

## 1998/99 Trust Accounts pro-forma

### Introduction

**This workbook should be copied into the same directory as "TAC.XLW". It will then import the TAC forms to facilitate the presentation of the accounts data in the format required by**

**This workbook is not password-protected, and it is expected that trusts will wish to amend suit individual needs: they are intended to provide a starting-point for the preparation of a trust's responsibility. It is not the intention of the NHS Executive that this file should provide a version of the accounts, and trusts are free to use other systems to prepare final accounts.**

Data entered below will be used throughout the workbook:

Trust name:	Sherwood Forest Hospital NHS Foundation Trust
This year	2006/07
Last year	10 months to the period ended 31st January 2007
This year ended	31 March 2007
Last year ended	31 January 2007
This year beginning	1 February 2007

**FOREWORD TO THE ACCOUNTS FOR THE 2 MONTH PERIOD ENDING 31 MARCH 2007**

**SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST**

Sherwood Forest Hospital NHS Foundation Trust is required to “keep accounts in such form as Monitor (The Independent Regulator for NHS Foundation Trusts) may with the approval of Treasury direct” (paragraph 24(1), Schedule 1 to the Health and Social Care (Community Health and Standards) Act 2003 (‘the 2003 Act’). The Trust is required to “prepare in respect of each financial year annual accounts in such form as Monitor may with the approval of the Treasury direct” (paragraph 25(1), Schedule 1 to the 2003 Act). In preparing their annual accounts, the Trust must comply with any directions given by Monitor, with the approval of the Treasury, as to the methods and principles according to which the accounts are to be prepared and the information to be given in the accounts (paragraph 25(2), Schedule 1).

The Trust attained Foundation status on the 1st February 2007 and therefore, the previous accounts were for the ten months to 31st January 2007.

Signed: .....(Chief Executive)

Name: Jeffrey Worrall

Date: 8th June 2007

**INCOME AND EXPENDITURE ACCOUNT FOR THE 2 MONTH PERIOD ENDING  
31 March 2007**

	NOTE	2 months to 31 March 2007
		£000
<b>Income from activities</b>	3	<b>26,563</b>
<b>Other operating income</b>	4	<b>4,576</b>
<b>Operating expenses</b>	5-7	<u><b>(30,262)</b></u>
<b>OPERATING SURPLUS</b>		<b>877</b>
Loss on disposal of fixed assets	8	<u><b>0</b></u>
<b>SURPLUS BEFORE NET FINANCING COSTS</b>		<b>877</b>
Interest receivable		<b>112</b>
Interest payable	9	<u><b>0</b></u>
<b>SURPLUS FOR THE PERIOD</b>		<b>989</b>
Public Dividend Capital dividends payable		<u><b>(581)</b></u>
<b>RETAINED SURPLUS FOR THE PERIOD</b>		<u><u><b>408</b></u></u>

The notes on pages 5 to 30 form part of these accounts.

**BALANCE SHEET AS AT  
31 March 2007**

		<b>31 March 2007</b>	31st January 2007
	<b>NOTE</b>	<b>£000</b>	£000
<b>FIXED ASSETS</b>			
Intangible fixed assets	10	3,507	3,473
Tangible fixed assets	11	68,999	68,755
Fixed asset investments	14	0	0
		<u>72,506</u>	<u>72,228</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,231	2,167
Debtors	13	43,903	50,006
Investments	14	0	0
Cash at bank and in hand		17,339	7,752
		<u>63,473</u>	<u>59,925</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(19,938)</u>	<u>(16,598)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<b>43,535</b>	<b>43,327</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>116,041</u>	<u>115,555</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<b>(32)</b>	<b>(41)</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	<b>(1,372)</b>	<b>(1,340)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<u>114,637</u>	<u>114,174</u>
<b>FINANCED BY:</b>			
<b>TAXPAYERS' EQUITY</b>			
Public dividend capital		83,259	83,264
Revaluation reserve	17	23,341	23,658
Donated asset reserve	17	1,250	1,333
Other reserves	17	0	0
Income and expenditure reserve	17	6,787	5,919
<b>TOTAL TAXPAYERS' EQUITY</b>		<u>114,637</u>	<u>114,174</u>

Signed: .....(Chief Executive)

Date: 8th June 2007

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE  
2 MONTHS ENDED 31 MARCH 2007**

	<b>2 months to 31 March 2007</b>
	<b>£000</b>
Surplus for the financial year before dividend payments	<b>989</b>
Fixed asset impairment (losses) / gains	<b>0</b>
Surplus / (deficit) on fixed asset revaluations	<b>0</b>
Increase in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	<b>15</b>
Reductions in the donated asset reserve due to depreciation, impairment, and / or disposal of donated assets	<b>(98)</b>
<b>Total recognised gains and (losses) for the period</b>	<b>906</b>
Prior period adjustment - Government Grant	<b>0</b>
<b>Total recognised gains and (losses) for the period</b>	<b>906</b>

