

Northern Ireland Blood Transfusion Service



Northern Ireland Blood Transfusion Service

(A Special Agency of the HSC)



Annual Report and Accounts
For the year ended 31 March 2023

GIVE  BLOOD
Save Lives

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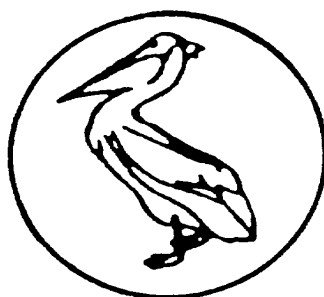
NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

Annual Report and Accounts For the year ended 31 March 2023

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

28 July 2023



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Performance Report

1. Report of the Lead Non-Executive Member

On behalf of the Board of the Northern Ireland Blood Transfusion Service (NIBTS), I am pleased to confirm that NIBTS has met all regulatory and licensing requirements for blood products and associated clinical services this year.

The external, independent inspection and audit provided by the Medicines and Healthcare Products Regulatory Agency (MHRA) and the UKAS scheme provide an important safeguard of independent assurance to donors, patients and other users on the safety and quality of our blood components in Northern Ireland. This year, NIBTS received a very positive inspection report by the MHRA. Congratulations to the Senior Management Team and the associated staff on this excellent result.

The statutory mission of the Northern Ireland Blood Transfusion Service is:

‘to collect, process and deliver high quality blood and blood products and appropriate advice to the HSC in Northern Ireland to the standard required by the Regulators’.

The success of our Mission is only possible with the dedicated support of our donors. On behalf of the Board of NIBTS I would like to extend our sincere thanks to each and every donor who makes the very personal and valuable gift of blood and blood products to those who most need them.

I would also like to thank our Chief Executive and all the staff at NIBTS who have worked tirelessly this year, in a difficult climate, to ensure that our service remains reliable and steady. This has become increasingly more challenging with elevated risks around financial pressures, blood supply fluctuations and staff capacity issues.

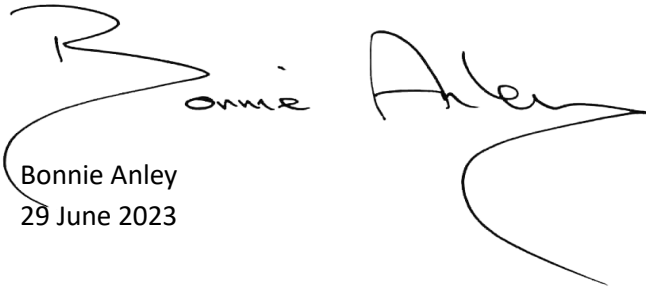
The Agency has had a busy year. Key achievements include:

- A successful MHRA inspection in the summer of 2022;
- The UKAS audit of NIBTS diagnostic screening laboratories in January 2022 with the auditors recommending the continued accreditation of NIBTS to ISO 15189;
- The introduction of core Hepatitis B testing, which enables the identification of historical Hepatitis B infection;
- Progress on the introduction of a new digital solution for a regional, core laboratory information management system, which will gather and store blood group and antenatal screening data for Northern Ireland; and
- Progress on the procurement of a new digital blood production and tracking system that is scheduled for introduction in 2025.

The Board of NIBTS has been privileged this year in assisting the Chief Medical Officer and the Department of Health in their agenda for the provision of a single management structure for pathology services in Northern Ireland. As hosts of this important programme, NIBTS is represented on the Pathology Blueprint Programme Board both by our Chief Executive, who is also Programme Director, and by an NIBTS Non-Executive Board Member.

I would like to thank my Non-Executive Board colleagues for their steady and tireless support in delivering the NIBTS Board's agenda. I would also like to thank our colleagues at our Sponsorship Branch and the wider Department of Health for their support throughout the year.

On a personal note, this is my final year as Chair of NIBTS and I would like to put on record my grateful thanks to Board colleagues, the Chief Executive, the senior team and wider staff at the Agency for their support during my tenure as Chair. I wish the Agency and the new leadership every success in the year ahead.



Bonnie Anley
29 June 2023

2. Performance Overview

This section describes the history, organisation, structure and services provided by NIBTS as well as its main service users and the external environment within which the organisation operates.

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 components to Health and Social Care (HSC) in Northern Ireland. In 2022/23, the Agency was funded through service and budget agreements with the HSC Trusts and Department of Health Strategic Performance & Planning Group (SPPG) 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;
- Processing and testing laboratories;
- Donor administration;
- Medical team;
- Nursing team (which provides staff for headquarters and mobile blood collection teams);
- Quality and regulatory compliance department including the quality control laboratories; and
- Corporate functions including Finance, Human Resources (HR) and Information Technology (IT).

Additionally, NIBTS has a satellite blood collection team based in the Omagh Hospital and Primary Care Centre. There is also 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. These include 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 34 of this report.

2.4 Structure, Main Services and Users

NIBTS is managed by a Senior Management Team, led by the Chief Executive, which reports to a Board. The Board consists of a non-executive Chair, three non-executive members and the Chief Executive.

NIBTS is required to respond to the needs of the health service in Northern Ireland and works with HSC Trusts to establish the anticipated needs for blood and blood components. Historical activity data and information from the UK Blood Establishments Forum and the European Blood Alliance are used to plan for future demand.

2.5 The External Environment

NIBTS works closely with patients, donors and colleagues across a number of disciplines in the HSC Trusts as well as the Department of Health in Northern Ireland, the SPPG, the Public Health Agency (PHA) and the Patient and Client Council (PCC). In addition, NIBTS works with colleagues in the blood services in England, Scotland and

Wales through the UK Blood Establishment Forum as well as Irish Blood Transfusion Service (IBTS) and other European Blood Establishments through the European Blood Alliance (EBA) to ensure services provided by NIBTS benchmark well against comparators.

The Agency holds a blood establishment authorisation licence issued by the Medicines & Healthcare products Regulatory Agency (MHRA) for the collection, testing, processing, storage and distribution of blood components. In addition, a wholesale distributor's licence for plasma products is 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 components for the needs of patients in Northern Ireland, NIBTS also provides the regional antenatal testing programme and specialist immunohaematology support to hospital blood banks. These services are accredited by United Kingdom Accreditation Service (UKAS) to the ISO 15189 standard.

NIBTS has been designated as a core participant of the UK Infected Blood Inquiry. Throughout 2022/23, we co-operated fully with all requests for information made by the Infected Blood Inquiry Team and will continue to do so as the Inquiry progresses to the issue of the Inquiry Chair's report in 2023/24. Liability in respect of payments arising from the Infected Blood Inquiry does not rest with NIBTS and hence no provision is included in the financial statements.

The COVID-19 pandemic has continued to have a significant impact on NIBTS and this is described in the Performance Analysis.

2.6 Resources, principal risks and uncertainties

NIBTS has developed a Risk Management Strategy that identifies our objectives and associated risks and sets out a control strategy for each of the significant risks. Procedures have been established to verify that aspects of the risk management and internal control systems are regularly reviewed and reported on. Risk management is also 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 towards an acceptable target level.

The NIBTS Risk Management Strategy is underpinned by an assessment of risk appetite across five domains: safety and quality, partnerships and engagement, people and culture, resources and continuous improvement.

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 maintaining a self-sufficient supply of adequate blood and platelets donated by the population of Northern Ireland. Whilst appropriate controls to mitigate the impact of this risk are in place – including, where necessary, the importation of components from other blood establishments in Northern Ireland – these result in additional cost pressures that are unaffordable in the current financial climate.

NIBTS is required to deliver its services efficiently, ensuring value for money with maximum productivity. This will continue in 2023/24 and any financial risks will be identified through monthly financial monitoring.

2.7 Performance Summary

Despite the challenges presented by the recovery following the acute phase of the COVID-19 pandemic, as Chief Executive, I am satisfied that the organisation has, during 2022/23, made progress across the following key objectives:

- Maintaining an adequate panel of blood donors;
- Collecting, testing, processing and issuing high quality blood components;
- Meeting the demand for blood components;
- Meeting regulatory requirements;
- Maintaining relevant licences;
- Achieving financial breakeven; and
- Paying suppliers in accordance with prompt payment requirements.

More detail on these objectives is provided in the Performance Analysis section at page 6.

2.8 Going Concern

NIBTS provides a key service for the health service in Northern Ireland and is the sole supplier of blood and blood components 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

COVID-19 Pandemic

Whilst the acute impact of the COVID-19 pandemic has diminished during 2022/23, it has still continued to have an impact on NIBTS operations during the year. This has been particularly reflected in staff and donor availability due to illness which, as anticipated, increased during the winter months. Whilst many lessons learned from the acute phase of the pandemic have been embedded in “business as usual”, further adjustments continue to be needed as hospital demand and donors’ expectations return to pre-pandemic levels.

As hospital elective activity increases to address the backlog of procedures and long waiting lists, an increase in demand for blood components is likely with preparations ongoing to meet this.

During 2022/23, NIBTS continued to provide core services and has been able to meet the hospital requirements for blood and blood products with some assistance from other blood services under mutual aid arrangements.

The delivery of services in continued challenging circumstances could not have been achieved without the superb efforts of our NIBTS staff and the overwhelming support of our donors.

The arrangements put in place at the beginning of the pandemic have been reviewed regularly during 2022/23 in light of new information and evolving public health guidance. This has led to a significant relaxation of measures whilst ensuring the continued safety and wellbeing of our staff and donors.

In Laboratories, the COVID-19 testing area established during 2020/21 has remained on stand-by to back up hospital COVID-19 testing if required.

Working at home and working in the office has continued with increased on site working. In addition, an extensive wellbeing programme has continued to support all staff.

Quality and Regulatory Compliance

NIBTS completed a very successful inspection by the MHRA in the summer of 2022 with the next inspection scheduled for 2024.

In addition, following the UKAS audit of NIBTS diagnostic screening laboratories in January 2022, the auditors recommended continuing accreditation of NIBTS to the ISO 15189 standard.

To support the maintenance of these licences and accreditations, robust quality management processes and systems are embedded and are fully functioning across the organisation. As always, the commitment and diligence of all staff involved in maintaining these has been exceptional despite many competing commitments and challenges throughout the year as we emerge from the pandemic.

