



**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE SOUTH-WEST REGIONAL HEALTH AUTHORITY FOR THE YEAR ENDED SEPTEMBER 30, 2010**

The accompanying Financial Statements of the South-West Regional Health Authority for the year ended September 30, 2010 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2010, and the Statement of Comprehensive Income, a Statement of Accumulated Funds and Reserves and a Statement of Cash Flows for the year ended September 30, 2010 and Notes to the Financial Statements numbered 1 to 24 including a summary of significant accounting policies and practices.

2. The audit was conducted by a firm of Accountants appointed by the Auditor General in accordance with section 25(2) of the Regional Health Authorities Act, Chapter 29:05. Their Report dated December 10, 2018 which is attached refers.

**SUBMISSION OF REPORT**

3. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

28<sup>th</sup> February, 2019  
PORT OF SPAIN



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2019.02.28

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MAJEEED ALI  
AUDITOR GENERAL

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**SEPTEMBER 30, 2010**



**Chanka Seeterram & Co.**  
Chartered Accountants

SOUTH-WEST REGIONAL HEALTH AUTHORITY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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**Chanka Seeterram & Co.**  
Chartered Accountants

**REPORT OF THE AUDITORS' TO THE DIRECTORS OF  
SOUTH WEST REGIONAL HEALTH AUTHORITY**

**Report on the Financial Statements**

We have audited the accompanying financial statements of South West Regional Health Authority, which comprise the statement of financial position as of 30<sup>th</sup> September 2010, and the statement of comprehensive income, statement of accumulated funds and reserves and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. The audit was carried out in accordance with Section 25(2) of the Regional Health Authorities Act 29:05, and was conducted in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of South West Regional Health Authority as of 30<sup>th</sup> September, 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

We draw attention to Note 13 of the financial statements. The Authority has incurred accumulated deficits of \$270,447,000 as at 30<sup>th</sup> September, 2010. These financial statements have been prepared on the basis, which assumes that funds will be provided to finance the deficit to date and any that may be incurred in subsequent periods. Our opinion is not qualified in respect of this matter.

Chanka Seeterram & Co.  
Chartered Accountants  
F.S.S. House  
123 Eastern Main Road  
ST. AUGUSTINE

December 10, 2018

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2010**

<b>ASSETS</b>	<b>Notes</b>	<b>2010 \$'000</b>	<b>2009 \$'000 Restated</b>
<b>Non-current Assets</b>			
Property, plant and equipment	2c,2d, 3.1, 3.2	465,360	452,157
<b>Current Assets</b>			
Inventories	2e, 4	25,292	27,334
Accounts receivable and prepayments	2f, 5	36,667	37,702
Cash and cash equivalents	2g, 6	60,826	37,774
		<u>122,785</u>	<u>102,810</u>
<b>Total Assets</b>		<u>588,145</u>	<u>554,967</u>
<b>EQUITY AND LIABILITIES</b>			
Vested property - Capital	10	319,144	317,498
Revaluation reserve	12	98,187	98,819
Accumulated deficit	13	(270,447)	(190,484)
		<u>146,884</u>	<u>225,833</u>
<b>Non-current Liabilities</b>			
Deferred income	2h, 11	132,313	102,307
Net Defined Benefit Liability	2i, 22a	34,700	18,700
Borrowings	2j, 7	24,086	9,135
		<u>191,099</u>	<u>130,142</u>
<b>Current Liabilities</b>			
Borrowings	2j, 7	16,016	43,395
Accounts payables	2k, 8	23,387	5,204
Other payables and accruals	2l, 9	210,759	150,393
		<u>250,162</u>	<u>198,992</u>
<b>Total Accumulated Funds and Liabilities</b>		<u>588,145</u>	<u>554,967</u>

The notes on pages 7 to 28 form an integral part of these financial statements.

On December 7th 2018, the financial statements of South-West Regional Health Authority were authorised for issue.

  
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**General Manager Finance**

  
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**Chief Executive Officer**

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Notes	2010 \$'000	2009 \$'000 Restated
<b>Income</b>			
Government Receipts			
- MOH and other reimbursables		61,098	31,604
- Recurrent expenditure	14	602,709	524,948
- Government Subvention Development Programme (MOH)	15	25,029	20,163
- Subvention re loan payment		8,653	4,546
- NIPDEC purchases	16	67,785	70,738
Other income		1,296	1,905
		<u>766,570</u>	<u>653,904</u>
<b>Less: Expenses</b>			
Personnel	17	593,579	474,166
Medical and pharmaceuticals	18	113,408	130,278
Other operating	19	15,695	14,624
Property and plant	20	48,094	46,232
Administrative	21	60,389	59,024
Net Pension Cost	22f	16,900	9,000
		<u>848,065</u>	<u>733,324</u>
<b>Net deficit for the year</b>		(81,495)	(79,420)
<b>Other Comprehensive Income:</b>			
Net movement in defined benefit liability	22i	900	(9,700)
Prior period adjustment	24	-	(16,991)
<b>Accumulated losses at the beginning of the year</b>		<u>(190,484)</u>	<u>(85,005)</u>
		(271,079)	(191,116)
Transfers from Revaluation reserve		632	632
<b>Accumulated losses at the end of the year</b>		<u>(270,447)</u>	<u>(190,484)</u>

The notes on pages 7 to 28 form an integral part of these financial statements.