**CASH FLOW STATEMENT FOR THE 2 MONTHS ENDED**

<b>31 March 2007</b>	<b>31 March 2007</b>
	<b>£000</b>
	<b>NOTE</b>
<b>OPERATING ACTIVITIES</b>	
Net cash inflow from operating activities	18.1 12,347
<b>DIVIDENDS FROM JOINT VENTURES AND ASSOCIATES</b>	<b>0</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:</b>	
Interest received	<u>112</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>112</b>
<b>CAPITAL EXPENDITURE</b>	
Payments to acquire tangible fixed assets	<b>(1,145)</b>
Receipts from sale of tangible fixed assets	<b>0</b>
Payments to acquire intangible assets	<b>0</b>
<b>Net cash outflow from capital expenditure</b>	<b>(1,145)</b>
<b>ACQUISITIONS AND DISPOSALS</b>	<b>0</b>
<b>DIVIDENDS PAID</b>	<b>(1,742)</b>
	<u>9,572</u>
<b>Net cash inflow before management of liquid resources and financing</b>	<b>9,572</b>
<b>MANAGEMENT OF LIQUID RESOURCES</b>	<b>0</b>
	<u>9,572</u>
<b>Net cash inflow / (outflow) before financing</b>	<b>9,572</b>
<b>FINANCING</b>	
Public dividend capital received	<b>0</b>
Other capital receipts	<b>15</b>
<b>Net cash inflow from financing</b>	<u>15</u>
<b>Increase/ (decrease) in cash</b>	18.2 <u><u>9,587</u></u>

## **Sherwood Forest Hospital NHS Foundation Trust - Notes to the Accounts**

### **1 Accounting policies and other information**

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the *NHS Foundation Trust Financial Reporting Manual* which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the *2006/07 NHS Foundation Trust Financial Reporting Manual* issued by Monitor. The accounting policies contained in that manual follow UK generally accepted accounting practice for companies (UK GAAP) and HM Treasury's *Financial Reporting Manual* to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### **1.1 Accounting convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of tangible fixed assets at their value to the business by reference to their current costs. NHS Foundation Trusts, in compliance with HM Treasury's *Financial Reporting Manual*, are not required to comply with the FRS 3 requirements to report "earnings per share" or historical profits and losses.

#### **1.2 Acquisitions and discontinued operations**

The Trust had no acquisitions or discontinued operations in the periods of account.

#### **1.3 Income recognition**

Income is accounted for applying the accruals convention. The main source of income for the Trust is under contracts from commissioners in respect of healthcare services. Income is recognised in the period in which services are provided. Where income is received for a specific activity, which is to be delivered in the following financial year, that income is deferred. Where income has not been received prior to the year end but the provision of a healthcare service has commenced i.e. partially completed patient spells, then income relating to the patient activity is accrued.

The NHS foundation trust changed the form of its contracts with NHS commissioners to follow the Department of Health's Payment by Results methodology in 2004/05. To manage the financial impact of this change on the NHS foundation trust and its commissioners, the Trust received £281,000 per month in 2006/07 from the Department of Health relating to Market forces factor and transition relief.

#### **1.4 Expenditure**

Expenditure is accounted for applying the accruals convention. In 2006/07 the Trust has also accrued for Agenda for Change costs. This accrual is an average costs, based on the total number of staff to pay, and the cost of those staff already paid, or calculated for payment.

#### **1.5 Tangible fixed assets**

##### **Capitalisation**

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- \* individually have a cost of at least £5,000; or
- \* form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- \* form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

## Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the fixed asset are not capitalised but are charged to the income and expenditure account in the year to which they relate.

All land and buildings are revalued to current value using professional valuations in accordance with FRS 15 every five years. A three year interim valuation is also carried out.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) *Appraisal and Valuation Manual*. The last asset valuations were undertaken in 2004 as at the prospective valuation date of 1 April 2005. The revaluation undertaken at that date was accounted for on 31 March 2005.

The valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

All impairments resulting from price changes are charged to the Statement of Total Recognised Gains and Losses. If the balance on the revaluation reserve is less than the impairment the difference is taken to the Income and Expenditure Account.

Residual interests in off-balance sheet private finance Initiative properties are included in assets under construction within tangible fixed assets at the amount of unitary charge allocated for the acquisition of the residual with an adjustment. The adjustment is the net present value of the change in the fair value of the residual as estimated at the start of the contract and at the balance sheet date.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use.

Operational equipment is valued at net current replacement cost. Equipment is indexed using the indicators provided by the Department of Health. Equipment surplus to requirements is valued at net recoverable amount.

## Depreciation, amortisation and impairments

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Plant and Machinery	5-15 years
Transport	7 years
I.T.	5 years
Furniture and Fittings	7-10 years

Fixed asset impairments resulting from losses of economic benefits are charged to the income and expenditure account. All other impairments are taken to the revaluation reserve and reported in the statement of total recognised gains and losses to the extent that there is a balance on the revaluation reserve in respect of the particular asset.



### **1.6 Intangible fixed assets**

Intangible assets are capitalised when they are capable of being used in a Trust's activities for more than one year, they can be valued, and they have a cost of at least £5,000.

