

Draft Financial Accounts for the Year Ended 31 March 2014

Governing Body meeting

1 May 2014

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Author(s)/Presenter and title	Jackie Mills, Deputy Director of Finance
Sponsor	Julia Newton, Director of Finance
Key messages	
<p>This report presents Governing Body with the draft unaudited accounts for 2013/14</p> <ul style="list-style-type: none"> • The CCG submitted its draft accounts to NHS England by the required deadline of 23 April 2014. These accounts are now subject to External Audit review which is due to be complete by the end of May 2014. • Subject to this review, I am pleased to report that the CCG expects to demonstrate achievement of all statutory financial duties for 2013/14 and to report a surplus of £6.9m or 1% in line with the increase agreed with NHS England in year. This surplus will be carried forward into 2014/15 to support delivery of the requirement to maintain our surplus at 1%. • This paper provides an overview of key points in the unaudited accounts and should be read in conjunction with the M12 Finance Report also being presented to this meeting. 	
Assurance Framework (AF)	
<p>Assurance Framework Number: Assurance Framework risks 3.2 and 4.3</p> <p>How does this paper provide assurance to the Governing Body that the risk is being addressed?</p> <p>This paper provides assurance to the Governing Body that the CCG has delivered its statutory financial target to breakeven and remain within the allocated resource limit for Programme and Running Cost expenditure. It also provides assurance that, subject to external audit review, the CCG has generated a surplus of £6.9m in line with the revised plan agreed with NHS England.</p> <p>Is this an existing or additional control:</p> <p>This is an existing control – AF 3.2 and 4.3</p>	
Equality/Diversity Impact	
<p>Has an equality impact assessment been undertaken? NO</p> <p>Which of the 9 Protected Characteristics does it have an impact on?</p> <p>There are no specific issues associated with this report.</p>	

Public and Patient Engagement

There are no specific issues associated with this report.

Recommendations

The Governing Body is asked to approve and adopt the unaudited accounts

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1. Purpose

This report accompanies the pre-audited financial statements produced by the CCG in respect of the 2013-14 financial year. They are presented to the Governing Body for adoption in line with our External Auditor's requirements.

2. Process to Date and Next Steps

The CCG submitted its financial statements on 22 April 2014, which was in advance of the NHS England deadline of 23 April 2014. The financial statements have been prepared in line with the national Manual for Accounts. The financial policies stated at the beginning of the statements are those policies which CCGs have been required by NHS England to adopt. These have been previously reviewed and considered by the CCG's Audit and Integrated Governance Committee on 27 March 2014, along with the basis of estimation used by the CCG for certain key areas of spend where the actual spend will not be known until after the submission of accounts such as month 12 prescribing costs.

The External Audit of the accounts is due to commence on 12 May 2014.

The Audit and Integrated Governance Committee will meet on the morning of 5 June 2014 and will receive the post audit financial statements together with the External Audit report on those financial statements.

The Governing Body will meet on the afternoon of 5 June 2014 and will receive the audited financial statements and will be required to formally adopt them.

The final audited financial statements must be submitted by external audit to NHS England by noon on 6 June 2014.

3. Explanation of Key Issues in the Financial Statements

The CCG has delivered against all of its financial statutory duties. Further details can be found in the Director of Finance's Month 12 report also presented to this meeting.

As this is the first year of operation of the CCG, no comparative information on prior year spend is contained in the accounts.

Statement of Comprehensive Net Expenditure (SOCNE) (Page 1 of Accounts)

The SOCNE shows the net expenditure of the CCG (i.e. total expenditure less income) of £692m. This is split between Administration Costs (i.e. those costs that count against the Running Costs Allocation) of £10m and Programme Expenditure (i.e. commissioning costs) of £682m.

The CCG's surplus of £6.9m does not appear on this Statement because there is no comparison against the CCG's total resource allocations of £698.5m.

Statement of Financial Position (Page 2 of Accounts)

Non-Current Assets:

The CCG has no non-current assets (previously known as fixed assets) at the end of the financial year. CCGs are not permitted to own any land or buildings. Although we inherited £192k of assets from Sheffield PCT (in relation to furniture and fittings), these assets were fully depreciated in year (as a cost against our Running Cost Allowance (RCA)). We took the decision to accelerate the depreciation in order to write down their net book value to zero. Partly this was because there was insufficient information to physically separately verify each of the assets and hence confirm individual valuations. Going forward CCGs are unlikely to receive any capital allocations to replace such assets should this be required and so all such expenditure is likely to be from our revenue Running Cost Allowance.

Current Assets:

The CCG had £7.7m of current assets at the end of the financial year (£7,631k receivables and £73k cash). The CCG held no inventories. The main elements of our current assets were amounts owed to us by other NHS organisations (£5.8m) or owed to us by the Local Authority (£1.1m) in line with our normal trading arrangements.

Current Liabilities:

The CCG had £34m of current liabilities relating to outstanding payables at the end of the financial year. Of this, £14m related to the prescribing creditor relating to expenditure in February and March. £7m related to outstanding payments due to the three Sheffield Foundation Trusts with another £2m due to the wider NHS.

Other Operating Revenue (Note 2 to Accounts – Page 14)

The CCG has received revenue of £7.6m in 2013/14. This includes:

- income from the Local Authority in relation to the pooled budget and agreed reimbursement of nursing home costs initially incurred by the CCG; and prescribing charges;
- income from West and South Yorkshire and Bassetlaw CSU and NHS Property Services in relation to the occupation of 722;
- income from other CCGs as a result of NHS Sheffield being the lead commissioner for specific services from Yorkshire Ambulance Services NHS Trust e.g renal transport, 111 and Merit Award funding.
- Research and grant funding e.g. from NIHR and Macmillan

Operating Expenses (Note 5 to Accounts – Page 18)

The CCG has incurred £699k of gross expenditure, £4.6m pay, and £694.5m non pay. The vast majority of the non pay expenditure is in relation to our commissioned health care spend. The M12 finance report presented in parallel to this meeting provides a detailed breakdown of that spend.

Financial Performance Targets (Note 42 to Accounts – Page 33)

CCGs have the following statutory duties:

- not to overspend against the overall Revenue Resource limit (RRL) allocated by NHS England;
- not to overspend against the Revenue Resource limit allocated by NHS England for the purposes of Programme (commissioning) spend
- not to overspend against the Revenue Resource limit allocated by NHS England for the purposes of Administration spend (also referred to as the Running Cost Allowance)
- not to overspend against the overall Capital Resource Limit allocated by NHS England.

Net Revenue expenditure was £691.5mm against a Revenue Resource limit (RRL) of £698.5m, generating a net surplus of £6.9m (1% of RRL). This demonstrates achievement of the statutory duty and was in line with the revised planned surplus agreed with NHS England. Our financial plan assumes the return of this surplus in 2014/15.

Net Programme expenditure was £681.9m against a programme allocation of £684.4m, generating a surplus of £2.5m. This demonstrates achievement of the statutory duty and was in line with the revised planned surplus agreed with NHS England.

Net running cost expenditure was £9.7m against a Running Cost Allocation of £14.1m, generating a surplus of £4.4m. This demonstrates achievement of the statutory duty and was in line with the revised planned surplus agreed with NHS England.

The CCG did not have a capital allocation.

Other Notes to the Accounts

We have determined that we have no Contingent Liabilities to report and no Post Balance Sheet Events which we need to disclose to help the reader understand our accounts.

As required in Note 38 we have set out our Related Party Transactions. These are transactions with other organisations in which Members of Governing Body have an interest which they have declared on the CCG's Register of Interests as published in our Annual Report.