SOUTH-WEST REGIONAL HEALTH AUTHORITY

STATEMENT OF ACCUMULATED FUNDS AND RESERVES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Vested Property \$'000	Revaluation Reserve \$'000	Accumulated Deficit \$'000 Restated	Total \$'000 Restated
<b>Balance at October 01, 2009</b>	317,498	98,819	(190,484)	225,833
MOH HSRP Payment - Current ( <i>Note 10</i> )	1,646	-	-	1,646
Transfers from Revaluation Reserve ( <i>Note 12</i> )	-	(632)	632	-
Net movement in Defined Benefit Liability ( <i>Note 22i</i> )	-	-	900	900
Net deficit for the year	-	-	(81,495)	(81,495)
<b>Balance at September 30, 2010</b>	<u>319,144</u>	<u>98,187</u>	<u>(270,447)</u>	<u>146,884</u>
<b>Balance at October 01, 2008</b>	317,451	99,451	(85,005)	331,897
MOH HSRP Payment - Current ( <i>Note 10</i> )	47	-	-	47
Transfers from Revaluation Reserve ( <i>Note 12</i> )	-	(632)	632	-
Net movement in Defined Benefit Liability ( <i>Note 22i</i> )	-	-	(9,700)	(9,700)
Net deficit for the year	-	-	(79,420)	(79,420)
Prior period adjustment ( <i>Note 24</i> )	-	-	(16,991)	(16,991)
<b>Balance at September 30, 2009</b>	<u>317,498</u>	<u>98,819</u>	<u>(190,484)</u>	<u>225,833</u>

The notes on pages 7 to 28 form an integral part of these financial statements.

**SOUTH-WEST REGIONAL HEALTH AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows From Operating Activities</b>		Restated
Deficit for the year	(81,495)	(79,420)
Adjustments for:		
Depreciation	37,024	31,884
Capital work in progress written-off in 2009	-	3,632
Prior year adjustments to b/fwd PPE balance in 2009	-	(5,544)
Prior period adjustment - Accumulated Deficit	-	(16,991)
Loss/(gain) on disposal of property, plant and equipment	19	(47)
Movement in Defined Benefit Liability	900	(9,700)
Deferred income write-offs	(20,707)	(20,163)
<b>Operating loss before working capital changes</b>	<u>(64,259)</u>	<u>(96,349)</u>
<b>Changes in Working Capital</b>		
Decrease/(increase) in inventories	2,042	(3,097)
Decrease in receivables	1,035	27,470
Increase in trade payables	18,183	1,414
Increase in other payables and accruals	60,366	42,230
Increase in Defined Benefit Liability	16,000	18,700
<b>Net cash provided by/(used in) operating activities</b>	<u>33,367</u>	<u>(9,632)</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(50,246)	(37,407)
Proceeds from sale of equipment	-	69
<b>Net cash used in investing activities</b>	<u>(50,246)</u>	<u>(37,338)</u>
<b>Financing Activities</b>		
Loan repayment	(46,836)	(10,412)
Loan received	34,408	32,983
Health Sector Reform Projects	1,646	47
Deferred income	50,713	47,425
<b>Net cash provided by financing activities</b>	<u>39,931</u>	<u>70,043</u>
<b>Net increase in cash</b>	23,052	23,073
Cash and cash equivalents at beginning of the year	37,774	14,701
Cash and cash equivalents at end of the year	<u>60,826</u>	<u>37,774</u>
<b>Represented By:</b>		
Cash and cash equivalents	<u>60,826</u>	<u>37,774</u>

The notes on pages 7 to 28 form an integral part of these financial statements.



## **SOUTH-WEST REGIONAL HEALTH AUTHORITY**

### **ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010**

#### **1. Incorporation and Principal Activity**

The South-West Regional Health Authority was established by Parliament under the Regional Health Authority Act No. 5 of 1994 assented to on May 20, 1994 and enacted on December 19, 1994.

The Authority is exempted from all taxes, duties, fees, charges, assessments, levies and imposts on its profits or on assets, which it acquires for its use.

The Authority's powers and functions are as follows:

- (a) To provide efficient systems for the delivery of health care.
- (b) To collaborate with the University of The West Indies and any other recognized training institution; in the education and training of persons; in research medicine, nursing, dentistry, pharmacology, biomedical and health service fields, veterinary medicine as well as related ancillary and supportive fields.
- (c) To collaborate with and advise municipalities on public health matters.
- (d) To operate, construct, equip, furnish, maintain, manage and secure all its property.
- (e) To facilitate new systems of health care.
- (f) To provide the use of health care facilities for service, teaching and research.
- (g) To establish and develop relationships with nationals, regional and international agencies engaged in similar or ancillary services.
- (h) To do all things to achieve the objectives of the Authority.

#### **2. Significant Accounting Policies and Practices**

- (a) The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and are presented in Trinidad and Tobago Dollars.
- (b) The South-West Regional Health Authority is responsible for processing all payments related to employees contracted by the Authority and all payments for Goods and Services purchased by the institutions within the South-West Region.

## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

#### 2. Significant Accounting Policies and Practices (cont'd)

##### (c) Property, Plant and Equipment

At year-end September 2004, Terra Caribbean Limited did a revaluation of all Property, Plant and Equipment belonging to South-West Regional Health Authority. These assets were valued at current market values in accordance with IAS 16 - Property, Plant and Equipment and recorded in the Financial Statements.

##### Depreciation

Assets are depreciated on the straight-line basis at the following rates per annum:

Building	2.0%
Medical Equipment	15.0%
Plant and Equipment	20.0%
Computer Equipment	25.0%
Office Furniture and Equipment	12.5%
Motor vehicle	25.0%
Security Systems	12.5%
Other Minor Equipment	12.5%
Communication Equipment	12.5%
Patient Furnishings	12.5%

##### (d) Capital Works In Progress

Amounts expended on capital works during the year are captured in the Capital Works account. No depreciation is taken on these amounts. Upon completion or commissioning of the asset for use, the balance in the account is transferred to the respective asset account and depreciated.

##### (e) Inventories

Inventories are valued at the last purchase price (as per the MOH Price List) for all pharmaceutical supplies. The non pharmaceutical supplies are valued using the last purchase price.

##### (f) Accounts Receivables and Prepayments

Receivables and prepayments represent amounts to which the Authority has become entitled in the normal course of operations, they do not bear interest. At the end of each reporting period, the carrying amount is reviewed to determine if they are fully recoverable, if there is evidence of impairment, an impairment loss is immediately recognised in the Statement of Comprehensive Income.

## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

#### 2. Significant Accounting Policies and Practices (cont'd)

##### (g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and deposits with qualifying financial institutions.

##### (h) Deferred Income

The Authority initially recognises funding received specifically for capital projects and equipment as deferred income. These amounts are transferred to income over the period necessary to match them with the related costs.

##### (i) Defined Benefit Liability

The defined benefit liability is the fair value of the plan assets less the present value of the defined benefit obligation at the reporting date.

The net pension cost is recognised in the Statement of Comprehensive Income, and actuarial gains/losses arising from experience adjustments are immediately recognised in other comprehensive income.

##### (j) Borrowings

Borrowings are recognised initially at the loan principal amount. Related transaction costs are expensed.

Borrowings are classified as current liabilities for amounts due within 12 months and non-current liabilities for amounts due after 12 months.

##### (k) Accounts Payables

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities.

Accounts payables are recognised at fair value.

##### (l) Other Payables and Accruals

Other payables and accruals are amounts outstanding on statutory payroll related liabilities. Accruals are obligations arising from operating expenses incurred, but not invoiced as at the Statement of Financial Position date.

## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

#### 2. Significant Accounting Policies and Practices (cont'd)

##### (m) Income

Revenue consist mainly of amounts appropriated by Parliament and various fees charged by S.W.R.H.A.

##### Interest Earned

This represents the returns on deposit amounts held with various financial institutions.

##### MOH Reimbursables

The Ministry of Health has endorsed certain Programmes/Projects for which there is an understanding that amounts expended would later be reimbursed by the Ministry upon submission of requests by the Authority.

##### Recurrent Expenditure

These are amounts allocated to the S.W.R.H.A. for the payment of personnel emoluments and purchase of goods and services.

##### Government Subvention Development Programme

These are funds allocated for capital expenditure projects.

##### NIPDEC Purchases

This is the value of medical supplies, surgical supplies and pharmaceuticals procured by the National Insurance Property Development Limited (NIPDEC) for S.W.R.H.A.

The National Insurance Property Development Company Limited (NIPDEC) through a contractual arrangement with the Ministry of Health is responsible for the procurement of medical supplies, surgical supplies and pharmaceuticals for all Regional Health Authorities. However, where there is a shortfall in supplies from NIPDEC, the South-West Regional Health Authority supplements this shortfall through direct purchases, and submits reimbursement requests to the Ministry of Health.

##### (n) Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

## **SOUTH-WEST REGIONAL HEALTH AUTHORITY**

### **ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)**

#### **2. Significant Accounting Policies and Practices (cont'd)**

##### **(o) Going Concern**

As at September 30, 2010 the Authority has an Accumulated Deficit of \$270,447,000 with a Net Deficit of \$81,495,000 for the year then ended.

These financial statements are prepared on the going concern basis, in accordance with IAS 1, since the Board of Directors and management are of the view that the Authority can continue to rely on the Government of Trinidad and Tobago in meeting its obligations as they fall due. There are no indications that such support will not be forthcoming.