Intangible fixed assets held for operational use are valued at historical cost and are amortised over the estimated life of the asset on a straight line basis. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

### **1.7 Donated fixed assets**

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the Donated Asset Reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the Donated Asset Reserve and, each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the income and expenditure account. Similarly, any impairment on donated assets charged to the income and expenditure account is matched by a transfer from the Donated Asset Reserve. On sale of donated assets, the value of the sale proceeds is transferred from the Donated Asset Reserve to the Income and Expenditure Reserve.

### **1.8 Investments**

Current asset investments are valued at cost and are treated as a liquid resource in the cashflow statement.

### **1.9 Government grants**

Government grants are grants from Government bodies other than income from Primary Care Trusts or NHS Trusts for the provision of services. Grants from the Department of Health, including those for achieving three star status, are accounted for as Government grants. Where the Government grant is used to fund revenue expenditure it is taken to the Income and Expenditure Account to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to the Income and Expenditure Account over the life of the asset on a basis consistent with the depreciation charge for that asset.

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

The NHS follows HM Treasury's Technical Note 1 (Revised) "How to Account for PFI transactions" which provides definitive guidance for the application of application note F to FRS 5.

Where the balance of the risks and rewards of ownership are borne by the PFI operator, the PFI payments are recorded as an operating expense. The Trust has two Private Finance Schemes currently in this category. For more information please see note 27.

Where the trust has contributed land and buildings, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the income and expenditure account. Where, at the end of the PFI contract, a property reverts to the trust, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year, as a tangible fixed asset.

### **1.11 Stocks**

Stocks and work-in-progress are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to current cost due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production.

### **1.12 Cash, bank and overdrafts**

Cash, bank and overdraft balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. These balances exclude monies held in the NHS foundation trust's bank account belonging to patients (see "third party assets" below). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the period to which they relate.

### **1.13 Research and development**

Expenditure on research is not capitalised. Expenditure on development is capitalised if it meets the following criteria:

- \* there is a clearly defined project;
- \* the related expenditure is separately identifiable;
- \* the outcome of the project has been assessed with reasonable certainty as to its technical feasibility and its resulting in a product or services that will eventually be brought into use; and
- \* adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.

Expenditure so deferred is limited to the value of future benefits expected and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project. It is revalued on the basis of current cost. Expenditure, which does not meet the criteria for capitalisation, is treated as an operating cost in the year in which it is incurred. Where possible, NHS Foundation Trusts disclose the total amount of research and development expenditure charged in the Income and Expenditure account separately.

However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Fixed assets acquired for use in research and development are amortised over the life of the associated project.

### **1.14 Provisions**

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms.

### **1.15 Contingencies**

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised, but are disclosed in note 21 unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- \* Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- \* Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets (that is assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 21 where an inflow of economic benefits is probable.

### **1.16 Clinical negligence costs**

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 16.

### **1.17 Non-clinical risk pooling**

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust 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 when the liability arises.

### **1.18 Pension 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 Secretary of State, in England and Wales. As a consequence it is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme under FRS 17.

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80<sup>th</sup> of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. 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 12 months ending 30<sup>th</sup> September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

The scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement, employees can make contributions to enhance their pension benefits. The benefits payable relate directly to the value of the investments made.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time the Trust commits itself to the retirement, regardless of the method of payment.

### **1.19 Value Added Tax**

Most of the activities of the Trust 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.

### **1.20 Foreign exchange**

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the income and expenditure account.

### **1.21 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in note 25 in accordance with the requirements of the HM Treasury *Financial Reporting Manual*.

### **1.22 Leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the income and expenditure account over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

### **1.23 Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities i.e. the net assets of a public benefit corporation.

A charge, reflecting the forecast cost of capital utilised by the Trust, is paid over as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Office of the Paymaster General. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

### **1.24 Financial instruments**

The Trust may have the following financial assets and liabilities:

Assets: cash, long-term debtors and accrued income; and

Liabilities: loans and overdrafts, long-term creditors, long-term provisions, short-term provisions and Public Dividend Capital.

For disclosure purposes FRS13 has been followed and the Trust has opted not to disclose short-term debtors & creditors. See also note 24.

All other financial instruments are held for the sole purpose of managing the cashflow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around the financial instruments therefore, relates primarily to the Trust's overall arrangements for managing its financial position.

### **1.25 Corporation Tax**

The Trust has no liability for Corporation tax as at the 31st March 2007, as no trading activities are currently undertaken.

## 2. Segmental analysis

Sherwood Forest Hospital NHS Foundation Trust acts as a lead body for East Midlands Procurement Hub and the Nottinghamshire Health Informatics Service. Income and expenditure for these functions is not material to the overall accounts and has not therefore been separately disclosed. Expenditure is broadly in line with income for both of these bodies.