NIBTS also continued to develop its Governance Framework in line with DoH requirements. Progress on action plans for each area of the Framework continued to be reported to the NIBTS Governance and Risk Management Committee. This has included a refresh of the NIBTS Risk Management Strategy underpinned by a robust assessment of the organisation’s risk appetite.

Investors in People (IiP)

The organisation underwent independent assessment against this standard in June 2022 with the recommendation of ongoing accreditation. This accreditation remains valid for a further two years, with an interim review to take place in 2023.

Activity

During the year, the demand for blood and blood components – particularly O negative red cells - has continued to reflect pre-pandemic levels.

Tables 1 and 2 overleaf, show the donation activity for 2022/23 compared to 2021/22. Red cell issues have remained similar to the previous year with platelet issues increasing by 4% over the year. This is 1.5% greater than estimated at the start of the year

In 2022/23, there was a 7.5% drop in donations. As a consequence, it was necessary to augment the supply of red cells – particularly O Negative blood and blood with particular complex antigen combinations - from other UK blood establishments. The imported units accounted for 4% of total issues, which was significantly higher than the 1% in 2021/22 and the 2.7% of issues in 2020/21.

The main reason for augmenting stock in the early part of the financial year was related to donor and staff availability due to illness. However, industrial action in the latter part of the year has also impacted staff availability which has resulted in our inability to operate sessions, reducing collections, leading to the need to import further stock from other blood services to ensure continuity of supply.

These operational challenges were compounded by ongoing difficulties encouraging people to donate blood post-pandemic with blood establishments across the UK and Europe experiencing similar challenges. Our donor engagement team is focussed on encouraging awareness of blood donation and recruiting new donors whilst also encouraging lapsed donors to return and existing donors to donate more frequently to meet anticipated demand over the coming years.

Donors

During the year, the active donor panel has decreased by approximately 13%. However, encouragingly, there has been a 5% increase in new donors in the year as we focus on donor recruitment post pandemic.

Donor satisfaction has remained the same as 2021/22 at 99%. Again, this is a real achievement by all the staff who engage with donors from booking appointments through to the blood donation session.

Preparation for an online booking system has continued throughout the year with this due to go live in early 2023/24.

Where capacity allows, some walk in slots have been made available during times where donors making appointments has been low. This hybrid approach ensures maximum efficiency of donation sessions.

Table 1: Donation Activity in 2022/23 and 2021/22

	2022/23	2021/22
Whole blood attendance	41,652	45,018
New donor attendance	3,023	2,886
Whole blood donations	37,080	40,067
Haemochromatosis donations	744	669
Platelet donations	3,627	3,740
Total donations	41,451	44,476
Red cells imported from other blood services	1,668	389
Deferral rate (%)		
- of overall attendance	9	9
- of new donors	18	18

Table 2: Blood Component Issues in 2022/23 and 2021/22

Blood Component	2022/23	2021/22
Red cell units (adult)	39,439	39,219
Platelets (adult therapeutic doses)	8,305	7,984
Fresh Frozen Plasma components	4,290	4,129
Pooled cryoprecipitate	850	742

Business Plan Objectives

At the start of 2022/23, NIBTS established 36 business plan objectives for the year. The objectives crossed a number of themes including those relating to our core function of collecting blood and issuing blood components. Twenty nine of these objectives were fully achieved, two were partially achieved and five were not achieved. The business plan objectives included a number of key performance indicators (KPIs) which were monitored during the year. The year-end position in respect of these KPIs is provided in Table 3 below.

Table 3: Key Performance Indicators

	Target	2022/23	2021/22
Donor Satisfaction	95%	99%	99%
Active Donor Panel – Whole Blood	56,000 +/- 3%	44,718	51,330
Active Donor Panel - Platelets	750 +/- 3%	708	745
Percentage Red Cells Imported	0.5%	4%	1%
Percentage Platelets Imported	0.5%	0%	0%
Donor Complaints	<20	27	22
Activation of Blood Shortage Plan	Nil	Nil	Nil
Staff Development Reviews Completed	>90%	56%	64%
Staff Absence	<6.3%	6.1%	6.3%
Variance from Breakeven	<0.25%	0.01%	0.01%
Prompt Payment Compliance (30 days)	>95%	93.6%	95.6%

The objectives not achieved relate to: a fall in the whole blood and platelet active donor panels; the volume of red cells imported to ensure adequate stock levels; donor complaints; staff development reviews and compliance with prompt payment standards. Actions to ensure these objectives are met in 2023/24 are being progressed.

3.2 Long Term Objectives and Corporate Plan

3.2.1 Blood Stocks and Supply to Hospital Blood Banks

As anticipated, demand for red cell components has returned to pre-pandemic levels. Increased elective activity over the coming years to address waiting list back logs coupled with an increasingly complex demographic is expected to result in a further increase in demand for the next three to four years. However, some of this demand will be offset by revised transfusion guidelines, surgical procedures that limit blood loss as well as alternative methods to address blood loss during surgery.

The core group of patients requiring blood and platelet transfusions are those receiving treatment for cancer and other haematological conditions.

The development of monoclonal antibody therapies to treat some forms of cancer has resulted in a significant change in the requests for blood donors with complex antibody profiles. To ensure the best match of donated blood to recipient needs, additional, complex testing is undertaken by the NIBTS Reference Laboratory. We are continuing to liaise with colleagues in the SPPG of the Department of Health to ensure sufficient resources are in place to meet this growing demand.

On-going liaison with Trust transfusion committees and the Northern Ireland Transfusion Committee (NITC) will continue to focus on the appropriate use of O-negative red cells and reduction of wastage across the supply chain, all of which will further support the self-sufficiency of the Northern Ireland supply chain.

The demand for platelets has increased by 4% this year and reflects the increase in patients receiving cancer therapies. Current planning assumptions are for an ongoing increase of around 2.5% year on year over the next three years to support increased cancer treatments, elective activity and projected increases in demand associated with a complex demographic.

An audit by the NITC of the appropriate use of O negative red cells undertaken during 2022/23 will identify opportunities for further improvement in the use of this scarce resource to reduce usage from the current 15% of all blood transfusions to closer to the UK average of 12%.

3.2.2 Projected Demand

The projected issues for each component are outlined in Table 4 below:

Table 4: Projected Demand

Year	Red Cells	Platelets	Fresh Frozen Plasma	Pooled Cryoprecipitate
2023/24	41,000	8,500	4,500	900
2024/25	41,000	8,725	4,500	900
2025/26	41,000	8,950	4,500	900

3.3 New Developments

3.3.1 Plasma for Fractionation (PFF)

The change in guidelines for the collection of UK plasma in 2020 provided an opportunity for UK blood services to collect human plasma which can be used to create plasma derived medicinal products (PDMP) such as immunoglobulins and albumin.

During the past year, NHS England and NHS Blood and Transplant have been developing proposals and leading efforts to source a fractionator able to process plasma collected in the UK to manufacture PDMP for use in the UK. This process is planned to conclude in early 2023/24.

In order to support this development, ongoing liaison with the European Medicines Agency (EMA), European Centre for Disease Prevention and Control (ECDC) as well as lobbying of the European Parliament to lift the ban on the use of UK blood and plasma in the European Union is seen as a key enabler to this programme.

3.3.2 Collection Strategy

In order to address the challenges with sufficiency of the blood supply, a collection strategy is being developed for launch in 2023/24. This strategy will identify the needs of patients and how best to secure sufficient donations over the next five years to meet this demand.

3.3.3 Clinical Transfusion Practice and Haemovigilance

The NIBTS medical team continues to work collaboratively with the Northern Ireland Transfusion Committee and other key stakeholders in haemovigilance, hospital blood banks and medical specialties.

NIBTS will continue to support hospital colleagues with transfusion advice. A newly appointed Medical Director will take up post in the summer of 2023 which will reinforce relationships with medical colleagues across the UK through the UK Forum of Blood Establishments as well as active participation in the UK wide Joint Professional Advisory Committee (JPAC) and hospital liaison network.

It is also hoped that there will be progress on the implementation of foetal Rh(D) screening to support maternity services across Northern Ireland during 2023/24.

3.3.4 Infrastructure

In order to continue to deliver a transfusion service that meets the regulatory compliance requirements of BSQR (2005) (as amended) and the EU Blood Directives, it is essential that the physical infrastructure for NIBTS meets the requisite standards. The existing NIBTS headquarters building was commissioned in 1995 and is now the oldest blood centre in the UK and Ireland. As the building and infrastructure ages, it is becoming increasingly difficult to meet compliance standards. As a result, NIBTS has highlighted to the Department of Health the need for investment in updated facilities. This need has been recognised in the Department's draft ten year capital plan. However, with the absence of a sitting Assembly, this draft plan cannot be approved allowing progress towards the development of a business case to support this development.

3.3.5 Laboratories

NIBTS continues to evaluate emerging technologies – including molecular testing - that support automated serology, reference, microbiology and quality laboratories to ensure that the platforms used meet the required standards.

The introduction of a new molecular testing platform for the Reference Laboratory has enabled the expansion of capacity to address some of the additional testing demands seen as a result of new cancer therapies.

In addition, 2022/23 also saw the successful introduction of testing for occult (silent) hepatitis B. This testing is in addition to testing for active hepatitis B infection and will identify historical and chronic, low level hepatitis B in donors.

NIBTS will continue to work with hospital colleagues to develop training programmes for staff in hospital blood banks that will reduce reliance on the regional Reference Laboratory.

NIBTS will also continue to support the Harvey's Gang charity providing opportunities for young people and their families to see what happens in our laboratories and testing facilities.

3.3.6 Digital Developments

NIBTS has been working closely with the core LIMS project team to introduce the CliniSys WinPath solution in the NIBTS Reference Laboratory and Automated Serology departments. This system will replace the existing DSS system and align NIBTS with HSC testing laboratories across Northern Ireland.

The procurement of a blood production and tracking digital solution commenced at the end of 2022/23 with contract award anticipated in July 2023. This updated system will enable digital tracking of components from donor vein to patient vein as well as online donation appointment booking and better system blood stock management.