##### **(p) Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in the current year.

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)**

**3.1 Property, Plant and Equipment**

	Land	Building	Plant & Equipment	Vehicles	Computer Equipment	Office Furniture	Medical Equipment	Communication Equipment	Patient Furnishing	Other Minor Equipment	Security	Capital Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost:</b>													
At October 1, 2009	75,952	260,677	8,108	5,428	4,504	7,907	134,096	883	13,731	3,200	961	38,711	554,158
Additions	-	13,015	2,307	1,489	2,679	1,679	23,109	579	2,355	1,156	1,878	-	50,246
Transfers	-	35,165	-	-	-	-	-	-	-	-	-	(35,165)	-
Disposals	-	-	-	-	(20)	-	(19)	-	-	-	-	-	(39)
At September 30, 2010	75,952	308,857	10,415	6,917	7,163	9,586	157,186	1,462	16,086	4,356	2,839	3,546	604,365
<b>Accumulated Depreciation:</b>													
At October 1, 2009	-	23,592	3,345	2,937	3,182	3,916	57,198	325	5,857	1,525	124	-	102,001
Charge for the year	-	5,707	1,957	493	855	1,108	24,074	158	1,818	614	240	-	37,024
Disposals	-	-	-	-	(19)	-	(1)	-	-	-	-	-	(20)
At September 30, 2010	-	29,299	5,302	3,430	4,018	5,024	81,271	483	7,675	2,139	364	-	139,005
<b>Net Book Value</b>													
At September 30, 2010	75,952	279,558	5,113	3,487	3,145	4,562	75,915	979	8,411	2,217	2,475	3,546	465,360
<b>Cost: (Restated)</b>													
At October 1, 2008	75,952	252,749	5,835	4,510	4,109	7,509	116,698	870	12,027	3,031	124	37,153	520,567
Additions	-	7,928	2,273	1,102	395	398	17,398	13	1,704	169	837	5,190	37,407
Disposals	-	-	-	(184)	-	-	-	-	-	-	-	(3,632)	(3,816)
At September 30, 2009	75,952	260,677	8,108	5,428	4,504	7,907	134,096	883	13,731	3,200	961	38,711	554,158
<b>Accumulated Depreciation: (Restated)</b>													
At October 1, 2008	-	18,478	2,029	2,810	2,375	2,940	36,368	205	4,229	813	31	-	70,278
Charge for the year	-	5,114	1,316	288	807	976	20,830	120	1,628	712	93	-	31,884
Disposals	-	-	-	(161)	-	-	-	-	-	-	-	-	(161)
At September 30, 2009	-	23,592	3,345	2,937	3,182	3,916	57,198	325	5,857	1,525	124	-	102,001
<b>Net Book Value (Restated)</b>													
At September 30, 2009	75,952	237,085	4,763	2,491	1,322	3,991	76,898	558	7,874	1,675	837	38,711	452,157

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)**

**3.2 Capital Work In Progress**

Capital Work In Progress included in Note 3.1 is the balance remaining on projects undertaken by the Authority during the year.

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
San Fernando General Hospital	3,546	7,370
Health Centers - CMOH Victoria	-	2,231
Health Centers - CMOH St. Patrick	-	29,110
<b>TOTAL</b>	<u>3,546</u>	<u>38,711</u>

**4. Inventories**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Medical supplies	7,526	7,060
Laboratory supplies	775	2,872
Pharmacy supplies	12,627	13,670
Stationery supplies	1,145	936
Engineering supplies	1,348	1,347
Food supplies	621	495
Hardware supplies	854	726
Linen	710	542
Less : Provision for stock obsolescence	(314)	(314)
<b>TOTAL</b>	<u>25,292</u>	<u>27,334</u>

**5. Receivables and Prepayments**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
		Restated
Ministry of Health - Reimbursables	49,363	33,468
Bad debt provision	(32,154)	(26,567)
<b>Net reimbursable - Ministry of Health</b>	<u>17,209</u>	<u>6,901</u>
<b>Other RHA's (Diagnostic Equipment)</b>		
Loan balance	6,401	13,136
Charges	432	265
	<u>6,833</u>	<u>13,401</u>
<b>Others</b>		
Other debtors	1,364	1,979
VAT recoverable	7,771	10,792
Prepayments	3,490	4,629
	<u>12,625</u>	<u>17,400</u>
<b>TOTAL</b>	<u>36,667</u>	<u>37,702</u>

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)**

**5. Receivables and Prepayments (cont'd)**

**Ministry of Health**

The Ministry of Health balance is an accumulation of amounts spent by the SWRHA from inception for various goods and services which have been considered reimbursable for the Ministry of Health.

The Ministry of Health receivables includes an amount of \$17,133,126 still outstanding for which management has not made any provision in these accounts.

**Other RHA's (Diagnostic Equipment)**

During the financial year 2003/2004 the Government decided to equip each Region with Diagnostic Equipment. The South-West Regional Health Authority was commissioned to procure the items and make payments on them. As such, a loan was granted in the name of South-West Regional Health Authority for the full cost of the equipment. The assets relating to the other Regional Health Authorities amounted to forty-four million, eight hundred and seven thousand, two hundred and fifty-four dollars (\$44,807,254). The total amount outstanding as at September 30, 2010 is six million, eight hundred and thirty-three thousand, two hundred and fifty-one dollars and seventy-nine cents (\$6,833,251.79), 2009: \$13,401,290.75. The total is shown in South-West Regional Health Authority's books as a receivable. This receivable is drawn down with each repayment of the loan.