	<b>2 months ending 31 March 2007</b>
<b>3. Income from activities</b>	<b>£000</b>
<b>3.1 Income from activities comprises</b>	
Strategic Health Authorities	0
NHS Trusts	462
Primary Care Trusts	24,785
Foundation Trusts	0
Local Authorities	0
Department of Health	1,172
NHS Other	0
Non NHS:	
- Private Patients	22
- Overseas patients (non-reciprocal)	0
- Road Traffic Act*	110
- Other	12
	<u><u>26,563</u></u>

\* Road Traffic Act income is subject to a provision for doubtful debts of 7.7% to reflect expected rates of collection.

### 3.2 Analysis of income from activities

	<b>£000</b>
Inpatient - elective	5,792
Inpatient - non elective	9,821
Outpatient income	4,356
Other activity income	4,674
A & E income	1,245
Private Patient Income	22
<b>Total income</b>	<u>25,910</u>
Payment by results / Transitional Funding / MFF	653
<b>Income from activities</b>	<u><u>26,563</u></u>

### 3.3 Private patient income

	<b>Reporting Period £000</b>
Private patient income	22
Total patient related income	24,560
Proportion (as a percentage)	0.090%

Under its terms of authorisation the Trust must ensure that the proportion of patient related income derived from private patients does not exceed the proportion received as an NHS Trust in 2002/03 (the base year). During the year ended 31 March 2007, the Trust received 0.09% of its patient related income from private patients, which is within the limit which Monitor has set at 0.1%.

**4. Other Operating Income**

	<b>31 March</b>
	<b>2007</b>
	<b>£000</b>
Research and Development	<b>0</b>
Education and Training	<b>1,272</b>
Charitable and other contributions to expenditure	<b>153</b>
Transfers from donated asset reserve	<b>98</b>
Amortisation of government grant	<b>0</b>
Non-patient care services to other bodies	<b>1,025</b>
Other income	<b>2,028</b>
	<b><u>4,576</u></b>

**5. Operating Expenses**

**5.1 Operating expenses comprise:**

	<b>31 March 2007</b>
	<b>£000</b>
Services from Foundation Trusts	36
Services from other NHS Trusts	214
Services from other NHS bodies	0
Purchase of healthcare from non NHS bodies	61
Executive Directors' costs	137
Non Executive Directors' costs	18
Staff costs	20,072
Drugs	1,333
Supplies and services - clinical	685
Supplies and services - general	2,385
Establishment	493
Research and development	0
Transport	20
Premises	1,083
Bad debts	29
Depreciation and amortisation	1,610
Fixed asset impairments	0
Fixed asset reversal of impairments	0
Audit fees	91
Other auditor's remuneration	0
Clinical negligence	208
Other	1,787
	<b>30,262</b>

**5.2 Operating leases**

**5.2/1 Operating expenses include:**

	<b>31 March 2007</b>
	<b>£000</b>
Hire of plant and machinery	<b>91</b>
Other operating lease rentals	<b>30</b>
	<b><u>121</u></b>

**5.2/2 Annual commitments under non-cancellable operating leases are:**

	<b>Other leases</b>
	<b>£000</b>
Operating leases which expire:	
Within 1 year	<b>0</b>
Between 1 and 5 years	<b>136</b>
After 5 years	<b>46</b>
	<b><u>182</u></b>

Please also refer to Note 27.1 PFI schemes deemed to be off-balance sheet for details relating to the PFI operating lease.



**6. Staff costs and numbers**

**6.1 Staff costs**

	<b>Total</b>	<b>Permanently Employed</b>	<b>Other</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salaries and wages	16,668	16,668	0
Social Security Costs	1,255	1,255	0
Employer contributions to NHSPA	1,925	1,925	0
Other pension costs	10	10	0
Agency/Contract Staff	351	0	351
	<b>20,209</b>	<b>19,858</b>	<b>351</b>

**6.2 Average number of persons employed**

	<b>Total</b>	<b>Permanently Employed</b>	<b>Other</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Medical and dental	346	346	0
Ambulance staff	0	0	0
Administration and estates	823	823	0
Healthcare assistants and other support staff	37	37	0
Nursing, midwifery and health visiting staff	1,368	1,368	0
Nursing, midwifery and health visiting learner	7	7	0
Scientific, therapeutic and technical staff	459	459	0
Social care staff	0	0	0
Bank and agency staff	9	0	9
Other	0	0	0
Total	<b>3,049</b>	<b>3,040</b>	<b>9</b>

The above WTE number of staff employed, exclude those staff employed by Medirest under ROE arrangements.

### 6.3 Employee benefits

There were no benefits paid to employees during the period.

### 6.4 Retirements due to ill-health

During 2006/07\* there were 6 (2005/06, 6) early retirements from the NHS Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £505,763 (£130,824). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

\*Part year figures are not available.

### 7. The Late Payment of Commercial Debts (Interest) Act 1998 £000

Amounts included within Interest Payable (Note 9) arising from claims made under this legislation	0
Compensation paid to cover debt recovery costs under this legislation	0

### 8. Profit/(Loss) on Disposal of Fixed Assets

Profit/loss in the disposal of fixed assets is made up as follows:

	31 March 2007 £000
Loss on disposal of intangible fixed assets	0
Profit on disposal of plant and equipment	0
Loss on disposal of plant and equipment	0
	0
	0

### 9. Interest Payable

There was no interest payable in the 2 months ended 31 March 2007.

