ireland Blood Transfusion Service's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

**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.

**Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Blood Transfusion Service in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **Other Information**

The Northern Ireland Blood Transfusion Service and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; 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.


### **Responsibilities of the Northern Ireland Blood Transfusion Service and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Northern Ireland Blood Transfusion Service and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

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, as amended.

My objectives are to obtain 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance



with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, 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.

### **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 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 the 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**

**8 July 2019**



# FINANCIAL STATEMENTS

# Financial Statements for the Year Ended 31 March 2019

## Foreword

These accounts for the year ended 31 March 2019 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 49 to 82) 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**  
27 June 2019

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 49 to 82) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



**Ms B Anley - Chair**  
27 June 2019



**Mrs K Jackson - Chief Executive**  
27 June 2019

## NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

### Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	NOTE	2019		2018	
		£000s		£000s	
		Agency	Consolidated	Agency	Consolidated
<b>Income</b>					
Revenue from contracts with customers	4.1	19,769	19,769	22,212	22,212
Other operating income*	4.2	0	0	0	2
<b>Total operating income</b>		<b>19,769</b>	<b>19,769</b>	<b>22,212</b>	<b>22,214</b>
<b>Expenditure</b>					
Staff costs		(6,101)	(6,101)	(5,906)	(5,906)
Purchase of goods and services	3	(11,846)	(11,846)	(14,406)	(14,406)
Depreciation, amortisation and impairment charges	3	(428)	(428)	(383)	(383)
Provision expense	3	(41)	(41)	4	4
Other expenditures	3	(1,816)	(1,817)	(1,892)	(1,913)
<b>Total operating expenditure</b>		<b>(20,232)</b>	<b>(20,233)</b>	<b>(22,583)</b>	<b>(22,604)</b>
<b>Net operating expenditure</b>		<b>(463)</b>	<b>(464)</b>	<b>(371)</b>	<b>(390)</b>
Finance income	4.2	0	6	0	6
<b>Net expenditure for the year</b>		<b>(463)</b>	<b>(458)</b>	<b>(371)</b>	<b>(384)</b>
Revenue Resource Limit (RRL)	23.1	483	483	378	378
Add back charitable trust fund net expenditure*		0	(5)	0	13
<b>Surplus against RRL</b>		<b>20</b>	<b>20</b>	<b>7</b>	<b>7</b>

## OTHER COMPREHENSIVE EXPENDITURE

	NOTE	2019		2018	
		£000s		£000s	
		Agency	Consolidated	Agency	Consolidated
<b>Items that will not be reclassified to net operating costs:</b>					
Net gain/(loss) on revaluation of property, plant and equipment	5.1/5.2	313	313	636	636
Net gain/(loss) on revaluation of charitable assets	7	0	11	0	(6)
<b>TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March</b>		<b>(150)</b>	<b>(134)</b>	<b>265</b>	<b>246</b>

The notes on pages 56 to 82 form part of these accounts.

\*All donated 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.

## NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

### Consolidated Statement of Financial Position as at 31 March 2019

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	2019		2018	
		Agency	Consolidated	Agency	Consolidated
<b>Non Current Assets</b>			<b>£000s</b>		<b>£000s</b>
Property, plant and equipment	5.1/5.2	10,255	10,255	10,219	10,219
Intangible assets	6.1/6.2	44	44	30	30
Financial assets	7	-	242	-	226
<b>Total Non Current Assets</b>		<b>10,299</b>	<b>10,541</b>	<b>10,249</b>	<b>10,475</b>
<b>Current Assets</b>					
Assets classified as held for sale	9	-	-	-	-
Inventories	10	1,627	1,627	1,636	1,636
Trade and other receivables	12	600	600	1,100	1,100
Other current assets	12	1	1	48	48
Cash and cash equivalents	11	717	717	232	232
<b>Total Current Assets</b>		<b>2,945</b>	<b>2,945</b>	<b>3,016</b>	<b>3,016</b>
<b>Total Assets</b>		<b>13,244</b>	<b>13,486</b>	<b>13,265</b>	<b>13,491</b>
<b>Current Liabilities</b>					
Trade and other payables	13	(1,934)	(1,947)	(2,026)	(2,039)
Provisions	15	(9)	(9)	(8)	(8)
<b>Total Current Liabilities</b>		<b>(1,943)</b>	<b>(1,956)</b>	<b>(2,034)</b>	<b>(2,047)</b>
<b>Total assets less current liabilities</b>		<b>11,301</b>	<b>11,530</b>	<b>11,231</b>	<b>11,444</b>
<b>Non Current Liabilities</b>					
Provisions	15	(49)	(49)	(9)	(9)
<b>Total Non Current Liabilities</b>		<b>(49)</b>	<b>(49)</b>	<b>(9)</b>	<b>(9)</b>
<b>Total assets less total liabilities</b>		<b>11,252</b>	<b>11,481</b>	<b>11,222</b>	<b>11,435</b>
<b>Taxpayers' Equity and other reserves</b>					
Revaluation reserve		9,206	9,206	8,894	8,894
SoCNE reserve		2,046	2,046	2,328	2,328
Other reserves - charitable fund		-	229	-	213
<b>Total Equity</b>		<b>11,252</b>	<b>11,481</b>	<b>11,222</b>	<b>11,435</b>

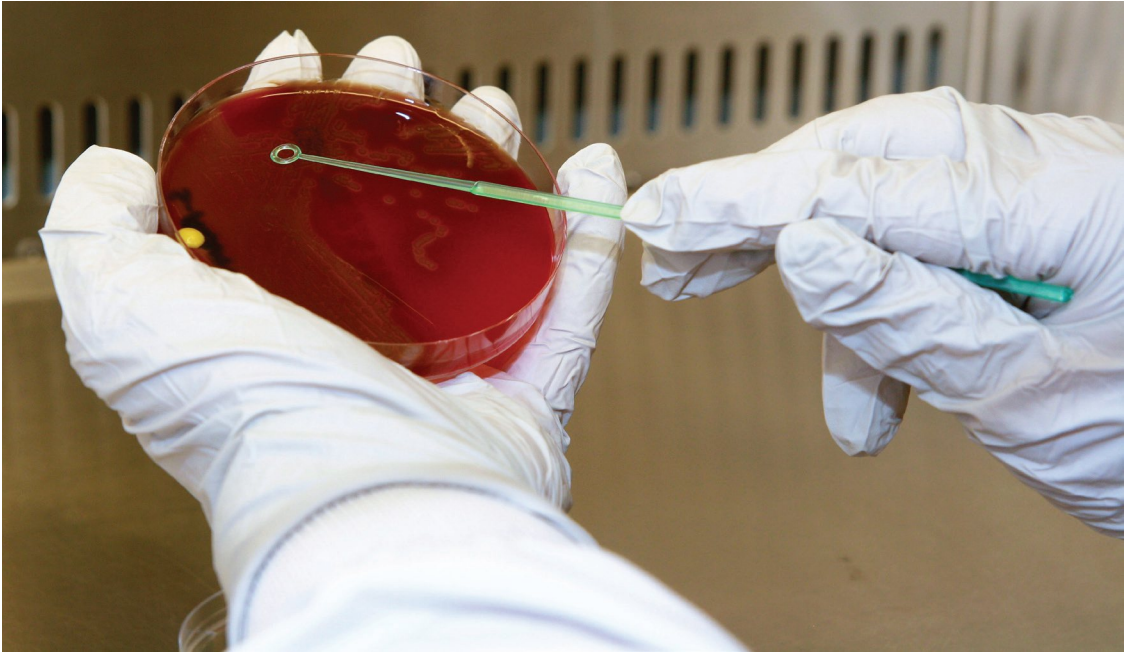
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The financial statements on pages 49 to 82 were approved by the Board on 27 June 2019 and were signed on its behalf by;

The notes on pages 44 to 67 form part of these accounts.