4. Recommendations

The Governing Body is asked to approve and adopt the pre-audit financial statements and note that final audited accounts will be presented on 5 June 2014 for formal adoption.

Julia Newton
Director of Finance
April 2014

Draft Annual Accounts for the Period 1 April 2013 to 31 March 2014

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Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2014

	NOTE	2013-14 £'000
Commissioning		
Other Operating Revenue	2	(7,560)
Gross Employee Benefits	4	4,572
Other Costs	5	<u>694,544</u>
Net Operating Costs before Financing		691,555
Of which:		
Administration Costs		
Other operating revenue	2	(1,340)
Gross employee benefits	4	4,572
Other costs	5	<u>6,433</u>
Net administration costs before financing		9,665
Programme Expenditure		
Other operating revenue	2	(6,221)
Gross employee benefits	4	0
Other costs	5	<u>688,111</u>
Net programme expenditure before interest		681,890
Financing		
Investment Revenue	8	0
Other Gains & Losses	9	0
Finance Costs	10	<u>0</u>
Net Operating Costs for the Financial Year		691,555
Net Gain (Loss) on Transfer by Absorption	11	<u>0</u>
Retained Net Operating Costs for the Financial Year		691,555
Other Comprehensive Net Expenditure		
Impairments & reversals		0
Net gain (loss) on revaluation of property, plant & equipment		0
Net gain (loss) on revaluation of intangibles		0
Net gain (loss) on revaluation of financial assets		0
Movements in other reserves		0
Net gain (loss) on available for sale financial assets		0
Net gain (loss) on assets held for sale		0
Net actuarial gain (loss) on pension schemes		0
Reclassification Adjustments:		
On disposal of available for sale financial assets		0
Total Comprehensive Net Expenditure for the Financial Year		<u><u>691,555</u></u>

The notes on pages 5 to 34 form part of this statement.

Statement of Financial Position as at 31 March 2014

	NOTE	31 March 2014 £'000
Non-current Assets		
Property, Plant & Equipment	13	0
Intangible Assets	14	0
Investment Property	15	0
Trade & Other Receivables	17	0
Other Financial Assets	18	0
Total Non-current Assets		<u>0</u>
Current Assets		
Inventories	16	0
Trade & Other Receivables	17	7,621
Other Financial Assets	18	0
Other Current Assets	19	0
Cash & Cash Equivalents	20	73
Non-current Assets held for Sale	21	0
Total Current Assets		<u>7,694</u>
Total Assets		<u><u>7,694</u></u>
Current Liabilities		
Trade & Other Payables	23	(33,734)
Other Financial Liabilities	24	0
Other Liabilities	25	0
Borrowings	26	0
Provisions	30	0
Total Current Liabilities		<u>(33,734)</u>
Total Assets less Current Liabilities		<u><u>(26,040)</u></u>
Non-current Liabilities		
Trade & Other Payables	23	0
Other Financial Liabilities	24	0
Other Liabilities	25	0
Borrowings	26	0
Provisions	30	0
Total Non-current Liabilities		<u>0</u>
Total Assets Employed		<u><u>(26,040)</u></u>
Financed by Taxpayers' Equity		
General Fund		(26,040)
Revaluation Reserve		0
Other Reserves		0
Charitable Reserves		0
Total Taxpayers' Equity		<u><u>(26,040)</u></u>

The notes on pages 5 to 34 form part of this statement.

The financial statements on pages 1 to 4 were approved by the Governing Body on 5th June 2014 and signed on its behalf by:

Accountable Officer:

Date:

Statement of Changes In Taxpayers Equity for the Year Ended 31 March 2014

	General Fund £'000	Revaluation Reserve £'000	Other Reserves £'000	Total £'000
Balance at 01 April 2013	0	0	0	0
Transfer of assets and liabilities from closed NHS bodies as a result of the 1 April 2013 transition	192	0	0	192
Transfer between reserves in respect of assets transferred from closed NHS bodies	0	0	0	0
Adjusted Balance at 01 April 2013	192	0	0	192
Changes in Taxpayers' Equity for 2013-14				
Net operating costs for the financial year	(691,555)	0	0	(691,555)
Net gain (loss) on revaluation of property, plant and equipment		0		0
Net gain (loss) on revaluation of intangible assets		0		0
Net gain (loss) on revaluation of financial assets		0		0
Total revaluations against revaluation reserve		0		0
Net gain (loss) on available for sale financial assets	0	0	0	0
Net gain (loss) on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	0	0	0
Net actuarial gain (loss) on pensions	0	0	0	0
Movements in other reserves	0	0	0	0
Transfers between reserves	0	0	0	0
Release of reserves to the Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Transfers by absorption to (from) other bodies	0	0	0	0
Transfer between reserves in respect of assets transferred under absorption	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Net Recognised Expenditure for the Financial Year	(691,363)	0	0	(691,363)
Net funding	665,323	0	0	665,323
Balance at 31 March 2014	(26,040)	0	0	(26,040)

Statement of Cash Flows for the Year Ended 31 March 2014

	2013-14
	£'000
Cash Flows from Operating Activities	
Net operating costs for the financial year	(691,555)
Depreciation and amortisation	205
Impairments and reversals	(13)
Other gains (losses) on foreign exchange	0
Donated assets received credited to revenue but non-cash	0
Government granted assets received credited to revenue but non-cash	0
Interest paid	0
Release of PFI deferred credit	0
Increase (decrease) in inventories	0
Increase (decrease) in trade & other receivables	(7,621)
Increase (decrease) in other current assets	0
Increase (decrease) in trade & other payables	33,734
Increase (decrease) in other current liabilities	0
Provisions utilised	0
Increase (decrease) in provisions	0
Net Cash Inflow (Outflow) from Operating Activities	(665,251)
Cash Flows from Investing Activities	
Interest received	0
(Payments) for property, plant and equipment	0
(Payments) for intangible assets	0
(Payments) for investments with the Department of Health	0
(Payments) for other financial assets	0
(Payments) for financial assets (LIFT)	0
Proceeds from disposal of assets held for sale: property, plant and equipment	0
Proceeds from disposal of assets held for sale: intangible assets	0
Proceeds from disposal of investments with the Department of Health	0
Proceeds from disposal of other financial assets	0
Proceeds from disposal of financial assets (LIFT)	0
Loans made in respect of LIFT	0
Loans repaid in respect of LIFT	0
Rental revenue	0
Net Cash Inflow (Outflow) from Investing Activities	0
Net Cash Inflow (Outflow) before Financing	(665,251)
Cash Flows from Financing Activities	
Net funding received	665,323
Other loans received	0
Other loans repaid	0
Capital element of payments in respect of finance leases and on Statement of Financial Position PFI and LIFT	0
Capital grants and other capital receipts	0
Capital receipts surrendered	0
Net Cash Inflow (Outflow) from Financing Activities	665,323
Net Increase (Decrease) in Cash & Cash Equivalents	73
Cash & Cash Equivalents at the Beginning of the Financial Year	0
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year	73

Notes to the financial statements

1 Accounting Policies

NHS England has directed that the financial statements of clinical commissioning groups shall meet the accounting requirements of the *Manual for Accounts* issued by the Department of Health. Consequently, the following financial statements have been prepared in accordance with the *Manual for Accounts 2013-14* issued by the Department of Health. The accounting policies contained in the *Manual for Accounts* follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to clinical commissioning groups, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the *Manual for Accounts* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the clinical commissioning group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the clinical commissioning group are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In accordance with the Directions issued by NHS England comparative information is not provided in these Financial Statements.