**10. Intangible Fixed Assets**

	<b>Software Licences £000</b>	<b>Licenses and trademarks £000</b>	<b>Patents £000</b>	<b>Development Expenditure £000</b>	<b>Goodwill £000</b>	<b>Other £000</b>	<b>Total £000</b>
Gross cost at 1 February 2007	3,868	0	0	0	0	0	3,868
Other revaluation	0	0	0	0	0	0	0
Reclassifications	23	0	0	0	0	0	23
Additions purchased	127	0	0	0	0	0	127
Disposals	0	0	0	0	0	0	0
<b>Gross cost at 31 March 2007</b>	<b>4,018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,018</b>
Amortisation at 1 February 2007	395	0	0	0	0	0	395
Provided during the year	105	0	0	0	0	0	105
Reclassifications	11	0	0	0	0	0	11
Disposals	0	0	0	0	0	0	0
<b>Amortisation at 31 March 2007</b>	<b>511</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>511</b>
<b>Net book value</b>							
- Purchased at 31 March 2007	3,497	0	0	0	0	0	3,497
- Donated at 31 March 2007	10	0	0	0	0	0	10
<b>- Total at 31 March 2007</b>	<b>3,507</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,507</b>

**11. Tangible Fixed Assets**
**11.1 Tangible fixed assets at the balance sheet date comprise the following elements:**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 February 2007	17,150	34,791	0	3,023	22,158	0	5,773	762	83,657
Additions purchased	0	18	0	372	1,230	0	506	2	2,128
Additions donated	0	0	0	0	13	0	2	0	15
Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	(3)	(11)	(14)
Other revaluations	0	0	0	0	0	0	0	0	0
Disposals	0	(158)	0	(15)	(1,548)	0	(67)	(36)	(1,824)
<b>At 31 March 2007</b>	<b>17,150</b>	<b>34,651</b>	<b>0</b>	<b>3,380</b>	<b>21,853</b>	<b>0</b>	<b>6,211</b>	<b>717</b>	<b>83,962</b>
Depreciation at 1 February 2007	0	0	0	0	10,365	0	4,205	562	15,132
Provided during the year	0	657	0	0	698	0	131	19	1,505
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	4	0	(6)	0	(2)
Other revaluations	0	0	0	0	0	0	0	0	0
Disposals	0	(24)	0	0	(1,547)	0	(67)	(34)	(1,672)
<b>Depreciation at 31 March 2007</b>	<b>0</b>	<b>633</b>	<b>0</b>	<b>0</b>	<b>9,520</b>	<b>0</b>	<b>4,263</b>	<b>547</b>	<b>14,963</b>
<b>Net book value</b>									
- Purchased at 31 March 2006	17,150	33,968	0	3,380	11,152	0	1,939	170	67,759
- Donated at 31 March 2006	0	50	0	0	1,181	0	9	0	1,240
<b>Total at 31 March 2007</b>	<b>17,150</b>	<b>34,018</b>	<b>0</b>	<b>3,380</b>	<b>12,333</b>	<b>0</b>	<b>1,948</b>	<b>170</b>	<b>68,999</b>
Analysis of tangible fixed assets, net book value									
- Protected assets at 31 March 2007	17,150	34,018	0	0	0	0	0	0	51,168
- Unprotected assets at 31 March 2007	0	0	0	3,380	12,333	0	1,948	170	17,831
<b>- Total at 31 March 2007</b>	<b>17,150</b>	<b>34,018</b>	<b>0</b>	<b>3,380</b>	<b>12,333</b>	<b>0</b>	<b>1,948</b>	<b>170</b>	<b>68,999</b>

Residual interest for Assets under the PFI scheme is included in Assets under construction.

### 11.1 Tangible Fixed Assets (contd)

Of the totals at 31 March 2007, £nil related to land valued at open market value, £nil related to buildings valued at open market value and £nil related to dwellings valued at open market value.

As part of the transfer of assets to our PFI partner, accelerated depreciation is being charged on assets that will be handed over, to write them down to a "shell" value at transfer. Once the value of these assets has been adjusted they have been disposed of as fixed assets and reclassified as long term current assets within debtors on the balance sheet.

No properties have an existing value which is materially different to its open market value.

### 11.2 The net book value of land, buildings and dwellings at 31 March 2007 comprises

	Protected £000	Unprotected £000	Total £000
Freehold	51,168	0	51,168
Long leasehold	0	0	0
Short leasehold	0	0	0
<b>Total</b>	<b>51,168</b>	<b>0</b>	<b>51,168</b>

### 12. Stocks

	31 March 2007 £000	31 January £000
Raw materials and consumables	2,231	2,167
<b>TOTAL</b>	<b>2,231</b>	<b>2,167</b>

### 13. Debtors

	31 March £000	31 January £000
<b>Amounts falling due within one year:</b>		
NHS debtors	3,653	10,348
Provision for irrecoverable debts	(120)	(97)
Other prepayments and accrued income	475	474
Other debtors	2,654	2,069
<b>Sub Total</b>	<b>6,662</b>	<b>12,794</b>

#### Amounts falling due after more than one year:

NHS debtors *	100	100
Provision for irrecoverable debts	0	0
Other prepayments and accrued income **	36,576	36,584
Other debtors***	565	528
<b>Sub Total</b>	<b>37,241</b>	<b>37,212</b>
<b>TOTAL</b>	<b>43,903</b>	<b>50,006</b>

\*NHS Debtors includes monies accrued in respect of Partially completed inpatient spells (£632,000).