Signed:  (Chair) Date: 27 June 2019

Signed:  (Chief Executive) Date: 27 June 2019



## NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

### Consolidated Statement of Cash Flows for the year ended 31 March 2019

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.

	2019	2018
NOTE	£000s	£000s
<b>Cash flows from operating activities</b>		
Net surplus after interest/Net operating expenditure	(458)	(384)
Adjustments for non cash costs	483	378
(Increase)/Decrease in trade and other receivables	12 547	(372)
Decrease/(Increase) in inventories	10 9	110
Increase in trade payables	13 (92)	27
<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 (1)	205
Movements in payables relating to the purchase of intangibles	6 (21)	17
Use of provisions	15 -	(2)
<b>Net cash inflow/(outflow)from operating activities</b>	<b>467</b>	<b>(21)</b>
<b>Cash flows from investing activities</b>		
(Purchase of property, plant & equipment)	(143)	(486)
(Purchase of intangible assets)	6 -	(33)
Proceeds of disposal of property, plant & equipment	-	13
Share of income reinvested	5	-
<b>Net cash outflow from investing activities</b>	<b>(148)</b>	<b>(506)</b>
<b>Cash flows from financing activities</b>		
Grant in aid	166	285
<b>Net financing</b>	<b>166</b>	<b>285</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents in the period</b>	<b>485</b>	<b>(242)</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	<b>11 232</b>	<b>474</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>11 717</b>	<b>232</b>

The notes on pages 56 to 82 form part of these accounts.

## NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

### Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

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
<b>Balance at 31 March 2017</b>		2,352	8,310	232	10,894
<b>Changes in Taxpayers Equity 2017-18</b>					
Grant from DoH		285	-	0	285
Other reserves movements including transfers		52	(52)	0	0
(Comprehensive expenditure for the year)		(371)	636	(19)	246
Non cash charges - auditors remuneration	3	10	-	0	10
<b>Balance at 31 March 2018</b>		<b>2,328</b>	<b>8,894</b>	<b>213</b>	<b>11,435</b>
<b>Changes in Taxpayers Equity 2018-19</b>					
Grant from DoH		166	-	0	166
Other reserves movements including transfers		1	(1)	0	0
(Comprehensive expenditure for the year)		(463)	313	16	(134)
Non cash charges - auditors remuneration	3	14	-	0	14
<b>Balance at 31 March 2019</b>		<b>2,046</b>	<b>9,206</b>	<b>229</b>	<b>11,481</b>

The notes on pages 56 to 82 form part of these accounts.



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## 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, equipment and inventories.

#### 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 agency within the Department of Finance (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.

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### **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 term 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.

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## 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.

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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**

Income is classified between Revenue from Contracts and Other Operating Income as assessed necessary in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the 5 essential criteria within the scope of IFRS 15 are met in order to define income as a contract. Income relates directly to the activities of the HSC body and is recognised when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of Comprehensive Net Expenditure and is recognised when the right to receive payment is established.

In year of initial application, the introduction of IFRS 15 has not impacted on the timing of satisfying performance obligations of contracts in existence therefore the transaction price determined has not changed as a result of its introduction. The current impact of its introduction has resulted in reclassification of income based on consideration of whether there is a written, oral or implied contract in existence. Note 4 Income provides initial application disclosures in line with HM Treasury application guidance on transition to IFRS 15.

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## **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 other than Trust Funds. 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 Research and Development expenditure**

Following the introduction of the 2010 European System of Accounts (ESA10), from 2016-17 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. As a result, additional disclosures are included in the notes to the accounts.

### **1.13 Other expenses**

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

### **1.14 Cash and cash equivalents**

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

### **1.15 Leases**

The Agency had no leases during the year (2017/18: none).

### **1.16 Private Finance Initiative (PFI) transactions**

The Agency has had no PFI transactions during the year (2017/18: none).

### **1.17 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,

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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. IFRS 9 introduces the requirement to consider the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the HSC Body's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument.

- **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 too 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 other HSC bodies and DoH which is voted through the Assembly, it is therefore not exposed to significant liquidity risks.