**6. Cash and Cash Equivalents**

	2010 \$'000	2009 \$'000
This comprise of the following:		
Cash in hand	25	25
Cash at bank	50,336	26,075
Short term deposits	10,465	11,674
<b>TOTAL</b>	<b>60,826</b>	<b>37,774</b>

**7. Medium Term Loan**

	2010 \$'000	2009 \$'000
(i) Scotia Trust and Merchant Bank T&T Limited		
(ii) CITIBANK - Diagnostic Equipment	1,277	3,832
(iii) RBTT Trinidad and Tobago Ltd.	7,857	15,714
(iv) Intercommercial Trust & Merchant Bank	-	32,984
	30,968	-
	40,102	52,530
Less: Current Portion	(16,016)	(43,395)
<b>Medium Term Portion</b>	<b>24,086</b>	<b>9,135</b>



## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

#### 7. Medium Term Loan (cont'd)

- (i) In October 2003 the Ministry of Health sourced a loan through Scotia Trust and Merchant Bank to fund the settlement of liabilities due to an increase in salaries with effect from January 2002. The South-West Regional Health Authority's liability is \$17,883,671.50, is payable over seven (7) years and due semi-annually in the months of April and October in instalments of \$1,277,405.11. The interest is calculated at a fixed rate of 5.5%. This loan was paid off in October 2010.
- (ii) In December 2003, the South-West Regional Health Authority under approval from the Ministry of Health and the Ministry of Finance issued notes for \$54,642,500 pursuant to a loan note instrument for the purpose of financing the purchase of diagnostic equipment for all the regions (Note 5 refers).

In April 2004, the loan note instrument was converted to \$55,000,000 5.35% Fixed Rate Bonds repayable semi-annual instalments of \$7,857,142.86 in the months of April and October from 2004 to 2011. Citibank Trinidad Limited carried out both these transactions and the trustee is the Mercantile Banking and Financial Corporation Limited.

The liability relating to the other Regional Health Authorities principal balance outstanding at September 30, 2010 is **Six Million, Four Hundred and One Thousand and Fifty-Two Dollars and Thirty-One Cents (\$6,401,052.31)**

The liability relating to South-West Regional Health Authority principal balance outstanding at September 30, 2010 is **One Million, Four Hundred and Fifty-Six Thousand and Ninety Dollars and Fifty-Three Cents (\$1,456,090.53).**

The total outstanding is shown in South-West Regional Health Authority's books.

- (iii) In June 2009 the South-West Regional Health Authority sourced a temporary Demand Short-Term Loan facility with RBTT Limited for the total sum of \$34,408,140.85 for the purpose of settling outstanding trade liabilities. The loan was for a duration of three (3) months and incurred interest at a rate of 8.50%. The loan was repaid in December 2009.
- (iv) In November 2009 the Ministry of Health through Intercommercial Trust and Merchant Bank Limited issued medium term Secured Promissory Notes carrying a fixed interest rate of 5.20%. The amount in the sum of \$34,408,141.00 was issued to the South-West Regional Health Authority through a refinancing arrangement, for the purpose of paying off the existing RBTT Demand Loan issued in June 2009. It is repayable in semi-annual instalments of \$3,440,814.10 in the months of May and November from 2010 to 2014. This loan was paid off in November 2014.

## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

8. Accounts Payable - Recurrent Expenditure	2010 \$'000	2009 \$'000
Trade creditors	<u>\$ 23,387</u>	<u>\$ 5,204</u>
9. Other Payables and Accruals	2010 \$'000	2009 \$'000
Performance deposit	1,213	1,642
Outstanding medical fees	126	138
Private medical institutions	29,933	35,136
Accrued expenses	26,192	23,981
Stale dated cheques	1,618	1,475
Payroll liabilities	<u>151,677</u>	<u>88,021</u>
<b>TOTAL</b>	<u><u>210,759</u></u>	<u><u>150,393</u></u>

Payroll liabilities includes accruals for payroll expenditure relating to the arrears due under the New Compensation Plan 2008-2010, increment arrears and daily paid arrears.

#### 10. Vested Property

Vested property includes the value of fixed assets transferred from the Ministry of Health, and the cost of equipment provided/construction made under the Health Sector Reform Project. It also includes approved projects by the Ministry of Health whereby third party organisations may transfer / donate fixed assets to the Authority for long term use.

	2010 \$'000	2009 \$'000
Balance brought forward	<u>317,498</u>	<u>317,451</u>
Additions during the year:		
I.T. Department	1,040	-
Siparia District Facility	523	-
San Fernando General Hospital	<u>83</u>	<u>47</u>
	<u>1,646</u>	<u>47</u>
<b>TOTAL</b>	<u><u>319,144</u></u>	<u><u>317,498</u></u>

SOUTH-WEST REGIONAL HEALTH AUTHORITY

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

11. Deferred Income

In accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance "Government grants related to assets, including non-monetary grants at fair value, shall be presented in the Statement of Financial Position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset."

The Authority is in compliance with the standard.

	2010 \$'000	2009 \$'000
Balance brought forward	102,307	75,045
Development subventions	50,713	47,425
Deferred income write-offs	(20,707)	(20,163)
Balance carried forward	<u>132,313</u>	<u>102,307</u>

12. Revaluation Reserve

	2010 \$'000	2009 \$'000
Balance brought forward	98,819	99,451
Transfer of surplus	(632)	(632)
Balance carried forward	<u>98,187</u>	<u>98,819</u>

In accordance with IAS 16 - Property, Plant and Equipment

IAS 16.41

"The amount of surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or losses."

The following is a schedule for the period of adjustment to the Revaluation Surplus transferred with effect from the financial year 2004/2005.

## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

#### 12. Revaluation Reserve (cont'd)

Asset Class	Excess Depreciation On Revaluation Surplus	Period Of Transfer	Annual Adjustments
Buildings	25,459,288	50 years	509,186
Office furniture	522,776	8 years	65,347
Patient furnishings	456,249	8 years	57,031
	<u>26,438,313</u>		<u>631,564</u>

Asset Class	Excess Depreciation On Revaluation Surplus	Period Of Transfer	Opening Balance 1 Oct 2009	Transfer	Closing Balance 30 Sept 2010
Land	75,538,863	-	75,538,863	-	75,538,863
Buildings	25,459,288	50 years	22,913,358	509,186	22,404,172
Office furnishings	522,776	8 years	196,041	65,347	130,694
Patient furnishings	456,249	8 years	171,094	57,031	114,063
Vehicles	82,930	4 years	-	-	-
	<u>102,060,106</u>	<u>-</u>	<u>98,819,356</u>	<u>631,564</u>	<u>98,187,792</u>

#### 13. Accumulated Deficit

	2010 \$'000	2009 \$'000
Accumulated deficit brought forward	(190,484)	(85,005)
Transfers from revaluation reserve	632	632
Prior period adjustment ( <i>Note 24</i> )	-	(16,991)
Movement in Defined Benefit Liability ( <i>Note 22</i> )	900	(9,700)
Current deficit	(81,495)	(79,420)
<b>Accumulated deficit carried forward</b>	<u>(270,447)</u>	<u>(190,484)</u>

## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

#### 14. Government Subvention - Recurred Expenditure

These accounts include the amounts allocated under recurrent expenditure to the South-West Regional Health Authority for the payment of personnel emoluments to the public servants working within the Region. The Ministry of Health managed these funds exclusively.

The South-West Regional Health Authority managed the funds for other transfers and subsidies (RHA personnel emoluments, goods and services).

	2010 \$'000	2009 \$'000
Personnel emoluments (SWRHA)	562,465	432,732
Goods and services (SWRHA)	9,130	50,784
	<u>571,595</u>	<u>483,516</u>
Personnel emoluments (MOH)	31,114	41,432
<b>TOTAL</b>	<u><u>602,709</u></u>	<u><u>524,948</u></u>

#### 15. Government Subvention Development Programme (MOH)

These amounts include funds allocated for Special Projects, Capital Expenditure and other non-recurrent payments that fall outside of the South-West Regional Health Authority Recurrent Expenditure.

Reference to Note 11 - Deferred income for the Accounting treatment for funding received for Development Programmes.

Funding received for programmes that are of a recurrent nature e.g. repairs, refurbishments, purchase of consumables etc. are treated as income in the year of receipt.

	2010 \$'000	2009 \$'000
Capital Subvention - Spent in current year	4,322	-
Transfers from deferred income	20,707	20,163
Development funding	<u><u>25,029</u></u>	<u><u>20,163</u></u>

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)**

**16. National Insurance Property Development Company Limited**

These accounts include the amounts allocated under recurrent expenditure to the South-West Regional Health Authority for the purchase of pharmaceuticals and other non-pharmaceutical goods (C40). The National Insurance Property Development Company Limited (NIPDEC) managed these funds exclusively on behalf of the Ministry of Health.

	2010 \$'000	2009 \$'000
NIPDEC Purchases	67,785	70,738
<b>TOTAL</b>	<u>67,785</u>	<u>70,738</u>

Year	NIPDEC Pharm Receipts	NIPDEC Non- Pharm Receipts	Total NIPDEC Receipts
2010	<u>52,998,747.17</u>	<u>14,786,012.77</u>	<u>67,784,759.94</u>

**17. Personnel Costs**

	2010 \$'000	2009 \$'000
Salaries - RHA Staff	404,425	299,790
Salaries - MOH Staff	23,096	31,758
NIS - RHA Staff	19,893	17,858
NIS - MOH Staff	1,666	2,044
Pension Contributions - RHA	18,000	15,562
Group Health Plan	84	92
Other allowances - RHA	119,526	98,625
Other allowances - MOH	6,352	7,630
Directors' fees	537	807
<b>TOTAL</b>	<u>593,579</u>	<u>474,166</u>

**18. Medical and Pharmaceutical Costs**

	2010 \$'000	2009 \$'000
Pharmaceutical supplies	54,232	55,587
Medical supplies	35,429	30,954
Laboratory supplies	11,764	4,642
Purchased patient services	11,983	39,095
<b>TOTAL</b>	<u>113,408</u>	<u>130,278</u>

**19. Other Operating Expenses**

	2010 \$'000	2009 \$'000
Food supplies	6,588	5,805
Medical gases / Medical equipment rental	4,907	3,901
Hardware supplies	3,882	3,934
Linen	318	984
<b>TOTAL</b>	<u>15,695</u>	<u>14,624</u>

## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

20. Property and Plant Expenses	2010 \$'000	2009 \$'000
Electrical services	6,127	6,066
Water services	1,066	1,491
Repair and maintenance	9,565	9,267
Security	14,289	14,714
Cleaning	3,419	3,579
Special projects and other property, plant & equipment expenses	5,964	4,685
Depreciation	7,664	6,430
<b>TOTAL</b>	<u>48,094</u>	<u>46,232</u>
21. Administrative Expenses	2010 \$'000	2009 \$'000
Telephone	3,888	4,157
Office supplies	2,348	2,723
Depreciation	29,360	25,454
Bank charges and interest	2,303	1,019
Vehicle costs	2,004	2,278
Rent	3,191	3,497
Professional development and legal fees	2,318	2,365
Other	9,390	6,872
Bad debt provision	5,587	10,659
<b>TOTAL</b>	<u>60,389</u>	<u>59,024</u>
22. Pension		