1.1 Going Concern

These accounts have been prepared on the going concern basis. Public sector bodies are assumed to be going concerns where the continuation of the provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

Where a clinical commissioning group ceases to exist, it considers whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern for the final set of Financial Statements. If services will continue to be provided the financial statements are prepared on the going concern basis.

1.2 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 financial liabilities.

1.3 Acquisitions & Discontinued Operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.4 Movement of Assets within the Department of Health Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Government Financial Reporting Manual, issued by HM Treasury. The Government Financial Reporting Manual does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the Statement of Comprehensive Net Expenditure, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Department of Health Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

For transfers of assets and liabilities from those NHS bodies that closed on 1 April 2013, HM Treasury has agreed that a modified absorption approach should be applied. For these transactions only, gains and losses are recognised in reserves rather than the Statement of Comprehensive Net Expenditure.

1.5 Charitable Funds

From 2013-14, the divergence from the Government Financial Reporting Manual that NHS Charitable Funds are not consolidated with bodies' own returns is removed. Under the provisions of IAS 27: Consolidated & Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entities' accounts.

1.6 Pooled Budgets

Where the clinical commissioning group has entered into a pooled budget arrangement under Section 75 of the National Health Service Act 2006 the clinical commissioning group accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

If the clinical commissioning group is in a "jointly controlled operation", the clinical commissioning group recognises:

- The assets the clinical commissioning group controls;
- The liabilities the clinical commissioning group incurs;
- The expenses the clinical commissioning group incurs; and,
- The clinical commissioning group's share of the income from the pooled budget activities.

If the clinical commissioning group is involved in a "jointly controlled assets" arrangement, in addition to the above, the clinical commissioning group recognises:

- The clinical commissioning group's share of the jointly controlled assets (classified according to the nature of the assets);
- The clinical commissioning group's share of any liabilities incurred jointly; and,
- The clinical commissioning group's share of the expenses jointly incurred.

1.7 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

In the application of the clinical commissioning group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.7.1 Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the clinical commissioning group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - Sheffield CCG has in substance a property lease arrangement with NHS Property Services Ltd relating to the headquarters site. As it had been determined that Sheffield CCG has not obtained substantially all the risks and rewards of ownership of this property, the lease has been classified as an operating lease and accounted for accordingly.

1.7.2 Key Sources of Estimation Uncertainty

The following are the key estimations that management has made in the process of applying the clinical commissioning group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Basis of estimation of key accruals - The CCG has included certain accruals within the financial statements which are estimates. The basis of the estimation of key accruals were approved by the Chief Finance Officer and reported to Audit & Integrated Governance Group. The key areas requiring estimation were Healthcare contracts and Prescribing expenditure.

1.8 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

1.9 Employee Benefits

1.9.1 Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees, including bonuses earned but not yet taken.

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.9.2 Retirement Benefit Costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the clinical commissioning group of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the clinical commissioning group commits itself to the retirement, regardless of the method of payment.

1.10 Other Expenses

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

Expenses and liabilities in respect of grants are recognised when the clinical commissioning group has a present legal or constructive obligation, which occurs when all of the conditions attached to the payment have been met.

1.11 Property, Plant & Equipment

1.11.1 Recognition

Property, plant and equipment is 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 clinical commissioning group;
- 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 a 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 £250, 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, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

1.11.2 Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the clinical commissioning group's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use; and,
- Specialised buildings – depreciated replacement cost.

HM Treasury 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.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are re-valued and depreciation commences when they are brought into use.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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 that does not result from a loss of economic value or service potential 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. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Net Expenditure.

1.11.3 Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure 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.

1.12 Intangible Assets

1.12.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the clinical commissioning group's business or which arise from contractual or other legal rights. They are recognised only:

- When it is probable that future economic benefits will flow to, or service potential be provided to, the clinical commissioning group;
- Where the cost of the asset can be measured reliably; and,
- Where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised but is recognised as an operating expense in the period in which it is incurred. 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.

1.12.2 *Measurement*

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.13 **Depreciation, Amortisation & Impairments**

Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and 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. The estimated useful life of an asset is the period over which the clinical commissioning group expects to obtain economic benefits or service potential from the asset. This is specific to the clinical commissioning group and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

At each reporting period end, the clinical commissioning group checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential 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. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. 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 to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.14 **Donated Assets**

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.15 **Government Grants**

The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.16 **Non-current Assets Held For Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when:

- The sale is highly probable;
- The asset is available for immediate sale in its present condition; and,
- Management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Expenditure. On disposal, the balance for the asset on the revaluation reserve is transferred to the general reserve.

Property, plant and 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.

1.17 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.17.1 *The Clinical Commissioning Group as Lessee*

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the clinical commissioning group's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.17.2 *The Clinical Commissioning Group as Lessor*

Amounts due from lessees under finance leases are recorded as receivables at the amount of the clinical commissioning group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the clinical commissioning group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.18 Private Finance Initiative Transactions

HM Treasury has determined that government bodies shall account for infrastructure Private Finance Initiative (PFI) schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The clinical commissioning group therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received;
- Payment for the PFI asset, including finance costs; and,
- Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.18.1 *Services Received*

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.18.2 *PFI Asset*

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the clinical commissioning group's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.18.3 *PFI Liability*

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'finance costs' within the Statement of Comprehensive Net Expenditure.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Net Expenditure.

1.18.4 *Lifecycle Replacement*

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the clinical commissioning group's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.18.5 *Assets Contributed by the Clinical Commissioning Group to the Operator For Use in the Scheme*

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the clinical commissioning group's Statement of Financial Position.

1.18.6 *Other Assets Contributed by the Clinical Commissioning Group to the Operator*

Assets contributed (e.g. cash payments, surplus property) by the clinical commissioning group to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the clinical commissioning group, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.19 Inventories

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

1.20 Cash & 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the clinical commissioning group's cash management.

1.21 Provisions

Provisions are recognised when the clinical commissioning group has a present legal or constructive obligation as a result of a past event, it is probable that the clinical commissioning group 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 HM Treasury's discount rate as follows:

- Timing of cash flows (0 to 5 years inclusive): Minus 1.90%
- Timing of cash flows (6 to 10 years inclusive): Minus 0.65%
- Timing of cash flows (over 10 years): Plus 2.20%
- All employee early departures: 1.80%

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.

A restructuring provision is recognised when the clinical commissioning group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

1.22 Clinical Negligence Costs

The NHS Litigation Authority operates a risk pooling scheme under which the clinical commissioning group pays an annual contribution to the NHS Litigation Authority which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHS Litigation Authority is administratively responsible for all clinical negligence cases the legal liability remains with the clinical commissioning group.

1.23 Non-clinical Risk Pooling

The clinical commissioning group participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the clinical commissioning group pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.24 Carbon Reduction Commitment Scheme

Carbon Reduction Commitment and similar allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the clinical commissioning group makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

1.25 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the clinical commissioning group, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the clinical commissioning group. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.26 Financial Assets

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

Financial assets are classified into the following categories:

- Financial assets at fair value through profit and loss;
- 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.

1.26.1 *Financial Assets at Fair Value Through Profit and Loss*

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the clinical commissioning group's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

1.26.2 *Held to Maturity Assets*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.26.3 *Available For Sale Financial Assets*

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition.