\*\*Other prepayments falling due after more than one year relates to the deferred asset created as part of the transfer of Fixed Assets to our PFI partner.

\*\*\*Other Debtors include £nil prepaid pension contributions at 31 March 2007 (£nil at 31 January 2007).

#### 14. Investments

There were no fixed or current asset investments at 31 March 2007, (£nil, 31 January).

#### 15. Creditors

##### 15.1 Creditors at the balance sheet date are made up of:

	<b>31 March</b>	31 January
	<b>2007</b>	2007
	<b>£000</b>	£000
<b>Amounts falling due within one year:</b>		
Payments received on account	<b>3,500</b>	0
NHS creditors	<b>2,028</b>	1,739
Tax and social security costs	<b>3,900</b>	3,852
Obligations under finance leases and hire purchase contracts	<b>43</b>	44
Other creditors	<b>2,966</b>	3,384
Accruals and deferred income	<b>7,501</b>	7,579
<b>Sub Total</b>	<b><u>19,938</u></b>	<u>16,598</u>
<b>Amounts falling due after more than one year:</b>		
Obligations under finance leases and hire purchase contracts	<b>32</b>	41
<b>Sub Total</b>	<b><u>32</u></b>	<u>41</u>
<b>TOTAL</b>	<b><u><u>19,970</u></u></b>	<u><u>16,639</u></u>

All outstanding Tax, National Security and Pension contributions were paid when due in April 07.

##### 15.2 Loans and other long-term financial liabilities

As at 31 March 2007 the Trust had no loans or other long term financial liabilities.

**16. Provisions for liabilities and charges**

	Pensions relating to other staff	Legal claims	Other*	Total
	£000	£000	£000	£000
At 1 February 2007	599	351	390	<b>1,340</b>
Arising during the period	12	43	38	<b>93</b>
Utilised during the period	(12)	(47)	(2)	<b>(61)</b>
Reversed during the period	0	0	0	<b>0</b>
Unwinding of discount	0	0	0	<b>0</b>
At 31 March 2007	<b>599</b>	<b>347</b>	<b>426</b>	<b>1,372</b>

**Expected timing of cashflows:**

Within one year	51	347	319	<b>717</b>
Between one and five years	548	0	107	<b>655</b>
After five years	0	0	0	<b>0</b>
	<b>599</b>	<b>347</b>	<b>426</b>	<b>1,372</b>

The Legal Claims provision relates to claims made under the Liabilities to Third Parties Scheme element of the Trust's insurance policy. In addition to the provisions shown, contingent liabilities are given in note 21.

\*The other provision relates to allowances payable by the Trust in respect of Injury benefits and Agenda for Change.

£2,564,894 is included in the provisions of the NHS Litigation Authority at 31 March 2007 in respect of clinical negligence liabilities of the NHS Trust (31 January 2007 £2,167,759).

**17. Movements on Reserves**

Movements on reserves in the period comprised the following:

	Revaluation Reserve £000	Donated Asset Reserve £000	Government Grant Reserve £000	Income and Expenditure Reserve £000	<b>Total £000</b>
At 1 February 2007	23,658	1,333	0	6,062	<b>31,053</b>
Transfer from the income and expenditure account	0	0	0	408	<b>408</b>
Fixed asset impairments	0	0	0	0	<b>0</b>
Surplus on other revaluations	0	0	0	0	<b>0</b>
Transfer of realised profits to the Income and Expenditure reserve	(317)	0	0	317	<b>0</b>
Receipt of donated assets	0	15	0	0	<b>15</b>
Transfers to the income and expenditure account for depreciation, impairment, and disposal of donated assets	0	(98)	0	0	<b>(98)</b>
Other movements on reserves	0	0	0	0	<b>0</b>
At 31 March 2007	<u><u>23,341</u></u>	<u><u>1,250</u></u>	<u><u>0</u></u>	<u><u>6,787</u></u>	<u><u>31,378</u></u>

Opening Income and Reserves have been restated to account for the revised accounting treatment of Hearing Aids as non capital items and the adjustment relating to the inclusion of Partially completed inpatient spells.