The South-West Regional Health Authority's (SWRHA's) permanent, full-time and monthly-paid employees are members of the Regional Health Authorities Pension Plan. The SWRHA has its own section of the Pension Plan, which is separate from the sections of the other Regional Health Authorities. This enables the SWRHA to meet the cost of benefits for its own employees in isolation and without cross subsidy to or from the other sections of the Pension Plan.

The RHA Pension Plan is a defined benefit pension plan, and provides pensions benefits upon retirement to its members based on the length of service and basic earnings. For this purpose, service includes service with the SWRHA prior to the establishment of the Plan and pensionable service with the Government of Trinidad and Tobago or a Statutory Authority prior to transfer of employment with the SWRHA. Any superannuation benefits payable from the Consolidated Fund in respect of service that is also pensionable under the Plan are offset against benefits from the Pension Plan.

The Pension Plan was established by irrevocable trust and its assets are held in a separate fund administered by independent Trustees, Republic Finance and Merchant Bank Limited. The Plan is funded by contributions from the employers and the members in accordance with the recommendations of the Plan's Actuary, Bacon Woodrow and de Souza.

SOUTH-WEST REGIONAL HEALTH AUTHORITY

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

22. Pension (cont'd)

The Authority's first time adoption of the full requirements of *IAS 19 Employee Benefits* is for financial year ended September 30, 2010 with comparatives for financial year ended September 30, 2009 being re-stated. Prior to financial year September 30, 2010 the Authority was unable to meet the full requirements of *IAS 19 Employee Benefits* because the actuary's report is provided triennially and not for each financial year end as is now being done.

The liability recognised in the Statement of Financial Position is the fair value of the plan assets less the present value of the defined benefit obligation at the reporting date. The net pension is recognised in the Statement of Comprehensive Income. Actuarial gains and losses arising from experience adjustments and changes in actuarial adjustments are immediately credited to or charged to other comprehensive income.

22a. Net Liability in the Statement of Financial Position

	2010 \$'000	2009 \$'000
Present value of Defined Benefit Obligation	168,100	116,400
Fair Value of Assets	(133,400)	(97,700)
<b>Defined Benefit Liability</b>	<u>34,700</u>	<u>18,700</u>

22b. Movement In the Present Value of the Defined Benefit Obligation

	2010 \$'000	2009 \$'000
Defined Benefit Obligation brought forward	116,400	66,400
Current Service Cost	15,000	9,400
Interest Cost	9,500	6,400
Members' Contribution	6,000	4,500
Liabilities transferred in / (out)	-	23,100
<b>Re-measurements:</b>		
Experience Adjustments	(3,100)	(100)
Actuarial (gains) / losses from changes in financial assumptions	24,800	6,900
Benefits paid	(500)	(200)
<b>Defined Benefit Obligation carried forward</b>	<u>168,100</u>	<u>116,400</u>



## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

#### 22c. The defined benefit obligation is allocated between the Plans' members as follows:

Period Ending 30 September	2010	2009
Active Members	97%	97%
Deferred pensioners	2%	2%
Pensioners	1%	1%
The weighted average duration of the defined benefit obligation at year end	19.9 years	19.9 years
Percentage of the value of the benefits for active members is vested	86%	86%
Percentage of the defined obligation for active members that is conditional on future salary increases	55%	55%

#### 22d. Movement In the Fair Value of Plan Assets

	2010 \$'000	2009 \$'000
Fair value of Plan Assets at the start of the Year	97,700	75,100
Interest Income	8,300	7,300
Return on Plan Assets, exc Interest Income	1,600	(2,500)
Employer Contributions	21,000	14,000
Members' Contributions	6,000	4,500
Benefits paid	(500)	(200)
Expense Allowance	(700)	(500)
<b>Fair value of Plan Assets at the end of the Year</b>	<b>133,400</b>	<b>97,700</b>
Actual return on Plan Assets	9,900	4,800

The asset allocation below is for the Plan as a whole. The allocation of assets to the employer sections of the Plan is notional. The asset values as at each year end were provided by the Plan's Trustees (Republic Bank Limited). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is illiquid. The Investment Managers calculate the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using constructed yield curve.

The majority of the Plan's government bonds were issued by the Government of Trinidad and Tobago, which also guarantees many of the corporate bonds held by the Plans.