1.26.4 *Loans & Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the clinical commissioning group assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.27 Financial Liabilities

Financial liabilities are recognised on the statement of financial position when the clinical commissioning group 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.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

1.27.1 Financial Guarantee Contract Liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of:

- The premium received (or imputed) for entering into the guarantee less cumulative amortisation; and,
- The amount of the obligation under the contract, as determined in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

1.27.2 Financial Liabilities at Fair Value Through Profit and Loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the clinical commissioning group's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

1.27.3 Other Financial Liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.28 Value Added Tax

Most of the activities of the clinical commissioning group are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.29 Foreign Currencies

The clinical commissioning group's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the clinical commissioning group's surplus/deficit in the period in which they arise.

1.30 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the clinical commissioning group has no beneficial interest in them.

1.31 Losses & Special Payments

Losses and special payments are items that Parliament 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 the clinical commissioning group not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.32 Subsidiaries

Material entities over which the clinical commissioning group has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the clinical commissioning group or where the subsidiary's accounting date is not co-terminus.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.33 Associates

Material entities over which the clinical commissioning group has the power to exercise significant influence so as to obtain economic or other benefits are classified as associates and are recognised in the clinical commissioning group's accounts using the equity method. The investment is recognised initially at cost and is adjusted subsequently to reflect the clinical commissioning group's share of the entity's profit/loss and other gains/losses. It is also reduced when any distribution is received by the clinical commissioning group from the entity.

Joint ventures that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.34 Joint Ventures

Material entities over which the clinical commissioning group has joint control with one or more other parties so as to obtain economic or other benefits are classified as joint ventures. Joint ventures are accounted for using the equity method.

Joint ventures that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.35 Joint Operations

Joint operations are activities undertaken by the clinical commissioning group in conjunction with one or more other parties but which are not performed through a separate entity. The clinical commissioning group records its share of the income and expenditure; gains and losses; assets and liabilities; and cash flows.

1.36 Research & Development

Research and development expenditure is charged in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Statement of Comprehensive Net Expenditure on a systematic basis over the period expected to benefit from the project. It should be re-valued on the basis of current cost. The amortisation is calculated on the same basis as depreciation.

1.37 Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Government Financial Reporting Manual does not require the following Standards and Interpretations to be applied in 2013-14, all of which are subject to consultation:

- IAS 27: Separate Financial Statements
- IAS 28: Investments in Associates & Joint Ventures
- IAS 32: Financial Instruments – Presentation (amendment)
- IFRS 9: Financial Instruments
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- IFRS 13: Fair Value Measurement

The application of the Standards as revised would not have a material impact on the accounts for 2013-14, were they applied in that year.

2. Other Operating Revenue

	Admin 2013-14 £'000	Programme 2013-14 £'000	Total 2013-14 £'000
Recoveries in respect of employee benefits	0	0	0
Patient transport services	0	0	0
Prescription fees and charges	0	0	0
Dental fees and charges	0	0	0
Education, training and research	290	23	313
Charitable and other contributions to revenue expenditure: NHS	0	0	0
Charitable and other contributions to revenue expenditure: non-NHS	124	5	129
Receipt of donations for capital acquisitions: NHS Charity	0	0	0
Receipt of Government grants for capital acquisitions	0	0	0
Non-patient care services to other bodies	324	0	324
Income generation	0	0	0
Rental revenue from finance leases	0	0	0
Rental revenue from operating leases	0	0	0
Other revenue	602	6,192	6,794
Total	1,340	6,221	7,560

Admin revenue is revenue received that is not directly attributable to the provision of healthcare or healthcare services.

Revenue in this note does not include cash received from NHS England, which is drawn down directly into the bank account of the clinical commissioning group and credited to the general fund.

3. Revenue

	2013-14 £'000
From Rendering of Services	7,560
From Sale of Goods	0
Total	7,560

Revenue is totally from the supply of services. Sheffield Clinical Commissioning Group receives no revenue from the sale of goods.

4. Employee Benefits & Staff Numbers

4.1 Employee Benefits

4.1.1 Employee Benefits Expenditure

	2013-14								
	Admin			Programme			Total		
	Permanent Employees	Other	Total	Permanent Employees	Other	Total	Permanent Employees	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	3,560	125	3,685	0	0	0	3,560	125	3,685
Social security costs	370	0	370	0	0	0	370	0	370
Employer contributions to the NHS Pension Scheme	517	0	517	0	0	0	517	0	517
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0	0
Gross Admin Employee Benefits Expenditure	4,447	125	4,572	0	0	0	4,447	125	4,572
Less: Recoveries in respect of employee benefits (note 4.1.2)	0	0	0	0	0	0	0	0	0
Net Admin employee benefits expenditure including capitalised costs	4,447	125	4,572	0	0	0	4,447	125	4,572
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
Net Admin employee benefits expenditure excluding capitalised costs	4,447	125	4,572	0	0	0	4,447	125	4,572

4.1.2 Recoveries in Respect of Employee Benefits

	2013-14		
	Permanent Employees	Other	Total
	£'000	£'000	£'000
Salaries and wages	0	0	0
Social security costs	0	0	0
Employer contributions to the NHS Pension Scheme	0	0	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
Total recoveries in respect of employee benefits	0	0	0

4.2 Average Number of People Employed

	2013-14		
	Permanent Employees	Other	Total
	Number	Number	Number
Total	71	4	75
Of the above:			
Number of whole time equivalent people engaged on capital projects	0	0	0

4.3 Staff Sickness Absence and Ill Health Retirements

	2013-14
	Number
Total days lost	0
Total staff years	0
Average working days lost	0

	2013-14
	Number
Number of persons retiring on ill health grounds	0

Ill Health Retirement costs are met by the NHS Pension Scheme:

	2013-14
	Number
Total additional pension liability accrued in the year	0

Where the clinical commissioning group has agreed early retirements, the additional costs are met by the clinical commissioning group and not by the NHS Pension Scheme.

4.4 Exit Packages Agreed in the Financial Year

	Compulsory Redundancies		2013-14 Other Agreed Departures		Total	
	Number	£'000	Number	£'000	Number	£'000
Less than £10,000	0	0	0	0	0	0
£10,001 to £25,000	0	0	0	0	0	0
£25,001 to £50,000	0	0	0	0	0	0
£50,001 to £100,000	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0
Over £200,001	0	0	0	0	0	0
Total	0	0	0	0	0	0

Departures where special payments have been made		
	Number	£'000
Less than £10,000	0	0
£10,001 to £25,000	0	0
£25,001 to £50,000	0	0
£50,001 to £100,000	0	0
£100,001 to £150,000	0	0
£150,001 to £200,000	0	0
Over £200,001	0	0
Total	0	0

Analysis of Other Agreed Departures

	Other agreed departures	
	Number	£'000
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval*	0	0
Total	0	0

* As a single exit package can be made up of several components each of which will be counted separately in this table, the total number will not necessarily match the total number in the table above, which will be the number of individuals.

4.5 Pension Costs

Past and present employees are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

The Scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities.

Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the clinical commissioning group of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

The Scheme is subject to a full actuarial valuation every four years (until 2004, every five years) and an accounting valuation every year. An outline of these follows:

4.5.1 Full Actuarial (Funding) Valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the Scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by the employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

In order to defray the costs of benefits, employers pay contributions at 14% of pensionable pay and most employees had up to April 2008 paid 6%, with manual staff paying 5%.

Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, his Valuation report recommended that the employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction employee contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of reforms to public service pension provision due in 2015.

4.5.2 Accounting Valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the scheme actuary. At this point the assumptions regarding the composition of the scheme membership are updated to allow the scheme liability to be valued.

The valuation of the scheme liability as at 31 March 2011 is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2011 with summary global member and accounting data.