### 1.18 Provisions

In accordance with IAS 37, Provisions are recognised when the 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
Nominal	Short term (0 - 5 years)	0.76%
	Medium term (5 - 10 years)	1.14%
	Long term (10 - 40 years)	1.99%
	Very long term (40+ years)	1.99%
Inflationary	Year 1	2.00%
	Year 2	2.00%
	Into perpetuity	2.10%

as at 31 March 2019.

The discount rate to be applied for employee early departure obligations is +0.29% with effect from 31 March 2019.

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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.

### **1.19 Contingencies**

The Agency had no contingent liabilities at either 31 March 2019 or 31 March 2018.

### **1.20 Employee benefits**

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

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using 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 2019. 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

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recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) is used in 2018-19 accounts.

### **1.21 Reserves**

#### **Statement of Comprehensive Net Expenditure Reserve**

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

#### **Revaluation Reserve**

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

#### **Charitable Fund Reserve**

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

### **1.22 Value Added Tax**

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

### **1.23 Third party assets**

The Agency does not hold any third party assets.

### **1.24 Government Grants**

The Agency does not receive any government grants.

### **1.25 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

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insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

### **1.26 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 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.

### **1.27 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.

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2020.

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

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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.

## **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.



**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 3 EXPENDITURE**

	<b>2018</b>		<b>2017</b>	
	<b>£000s</b>		<b>£000s</b>	
<b>Operating Expenses are as follows:-</b>	<b>Agency</b>	<b>Consolidated</b>	<b>Agency</b>	<b>Consolidated</b>
Staff costs <sup>1</sup> :				
Wages and salaries	4,953	4,953	4,824	4,824
Social security costs	434	434	425	425
Other pension costs	713	713	657	657
Recharges from other HSC organisations	11	11	10	10
Supplies and services - Clinical	11,695	11,695	14,255	14,255
Supplies and services - General	63	63	53	53
Establishment	353	353	319	319
Transport	257	257	301	301
Premises	941	941	1,014	1,033
BSO services	78	78	88	88
Training	49	49	60	60
Miscellaneous expenditure <sup>2</sup>	202	203	199	201
<b>Non cash items</b>				
Depreciation	421	421	380	380
Amortisation	7	7	3	3
(Profit) on disposal of property, plant & equipment (excluding profit on land)	0	0	(11)	(11)
Increase / Decrease in provisions (provision provided for in year less any release)	41	41	(4)	(4)
Auditors remuneration <sup>3</sup>	14	14	10	11
Add back of notional charitable expenditure	0	0	0	(1)
<b>TOTAL</b>	<b>20,232</b>	<b>20,233</b>	<b>22,583</b>	<b>22,604</b>

<sup>1</sup> Further detailed analysis of staff costs is located in the Staff Report on page 38 within the Accountability Report.

<sup>2</sup> Miscellaneous expenditure includes the following material amounts: Waste Disposal £30k; UK Forum Recharges £43k; Hire of Halls £30k and Record Storage £13k.

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

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**4.1 Revenue from contracts with customers**

	<b>2019</b>		<b>2018</b>	
	<b>£000s</b>		<b>£000s</b>	
	<b>Agency</b>	<b>Consolidated</b>	<b>Agency</b>	<b>Consolidated</b>
GB/Republic of Ireland Health Authorities	0	0	0	0
HSC bodies	19,766	19,766	22,208	22,208
Non-HSC:- Private patients	3	3	4	4
<b>Total</b>	<b>19,769</b>	<b>19,769</b>	<b>22,212</b>	<b>22,212</b>

**4.2 Other operating Income**

	<b>2019</b>		<b>2018</b>	
	<b>£000s</b>		<b>£000s</b>	
Charitable income received by charitable trust fund	0	0	0	2
Investment income	0	6	0	6
<b>Total</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>8</b>

<b>TOTAL INCOME</b>	<b>19,769</b>	<b>19,775</b>	<b>22,212</b>	<b>22,220</b>
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**4.3 Deferred Income**

The Agency had no deferred income or income released from conditional grants at either 31 March 2019 or 31 March 2018.