The Plan's assets are invested in accordance with a strategy agreed with the Plan's Trustee and Management Committee and the Pensions Oversight Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)**

22e. Period Ending 30 September	2010	2009
<b>Asset Allocation</b>		
Locally Listed Equities	9.20%	9.80%
Overseas Equities	4.80%	6.10%
TT\$ Bonds	51.80%	61.50%
US\$ Bonds	0.20%	0.30%
Cash and cash equivalents	33.80%	22.00%
Other (Mortgages and property mutual funds)	0.20%	0.30%
<b>Fair Value of Plan Assets at end of the year</b>	<u>100%</u>	<u>100%</u>
<b>22f. Expense Recognised in Statement of Comprehensive Income (Profit and Loss)</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Current service cost	15,000	9,400
Net Interest on Net Defined Benefit Liability/(Asset)	1,200	(900)
Expense Allowance	700	500
<b>Net Pension Cost</b>	<u>16,900</u>	<u>9,000</u>
<b>22g. Re-measurements recognised in Other Comprehensive Income</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Experience (gains)/losses	20,100	9,300
<b>Total amount recognised in Other Comprehensive Income</b>	<u>20,100</u>	<u>9,300</u>
<b>22h. Reconciliation of Opening and Closing Balance Sheet Entries</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening Defined Benefit Liability/(Asset)	18,700	(8,700)
Net Pension Cost	16,900	9,000
Re-measurements recognised in Other Comprehensive Income	20,100	9,300
Net transfers	-	23,100
Employer Contributions Paid	(21,000)	(14,000)
<b>Closing Defined benefit Liability/(Asset)</b>	<u>34,700</u>	<u>18,700</u>

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)**

22i. Movement in Defined Liability/(Asset)	2010 \$'000	2009 \$'000
Opening Defined Benefit Liability/(Asset)	-	(8,700)
Re-measurements recognised in Other Comprehensive Income	20,100	9,300
Net Transfers	-	23,100
Employer Contributions paid	(21,000)	(14,000)
<b>Movement in Defined Benefit Liability</b>	<u>(900)</u>	<u>9,700</u>

22j. Summary of Principal Assumptions as at 30 September	2010	2009
Discount rate	6.50%	7.50%
<b>Salary increases:</b>		
General increases	4.50%	4.75%
Promotional increases	1.00%	1.00%
<b>Total Salary increases</b>	<u>5.50%</u>	<u>5.75%</u>
Increases to Government's minimum pension	0.00%	0.00%
Future pension increases	0.00%	0.00%

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation are as follows:

22k. Life Expectancy at age 60 for current pensioner in years	2010	2009
Male	21.0	21.0
Female	25.1	25.1
 <b>Life Expectancy at age 60 for current pensioner age 40 in years</b>		
Male	21.4	21.4
Female	25.4	25.4

**Sensitivity Analysis**

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarizes how the defined benefit obligation would have changed as a result of a change in the assumptions used. These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

**SOUTH-WEST REGIONAL HEALTH AUTHORITY**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)**

22l.	2010 \$'000	2009 \$'000
1% pa increase in the discount rate	-29,900	-19,300
1% pa decrease in the discount rate	+39,300	+25,400
1% pa increase in the assumed rate of the future salary increases	+25,500	+17,100
1% pa decrease in the assumed rate of the future salary increases	-21,800	-14,700
An increase of 1 year in the assumed life expectancies	+1,600	+1,100

**Funding**

The Employer meets the balance of the cost of funding the defined benefits and the Employer must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. The Employer expects to pay the following contributions (in \$Millions) during the next financial year.

22m.	2010 \$'000	2009 \$'000
Expected Employer Contributions in next financial year	18,600	21,000

**23. Restatement**

These financial statements include the effects of various adjustments made by the management of South West Regional Health Authority in respect of prior periods and inclusive of the year ended September 30, 2009. As a result the comparative figures for 2009 has been restated. The effects of the adjustments on the affected account balances in the Statement of Financial Position and expense totals reflected in the Statement of Comprehensive Income for the year ended September 30, 2009 are summarised below:

SOUTH-WEST REGIONAL HEALTH AUTHORITY

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

23. Restatement (cont'd)	\$'000
- Decrease in accounts receivable and prepayments	27,478
- Decrease in net book value of Property, Plant and Equipment	12,259
- Net decrease in total assets	<u>39,737</u>
- Increase in Defined Benefit Liability	18,700
- Increase in other payables and accruals	13,080
- Net increase in total liability	<u>31,780</u>
- Increase in personnel costs	16,044
- Decrease in medical and pharmaceutical expense	(2,559)
- Increase in other operating expense	219
- Increase in property, plant and equipment expense	3,633
- Increase in administrative expense	16,438
- Increase in net pension cost	9,000
- Increase in net deficit for the year	<u>42,775</u>
- Increase in accumulated deficit	71,519
Represented by:	
- Increase in net deficit	42,775
- Increase in past service cost	9,700
- Increase in prior year adjustment (Note 24)	19,044

## SOUTH-WEST REGIONAL HEALTH AUTHORITY

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2010 (cont'd)

#### 24. Prior Year Adjustments

Prior year adjustments comprise various adjustments done by the management of South West Regional Health Authority relating to prior years up to and inclusive of year ended September 30, 2008 as shown below:

	\$'000
Adjustments to various expenses	(682)
Adjustments to capital work in progress	(3,631)
Adjustments to bad debt expense	(15,908)
Adjustments to performance bonds liability	442
Adjustments to accrued purchases liability	<u>735</u>
Total prior year adjustments	(19,044)
Balance reflected in 2009 audited financial statements	<u>2,053</u>
Amount reflected in Statement of Accumulated Funds and Reserves	<u><u>(16,991)</u></u>