The latest assessment of the liabilities of the Scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

4.5.3 Scheme Provisions

The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

- The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service;
- With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HM Revenue & Customs rules. This new provision is known as "pension commutation".
- Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year;
- Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness of infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable;
- For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the statement of comprehensive net expenditure at the time the clinical commissioning group commits itself to the retirement, regardless of the method of payment; and,
- Members can purchase additional service in the Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by the other Free Standing Additional Voluntary Contributions (FSAVC) providers.

5. Operating Expenses

	Admin 2013-14 £'000	Programme 2013-14 £'000	TOTAL 2013-14 £'000
Gross Employee Benefits			
Employee benefits excluding governing body members	3,813	0	3,813
Executive governing body members	759	0	759
Total gross employee benefits	4,572	0	4,572
Other Costs			
Services from other CCGs and NHS England	2,585	4,763	7,348
Services from foundation trusts	0	483,461	483,461
Services from other NHS trusts	0	22,475	22,475
Services from other NHS bodies	0	2	2
Purchase of healthcare from non-NHS bodies	0	82,616	82,616
Chair and lay membership body and governing body members	259	0	259
Supplies and services – clinical	0	0	0
Supplies and services – general	1,541	466	2,008
Consultancy services	172	0	172
Establishment	218	4	222
Transport	14	0	14
Premises	677	1,131	1,807
Impairments and reversals of receivables	0	0	0
Inventories written down	0	0	0
Depreciation	205	0	205
Amortisation	0	0	0
Impairments and reversals of property, plant and equipment	(13)	0	(13)
Impairments and reversals of intangible assets	0	0	0
Impairments and reversals of financial assets	0	0	0
· Assets carried at amortised cost	0	0	0
· Assets carried at cost	0	0	0
· Available for sale financial assets	0	0	0
Impairments and reversals of non-current assets held for sale	0	0	0
Impairments and reversals of investment properties	0	0	0
Audit fees	116	0	116
Other auditor's remuneration	0	0	0
· Internal audit services	0	0	0
· Other services	0	0	0
General Dental services and personal dental services	0	0	0
Prescribing costs	0	87,793	87,793
Pharmaceutical services	0	362	362
General Ophthalmic services	0	253	253
GPMS/APMS and PCTMS	0	4,774	4,774
Other professional fees ex audit	214	0	214
Grants to Other public bodies	0	0	0
Clinical negligence	0	0	0
Research and development (excluding staff costs)	377	0	377
Education and training	33	10	42
Change in discount rate	0	0	0
Other expenditure	35	(0)	35
Total other costs	6,433	688,111	694,544
Total operating expenses	11,005	688,111	699,116

Admin expenditure is expenditure incurred that is not a direct payment for the provision of healthcare or healthcare services.

6. Better Payment Practice Code

6.1 Measure of Compliance

	2013-14 Number	2013-14 £000
Non-NHS Payables:		
Total Non-NHS trade invoices paid in the year	13,430	76,778
Total Non-NHS trade invoices paid within target	13,177	76,105
Percentage of non-NHS trade invoices paid within target	98.12%	99.12%
NHS Payables:		
Total NHS trade invoices paid in the year	2,783	523,568
Total NHS trade invoices paid within target	2,738	523,252
Percentage of NHS trade invoices paid within target	98.38%	99.94%

The Better Payment Practice Code requires the clinical commissioning group to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

6.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2013-14 £'000
Amounts included in finance costs from claims made under this legislation	0
Compensation paid to cover debt recovery costs under this legislation	0
Total	<u>0</u>

7. Income Generation Activities

Sheffield Clinical Commissioning Group does not undertake any income generation activities.

8. Investment Revenue

	2013-14 £'000
Rental Revenue	
PFI finance lease revenue (planned)	0
PFI finance lease revenue (contingent)	0
Other finance lease revenue	0
Total rental revenue	<u>0</u>
Interest Revenue	
LIFT: equity dividends receivable	0
LIFT: loan interest receivable	0
Bank interest	0
Other loans and receivables	0
Impaired financial assets	0
Other financial assets	0
Total interest revenue	<u>0</u>
Total investment revenue	<u><u>0</u></u>

9. Other Gains & Losses

	2013-14 £'000
Gain (loss) on disposal of property, plant and equipment assets other than by sale	0
Gain (loss) on disposal of intangible assets other than by sale	0
Gain (loss) on disposal of financial assets other than held for sale	0
Gain (loss) on disposal of assets held for sale	0
Gain (loss) on foreign exchange	0
Change in fair value of financial assets carried at fair value through the statement of comprehensive net expenditure	0
Change in fair value of financial liabilities carried at fair value through the statement of comprehensive net expenditure	0
Change in fair value of investment property	0
Recycling of gain (loss) from equity on disposal of financial assets held for sale	0
Total	<u>0</u>

10. Finance Costs

	2013-14 £'000
Interest	
Interest on loans and overdrafts	0
Interest on obligations under finance leases	0
Interest on obligations under PFI contracts:	
· Main finance cost	0
· Contingent finance cost	0
Interest on obligations under LIFT contracts:	
· Main finance cost	0
· Contingent finance cost	0
Interest on late payment of commercial debt	0
Other interest expense	0
Total interest	<u>0</u>
Other finance costs	0
Provisions: unwinding of discount	0
Total finance costs	<u>0</u>

11. Net Gain (Loss) on Transfer by Absorption

Sheffield Clinical Commissioning Group had no net gains or losses on transfer by absorption as at 31 March 2014. Sheffield PCT ceased operations from 1 April 2013 in accordance with the Health and Social Care Act 2012 (HSCA2012). During the year some fixed assets relating to furniture and fittings and a corresponding revaluation reserve, that were previously on the statement of financial position of the Sheffield PCT, transferred to Sheffield Clinical Commissioning Group as an adjustment to opening balances. The Treasury has allowed for these assets to be accounted for using modified absorption accounting and therefore the transactions are accounted for through reserves rather than income or expenditure.

12. Operating Leases

12.1 As Lessee

12.1.1 Payments Recognised as an Expense

	2013-14			Total £'000
	Land £'000	Buildings £'000	Other £'000	
Minimum lease payments	0	838	0	838
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	0	838	0	838

12.1.2 Future Minimum Lease Payments

	2013-14			Total £'000
	Land £'000	Buildings £'000	Other £'000	
Payable:				
· Not later than one year	0	0	0	0
· Between one and five years	0	0	0	0
· After five years	0	0	0	0
Total	0	0	0	0

Sheffield Clinical Commissioning Group occupies property owned and managed by NHS Property Services Ltd. For 2013-14, a transitional occupancy rent based on annual property cost allocations was agreed. This is reflected in Note 12.1.1. While our arrangements with NHS Property Services Ltd. fall within the definition of operating leases, the rental charge for future years has not yet been agreed. Consequently, this note does not include future minimum lease payments for these arrangements. The financial value included in the Statement of Comprehensive Net Expenditure for 2013-14 is £607k.

Sheffield Clinical Commissioning Group has entered into a financial arrangement involving the use of Walk In Centre premises. Under: IAS 17 Leases, SIC 27 'Evaluating the substance of transactions involving the legal form of a lease' and IFRIC 4 'Determining whether an arrangement contains a lease', the clinical commissioning group has determined that this operating lease must be recognised, but, as there is no formal contract in place for the arrangement entered into, it is not possible to analyse the arrangement over future financial years. The financial value included in the Statement of Comprehensive Net Expenditure for 2013-14 is £231k.