\* This is the initial year of application of IFRS 15 Revenue from Contracts with Customers. Under IAS 18 Revenue, should IFRS 15 not have been adopted, £19,769k would have been disclosed as Income from activities and £0 as Other operating income, totalling £19,769k income for 2018-19. Refer to accounting policy note 1.10 for further information.

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 5.1 Consolidated Property, plant & equipment - year ended 31 March 2019**

	<b>Land £000s</b>	<b>Buildings (excluding dwellings) £000s</b>	<b>Assets under construction £000s</b>	<b>Plant and Machinery (equipment) £000s</b>	<b>Transport Equipment £000s</b>	<b>Information Technology (IT) £000s</b>	<b>Total £000s</b>
<b>Cost or Valuation</b>							
At 1 April 2018	1,764	8,339	0	1,662	655	643	13,063
Indexation	88	243	0	20	10	0	361
Additions	0	0	0	99	0	45	144
Disposals	0	0	0	(7)	0	0	(7)
At 31 March 2019	<b>1,852</b>	<b>8,582</b>	<b>0</b>	<b>1,774</b>	<b>665</b>	<b>688</b>	<b>13,561</b>

**Depreciation**

At 1 April 2018	0	820	0	1,209	194	621	2,844
Indexation	0	30	0	14	4	0	48
Disposals	0	0	0	(7)	0	0	(7)
Provided during the year	0	275	0	63	73	10	421
At 31 March 2019	<b>0</b>	<b>1,125</b>	<b>0</b>	<b>1,279</b>	<b>271</b>	<b>631</b>	<b>3,306</b>
<b>Carrying Amount</b>							
At 31 March 2019	<b>1,852</b>	<b>7,457</b>	<b>0</b>	<b>495</b>	<b>394</b>	<b>57</b>	<b>10,255</b>
At 31 March 2018	<b>1,764</b>	<b>7,519</b>	<b>0</b>	<b>453</b>	<b>461</b>	<b>22</b>	<b>10,219</b>

Asset Financing - All tangible assets are fully owned by the Agency. No assets relate to Trust Funds.

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

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets under finance lease and hire purchase contracts is £nil (2018: nil).

**Valuation of Land and Buildings**

The last valuation of land and buildings 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.



**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 5.2 Consolidated Property, plant & equipment - year ended 31 March 2018**

	Land £000s	Buildings (excluding dwellings) £000s	Assets under construction £000s	Plant and Machinery (equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Total £000s
<b>Cost or Valuation</b>							
At 1 April 2017	1,680	7,748	50	1,982	340	661	12,461
Indexation	84	591	0	34	12	1	722
Additions	0	0	(50)	0	324	7	281
Reclassifications	0	0	0	0	0	(4)	(4)
Disposals	0	0	0	(354)	(21)	(22)	(397)
At 31 March 2018	<b>1,764</b>	<b>8,339</b>	<b>0</b>	<b>1,662</b>	<b>655</b>	<b>643</b>	<b>13,063</b>

**Depreciation**

At 1 April 2017	0	508	0	1,467	167	634	2,776
Indexation	0	53	0	25	7	1	86
Reclassifications	0	0	0	0	0	(4)	(4)
Disposals	0	0	0	(351)	(21)	(22)	(394)
Provided during the year	0	259	0	68	41	12	380
At 31 March 2018	<b>0</b>	<b>820</b>	<b>0</b>	<b>1,209</b>	<b>194</b>	<b>621</b>	<b>2,844</b>

**Carrying Amount**

At 31 March 2018	<b>1,764</b>	<b>7,519</b>	<b>0</b>	<b>453</b>	<b>461</b>	<b>22</b>	<b>10,219</b>
At 1 April 2017	<b>1,680</b>	<b>7,240</b>	<b>50</b>	<b>515</b>	<b>173</b>	<b>27</b>	<b>9,685</b>

**Asset Financing**

Owned	1,764	7,519	0	453	461	22	10,219
Finance leased	0	0	0	0	0	0	0
On B/S (SoFP) PFI and other service concessions arrangements contracts	0	0	0	0	0	0	0
<b>Carrying Amount</b>							
At 31 March 2018	<b>1,764</b>	<b>7,519</b>	<b>0</b>	<b>453</b>	<b>461</b>	<b>22</b>	<b>10,219</b>

Asset Financing - All tangible assets are fully owned by the Agency. No assets relate to Trust Funds.