3.3.7 Northern Ireland Pathology Transformation

Throughout 2022/23, NIBTS has continued to host the Pathology Blueprint Programme to identify options for the future management structure of pathology services – including NIBTS – for Northern Ireland. This Programme has enabled pathology stakeholders to guide the design of the management Blueprint and explore the different options for creating this structure. The recommended option will be shared with the Minister for Health (if in office) in the summer of 2023. Subject to this recommendation receiving Ministerial approval, and funding availability, transition to the new management structure will commence during 2024/25.

3.4 Impacts on Financial Position in 2022/23 and Looking Forward

NIBTS is committed to sound financial management and ensuring that the objectives of the organisation are met in the most efficient and effective way.

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 NIBTS financial statements are shown in pages 43 to 47 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 £0.004m (2022: £0.002m surplus) and against RRL plus income from activities of £19.787m (2022: £18.700m), this represents a surplus of 0.02% (2022: 0.01%). Accordingly, the breakeven objective for the year has been achieved.

During the year, NIBTS received income of £19.789m (2022: £18.700m). This comprised £8.617m (2022: £7.377m) in respect of Haemophilia Blood Products; Patient Testing Services; Pathology Transformation and non-recurrent cost pressure funding from the SPPG and £11.134m (2022: £11.209m) for the supply of blood and blood products from HSC Trusts. The income noted above was invoiced in line with service level agreements. Other income amounted to £0.038m (2022: £0.114m).

During the year, NIBTS expenditure was £20.600m (2022: £19.320m). The majority of the expenditure was on Clinical Supplies and Services £9.846m (48%) (2021: £8.927m/46%). The average number of whole time equivalent persons employed during the year (excluding staff whose costs were capitalised) was 168.4 (2022: 175.0) and expenditure on these staff amounted to £7.545m (37%) (2022: £7.688m/40%). The remaining 15% of expenditure was on other expenditure £2.400 (11%) (2022: £2.098m /11%) and Non-cash items £0.809m (4%) (2022: £0.607m/3%).

The movement in expenditure from the prior year primarily relates to increased haemophilia blood product costs; the cost of imported blood components and increased premises costs.

NIBTS also invests each year in new 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 £0.496m (2022: £0.229m) and £0.491m (2022: £0.199m) respectively.

The key financial issues looking forward are the cost implications of any change in the profile of blood component and product demand; any changes to how the service is delivered and the implications of inflationary cost pressures.

Within the bounds of the prudent use of public funds, the Agency, in its role as a supplier of critical blood and blood components to hospitals, is a viable organisation. The Agency operates with a capital asset base of approximately £12m with new capital schemes funded by DoH.

The Department of Health requires that NIBTS 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. The target is to pay 95% of invoices within 30 days and 70% of invoices with 10 days. The measure of compliance is:

	2023 Number	2023 Value £000s	2022 Number	2022 Value £000s
Total bills paid	3,578	10,595	3,783	10,214
Total bills paid within 30 day target or under agreed payment terms	3,349	9,919	3,616	10,006
% of bills paid within 30 day target or under agreed payment terms	93.6%	93.6%	95.6%	98.0%
Total bills paid within 30 days of receipt of an undisputed invoice	3,349	9,919	3,616	10,006
% of bills paid within 30 days of receipt of an undisputed invoice	93.6%	93.6%	95.6%	98.0%
Total bills paid within 10 day target	2,574	7,987	2,979	8,851
% of bills paid within 10 day target	71.9%	75.4%	78.7%	86.7%

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

3.5 Environmental, Social and Community Issues

During 2022/23, NIBTS continued to monitor its environmental impact in line with its 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 overall reduction in the carbon footprint for the organisation for the previous year (2021/22) was 0%. During 2022/23, there was a 4% reduction in CO2 emissions recorded by the Estates environmental management team.

NIBTS continues to work to improve on its target of reducing its carbon footprint by reducing greenhouse gas emissions by an average of 1% each year on 2012/13 levels until 2025. NIBTS has established a carbon baseline and has been able to demonstrate a 12% overall reduction in CO2 gas emissions since monitoring began in 2013/14, which is on target with the DOH objectives. Plans are on-going to install the PHE (Plate Heat Exchange) system to replace our current Calorifiers this summer. This is expected to give further savings in heating energy usage, by 10 -15% on current figures, over the coming years.

Measures such as those described above will help to ensure NIBTS 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.

3.6 Employees and Board Members

As at 31 March 2023, NIBTS employed 194 staff and reported a sickness absence rate of 6.1% (2022: 6.3%). The target for absence in 2022/23 was <6.3%. More detailed information is provided in the Remuneration and Staff Reports on page 27.

3.7 Pension Liabilities

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

3.8 Information Governance

NIBTS had no reportable data breaches during 2022-23.

3.9 Emergency/Business Continuity Plans

NIBTS has reviewed its emergency planning protocols in line with the relevant DoH standards. NIBTS continues to participate in the DoH Emergency Planning Forum and the UK Blood Services Emergency Planning & Business Continuity Forum.

In 2022/23, we maintained the NIBTS Business Continuity Management Plan. The Business Unit Resumption Plans for all functional areas were reviewed and verified. Additional plans were created for all areas in order to provide resilience during periods of industrial action.

In 2023, a new permanent Corporate Governance, Risk & Emergency Planning Manager was appointed following a review and update of the Business Continuity & Risk Manager role and responsibilities.



Mrs K Jackson
Accounting Officer
29 June 2023

Accountability Report

1. Corporate Governance Report

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

Directors' Report

NIBTS is governed by an Agency Board which during the year, had the following members:

Non-Executive Chair	Ms Bonnie Anley
Non-Executive Members	Mr Brendan Garland Mr Michael Graham Mr David Small
Chief Executive	Mrs Karin Jackson

The Department of Health appoints non-executive members with the approval of the Minister of Health.

During 2022/23, the Board met on six occasions. Meetings are publicly advertised and, prior to Covid-19, were normally held in NIBTS HQ. However, in 2022/23 all meetings were held via video conferencing.

The NIBTS Board has three committees. These are the Audit Committee, which met on five occasions; the Governance and Risk Management Committee, which met on four occasions; and the Remuneration and Terms of Service Committee which met on two occasions.

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 2023. 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 have 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 2022/23.

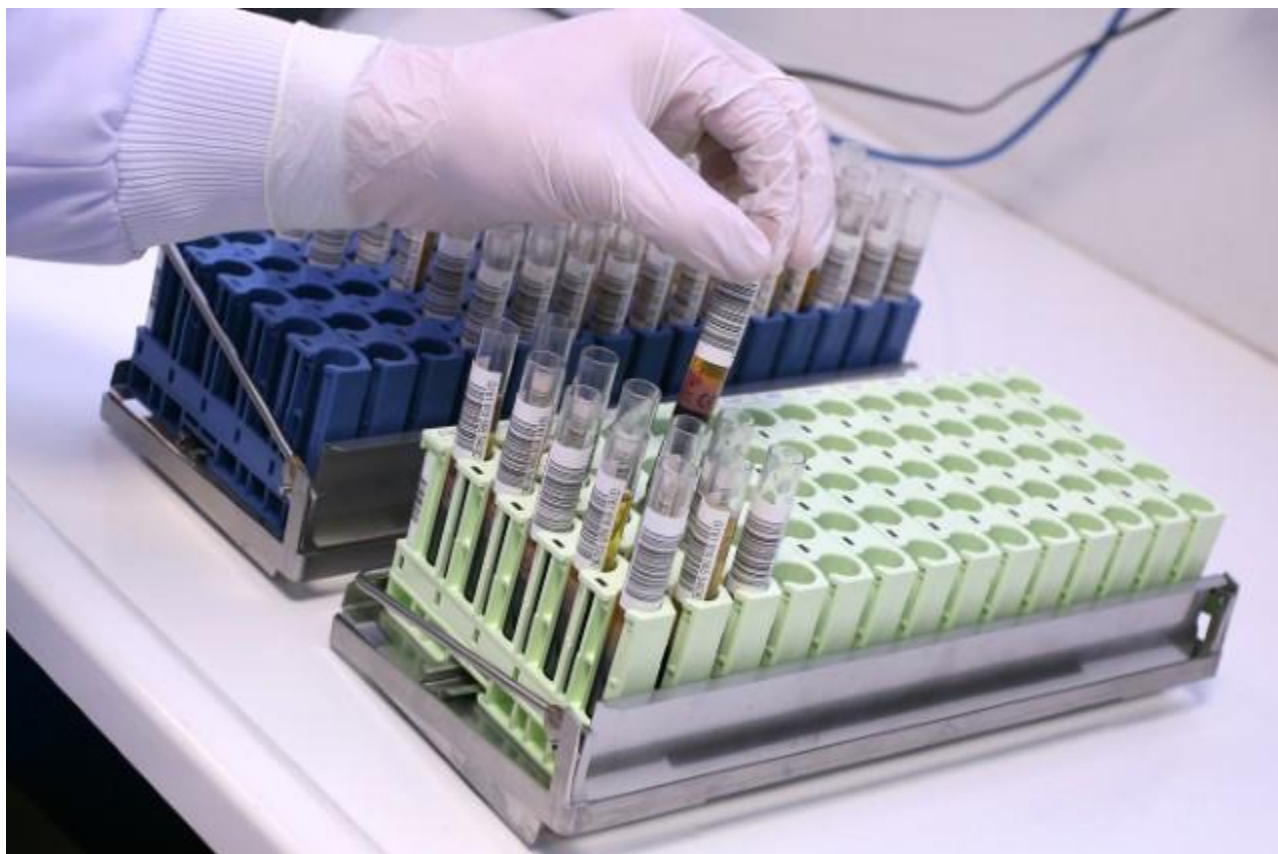
The Northern Ireland Audit Office (NIAO) is responsible for the audit of NIBTS accounts. The notional cost of the audit for the year ended 31 March 2023, which pertained solely to the audit of the accounts, was £17,650 for Public Funds and £1,100 for Trust Funds. During the year, NIBTS purchased £1,319 of non-audit services from the NIAO in respect of work carried out on the National Fraud Initiative.