12.2 As Lessor

12.2.1 Rental Revenue

	2013-14 £'000
Rent	0
Contingent rents	0
Total	0

12.2.2 Future Minimum Rental Value

	2013-14 £'000
Receivable:	
· Not later than one year	0
· Between one and five years	0
· After five years	0
Total	0

13. Property, Plant & Equipment

	Land	Buildings excluding Dwellings	Dwellings	Assets under Construction & Payments on Account	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at 01 April 2013	0	0	0	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	0	0	0	205	205
Adjusted Cost or Valuation at 01 April 2013	0	0	0	0	0	0	0	205	205
Addition of Assets under Construction & Payments on Account	0	0	0	0	0	0	0	0	0
Additions purchased	0	0	0	0	0	0	0	0	0
Additions donated	0	0	0	0	0	0	0	0	0
Additions government granted	0	0	0	0	0	0	0	0	0
Additions leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Upward revaluation gains	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Transfer (to) from other public sector body	0	0	0	0	0	0	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0	0	0	0	0	0	0
Cost or Valuation at 31 March 2014	0	0	0	0	0	0	0	205	205
Depreciation at 01 April 2013	0	0	0	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	0	0	0	0	0
Adjusted Depreciation at 01 April 2013	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Upward revaluation gains	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	0	0	0	0	0	0	205	205
Transfer (to) from other public sector body	0	0	0	0	0	0	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0	0	0	0	0	0	0
Depreciation at 31 March 2014	0	0	0	0	0	0	0	205	205
Net Book Value at 31 March 2014	0	0	0	0	0	0	0	0	0
Purchased	0	0	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2014	0	0	0	0	0	0	0	0	0
Asset Financing									
Owned	0	0	0	0	0	0	0	0	0
Held on finance lease	0	0	0	0	0	0	0	0	0
On-Statement of Financial Position private finance initiative & LIFT contracts	0	0	0	0	0	0	0	0	0
Private finance initiative residual interests	0	0	0	0	0	0	0	0	0
Total PFI & LIFT assets	0	0	0	0	0	0	0	0	0
Total at 31 March 2014	0	0	0	0	0	0	0	0	0
Revaluation Reserve Balance for Property, Plant & Equipment									
Balance at 01 April 2013	0	0	0	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	0	0	0	0	0
Adjusted Balance at 01 April 2013	0	0	0	0	0	0	0	0	0
Revaluation gains	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Release to general fund	0	0	0	0	0	0	0	0	0
Balance at 31 March 2014	0	0	0	0	0	0	0	0	0

13.1 Additions to Assets Under Construction

	2013-14 £'000
Land	0
Buildings excluding dwellings	0
Dwellings	0
Plant & machinery	0
Transport equipment	0
Information technology	0
Furniture & fittings	0
Total	<u><u>0</u></u>

13.2 Donated Assets

Sheffield Clinical Commissioning Group did not receive any donated assets in 2013/14.

13.3 Government Granted Assets

Sheffield Clinical Commissioning Group did not receive any government granted assets in 2013/14.

13.4 Property Revaluation

Sheffield Clinical Commissioning Group does not own any non current property assets. As a result, no revaluation of assets has occurred in 2013/14.

13.5 Compensation from Third Parties

Sheffield Clinical Commissioning Group did not impair any assets in 2013/14. As a result, no amounts are included in the Statement of Comprehensive Net Expenditure for compensation from Third parties.

13.6 Write Downs to Recoverable Amount

No assets were written down to recoverable amounts in 2013/14. There were no reversals of previous write downs in 2013/14.

13.7 Temporarily Idle Assets

Sheffield Clinical Commissioning Group had no temporarily idle assets as at 31 March 2014.

13.8 Cost or Valuation of Fully Depreciated Assets

The cost or valuation of fully depreciated assets still in use was as follows:

	2013-14 £'000
Land	0
Buildings excluding dwellings	0
Dwellings	0
Plant & machinery	0
Transport equipment	0
Information technology	0
Furniture & fittings	205
Total	<u><u>205</u></u>

13.9 Economic Lives

	Minimum Life (years)	Maximum Life (Years)
Land	0	0
Buildings excluding dwellings	0	0
Dwellings	0	0
Plant & machinery	0	0
Transport equipment	0	0
Information technology	0	0
Furniture & fittings	0	0

14. Intangible Assets

	Computer Software: Purchased £'000	Computer Software: Internally Generated £'000	Licences & Trademarks £'000	Patents £'000	Development Expenditure (internally generated) £'000	Total £'000
Cost or Valuation at 01 April 2013	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	0	0
Adjusted Cost or Valuation at 01 April 2013	0	0	0	0	0	0
Additions purchased	0	0	0	0	0	0
Additions internally generated	0	0	0	0	0	0
Additions donated	0	0	0	0	0	0
Additions government granted	0	0	0	0	0	0
Additions leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale and reversals	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Upward revaluation gains	0	0	0	0	0	0
Impairments charged to revaluation reserve	0	0	0	0	0	0
Reversal of impairments charged to revaluation reserve	0	0	0	0	0	0
Transfer (to) from other public sector body	0	0	0	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0	0	0	0
Cost or Valuation at 31 March 2014	0	0	0	0	0	0
Amortisation at 01 April 2013	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	0	0
Adjusted Amortisation at 01 April 2013	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale and reversals	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Upward revaluation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	0	0	0	0	0
Transfer (to) from other public sector body	0	0	0	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0	0	0	0
Amortisation at 31 March 2014	0	0	0	0	0	0
Net Book Value at 31 March 2014	0	0	0	0	0	0
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government granted	0	0	0	0	0	0
Total at 31 March 2014	0	0	0	0	0	0
Revaluation Reserve Balance for Intangible Assets						
Balance at 01 April 2013	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	0	0
Adjusted Balance at 01 April 2013	0	0	0	0	0	0
Revaluation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Release to general fund	0	0	0	0	0	0
Balance at 31 March 2014	0	0	0	0	0	0

14.1 Donated Assets

Sheffield Clinical Commissioning Group did not receive any donated intangible assets in 2013/14.

14.2 Government Granted Assets

Sheffield Clinical Commissioning Group did not receive any government granted intangible assets in 2013/14.

14.3 Revaluation

Sheffield Clinical Commissioning Group does not own any intangible non current assets. As a result, no revaluation of assets has occurred in 2013/14.

14.4 Compensation from Third Parties

Sheffield Clinical Commissioning Group did not impair any assets in 2013/14. As a result, no amounts are included in the Statement of Comprehensive Net Expenditure for compensation from Third parties.

14.5 Write Downs to Recoverable Amount

No assets were written down to recoverable amounts in 2013/14. There were no reversals of previous write downs in 2013/14.

14.6 Non-capitalised Assets

Sheffield Clinical Commissioning Group does not control any significant intangible assets not recognised as assets because they didn't meet the recognition criteria.

14.7 Temporarily Idle Assets

Sheffield Clinical Commissioning Group had no temporarily idle assets as at 31 March 2014.

14.8 Cost or Valuation of Fully Depreciated Assets

Sheffield Clinical Commissioning Group had no fully depreciated intangible assets still in use as at 31 March 2014.

14.9 Economic Lives

	Minimum Life (years)	Maximum Life (Years)
Computer software: purchased	0	0
Computer software: internally generated	0	0
Licences & trademarks	0	0
Patents	0	0
Development expenditure (internally generated)	0	0

15. Investment Property

Sheffield Clinical Commissioning Group had no investment property as at 31 March 2014.

16. Inventories

Sheffield Clinical Commissioning Group had no inventories as at 31 March 2014.