**18. Notes to the cash flow statement**

**18.1 Reconciliation of operating surplus to net cash flow from operating activities:**

	<b>31 March</b>
	<b>2007</b>
	<b>£000</b>
Total operating surplus	877
Depreciation and amortisation charge	1,610
Fixed asset impairments and reversals	0
Transfer from donated asset reserve	(98)
Amortisation of government grant	0
Other movements	(258)
(Increase) / decrease in stocks	(65)
(Increase) / decrease in debtors	6,486
(Decrease) / increase in creditors	3,763
Increase in provisions	32
Net cash inflow from operating activities	<u><u>12,347</u></u>

**18.2 Reconciliation of net cash flow to movement in net funds**

	<b>£000</b>
(Decrease) / increase in cash in the period	<u>9,587</u>
Cash inflow from new debt	0
Cash outflow from debt repaid and finance lease capital payments	10
Cash (inflow) / outflow from (decrease) / increase in liquid resources	<u>0</u>
Change in net funds resulting from cashflows	9,597
Non - cash changes in debt	0
Net funds at 1 February 2007	<u>7,667</u>
Net funds at 31 March 2007	<u><u>17,264</u></u>

**19. Capital Commitments**

Commitments under capital expenditure contracts at 31 March 2007 were £26,045 (31 January 2007 £1,188,000).

**20. Post Balance Sheet Events**

There have been no post balance sheet events.

**21. Contingent Liabilities**

	<b>£000</b>
Gross value	<b>195</b>
Amounts recoverable	<b>0</b>
Net contingent liability	<b>195</b>

This relates to Clinical negligence unprovided liabilities.

**22 Prudential Borrowing Limit**

The Trust has a maximum cumulative long term borrowing limit of £39.1 million.

As the Trust did not require any loans in 2006/07, only the minimum dividend forecast ratio is applicable.

Monitor has authorised a working capital facility of £15 million which has not been utilised.

	Actual	Approved		
Maximum Debt/Capital ratio	0.00	<25%		
Minimum Dividend Cover - times	4.1x	>1x		
<b>Prudential Borrowing Code Ratios</b>				
Minimum Interest Cover - times	1427.0x	>3x		
Minimum Debt Service Cover - times	331.8x	>2x	<b>2006/07 Actual</b>	<b>2006/07 Approved</b>
Maximum Debt Service to Revenue %	0%	<3%		
Maximum Debt/Capital Ratio %			0.0%	< 25%

### 23. Related Party Transactions

Sherwood Forest Hospitals NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the period none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Sherwood Forest Hospitals NHS Foundation Trust.

The Department of Health is regarded as a related party. During the year Sherwood Forest Hospitals NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

Bassetlaw Primary Care Trust  
Department of Health  
Derby Hospitals NHS Foundation Trust  
Derbyshire County Primary Care Trust  
Doncaster and Bassetlaw Hospitals NHS Foundation Trust  
East Midlands Ambulance Services NHS Trust  
East Midlands Strategic Health Authority  
Leicester County and Rutland PCT  
Lincolnshire Primary Care Trust  
NHS Blood and Transport  
NHS Litigation Authority  
NHS Purchasing and Supply Agency  
Northampton General Hospitals NHS Trust  
Nottingham University Hospitals NHS Trust  
Nottinghamshire County Primary Care Trust  
Nottinghamshire Healthcare NHS Trust  
Oxfordshire and Buckinghamshire Mental Health Partnerships NHS Trust  
University Hospitals of Leicester NHS Trust

In addition the Trust 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 the Department of Health for Education and Skills in respect of University Hospitals.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the Trustees for which are also members of the NHS Trust Board. The Sherwood Forest Hospitals Charitable Fund purchased goods and services for the Trust during the financial year, and also provided purchases for patients and staff at the Sherwood Forest Hospitals. The administration of the Charity is carried out by the Trust, and during the financial year the Trust charged the Charity for this service.

The audited accounts / the Summary Financial Statements of the Funds Held on Trust are available separately.

## **24 Financial Instruments**

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The Trust is not exposed to the degree of financial risk faced by business entities because of the continuing service provider relationship that the Trust has with local Primary Care Trusts and the way those Primary Care Trusts are financed. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Trust 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 Trust in undertaking its activities.

As allowed by FRS 13, debtors and creditors that are due to mature or become payable within 12 months from the balance sheet date have been omitted from all disclosures. Provisions are shown gross. Any amount expected in reimbursement against a provision (and included in debtors) is separately disclosed.

### **Liquidity Risk**

The Trust's net operating costs are incurred under annual service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from funds made available from Government under an agreed borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

### **Interest-Rate Risk**

100% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Sherwood Forest Hospital NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk. The following two tables show the interest rate profiles of the Trust's financial assets and liabilities:

**24.1 Financial Assets**

Currency	Total	Floating rate	Fixed rate	Non-interest bearing	Fixed rate		Non-interest bearing
					Weighted average interest rate	Weighted average period for which fixed	Weighted average term
	£000	£000	£000	£000	%	Years	Years
<b>At 31 March 2007</b>							
Sterling	17,439	0	100	17,339	2.20%	0	0
Other *	0	0	0	0	2.20%	0	0
<b>Gross financial assets</b>	<b>17,439</b>	<b>0</b>	<b>100</b>	<b>17,339</b>			

**24.2 Financial Liabilities**

Currency	Total	Floating rate	Fixed rate	Non-interest bearing	Fixed rate		Non-interest bearing
					Weighted average interest rate	Weighted average period for which fixed	Weighted average term
	£000	£000	£000	£000	%	Years	Years
<b>At 31 March 2007</b>							
Sterling	(548)	0	(548)	0	9.00%	0	0
Other *	(32)	0	(32)	0	23.00%	1	0
<b>Gross financial liabilities</b>	<b>(580)</b>	<b>0</b>	<b>(580)</b>	<b>0</b>			

Note: The public dividend capital is of unlimited term.