In 2022/23, 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' auditor is aware of that information.

The Chief Executive has confirmed that the annual report and accounts as a whole are 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.

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



Statement of Accounting Officer Responsibilities

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health has directed the Northern Ireland Blood Transfusion Service to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern Ireland Blood Transfusion Service and 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 (FRM) 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 FRM have been followed, and disclose and explain any material departures in the accounts;
- prepare the financial statements on the going concern basis; and
- 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 regularity and propriety of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Northern Ireland Blood Transfusion Service assets, are set out in the formal letter of appointment of the Accounting Officer issued by the Department of Health, Chapter 3 of Managing Public Money Northern Ireland (MPMNI) and the HM Treasury Handbook: Regularity and Propriety.

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 Agency, 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 normally participates in two formal accountability review meetings per annum with DoH. These meetings had been paused in response to the COVID pandemic in 2020/21 but were re-introduced in 2022/23. NIBTS participated in a positive accountability meeting with the DoH Deputy Secretary and Director of Secondary Care in January 2023.

Work is ongoing with DoH to develop a Partnership Agreement that will replace the existing Management Statement and Financial Memorandum. This Agreement will establish future accountability arrangements for NIBTS.

NIBTS works in partnership with DoH by agreeing and progressing annual objectives and has key relationships with the Strategic Planning and Performance Group (SPPG) and HSC Trusts, through established service level agreements, to deliver services to agreed specifications. NIBTS also works closely with the Business Services Organisation which provides a range of services under a Service Level Agreement.

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 the DoH. The last assessment, undertaken in March 2023, indicated that there were no significant departures from best practice identified in the tool. However, there are some opportunities for improvement and an action plan to facilitate these 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 Northern Ireland Department of Health, with the approval of the Minister of Health.

The Board consists of a Non-Executive Chair, three Non-Executive Members and the Chief Executive. The Senior Management Team attends and participates in Board meetings. In 2022/23, the Board met on six occasions.

Mrs K Jackson was appointed Chief Executive with effect from 1 October 2016 on an initial fixed term basis for up to two years. This tenure has subsequently been extended to March 2024.

The NIBTS governance framework is described in the NIBTS Board Assurance Framework 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.

The Board has three committees. These are the Audit Committee; the Governance and Risk Management Committee; and the Remuneration and Terms of Service 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 five times during the year and is attended by, representatives from 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 March 2023, the Audit Committee Self-Assessment checklist was completed and found no significant divergences in its operation from the best practice identified in the checklist.

Governance and Risk Management Committee

The Governance and Risk Management Committee is chaired by a Non-Executive Board member and consists of a further two Non-Executive Board members. The Chief Executive, SMT members and the Corporate Governance, Risk & Emergency Planning Manager also attend these meetings. The Committee met four times during 2022/23.

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 and Terms of Services Committee

The Remuneration and Terms of Service Committee is chaired by the Board Chair and consists of the Non-Executive members. The Head of HR and Corporate Services may also attend to provide advice as required.

The role of the Remuneration and Terms of Service Committee is to advise the Board on the appropriate remuneration and terms of service for the Chief Executive and any other NIBTS senior executive. The committee met twice during the year.

Board and Committee Attendance Record

Attendance at the meetings of the Board and its committees during 2022/23 was as follows:

	Board	Audit Committee	Governance and Risk	Remuneration Committee
Ms B Anley – Chair	5 of 6	-	-	2 of 2
Mr D Small – Non-Executive	6 of 6	4 of 5	3 of 4	2 of 2
Mr M Graham – Non-Executive	5 of 6	5 of 5	4 of 4	2 of 2
Mr B Garland – Non-Executive	6 of 6	5 of 5	4 of 4	2 of 2
Mrs K Jackson – Chief Executive	6 of 6	-	4 of 4	-

No Audit Committee, Governance and Risk Management Committee or Remuneration and Terms of Service 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 are 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 developing the annual business plan, the Chief Executive and Senior Management Team consider 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 are a range of communication channels designed to provide information to staff face to face and electronically. Staff are also represented by Trade Union organisations via the organisation’s Joint Negotiation and Consultative Committee (JNCC). However, these meetings have been paused since December 2022 in response to industrial action.

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 organisation 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 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 which are normally held twice a year. These meetings were re-introduced in 2022/23.

As detailed in the Performance Analysis (page 6), NIBTS achieved breakeven in 2022/23 and has a balanced financial plan in place for 2023/24.

Risk Management

NIBTS has a Risk Management Strategy which identifies the organisation's objectives and risks, and sets out a control strategy for each of the significant risks. This strategy was reviewed in 2022. The Risk Management Strategy is supported by policies and procedures, and incorporates training & development plans appropriate to the level of responsibility.

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

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

Procedures have been put in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on and that risk management has been incorporated fully into the corporate planning and decision making process of the organisation. This includes the development of corporate, operational and departmental risk registers which are used to 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 organisation 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.

The Risk Management Strategy also includes a risk appetite statement which defines the level of risk each area of the organisation is capable of tolerating.

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 2022/23.

Risk management is integral to the training for all staff, relevant to their grade, both at induction and in service. Risk Management Awareness training is mandatory for everyone in the organisation and is completed by individuals every two years. To support staff through the risk management process, expert guidance and facilitation is 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 which ensure that information used for operational and reporting purposes is handled appropriately. Information governance risks are reported through the risk management process. 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.

Appropriate arrangements are in place to ensure the security of information both inside and outside of the organisation. Data Sharing Agreements, Data Access Agreements and Contracts are in place to ensure the confidentiality and security of any information shared with third parties.

Information Asset Owners (IAOs) have responsibility for the identification and management of information risks in their areas and meet quarterly to discuss Information Governance and Information Security matters. Information Asset Registers have been established and are maintained in each area by IAOs. The organisation remains compliant with the requirements of the UK General Data Protection Regulation (UK GDPR).

The Finance Manager was the Agency's interim Senior Information Risk Owner (SIRO) during 2022/23 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 Chief Executive was the Agency's Personal Data Guardian (PDG) during 2022/23.

Information governance training is mandatory for all staff and is undertaken by e-learning. New staff are also provided with specific Information Governance training sessions. Training was completed by 89% of NIBTS staff in 2022/23

During 2022/23, there were no incidents of potential data loss reported to the Information Commissioner's Office (ICO).

Information Governance was audited by Internal Audit in 2022/23 and attained a Satisfactory level of assurance.

NIBTS complies with HSC IT Security Policies and is conscious of the risk posed to information security by malware and other similar attacks. As such, cybersecurity measures utilised within the NIBTS are aligned with those within the broader HSC. A proactive vulnerability assessment and remediation approach is also followed within the organisation. During the 2022/23 year, work continued to develop and enhance the organisation's cyber-security stance with updated technical controls and additional training being delivered via an HSC cyber security programme initiative to staff. NIBTS continues to be represented on the HSC Cyber Security Programme Board and fully participates in regional security initiatives.

The HSC regional Cyber Security e-learning module is mandatory for all NIBTS staff. During the 2022/23 year, 87% of staff had completed this training.

6. Public Stakeholder Involvement

During 2022/23, there were no public stakeholder events as resources were focused on post pandemic return to normal business and increasing blood stocks. It is hoped that this work can begin again during 2023/24.

Complaints are managed through a well-established system. During 2022/23, all formal complaints received were investigated and closed. There was an increase in the number of complaints received, from 22 in 2021/22 to 27 during 2022/23. The most common complaints were related to donors who were not permitted to donate due to not meeting national eligibility guidelines. Reports detailing complaints are presented quarterly and at year-end to the NIBTS Governance and Risk Management Committee. Information and complaints received from donors will be used to improve NIBTS practices and procedures where appropriate.

7. Fraud

NIBTS has a zero tolerance approach to fraud in order to protect and support our key public services. NIBTS has 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 Service 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. NIBTS also participates in the National Fraud Initiative.

8. Raising Concerns

NIBTS has a Whistleblowing Policy and a Whistleblowing Procedure for Raising Concerns at Work. During 2022/23, there were no matters raised using this procedure.

9. Assurance

The Board is responsible for ensuring high standards of corporate governance with effective systems of internal control. Regular reports, including 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 Report and their overall opinion on risk management, control and governance. 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. NIBTS has in place arrangements for reporting against each area of governance previously covered by Controls Assurance standards and continued to assess its compliance against these areas of governance via action plans, as applicable, and reported on these to the Governance and Risk Management Committee. This Committee reported all relevant matters to the NIBTS Board.

During 2022/23, NIBTS continued to enhance the effectiveness of the systems of internal control through the review and update of the NIBTS Assurance Framework. The updated Assurance Framework was approved by the Board in March 2023.

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 and by taking account of relevant comments by respective auditors.

10. 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 2022/23, Internal Audit undertook three audits and provided the following level of assurances:

Financial Review	Satisfactory
Information Governance	Satisfactory
Management of Medical Equipment	Satisfactory
Performance Management	Limited

Limited assurance has been provided for the Performance Management audit on the basis that strategic objectives should be more clearly defined and that a performance management framework needs to be defined and formalised.

Recommendations to address the control weaknesses identified by internal audit have been, or are being, implemented. The Audit Committee have reviewed management responses to Internal Audit recommendations and monitor progress with the implementation of recommendations.

Internal Audit conduct formal follow-up reviews in respect of the implementation of the priority one and two internal audit recommendations agreed in the Internal Audit reports. Internal Audit presented a full report which showed that 37 (78%) of agreed actions were fully implemented and a further 5 (11%) were partially implemented and 5 (11%) are not yet implemented.

Overall, in their Annual Report, the Head of Internal Audit provided a satisfactory level of assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.

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 38. The NIAO provides a Report to Those Charged with Governance which is reviewed by the Audit Committee. Recommendations to address any control weaknesses identified have been, or are being, implemented.

RQIA

The RQIA has, in the past, undertaken reviews on NIBTS activities. However, no audits of NIBTS were undertaken by the RQIA in 2022/23.

NIBTS also liaise with other statutory bodies i.e. the Health & Safety Executive as necessary.