17. Trade & Other Receivables

	Current 31 March 2014 £'000	Non-current 31 March 2014 £'000
NHS receivables: Revenue	2,463	0
NHS receivables: Capital	0	0
NHS prepayments and accrued income	3,367	0
Non-NHS receivables: Revenue	431	0
Non-NHS receivables: Capital	0	0
Non-NHS prepayments and accrued income	1,345	0
Provision for the impairment of receivables	0	0
VAT	15	0
Private finance initiative and other public private partnership arrangement prepayments and accrued income	0	0
Interest receivables	0	0
Finance lease receivables	0	0
Operating lease receivables	0	0
Other receivables	0	0
Total	7,621	0
Total Current and Non-Current	7,621	

Included in NHS receivables as pre-paid pension contributions 0

The great majority of trade is with NHS England. As NHS England is funded by Government to provide funding to clinical commissioning groups to commission services, no credit scoring of them is considered necessary.

The credit quality of any other receivables that are neither past due or impaired are all assessed to be fully recoverable.

17.1 Receivables past their due date but not impaired

	2013-14 £'000
By up to three months	343
By three to six months	0
By more than six months	0
Total	343

Sheffield Clinical Commissioning Group did not hold any collateral against receivables outstanding at 31 March 2014.

17.2 Provision for impairment of receivables

	2013-14 £'000
Balance at 01 April 2013	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0
Adjusted Balance at 01 April 2013	0
Amounts written off during the year	0
Amounts recovered during the year	0
(Increase) decrease in receivables impaired	0
Transfer (to) from other public sector body	0
Balance at 31 March 2014	0

Sheffield Clinical Commissioning Group has not impaired any receivables during the year ended 31 March 2014.

Receivables are provided against at the following rates:

	2013-14
NHS debt	0%
Debt with a payment plan in place that is being adhered to	0%
All other non-NHS debt between 90 and 120 days old	0%
All other non-NHS debt over 120 days old	0%

18. Other Financial Assets

Sheffield Clinical Commissioning Group had no other financial assets as at 31 March 2014.

19 Other Current Assets

Sheffield Clinical Commissioning Group had no other current assets as at 31 March 2014.

20. Cash and Cash Equivalents

	2013-14 £'000
Balance at 01 April 2013	0
Net change in year	73
Balance at 31 March 2014	<u>73</u>
	2013-14 £'000
Made up of:	
Cash with the Government Banking Service	73
Cash with Commercial banks	0
Cash in hand	0
Current investments	0
Cash and cash equivalents as in Statement of Financial Position	<u>73</u>
Bank overdraft: Government Banking Service	0
Bank overdraft: Commercial banks	0
Total bank overdrafts	<u>0</u>
Balance at 31 March 2014	<u>73</u>
Patients' money held by the clinical commissioning group, not included above	0

21. Non-Current Assets Held for Sale

Sheffield Clinical Commissioning Group had no non-current assets held for sale as at 31 March 2014.

22. Analysis of Impairments & Reversals

Sheffield Clinical Commissioning Group had no impairments or reversals of impairments recognised in expenditure during 2013-14.

23. Trade and Other Payables

	Current 31 March 2014 £'000	Non-current 31 March 2014 £'000
Interest payable	0	0
NHS payables: Revenue	967	0
NHS payables: Capital	0	0
NHS accruals and deferred income	8,275	0
Non-NHS payables: Revenue	720	0
Non-NHS payables: Capital	0	0
Non-NHS accruals and deferred income	23,141	0
Social security costs	57	0
VAT	0	0
Tax	62	0
Payments received on account	0	0
Other payables	510	0
Total	33,734	0
Total Current and Non-current	33,734	

Included in payables are liabilities of nil people due in future years under arrangements to buy out the liability for early retirement over 5 years.

0

Included in other payables are outstanding pension contributions of:

84

24. Other Financial Liabilities

Sheffield Clinical Commissioning Group had no other financial liabilities as at 31 March 2014.

25. Other Liabilities

Sheffield Clinical Commissioning Group had no other liabilities as at 31 March 2014.

26. Borrowings

Sheffield Clinical Commissioning Group had no borrowings as at 31 March 2014.

27. Private Finance Initiative, LIFT & Other Service Concession Arrangements

27.1 Off-Statement of Financial Position Private Finance Initiative, LIFT & Other Service Concession Arrangements

Sheffield Clinical Commissioning Group had no private finance initiative, LIFT or other service concession arrangements that were excluded from the Statement of Financial Position as at 31 March 2014.

27.2 On-Statement of Financial Position Private Finance Initiative, LIFT & Other Service Concession Arrangements

Sheffield Clinical Commissioning Group had no private finance initiative, LIFT or other service concession arrangements that were included in the Statement of Financial Position as at 31 March 2014.

28. Finance Lease Obligations

Sheffield Clinical Commissioning Group had no finance lease obligations as at 31 March 2014.

29. Finance Lease Receivables

Sheffield Clinical Commissioning Group had no finance lease receivables as at 31 March 2014.

30. Provisions

Sheffield Clinical Commissioning Group had no provisions as at 31 March 2014.

31. Contingencies

Sheffield Clinical Commissioning Group had no contingent assets or liabilities as at 31 March 2014.

32. Commitments

32.1 Capital Commitments

Sheffield Clinical Commissioning Group had no contracted capital commitments not otherwise included in these financial statements as at 31 March 2014.

32.2 Other financial commitments

Sheffield Clinical Commissioning Group had no non-cancellable contracts (which were not leases, private finance initiative contracts or other service concession arrangements) as at 31 March 2014.

33. Financial Instruments

33.1 Financial Risk Management

International Financial Reporting Standard 7: Financial Instrument: Disclosure 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 the clinical commissioning group is financed through parliamentary funding, it is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The clinical commissioning group has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the clinical commissioning group in undertaking its activities.

Treasury management operations are carried out by the finance department, within parameters defined formally within the clinical commissioning group's standing financial instructions and policies agreed by the Governing Body. Treasury activity is subject to review by the clinical commissioning group's internal auditors.

33.1.1 Currency Risk

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

33.1.2 Interest Rate Risk

The clinical commissioning group borrows from government for capital expenditure, subject to affordability as confirmed by NHS England. The borrowings are for 1 to 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The clinical commissioning group therefore has low exposure to interest rate fluctuations.

33.1.3 Credit Risk

Because the majority of the clinical commissioning group's revenue comes from parliamentary funding, the clinical commissioning group has low exposure to credit risk. The maximum exposures as at the end of the financial year are in receivables from customers, as disclosed in the trade and other receivables note.

33.1.4 Liquidity Risk

The clinical commissioning group is required to operate within revenue and capital resource limits agreed with NHS England, which are financed from resources voted annually by Parliament. The clinical commissioning group draws down cash to cover expenditure, from NHS England, as the need arises, unrelated to its performance against resource limits. The clinical commissioning group is not, therefore, exposed to significant liquidity risks.

33.2 Financial assets

	At 'fair value through profit and loss' £'000	Loans and Receivables £'000	Available for Sale £'000	Total £'000
Embedded derivatives	0	0	0	0
Receivables:				
· NHS		2,463		2,463
· Non-NHS		431		431
Cash at bank and in hand		73		73
Other financial assets	0	0	0	0
Total at 31 March 2014	0	2,967	0	2,967

33.3 Financial liabilities

	At 'fair value through profit and loss' £'000	Other £'000	Total £'000
Embedded derivatives	0	0	0
Payables:			
· NHS		9,243	9,243
· Non-NHS		23,861	23,861
Private finance initiative, LIFT and finance lease obligations		0	0
Other borrowings		0	0
Other financial liabilities		0	0
Total at 31 March 2014	0	33,104	33,104

34. Operating Segments

Sheffield Clinical Commissioning Group considers that it has only one segment: commissioning of healthcare services.