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 6.1 Consolidated Intangible assets - year ended 31 March 2019**

	<b>Software Licenses £000s</b>	<b>Information Technology £000s</b>	<b>Total £000s</b>
<b>Cost or Valuation</b>			
At 1 April 2018	20	68	88
Additions	21	0	21
At 31 March 2019	<b>41</b>	<b>68</b>	<b>109</b>
<b>Amortisation</b>			
At 1 April 2018	4	54	58
Provided during the year	3	4	7
At 31 March 2019	<b>7</b>	<b>58</b>	<b>65</b>
<b>Carrying Amount</b>			
At 31 March 2019	<b>34</b>	<b>10</b>	<b>44</b>
At 31 March 2018	<b>16</b>	<b>14</b>	<b>30</b>

Asset Financing - All tangible assets are fully owned by the Agency. No assets relate to Trust Funds.

**NOTE 6.2 Consolidated Intangible assets - year ended 31 March 2018**

	<b>Software Licenses £000s</b>	<b>Information Technology £000s</b>	<b>Total £000s</b>
<b>Cost or Valuation</b>			
At 1 April 2017	0	68	68
Additions	16	0	16
Reclassifications	4	0	4
At 31 March 2018	<b>20</b>	<b>68</b>	<b>88</b>
<b>Amortisation</b>			
At 1 April 2017	0	51	51
Reclassifications	4	0	4
Provided during the year	0	3	3
At 31 March 2018	<b>4</b>	<b>54</b>	<b>58</b>
<b>Carrying Amount</b>			
At 31 March 2018	<b>16</b>	<b>14</b>	<b>30</b>
At 31 March 2017	<b>0</b>	<b>17</b>	<b>17</b>

Asset Financing - All tangible assets are fully owned by the Agency. No assets relate to Trust Funds.

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 7 FINANCIAL INSTRUMENTS**

As the cash requirements are met through income from HSC bodies and which is 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.

	<b>2019 Non-Current Assets £000s</b>	<b>2018 Non-Current Assets £000s</b>
Balance at 1 April 2018	226	232
Additions	6	8
Disposals	(1)	(8)
Revaluations	11	(6)
Balance at 31 March 2019	<u>242</u>	<u>226</u>
Agency	0	0
Charitable Trust Fund	242	226
	<u>242</u>	<u>226</u>

**NOTE 7.1 Market value of investments as at 31 March 2018**

	<b>Held in UK £000s</b>	<b>2018 Total £000s</b>
Investment properties	0	0
Investments listed on Stock Exchange	0	0
Investments in CIF	242	226
Investments in a Common Deposit Fund or Investment Fund	0	0
Unlisted securities	0	0
Cash held as part of the investment portfolio	0	0
Investments in connected bodies	0	0
Other investments	0	0
<b>Total market value of fixed asset investments</b>	<u>242</u>	<u>226</u>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 8 IMPAIRMENTS**

NIBTS did not have any impairments during 2018/19 (2017/18: nil)

**NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE**

NIBTS did not hold any assets classified as held for sale in 2018/19 or 2017/18.