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 organisation possesses appropriate licences in order to perform its core functions. NIBTS holds the relevant licences and undergoes inspection by the Medicines and Healthcare products Regulatory Agency (MHRA) on a two yearly basis to ensure compliance with the relevant standards. MHRA inspected NIBTS during the latter half of 2022 with confirmation obtained that the operations of the organisation were in general compliance with the requirements of the Blood Safety and Quality Regulations, 2005/50 and therefore the licences continue to be maintained.

NIBTS is also audited by the United Kingdom Accreditation Service (UKAS) against ISO15189 standards for Medical Laboratories – Requirements for Quality and Competence. NIBTS continue to maintain accreditation.

Business Services Organisation (BSO)

The Business Services Organisation (BSO) provides NIBTS with a range of services through a Service Level Agreement. In 2022/23, these services included procurement, income, payments, payroll, recruitment, internal audit and legal services.

BSO provides a series of in-year performance reports and assurances throughout the year. The annual BSO assurance letter received by NIBTS sets out a range of assurances on BSO processes, procedures and governance arrangements. It also provides assurance that BSO is compliant with relevant guidance, regulations and legislation.

11. 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.

12. 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.

13. Budget Position and Authority

The Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023 which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and

also included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course, following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023.

The *Written Ministerial Statement* has enabled the Department of Health to issue opening allocations for 2023/24 which will enable essential services to continue. However, despite plans to deliver significant efficiencies, the budget allocation provided has resulted in a significant funding gap. The Department of Health and its Arm's Length Bodies are currently working on the development of further savings measures to bridge the gap. However, it is clear that, if the Department of Health does not receive significant additional funding, the implementation of high impact savings will be required, with adverse consequences for an already highly pressurised health and social care system which would be very damaging for service delivery.

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 2022/23.

2. Remuneration and Staff Report

The Remuneration and Staff Report sets out the role of the Remuneration and Terms of Service Committee and, in particular, the Committee's adherence to appropriate Remuneration Policy including relevant DoH circulars and Agenda for Change terms 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 Terms of Service 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 2022/23 consisted of Ms B Anley (Chair), Mr D Small, Mr M Graham and Mr B Garland (Non-Executive Board Members). The Remuneration Terms of Service Committee met twice during the year.

Remuneration Policy

All staff within NIBTS are paid in accordance with circulars issued by DoH. All non-medical staff with the exception of Senior Executives are covered by the Agenda for Change Terms and Conditions of Service Handbook and were paid in accordance with these terms and conditions.

All medical staff were paid in accordance with DoH circular Pay and Conditions of Service: Remuneration of Hospital Medical and Dental Staff, Doctors and Dentists in Public Health, the Community Health Service, and Salaried Dental Staff.

Senior Executives

There are separate arrangements for the Terms of Service and Remuneration for Senior Executives in HSC. Senior Executives are remunerated in accordance with the relevant Senior Executive pay circulars issued by DoH.

Service Contracts

Mrs K Jackson was appointed Chief Executive with effect from 1 October 2016 on an initial fixed term basis for up to two years. This tenure has subsequently been extended to March 2024. Mrs Jackson is seconded from the Belfast Health and Social Care Trust and is paid through Belfast Health and Social Care payroll and the cost recharged to NIBTS.

All other members of the Senior Management Team are paid in accordance with Agenda for Change Terms and Conditions.

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 2022/23.

Notice Period

For Senior Management, a period of three months' notice 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.

Retirement Age

NIBTS does not operate a general retirement age for staff, although it reserves the right to require an individual employee or group of employees to retire at a particular age where this is objectively justified in the particular circumstances of the case.

Retirement Benefit Cost

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.

Pension benefits are administered by BSO HSC Pension Service. Prior to 2022/23 year, two schemes were in operation – the HSC Pension Scheme and the HSC Pension Scheme 2015. The pension from the HSC Pension Scheme is based on final years pensionable pay. From 1 April 2022, all active members became members of the HSC Pension Scheme 2015. The HSC Pension Scheme 2015 is a Career Average Revalued Earnings (CARE) scheme. Any pension rights members have built up in the HSC Pension Scheme prior to moving to the HSC Pension Scheme 2015 will be protected.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be 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 scheme valuation data provided for the 2020 actuarial valuation that is currently underway will be used in the 2022-23 accounts. Financial assumptions are updated to reflect recent financial conditions. Demographic assumptions are updated to reflect an analysis of experience that is being carried out as part of the 2020 valuation. Whilst the 2016 valuation remains the most recently completed valuation, the 2020 valuation is sufficiently progressed to use for setting the demographics assumptions.



Remuneration and Pension Entitlements

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

Board Member and Senior Management Remuneration (Audited)

Name	Salary (£'000)		Bonus Payments (£'000)		Benefits in Kind (to nearest £100)		Pension Benefits (£'000)		Total (£'000)	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Non- Executive Members										
Ms B Anley (Chair)	5 - 10	5 - 10	-	-	-	-	-	-	5 - 10	5 - 10
Mrs L Lindsay (until 4/2/22)*	-	0 - 5	-	-	-	-	-	-	-	0 - 5
Mr I Henderson (until 20/2/22)*	-	0 - 5	-	-	-	-	-	-	-	0 - 5
Mr P Cathcart (until 6/2/22)*	-	0 - 5	-	-	-	-	-	-	-	0 - 5
Mr M Graham (from 7/2/22)	0 - 5	0 - 5	-	-	-	-	-	-	0 - 5	0 - 5
Mr D Small (from 5/2/22)	0 - 5	0 - 5	-	-	-	-	-	-	0 - 5	0 - 5
Mr B Garland (from 21/2/22)	0 - 5	0 - 5	-	-	-	-	-	-	0 - 5	0 - 5
Executive Members **										
Mrs K Jackson ¹	110 - 115	90 - 95	-	-	300	-	14	32	125 - 130	120 - 125
Senior Management										
Mr G Bell	75 - 80	75 - 80	-	-	-	-	14	22	90 - 95	95 - 100
Mr I Ritchie	70 - 75	75 - 80	-	-	-	-	12	32	80 - 85	105 - 110
Mrs A Geddis ²	-	25 - 30	-	-	-	-	-	-	-	25 - 30
Ms A Macauley	65 - 70	60 - 65	-	-	-	-	10	22	75 - 80	80 - 85
Mr M Gillespie ³	65 - 70	60 - 65	-	-	-	-	26	51	90 - 95	110 - 115
Dr J Murdock (0.4 FTE) ⁴	-	45 - 50	-	-	-	-	-	-	-	45 - 50

* In 2022/23, former Non- Executive Members received negligible arrears payments arising from HSC(F) 26 -2022 – The Payment of Chairs and Non-Executive Members Determination (Northern Ireland) 2022.

** Executive gross pay for 2022/23 year includes the 2018-19 and 2019-20 pay award (including arrears) but excludes pay award circulars issued post year end. However, an overpayment arising from the 2018-19 and 2019-20 arrears calculation has been identified and this will offset potential arrears from pay award circulars issued post year end.

1. Mrs K Jackson, Chief Executive, is seconded from Belfast HSC Trust and is paid through Belfast HSC Trust payroll with the cost recharged to NIBTS. This is included under 'Others' in Staff Costs below.
2. Mrs A Geddis was Head of Supply Chain and Testing until 31 August 2021.
3. Mr M Gillespie was appointed Head of Supply Chain and Testing from 1 September 2021.
4. Dr J Murdock was employed part-time by NIBTS as Medical Director from 1 April 2021 to 31 March 2022. Full year salary £110k - £115k.

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

'Salary' includes gross salary, overtime, on call and other allowances. There were no bonuses paid to senior management during 2022/23 or 2021/22. The Benefit in Kind listed in the above table relates to a Leased Car.

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 decrease due to a transfer of pension rights.

Fair Pay Disclosures (Audited)

Pay Ratios

Reporting bodies are now required to disclose the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The banded remuneration of the highest paid Director in NI Blood Transfusion Service in the financial year 2022/23 was £110k – £115k (2021/22, £90k - £95k). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2022/23	25th percentile	Median	75th percentile
Total remuneration (£)	23,177	26,282	40,588
Pay ratio	4.9 : 1	4.3 : 1	2.8 : 1

2021/22	25th percentile	Median	75th percentile
Total remuneration (£)	21,771	24,882	39,027
Pay ratio	4.2 : 1	3.7 : 1	2.4 : 1

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. For 2022/23, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2022/23, one employee (2021/22:nil) received remuneration in excess of the highest paid director. Remuneration ranged from £20,270 to £127,500 (2021/22: £18,546 to £92,500).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole. The percentage changes in respect of NIBTS are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2022/23 v 2021/22	2021/22 v 2020/21
Average employee salary and allowances	2.6%	6.0%
Highest paid director's salary and allowances	21.6%	12.1%

No performance pay or bonuses were paid to the highest paid director or employees during the year.

The average employee salary and allowances were 2.6% higher than the prior year. The highest paid director is the Chief Executive. The highest paid directors salary was 21.6% higher than the prior year. This was influenced by pay award arrears relating to 2018/19 and 2019/20 years. Excluding arrears, the actual increase would have been 7.4%.

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 31/03/23 and related lump sum £000	CETV at 31/03/22 £000	CETV at 31/03/23 £000	Real increase in CETV £000
Mrs K Jackson					
Pension	0 – 2.5	25 – 30	461	494	5
Lump sum	0	40 - 45			
Mr G Bell					
Pension	0 – 2.5	35 - 40	765	805	7
Lump sum	0	85 - 90			
Mr I Ritchie					
Pension	0 – 2.5	35 - 40	651	685	5
Lump sum	0	70 - 75			
Ms A Macauley					
Pension	0 - 2.5	30 - 35	631	662	5
Lump sum	0	65 – 70			
Mr M Gillespie					
Pension	2.5 – 5.0	20 – 25	361	405	8
Lump Sum	2.5 – 5.0	45 – 50			

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. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV – This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

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 (2022/23: nil).