	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Total Assets £'000	Total Liabilities £'000	Net Liabilities £'000
Commissioning of Healthcare Services	699,116	(7,560)	691,555	7,694	(33,734)	(26,040)

During the year Sheffield Clinical Commissioning Group paid £361,196K (approx. 52% of total expenditure) to Sheffield Teaching Hospitals NHS Foundation Trust for the purchase of healthcare and other services provided.

During the year Sheffield Clinical Commissioning Group paid £81,641K (approx. 12% of total expenditure) to Sheffield Health and Social Care NHS Foundation Trust for the purchase of healthcare and other services provided.

35. Pooled Budgets

Sheffield Clinical Commissioning Group had entered into pooled budget with Sheffield Local Authority. The pool is hosted by Sheffield Local Authority. Under the arrangement funds are pooled under Section 75 of the NHS Act 2006 for **Learning Disabilities Services**. The memorandum account for the pooled budget is:

31 March 2014	
£'000	
Income	1,777
Expenditure	(1,777)
Financial contribution of each of the partners	
£'000	
NHS Sheffield Clinical Commissioning Group	677
Sheffield Local Authority	1,100
	<u>1,777</u>
Allocation of Expenditure	
£'000	
Learning Disabilities Respite Services	(1,777)
	<u>(1,777)</u>

Sheffield Clinical Commissioning Group's shares of the income and expenditure handled by the pooled budget in the financial year were:

31 March 2014	
£'000	
Income	677
Expenditure	(677)

Sheffield Clinical Commissioning Group had entered into pooled budget with Sheffield Local Authority. The pool is hosted by NHS Sheffield Clinical Commissioning Group. Under the arrangement funds are pooled under Section 75 of the NHS Act 2006 for **Community Equipment Services**. The memorandum account for the pooled budget is:

2013-14	
£'000	
Income	2,750
Expenditure	(2,750)
Financial contribution of each of the partners	
£'000	
NHS Sheffield Clinical Commissioning Group	1,814
Sheffield Local Authority	936
	<u>2,750</u>
Allocation of Expenditure	
£'000	
Staffing Costs	(923)
Medical & Surgical Equipment	(785)
Running Costs	(1,042)
	<u>(2,750)</u>

Sheffield Clinical Commissioning Group's shares of the income and expenditure handled by the pooled budget in the financial year were:

31 March 2014	
£'000	
Income	1,814
Expenditure	(1,814)

Certificate of Chief Finance Officer

I certify that the above pooled fund memorandum accounts accurately disclose the income received and expenditure incurred in accordance with the partnership agreement, as amended by any subsequent agreed variations, entered into under section 75 of the Health Act 2006 (formerly section 31 of the Health Act 1999).

Signed
Chief Finance Officer

Date

36. NHS LIFT Investments

Sheffield Clinical Commissioning Group had no NHS LIFT investments as at 31 March 2014.

37. Intra-Government & Other Balances

	Current Receivables £'000	Non-current Receivables £'000	Current Payables £'000	Non-current Payables £'000
Balances with:				
· Other Central Government bodies	61	0	209	0
· Local Authorities	1,114	0	4,018	0
Balances with NHS bodies:				
· NHS bodies outside the Departmental Group	649	0	106	0
· NHS Trusts and Foundation Trusts	5,181	0	9,137	0
	7,005	0	13,470	0
· Public Corporations and Trading Funds	0	0	0	0
· Bodies external to Government	616	0	20,264	0
Total as at 31 March 2014	7,621	0	33,734	0

38. Related Party Transactions

Details of related party transactions with individuals are as follows:

	Payments to Related Party £'000	Payments from Related Party £'000	Amounts owed to Related Party £'000	Amounts due from to Related Party £'000
Community Legal Advice Service South Yorkshire	25	0	25	0
Darnall Wellbeing	38	0	0	0
Dovercourt Surgery	1,150	125	78	0
Duke Medical Centre	1,024	0	90	0
Ecclesfield Group Practice	1,491	0	0	0
Firth Park Surgery	1,354	0	123	0
Manor Top Surgeries	294	0	25	0
Oughtibridge Surgery	1,045	0	72	0
Porterbrook Medical Centre	1,090	0	105	0
Primary Provider Ltd	176	0	19	0
Rivelin Healthcare Ltd	95	0	8	0
Selborne Road Medical Centre	361	0	31	0
Sheffield Hallam University	4	0	0	0
Sheffield Mental Health CAB	64	0	0	0
Shiregreen Medical Centre	1,291	0	115	0
Sloan Medical Centre	1,775	0	159	0
South Yorkshire Housing Association	2,558	0	0	0
Southey & Owlerton Area Regeneration	12	0	0	0
University of Sheffield	284	0	0	0
Voluntary Action Sheffield	2	0	0	0
Woodhouse Health Centre	2,370	0	231	0
Woodhouse Healthcare Services Ltd	12	0	0	0

The Department of Health is regarded as a related party. During the year the clinical commissioning group has had a significant number of material transactions with entities for which the Department is regarded as the parent Department. For example:

- NHS England;
- NHS Foundation Trusts;
- NHS Trusts;
- NHS Litigation Authority; and,
- NHS Business Services Authority.

In addition, Sheffield Clinical Commissioning Group has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Sheffield City Council.

39. Events After the Reporting Period

There are no post balance sheet events which will have a material effect on the financial statements of Sheffield Clinical Commissioning Group.

40. Losses & Special Payments

40.1 Losses

The total number of Sheffield Clinical Commissioning Group losses and special payments cases, and their total value, was as follows:

	31 March 2014 Total Number of Cases	31 March 2014 Total Value of Cases £
Losses	0	0
Special Payments	1	76

41. Third Party Assets

Sheffield Clinical Commissioning Group held no third party assets as at 31 March 2014.

42. Financial Performance Targets

Clinical commissioning groups have a number of financial duties

Sheffield Clinical Commissioning Group's performance against those duties was as follows:

NHS Act Section	Duty	31 March 2014 Target £'000	31 March 2014 Performance £'000
223H (1)	Expenditure not to exceed income	surplus	6,920
223I (2)	Capital resource use does not exceed the amount specified in Directions	0	0
223I (3)	Revenue resource use does not exceed the amount specified in Directions	698,475	691,555
223J(1)	Capital resource use on specified matter(s) does not exceed the amount specified in Directions	0	0
223J(2)	Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	684,405	681,890
223J(3)	Revenue administration resource use does not exceed the amount specified in Directions	14,070	9,665

For item 223J(2), the specified matter relates to Programme expenditure

43. Impact of IFRS

	31 March 2014
	£'000
Depreciation charges	0
Interest expense	0
Impairment charge: Annually Managed Expenditure	0
Impairment charge: Departmental Expenditure Limit	0
Other Expenditure	0
Revenue receivable from subleasing	0
Total IFRS Expenditure (IFRIC 12)	0
Revenue consequences of private finance initiative/LIFT schemes under UK GAAP/ESA95 (net of any sublease revenue)	0
Net IFRS Change (IFRIC 12)	0

	31 March 2014
	£'000
Capital Consequences of IFRS: private finance initiative/LIFT and other service concession arrangements under IFRIC 12	
Capital expenditure	0
UK GAAP capital expenditure (reversionary interest)	0

44. Analysis of Charitable Reserves

Sheffield Clinical Commissioning Group does not produce consolidated accounts involving a charity.