**NOTE 10 INVENTORIES.**

Classification	2019 £000s		2018 £000s	
	Agency	Consolidated	Agency	Consolidated
Clinical Supplies	1,576	1,576	1,583	1,583
General Supplies	4	4	7	7
Establishment	40	40	41	41
Other	7	7	5	5
<b>Total</b>	<b>1,627</b>	<b>1,627</b>	<b>1,636</b>	<b>1,636</b>

**NOTE 11 CASH AND CASH EQUIVALENTS**

	2019 £000s		2018 £000s	
	Agency	Consolidated	Agency	Consolidated
Balance at 1st April 2018	232	232	474	474
Net change in cash and cash equivalents	485	485	(242)	(242)
<b>Balance at 31st March 2019</b>	<b>717</b>	<b>717</b>	<b>232</b>	<b>232</b>

The following balances at 31 March 2019 were held at	2019 £000s		2018 £000s	
	Agency	Consolidated	Agency	Consolidated
Commercial banks and cash in hand	717	717	232	232
<b>Balance at 31st March 2019</b>	<b>717</b>	<b>717</b>	<b>232</b>	<b>232</b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS**

	2019		2018	
	£000s		£000s	
<b>Amounts falling due within one year</b>	<b>Agency</b>	<b>Consolidated</b>	<b>Agency</b>	<b>Consolidated</b>
Trade receivables	375	375	704	704
VAT receivable	223	223	390	390
Other receivables - not relating to fixed assets	2	2	6	6
<b>Trade and other receivables</b>	<b>600</b>	<b>600</b>	<b>1,100</b>	<b>1,100</b>
Prepayments	1	1	48	48
<b>Other current assets</b>	<b>1</b>	<b>1</b>	<b>48</b>	<b>48</b>
Amounts falling due after more than one year				
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>600</b>	<b>600</b>	<b>1,100</b>	<b>1,100</b>
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>1</b>	<b>1</b>	<b>48</b>	<b>48</b>
<b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	<b>601</b>	<b>601</b>	<b>1,148</b>	<b>1,148</b>

The balances are net of a provision for bad debts of £nil (2018 £nil)

**NOTE 13 TRADE PAYABLES, FINANCIAL AND OTEHR LIABILITIES**

**13.1 Trade payables and other current liabilities**

	2019		2018	
	£000s		£000s	
<b>Amounts falling due within one year</b>	<b>Agency</b>	<b>Consolidated</b>	<b>Agency</b>	<b>Consolidated</b>
Other taxation and social security	190	190	235	235
Trade capital payables - property, plant and equipment	4	4	4	4
Trade capital payables - intangibles	21	21	0	0
Trade revenue payables	1,132	1,132	722	722
Payroll payables	190	190	160	160
BSO payables	12	12	452	452
Other payables	1	1	1	1
Accruals	384	397	453	466
<b>Trade and other payables</b>	<b>1,934</b>	<b>1,947</b>	<b>2,027</b>	<b>2,040</b>
<b>TOTAL RECEIVABLES AND OTHER CURRENT LIABILITIES</b>	<b>1,934</b>	<b>1,947</b>	<b>2,027</b>	<b>2,040</b>

**13.2 Loans**

The Agency did not have any loans payable at either 31 March 2019 or 31 March 2018.

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**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:

	<b>2019 Number</b>	<b>2019 Value £000s</b>	<b>2018 Number</b>	<b>2018 Value £000s</b>
Total bills paid	3,487	16,035	3,402	20,707
Total bills paid within 30 day target or under agreed payment terms	3,289	15,535	3,163	20,093
% of bills paid within 30 day target or under agreed payment terms	<b>94.3%</b>	<b>96.9%</b>	<b>93.0%</b>	<b>97.0%</b>
Total bills paid within 30 days of receipt of an undisputed invoice*	3,289	15,535	3,163	20,093
% of bills paid within 30 days of receipt of an undisputed invoice	<b>94.3%</b>	<b>96.9%</b>	<b>93.0%</b>	<b>97.0%</b>
Total bills paid within 10 day target	2,585	13,545	2,320	16,811
% of bills paid within 10 day target	<b>74.1%</b>	<b>84.5%</b>	<b>68.2%</b>	<b>81.2%</b>

**14.2 The Late Payment of Commercial Debts Regulations 2002**

During the year, NIBTS paid no compensation or interest for payments being late.

\* 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.