Staff Report

Staff Costs (Audited)

	2023		2022	
Staff costs comprise:	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	5,580	575	6,155	6,099
Social security costs	559	0	559	530
Other pension costs	1,096	0	1,096	1,094
Sub-total	7,235	575	7,810	7,723
Less Capitalised staff costs	265	0	265	35
Total staff costs reported in Statement of Comprehensive Expenditure	6,970	575	7,545	7,688
Less recoveries in respect of outward secondments			0	0
Total net costs			7,545	7,688
Total Net costs of which:			£000s	£000s
NI Blood Transfusion Service			7,545	7,688
Charitable Trust Fund			0	0
Total			7,545	7,688

Staff costs exclude £265k which were charged to capital projects during the year (2021/22: £35k).

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.	Others	2023 Total	2022 Total
Medical and dental	3.7	0.1	3.8	4.5
Nursing and midwifery	47.8	4.2	52.0	55.8
Ancillaries	7.3	0.0	7.3	7.0
Administrative and clerical	42.4	8.1	50.5	53.8
Other professionals and technical	60.6	0.0	60.6	54.4
Total average number of persons employed	161.8	12.4	174.2	175.5
Less average staff number relating to capitalised staff costs	5.8	0.0	5.8	0.5
Total net average number of persons employed	156.0	12.4	168.4	175.0
Of which:				
NI Blood Transfusion Service	156.0	12.4	168.4	175.0
Charitable Trust Fund	0.0	0.0	0.0	0.0
Total	156.0	12.4	168.4	175.0

Reporting of early retirement and other compensation scheme – exit packages

There were no redundancy or early departure costs paid in 2022/23 or in 2021/22.

Staff Benefits

There were no staff benefits paid in 2022/23 or in 2021/22.

Retirements due to ill-health

During 2022/23 there were no cases of early retirement from the Agency, agreed on the grounds of ill-health (2021/22: 1; estimated cost £2k). 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 2022/23 (2021/22: nil).

Consultancy Expenditure

During the year there were no consultancy assignments undertaken. (2021/22: 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 March 2023, the Agency employed a total of 194 staff (153 whole time equivalents). This figure included 184 staff employed on permanent contracts and 10 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 61 male and 133 female.

For the senior manager group of employees (defined as Executive Directors and Senior Management Team) the gender breakdown was three male and two female.

Sickness data

During 2022/23 the Agency was required to comply with the Departmental target of maintaining or improving on the 2021/22 level of 6.3 %. For the period ended 31 March 2023, the Agency met this target with a cumulative absence for the workforce as a whole of 6.1%. Long term sickness, that is sickness lasting for four weeks or more, accounted for 4.3% (2022: 4.8%) with the remaining 1.82% (2022:1.4%) of employee sickness attributable to short-term absences.

Staff turnover percentage

The staff turnover percentage, as defined as the number of leavers divided by the average of staff in post, was 16% (2022: 13.3%) for the year ended 31 March 2023.

Staff engagement

NIBTS continued to pursue actions arising from the Regional HSC Staff Survey, this survey examines key areas such as equality & diversity, health & wellbeing, the HSC as a place to work to include job satisfaction, management, appraisals & support for development as well as patient care & experience and issues with violence, harassment, bullying, errors and incidents

NIBTS undertook a health and wellbeing survey conducted by the Chest Heart and Stroke Association in February 2022, a number of actions have been identified and will be taken forward.

NIBTS also participate in the IIP standard, the standard looks at organisations high performance through its people. The last assessment took place in 2021, with a combination of hard survey metrics and softer interview-based data collection. NIBTS retained recognition with a number of areas for development and underwent a further assessment to confirm recognition in 2022.

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 are 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 2022/23 the Agency was not made aware of any new employees having a disability. In circumstances when an employee is confirmed to have a disability, the Agency always engages with Occupational Health professionals and fulfils 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 2022/23 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 2022/23 as well as confirmation of no remote contingent liability. Details of fees and charges and confirmation of long term expenditure and financial planning is also provided.

Funding Report

Losses and Special Payments (Audited)

In 2022/23 there was one loss recorded amounting to £175k (2021/22: £16k).

Fees and Charges (Audited)

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

Gifts (Audited)

The Agency made no gifts made over the limits prescribed in Managing Public Money NI.

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 2023.

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 blood components (red cells, platelets and plasma).

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. The NIAO certificate and report provides an opinion on regularity.



Mrs K Jackson
Accounting Officer
29 June 2023

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 2023 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Consolidated Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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 Northern Ireland Blood Transfusion Service's affairs as at 31 March 2023 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies 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 that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Blood Transfusion Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Blood Transfusion Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Blood Transfusion Service is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Board and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- 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.

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Blood Transfusion Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. 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
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- assessing the Northern Ireland Blood Transfusion Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Blood Transfusion Service will not continue to be provided in the future.

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 reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Blood Transfusion Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder;
- making enquires of management and those charged with governance on the Northern Ireland Blood Transfusion Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Blood Transfusion Service's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and management override of controls;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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. 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.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "Dorinnia Carville". The signature is written in a cursive, flowing style.

*Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
6 July 2023*

Financial Statements for the Year Ended 31 March 2023

Foreword

These accounts for the year ended 31 March 2023 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.

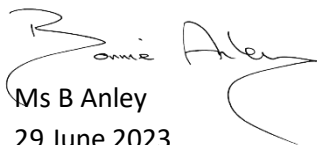
Certificates of Chair and Chief Executive

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 48 to 70) 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 and with the accounting standards and policies for HSC bodies approved by the DoH.



Mrs K Jackson Chief Executive
29 June 2023

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 48 to 70) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Ms B Anley Chair
29 June 2023



Mrs K Jackson Chief Executive
29 June 2023

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

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

	NOTE	2023 £000s		2022 £000s	
		Agency	Consolidated	Agency	Consolidated
Income					
Revenue from contracts with customers	4.1	19,787	19,787	18,700	18,700
Other operating income*	4.2	0	2	0	0
Total operating income		19,787	19,789	18,700	18,700
Expenditure					
Staff costs		(7,545)	(7,545)	(7,688)	(7,688)
Purchase of goods and services	3	(10,008)	(10,008)	(9,089)	(9,089)
Depreciation, amortisation and impairment charges	3	(595)	(595)	(549)	(549)
Provision expense	3	(196)	(196)	(42)	(42)
Other operating expenditure	3	(2,248)	(2,256)	(1,937)	(1,952)
Total operating expenditure		(20,592)	(20,600)	(19,305)	(19,320)
Net operating expenditure		(805)	(811)	(605)	(620)
Finance income	4.2	0	6	0	5
Net expenditure for the year		(805)	(805)	(605)	(615)
Adjustment to net expenditure for non cash items	22.3	809	809	607	607
Add back charitable trust fund net expenditure*		0	0	0	10
Surplus for the year		4	4	2	2
OTHER COMPREHENSIVE EXPENDITURE					
	NOTE	2023 £000s		2022 £000s	
Items that will not be reclassified to net operating costs:					
Net gain on revaluation of property, plant and equipment	5.1/5.2	734	734	434	434
Net gain on revaluation of charitable assets	9	0	(20)	0	17
COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2023		(71)	(91)	(171)	(164)

The notes on pages 48 to 70 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 2023

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	2023		2022	
		Agency £000s	Consolidated £000s	Agency £000s	Consolidated £000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	11,555	11,555	10,911	10,911
Intangible assets	6.1/6.2	25	25	39	39
Financial assets	9	-	272	-	303
Total Non Current Assets		11,580	11,852	10,950	11,253
Current Assets					
Inventories	11	1,681	1,681	1,654	1,654
Trade and other receivables	13	507	507	456	456
Cash and cash equivalents	12	1,517	1,517	774	774
Total Current Assets		3,705	3,705	2,884	2,884
Total Assets		15,285	15,557	13,834	14,137
Current Liabilities					
Trade and other payables	14	(2,635)	(2,635)	(1,795)	(1,806)
Provisions	15	(39)	(39)	(98)	(98)
Total Current Liabilities		(2,674)	(2,674)	(1,893)	(1,904)
Total assets less current liabilities		12,611	12,883	11,941	12,233
Non Current Liabilities					
Provisions	15	(232)	(232)	(5)	(5)
Total Non Current Liabilities		(232)	(232)	(5)	(5)
Total assets less total liabilities		12,379	12,651	11,936	12,228
Taxpayers' Equity and other reserves					
Revaluation reserve		11,203	11,203	10,469	10,469
SoCNE reserve		1,176	1,176	1,467	1,467
Other reserves - charitable fund		-	272	-	292
Total equity		12,379	12,651	11,936	12,228

The financial statements on pages 43 to 47 were approved by the Board on 29 June 2023 and were signed on its behalf by;

Signed:  (Chair) Date: 29 June 2023

Signed:  (Chief Executive) Date: 29 June 2023

The notes on pages 48 to 70 form part of these accounts.

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

Consolidated Statement of Cash Flows for the year ended 31 March 2023

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

	NOTE	2023 £000s	2022 £000s
Cash flows from operating activities			
Net expenditure after interest/Net operating expenditure		(805)	(615)
Adjustments for non cash transactions		809	607
(Increase) / Decrease in trade and other receivables	13	(51)	416
(Increase) in inventories	11	(27)	(4)
Increase / (Decrease) in trade payables	14	829	(291)
<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	87	-
Movements in payables relating to the purchase of intangibles	6	15	(15)
Use of provisions	15	(28)	-
Net cash inflow / (outflow) from operating activities		829	98
Cash flows from investing activities			
(Purchase of property, plant & equipment)		(567)	(182)
(Purchase of intangible assets)		(15)	(2)
Share of income reinvested		-	(1)
Net cash outflow from investing activities		(582)	(185)
Cash flows from financing activities			
Grant in aid		496	229
Net financing		496	229
Net increase in cash & cash equivalents in the period		743	142
Cash & cash equivalents at the beginning of the period	12	774	632
Cash & cash equivalents at the end of the period	12	1,517	774

The notes on pages 48 to 70 form part of these accounts.