\* Other relates to working capital debtors and creditors greater than 1 year.

### 24.3 Foreign Currency Risk

The Trust has nil foreign currency income or expenditure.

### 24.4 Fair Values

Set out below is a comparison, by category, of book values and fair values of the Trust's financial assets and liabilities as at 31 March 2007.

	<b>Book Value</b>	<b>Fair Value</b>	<b>Basis of fair valuation</b>
	<b>£000</b>	<b>£000</b>	
<b>Financial assets</b>			
Cash	17,339	17,339	
Debtors over 1 year	100	100	
<b>Total</b>	<u>17,439</u>	<u>17,439</u>	
<b>Financial liabilities</b>			
- Finance leases	(32)	(32)	
Provisions	(548)	(548)	
Public dividend capital	0	0	
Long term creditors	0	0	
<b>Total</b>	<u>(580)</u>	<u>(580)</u>	Note a

#### Notes

- a Fair value is identical to book value since, in the calculation of book value, the expected cash flows have been discounted by the Treasury discount rate of 2.2% in real terms.

## 25 Third Party Assets

The Trust held £256 as cash in hand or at bank at 31 March 2007 on behalf of patients.

## 26 Intra-Government and Other Balances

	Debtors: amounts falling due within one year	Debtors: amounts falling due after more than one year	Creditors: amounts falling due within one year
	£000	£000	£000
Balances with other Central Government Bodies	2,496	100	5,382
Balances with Local Authorities	52	0	0
Balances with NHS Trusts and Foundation Trusts	1,157	0	546
Balances with Public Corporations and Trading Funds	0	0	0
Balances with bodies external to government	2,957	37,141	14,010
At 31 March 2006	<u>6,662</u>	<u>37,241</u>	<u>19,938</u>

## 27 Losses and Special Payments

There were 110 cases of losses and special payments (379 cases in the previous 10 month period) totalling £2,327 paid in the period.

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Creditors:  
amounts  
falling due  
after more  
than one year

£000

0

0

0

0

32

32

7 (£22,608)



## 27 Private Finance Transactions

### 27.1 PFI schemes deemed to be off-balance sheet

The Trust is currently committed to two off-balance sheet PFI schemes.

Expenditure recognised within the expenditure for the Trust for 2006/07 is as follows:

	<b>2006/07</b>
	<b>£000</b>
Amounts included within operating expenses in respect of PFI transactions deemed to be off-balance sheet - gross	<b>292</b>
Amortisation of PFI deferred asset	<b>(139)</b>
Net charge to operating expenses	<b>153</b>

A credit was also recognised within operating expenses relating to the Unitary charge offset to recreate the Fixed Assets of the Trust over the life of the PFI contract. However in line with the DOH guidance this has been excluded in the above Net charge calculation.

### Central Nottinghamshire Hospitals PLC

The Trust is committed to make the following annual payment to Central Nottinghamshire Hospitals PLC on completion of the PFI redevelopment.

	<b>£000</b>
PFI scheme which expires; 36 years and over	30,828
	<b>£000</b>
Estimated capital value of the PFI scheme	315,696
Contract Start date:	November 2005
Contract End date:	March 2043

This project involves a major redevelopment of the King's Mill Hospital Site which is funded through the Private Finance Initiative with Central Nottinghamshire PLC being our Private Sector partner. Commercial close was reached in November 2005 and since this date circa £30m of assets have transferred to the PFI provider, along with the transfer of responsibility for facilities management to an external provider as part of the PFI service provision contract. The annual payment referred to above is the full annual payment once the scheme is complete in 5yrs time. During the construction phase the Trust has contracted with Central Nottinghamshire PLC for facilities management services (Circa £8.7m, 2006/07) and pays a reduced unitary charge payment relating to phases of the scheme as they are completed.

### Leicester Housing Association

The Trust is committed to make the following payments during the next year with regard to Leicester Housing.

PFI scheme which expires; 26th to 30th years (inclusive)	<b>131</b>
	<b>£000</b>
Estimated capital value of the PFI scheme	6,694
Contract Start date:	June 1999
Contract End date:	June 2034

The Trust entered into a Private Finance Initiative contract with Leicester Housing Association, which included the construction of new residential accommodation and the upgrade of existing accommodation combined with a 35 year contract to manage and operate the accommodation. The Trust has guaranteed to utilise a minimum level of the overall accommodation but the majority of risks associated with operating and letting the properties have been transferred to the Housing Association. The value shown above relates solely to the Trusts committed element of the contract and not the full income received by Leicester Housing Association.

The deferred asset created as part of the Leicester Housing Association contract was fully written off in 2000/01.