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES - 2019**

	<b>Liability Claims £000s</b>	<b>2019 £000s</b>
<b>Balance at 1 April 2018</b>	17	17
Provided in year	41	41
(Provisions not required written back)	0	0
(Provisions utilised in the year)	0	0
Cost of borrowing (unwinding of discount)	0	0
<b>At 31 March 2019</b>	<b>58</b>	<b>58</b>

	<b>2019 £000s</b>	<b>2018 £000s</b>
<b>Comprehensive Net Expenditure Account charges</b>		
Arising during the year	41	5
Reversed unused	0	(9)
<b>Total charge within operating expenses</b>	<b>41</b>	<b>(4)</b>

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.

	<b>Liability Claims £000s</b>	<b>2019 £000s</b>
<b>Analysis of expecting timing of discounted flows</b>		
Not later than one year	9	9
Later than one year and not later than five years	49	49
Later than five years	0	0
At 31 March 2019	<b>58</b>	<b>58</b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES - 2018**

	<b>Liability Claims £000s</b>	<b>2018 £000s</b>
Balance at 1 April 2017	23	23
Provided in year	5	5
(Provisions not required written back)	(9)	(9)
(Provisions utilised in the year)	(2)	(2)
Cost of borrowing (unwinding of discount)	0	0
<b>At 31 March 2018</b>	<b>17</b>	<b>17</b>

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

	<b>Liability Claims £000s</b>	<b>2018 £000s</b>
Not later than one year	8	8
Later than one year and not later than five years	9	9
Later than five years	0	0
At 31 March 2018	<b>17</b>	<b>17</b>



**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 16 CAPITAL COMMITMENTS**

	<b>2019</b>	<b>2018</b>
	<b>£000s</b>	<b>£000s</b>
Contracted capital commitments at 31 March not otherwise included in these financial statements Property, plant & equipment	40	0
	<u>40</u>	<u>0</u>

**NOTE 17: COMMITMENTS UNDER LEASES**

**17.1 Finance Leases**

The Agency had no commitments under finance leases at either 31 March 2019 or 31 March 2018.

**17.2 Operating Leases**

The Agency had no commitments under operating leases at either 31 March 2019 or 31 March 2018.

**NOTE 18 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE CONCESSION ARRANGEMENTS**

The Agency has no PFI contracts.

**NOTE 19 OTHER FINANCIAL COMMITMENTS**

The Agency did not have any other financial commitments at either 31 March 2019 or 31 March 2018.

**NOTE 20 CONTINGENT LIABILITIES**

The Agency had no contingent liabilities at either 31 March 2019 or 31 March 2018.

**20.1 Financial Guarantees, Indemnities and Letters of Comfort**

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

**NOTE 21 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 22 THIRD PARTY ASSETS**

The Agency does not hold any third party assets.

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 23 FINANCIAL PERFORMANCE TARGETS**

**23.1 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:

	<b>2019 Total £000s</b>	<b>2018 Total £000s</b>
Non cash RRL (from DoH)	483	378
<b>Total Revenue Resource Limit to Statement Comprehensive Net Expenditure</b>	483	378

**23.2 Capital Resource Limit**

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

	<b>2019 Total £000s</b>	<b>2018 Total £000s</b>
Gross capital expenditure	165	297
(Receipts from sales of fixed assets)	0	(13)
Net capital expenditure	165	284
Capital Resource Limit	166	285
Underspend against CRL	(1)	(1)

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

**23.3 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.

	<b>2019</b> <b>£000s</b>	<b>2018</b> <b>£000s</b>
Net Expenditure	(463)	(371)
RRL	483	378
Surplus against RRL	20	7
Break Even cumulative position (opening)	796	789
Break Even cumulative position (closing)	816	796
<b>RRL and Income from activities</b>		
RRL	483	378
Income from activities per note 4.1	19,769	22,212
Total for inclusion in materiality test	20,252	22,590

**Materiality Test**

	<b>2019</b> <b>%</b>	<b>2018</b> <b>%</b>
Break Even in year position as % of RRL & Income	0.10%	0.03%
Break Even cumulative position as % of RRL & Income	4.03%	3.52%

**NOTE 24 EVENTS AFTER THE REPORTING PERIOD**

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 8 July 2019.

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