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

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	Taxpayers Equity £000s
Balance at 31 March 2021		1,799	10,063	285	12,147
Changes in Taxpayers Equity 2021-22					
Grant from DoH		229	0	0	229
Other reserves movements including transfers (Comprehensive net expenditure for the year)		28	(28)	0	0
		(605)	434	7	(164)
Auditors remuneration	3	16	0	0	16
Balance at 31 March 2022		1,467	10,469	292	12,228
Changes in Taxpayers Equity 2022-23					
Grant from DoH		496	-	0	496
Other reserves movements including transfers (Comprehensive expenditure for the year)		0	-	0	0
		(805)	734	(20)	(91)
Auditors remuneration	3	18	-	0	18
Balance at 31 March 2023		1,176	11,203	272	12,651

The notes on pages 48 to 70 form part of these accounts.

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FRoM) 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 contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the DoH body for the purpose of giving a true and fair view has been selected. The particular policies adopted by the DoH body are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities.

1.2 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

All Property, Plant and Equipment are carried at fair value.

Fair value of Property is estimated as the latest professional valuation revised annually by reference to indices supplied by Land and Property Services.

Fair value for Plant and Equipment is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS), except for assets under construction which are carried at cost, less any impairment loss.

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS.

The last asset revaluation was carried out on 31 January 2020 by Land and Property Services (LPS) with the next review due by 31 January 2025.

Fair values are determined as follows:

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

Modern Equivalent Asset

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

Assets Under Construction (AUC)

Assets 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. They are carried at cost, less any impairment loss. Assets under construction 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.

1.3 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 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

Impairment loss

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

1.4 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.

1.5 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 non-current asset. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

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

Recognition

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

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

Intangible assets acquired separately are initially recognised at fair value. Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.6 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.

1.7 Inventories

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

1.8 Income

Income is classified between Revenue from Contracts and Other Operating Income as assessed 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 five 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 Agency and is recognised on an accruals basis, 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.

Income is stated net of VAT.

1.9 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.

1.10 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.

1.11 Research and Development expenditure

Research and development (R&D) expenditure is expensed in the year it is incurred in accordance with IAS 38.

Following the introduction of the 2010 European System of Accounts (ESA10), and the change in the budgeting treatment (from the revenue budget to the capital budget) of R&D expenditure, additional disclosures are included in the notes to the accounts. This treatment was implemented from 2016/17.

1.12 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.

1.13 Leases

The Agency had no leases during the year (2021/22: none).

1.14 Private Finance Initiative (PFI) transactions.

The Agency has had no PFI transactions during the year (2021/22: none).

1.15 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NIBTS has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

- **Financial assets**

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

Financial assets are initially recognised at fair value. IFRS 9 requires consideration of 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 where judged necessary.

Financial assets are classified into the following categories:

- financial assets at fair value through Statement of Comprehensive Net Expenditure;
- held to maturity investments;
- available for sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

- 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 in creating risk than would apply to a non-public sector body of a similar size, therefore the Agency is not exposed to the degree of financial risk faced by business entities.

There are 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 its activities. Therefore, the Agency is exposed to limited 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. There is therefore low exposure to currency rate fluctuations.

- Interest rate risk

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

- Credit risk

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

- Liquidity risk

Since the Agency receives the majority of its funding through its principal Commissioner, which is voted through the Assembly, there is low exposure to significant liquidity risks.

1.16 Provisions

In accordance with IAS 37, provisions are recognised when there is 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 the relevant discount rates provided by HM Treasury.

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.

1.17 Contingent liabilities/assets

Other than as outlined at Note 19, the Agency had no contingent liabilities at either 31 March 2023 or 31 March 2022.

1.18 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 2023. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken flexi leave is estimated to be immaterial to the Agency and has not been included.

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 with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FRoM to mean that the period between formal actuarial valuations shall be 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 scheme valuation data provided for the 2020 actuarial valuation that is currently underway will be used in the 2022-23 accounts. Financial assumptions are updated to reflect recent financial conditions. Demographic assumptions are updated to reflect an analysis of experience that is being carried out as part of the 2020 valuation. Whilst the 2016 valuation remains the most recently completed valuation, the 2020 valuation is sufficiently progressed to use for setting the demographics assumptions.

1.19 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.

1.20 Third party assets

The Agency does not hold any third party assets.

1.21 Government Grants

The Agency does not receive any government grants.

1.22 Losses and Special Payments

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments.

They are divided into different categories, which govern the way that individual cases are handled.

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

1.23 Charitable Trust Account Consolidation

The Agency is required to consolidate the accounts of controlled charitable organisations and funds held on trust into their financial statements. As a result, the financial performance and funds have been consolidated. The Agency has accounted for these transfers using merger accounting as required by the FReM.

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. The Board to manages 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.

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

The International Accounting Standards Board have issued the following new standards but which are either not yet effective or adopted. Under IAS 8 there is a requirement to disclose these standards together with an assessment of their initial impact on application.

IFRS 17 Insurance Contracts:

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025.

Management currently assess that there will be minimal impact consider that on application to the Agency's consolidated financial statements.



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 2023

NOTE 3 EXPENDITURE

	2023		2022	
	£000s		£000s	
Operating Expenses are as follows:-	Agency	Consolidated	Agency	Consolidated
Staff costs ¹ :				
Wages and salaries	5,890	5,890	6,064	6,064
Social security costs	559	559	530	530
Other pension costs	1,096	1,096	1,094	1,094
Recharges from other HSC organisations	10	10	10	10
Supplies and services - Clinical	9,846	9,846	8,927	8,927
Supplies and services - General	49	49	58	58
Establishment	290	290	319	319
Transport	340	340	332	332
Premises	1,216	1,216	984	984
BSO services	103	103	94	94
Training	43	43	28	28
Miscellaneous expenditure ²	341	349	258	273
Non cash items				
Depreciation	581	581	535	535
Amortisation	14	14	14	14
(Profit) on disposal of property, plant & equipment (excluding profit on land)	0	0	0	0
Increase / Decrease in provisions (provision provided for in year less any release)	196	196	42	42
Auditors remuneration ³	18	19	16	17
Add back of notional charitable expenditure	0	(1)	0	(1)
Total	20,592	20,600	19,305	19,320

¹ Further detailed analysis of staff costs is located in the Staff Report on page 32 within the Accountability Report.

² Miscellaneous expenditure includes the following material amounts: Waste Disposal £41k; UK Forum Recharges £62k; Hire of Halls £56k; Blueprint Programme £34k; NI Regional Transfusion Committee £20k and Record Storage £13k.

³ 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 2023

NOTE 4 INCOME

4.1 Revenue from contracts with customers

	2023 £000s		2022 £000s	
	Agency	Consolidated	Agency	Consolidated
GB/Republic of Ireland Health Authorities	8	8	0	0
HSC bodies	19,777	19,777	18,609	18,609
Non-HSC:- Private patients	2	2	1	1
Non-HSC:- Other	0	0	90	90
Total	19,787	19,787	18,700	18,700

4.2 Other Operating Income

	2023 £000s		2022 £000s	
	Agency	Consolidated	Agency	Consolidated
Charitable income received by charitable trust fund	0	2	0	0
Investment income	0	6	0	5
Total	0	8	0	5

TOTAL INCOME

19,787	19,795	18,700	18,705
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4.3 Deferred Income

The Agency had no deferred income or income released from conditional grants at either 31 March 2023 or 31 March 2022.

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5 PROPERTY PLANT AND EQUIPMENT

NOTE 5.1 Consolidated Property, plant & equipment - year ended 31 March 2023

	Land £000s	Buildings (excluding dwellings) £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Total £000s
Cost or Valuation						
At 1 April 2022	1,760	8,549	1,692	736	953	13,690
Indexation	0	708	207	47	5	967
Additions	0	0	103	57	331	491
Disposals	0	0	(45)	0	0	(45)
At 31 March 2023	1,760	9,257	1,957	840	1,289	15,103

Depreciation

At 1 April 2022	0	671	1,011	439	658	2,779
Indexation	0	76	123	29	5	233
Disposals	0	0	(45)	0	0	(45)
Provided during the year	0	342	105	66	68	581
At 31 March 2023	0	1,089	1,194	534	731	3,548

Carrying Amount

At 31 March 2023	1,760	8,168	763	306	558	11,555
At 31 March 2022	1,760	7,878	681	297	295	10,911

Asset financing

Owned	1,760	8,168	763	306	558	11,555
Carrying Amount At 31 March 2023	1,760	8,168	763	306	558	11,555

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 (2022: nil).

Valuation of Land and Buildings

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS. The last asset revaluation was carried out on 31 January 2020 by LPS with the next review due by 31 January 2025.

Since the last revaluation exercise was undertaken, the risks to the client's land and building portfolio as a result of ongoing impact of the COVID-19 pandemic have lessened considerably. However, new global fiscal, economic and political factors have come to the fore, including persistently high inflation, rising interest rates, the cost of living and energy cost crises, increasing material costs, the fallout from the mini budget under Liz Truss and the ongoing Russia-

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Ukraine conflict. All have the potential to negatively impact on the local property market. However, at the present time, most sectors across the Northern Ireland property market are experiencing sufficient levels of transactional activity on which to base opinion, and this is reflected in the latest indexation figures provided for the period 2022/2023. For the time being, the levels of subjectivity required to assess value have reduced and the requirement to declare Material Uncertainty within any of the client asset classifications has abated. Whilst the need for an asset revaluation prior to the next scheduled date in January 2025 cannot be ruled out, under current market conditions, it is not currently required.

NOTE 5.2 Consolidated Property, plant & equipment - year ended 31 March 2022

	Land £000s	Buildings (excluding dwellings) £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Total £000s
Cost or Valuation						
At 1 April 2021	1,760	8,133	1,792	713	958	13,356
Indexation	0	416	100	23	2	541
Additions	0	0	130	0	54	184
Disposals	0	0	(330)	0	(61)	(391)
At 31 March 2022	1,760	8,549	1,692	736	953	13,690
Depreciation						
At 1 April 2021	0	319	1,197	363	649	2,528
Indexation	0	29	63	13	2	107
Disposals	0	0	(330)	0	(61)	(391)
Provided during the year	0	323	81	63	68	535
At 31 March 2022	0	671	1,011	439	658	2,779
Carrying Amount						
At 31 March 2022	1,760	7,878	681	297	295	10,911
At 1 April 2021	1,760	7,814	595	350	309	10,828
Asset financing						
Owned	1,760	7,878	681	297	295	10,911
Carrying Amount						
At 31 March 2022	1,760	7,878	681	297	295	10,911
Asset financing						
Owned	1,760	7,814	595	350	309	10,828
Carrying Amount						
At 1 April 2021	1,760	7,814	595	350	309	10,828

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 2023

NOTE 6 INTANGIBLE ASSETS

NOTE 6.1 Consolidated Intangible assets - year ended 31 March 2023

	Software Licenses £000s	Information Technology £000s	Total £000s
Cost or Valuation			
At 1 April 2022	59	83	142
At 31 March 2023	59	83	142

Amortisation

At 1 April 2022	35	68	103
Provided during the year	11	3	14
At 31 March 2023	46	71	117

Carrying Amount

At 31 March 2023	13	12	25
At 31 March 2022	24	15	39

Asset financing

Owned	13	12	25
Carrying Amount			
At 31 March 2023	13	12	25

Asset Financing – All intangible 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 2023

NOTE 6.2 Consolidated Intangible assets - year ended 31 March 2022

	Software Licenses £000s	Information Technology £000s	Total £000s
Cost or Valuation			
At 1 April 2021	59	68	127
Additions	0	15	15
At 31 March 2022	59	83	142

Amortisation			
At 1 April 2021	24	65	89
Provided during the year	11	3	14
At 31 March 2022	35	68	103

Carrying Amount			
At 31 March 2022	24	15	39
At 1 April 2021	35	3	38

Asset financing			
Owned	24	15	39
Carrying Amount			
At 31 March 2022	24	15	39

Asset financing			
Owned	35	3	38
Carrying Amount			
At 1 April 2021	35	3	38

Asset Financing – All intangible 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 2023

NOTE 7 IMPAIRMENTS

NIBTS did not have any impairments during 2022/23 (2021/22: nil).

NOTE 8 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.

NOTE 9 INVESTMENTS AND LOANS

	2023 Charitable Trust Fund £000s	2022 Charitable Trust Fund £000s
Balance at 1 April 2022	303	285
Additions	0	1
Disposals	(11)	0
Revaluations	(20)	17
Balance at 31 March 2023	<u>272</u>	<u>303</u>
Agency Charitable Trust fund	0 272	0 303
	<u>272</u>	<u>303</u>

9.1 Market value of investments as at 31 March 2023

	Held in UK £000s	2022 Total £000s
Investments in Common Investment Fund	272	303
Total market value of fixed asset investments	<u>272</u>	<u>303</u>

9.2 Loans

The Agency did not have any loans payable at either 31 March 2023 or 31 March 2022.

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 10 NON-CURRENT ASSETS HELD FOR SALE

NIBTS did not hold any assets classified as held for sale in 2022/23 (2021/22: nil).

NOTE 11 INVENTORIES

Classification	2023 £000s		2022 £000s	
	Agency	Consolidated	Agency	Consolidated
Clinical Supplies	1,639	1,639	1,616	1,616
General Supplies	7	7	4	4
Establishment	26	26	26	26
Other	9	9	8	8
Total	1,681	1,681	1,654	1,654

NOTE 12 CASH AND CASH EQUIVALENTS

	2023 £000s		2022 £000s	
	Agency	Consolidated	Agency	Consolidated
Balance at 1st April 2022	774	774	632	632
Net change in cash and cash equivalents	743	743	142	142
Balance at 31st March 2023	1,517	1,517	774	774

The following balances at 31 March 2023 were held at	2023 £000s		2022 £000s	
	Agency	Consolidated	Agency	Consolidated
Commercial banks and cash in hand	1,517	1,517	774	774
Balance at 31st March 2023	1,517	1,517	774	774

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 13 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	2023 £000s		2022 £000s	
	Agency	Consolidated	Agency	Consolidated
Amounts falling due within one year				
Trade receivables	336	336	331	331
VAT receivable	166	166	124	124
Other receivables - not relating to fixed assets	5	5	1	1
Trade and other receivables	<u>507</u>	<u>507</u>	<u>456</u>	<u>456</u>
TOTAL TRADE AND OTHER RECEIVABLES	<u>507</u>	<u>507</u>	<u>456</u>	<u>456</u>
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	<u>507</u>	<u>507</u>	<u>456</u>	<u>456</u>

The balances are net of a provision for bad debts of £nil (2021/22 £nil)

NOTE 14 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

	2023 £000s		2022 £000s	
	Agency	Consolidated	Agency	Consolidated
Amounts falling due within one year				
Other taxation and social security	435	435	-	-
Trade capital payables - property, plant and equipment	18	18	105	105
Trade capital payables - intangibles	-	-	15	15
Trade revenue payables	1,656	1,656	1,006	1,006
Payroll payables	236	236	444	444
BSO payables	58	58	37	37
Accruals	232	232	188	199
Trade and other payables	<u>2,635</u>	<u>2,635</u>	<u>1,795</u>	<u>1,806</u>
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	<u>2,635</u>	<u>2,635</u>	<u>1,795</u>	<u>1,806</u>

The 2021/22 year Payroll Payables included £189k in respect of backdated holiday pay accrual. In 2022/23, this was classified as a provision.

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 15 PROVISION FOR LIABILITIES AND CHARGES - 2023

	Liability Claims £000s	2023 £000s
Balance at 1 April 2022	103	103
Provided in year	232	232
(Provisions not required written back)	(36)	(36)
(Provisions utilised in the year)	(28)	(28)
Cost of borrowing (unwinding of discount)	0	0
At 31 March 2023	271	271

	2023 £000s	2022 £'000
Comprehensive Net Expenditure Account charges		
Arising during the year	232	42
Reversed unused	(36)	0
Total charge within Operating expenses	196	42

Provisions have been made for three types of potential liability: employment law and clinical negligence claims based on information provided by BSO Legal Services and backdated holiday pay. In 2021/22, the backdated holiday pay was classified as an accrual.

Analysis of expected timing of discounted flows

	Liability Claims £000s	2023 £000s
Not later than one year	39	39
Later than one year and not later than five years	232	232
Later than five years	0	0
At 31 March 2023	271	271

Discount rate for special damages awards

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. The rate is currently -1.5% as set (with effect from 22 March 2022) by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 15 PROVISION FOR LIABILITIES AND CHARGES – 2022

	Liability Claims £000s	2022 £000s
Balance at 1 April 2021	61	61
Provided in year	42	42
(Provisions not required written back)	0	0
(Provisions utilised in the year)	0	0
Cost of borrowing (unwinding of discount)	0	0
At 31 March 2022	103	103

Provisions have been made for two types of potential liability: employment law and clinical negligence claims based on information provided by BSO Legal Services.

	Liability Claims £000s	2022 £000s
Not later than one year	98	98
Later than one year and not later than five years	5	5
Later than five years	0	0
At 31 March 2022	103	103

NOTE 16 CAPITAL AND OTHER COMMITMENTS

16.1 Capital Commitments

	2023 £000s	2022 £000s
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, plant & equipment	7	28
Intangible assets	0	0
	7	28

16.2 Other Financial Commitments

The Agency did not have any other financial commitments at either 31 March 2023 or 31 March 2022.

NOTE 17 COMMITMENTS UNDER LEASES

17.1 Finance Leases

The Agency had no commitments under finance leases at either 31 March 2023 or 31 March 2022.

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

17.2 Operating Leases

The Agency had no commitments under operating leases at either 31 March 2023 or 31 March 2022.

NOTE 18 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE CONCESSION ARRANGEMENTS

The Agency has no PFI contracts.

NOTE 19 CONTINGENT LIABILITIES

With the exception of the items noted below, the Agency had no contingent liabilities at either 31 March 2023 or 31 March 2022.

Backdated Holiday Pay

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 but the Supreme Court judgment has not yet been issued. A provision at 31 March 2023 for the liability is included in these accounts. However, the extent to which the liability may exceed this amount remains uncertain. The potential additional financial effect of this is unquantifiable at present.

19.1 Financial Guarantees, Indemnities and Letters of Comfort

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

NOTE 20 RELATED PARTY TRANSACTIONS

NI Blood Transfusion Service (Special Agency) is an arm's 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, Strategic Planning and Performance Group 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 transactions with the Agency.

NOTE 21 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 2023

NOTE 22 FINANCIAL PERFORMANCE TARGETS

22.1 Revenue Resource Limit

NIBTS income is generated through contracts with HSC bodies and the Agency did not receive a Revenue Resource Limit in 2022/23. Following the implementation of review of Financial Process, the format of Note 22 has changed as the Department has introduced budget control limits for depreciation, impairments, and provisions, which an Arm's Length Body cannot exceed. NIBTS has remained within the budget control limit it was issued. From 2022-23 onwards, the materiality threshold limit excludes non-cash RRL.

22.2 Capital Resource Limit

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

	2023	2022
	Total	Total
	£000s	£000s
Gross capital expenditure	491	199
(Receipts from sales of fixed assets)	0	0
Net capital expenditure	491	199
Capital Resource Limit	496	229
Underspend against CRL	(5)	(30)

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

22.3 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.

	2023	Restated
	£000s	2022
		£000s
Net Expenditure from SoCNE	(805)	(605)
Adjustments for Non Cash Items:		
Depreciation / Amortisation	595	549
Movement in Provisions	196	42
Notional Charges	18	16
Total Adjustments for Non Cash Items	<u>809</u>	<u>607</u>
Surplus against RRL	4	2
Break Even cumulative position(opening)	838	836
Break Even cumulative position (closing)	<u><u>842</u></u>	<u><u>838</u></u>
RRL and Income from activities		
RRL	0	0
Income from activities per note 4.1	19,787	18,700
Total for inclusion in materiality test	<u><u>19,787</u></u>	<u><u>18,700</u></u>
Materiality Test:		
	2023	2022
	%	%
Break Even in year position as % of RRL & Income	<u>0.02%</u>	<u>0.01%</u>
Break Even cumulative position as % of RRL & Income	<u>4.26%</u>	<u>4.48%</u>

NOTE 23 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period having a material effect on the accounts.

DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 6 July 2023.

