

Data entered below will be used throughout the workbook:

Trust name:	Oxford Radcliffe Hospitals NHS Trust
This year	2010-11
Last year	2009-10
This year ended	31 March 2011
Last year ended	31 March 2010
This year commencing:	1 April 2010

**FOREWORD TO THE ACCOUNTS**  
**OXFORD RADCLIFFE HOSPITALS NHS TRUST**

These accounts for the year ended 31 March 2011 have been prepared by the Oxford Radcliffe Hospitals NHS Trust under section 232 (Schedule 15) of the National Health Service Act 2006 in the form, which the Secretary of State has, with the approval of the Treasury, directed.

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 MARCH 2011**

	NOTE	2010-11 £000	2009-10 £000
<b>Revenue</b>			
Revenue from patient care activities	5	546,704	513,569
Other operating revenue	6	117,066	122,324
Operating expenses	8	(625,079)	(657,788)
<b>Operating surplus/(deficit)</b>		<b>38,691</b>	<b>(21,895)</b>
<b>Finance costs:</b>			
Investment revenue	14	87	61
Other gains and losses	15	(293)	(253)
Finance costs	16	(18,691)	(18,333)
<b>Surplus/(deficit) for the financial year</b>		<b>19,794</b>	<b>(40,420)</b>
Public dividend capital dividends payable		(6,587)	(7,680)
<b>Retained surplus/(deficit) for the year</b>		<b>13,207</b>	<b>(48,100)</b>
<b>Other comprehensive income</b>			
Impairments and reversals		(1,157)	(48,619)
Gains on revaluations		5,456	8,828
Receipt of donated/government granted assets	17	1,575	903
Net gain/(loss) on other reserves (e.g. defined benefit pension scheme)		0	0
Net gains/(losses) on available for sale financial assets		0	0
Reclassification adjustments:			
- Transfers from donated and government grant reserves		(1,944)	(3,081)
- On disposal of available for sale financial assets		0	0
<b>Total comprehensive income for the year</b>		<b>17,137</b>	<b>(90,069)</b>

The notes on pages 7 to 48 form part of these accounts.

**Reported NHS financial performance position [Adjusted retained surplus]**

	2010/11 £000	2009/10 £000
<b>Retained surplus for the year</b>	<b>13,207</b>	<b>(48,100)</b>
IFRIC 12 adjustment	(300)	46,594
Impairments	(11,618)	1,612
<b>Reported NHS financial performance position [Adjusted retained surplus]</b>	<b>1,289</b>	<b>106</b>

A Trust's Reported NHS financial performance position is derived from its Retained surplus, but adjusted for the following:-  
a) Impairments to Non Current Assets 2009/10 was the final year for organisations to revalue their assets to a Modern Equivalent Asset (MEA) basis of valuation. An impairment charge is not considered part of the organisation's operating position.

b) The revenue cost of bringing PFI assets onto the balance sheet (due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009/10) - NHS Trusts' financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to PFI, which has no cash impact and is not chargeable for overall budgeting purposes, should be reported as technical. This additional cost is not considered part of the organisation's operating position.

**STATEMENT OF FINANCIAL POSITION AS AT  
31 MARCH 2011**

	NOTE	31 March 2011 £000	31 March 2010 £000
<b>Non-current assets</b>			
Property, plant and equipment	17	603,110	597,450
Intangible assets	18	4,063	3,182
Other financial assets	23	0	0
Trade and other receivables	22	2,587	2,171
<b>Total non-current assets</b>		<b>609,760</b>	<b>602,803</b>
<b>Current assets</b>			
Inventories	21	10,834	10,528
Trade and other receivables	22	25,851	29,438
Other financial assets	23	0	0
Other current assets	24	0	0
Cash and cash equivalents	25	19,477	10,364
		<b>56,162</b>	<b>50,330</b>
Non-current assets held for sale	26	0	0
<b>Total current assets</b>		<b>56,162</b>	<b>50,330</b>
<b>Total assets</b>		<b>665,922</b>	<b>653,133</b>
<b>Current liabilities</b>			
Trade and other payables	27	(78,449)	(73,164)
Other liabilities	29	0	0
Borrowings	28	(15,947)	(13,116)
Other financial liabilities	34	0	0
Provisions	35	(3,358)	(690)
<b>Net current assets/(liabilities)</b>		<b>(41,592)</b>	<b>(36,640)</b>
<b>Total assets less current liabilities</b>		<b>568,168</b>	<b>566,163</b>
<b>Non-current liabilities</b>			
Borrowings	28	(283,652)	(298,662)
Trade and other payables	27	(60)	(90)
Other financial liabilities	34	0	0
Provisions	35	(1,032)	(1,124)
Other liabilities	29	0	0
<b>Total assets employed</b>		<b>283,424</b>	<b>266,287</b>
<b>Financed by taxpayers' equity:</b>			
Public dividend capital		174,547	174,547
Retained earnings		(65,259)	(78,466)
Revaluation reserve		103,696	99,528
Donated asset reserve		68,626	68,838
Government grant reserve		71	97
Other reserves		1,743	1,743
<b>Total taxpayers' equity</b>		<b>283,424</b>	<b>266,287</b>

The financial statements on pages 1 to 48 were approved by the Board on 9th June 2011 and signed on its behalf by:

Signed: .....(Chief Executive)

Date: .....

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2010**

	Public dividend capital (PDC) £000	Retained earnings £000	Revaluation reserve £000	Donated asset reserve £000	Government grant reserve £000	Other reserves £000	Total £000
<b>Balance at 31 March 2009</b>							
As previously stated	172,586	(37,330)	139,885	77,434	77	1,743	354,395
Prior period adjustment		3,301	3,250	(6,551)			0
<b>Restated balance</b>	172,586	(34,029)	143,135	70,883	77	1,743	354,395
<b>Changes in taxpayers' equity for 2009-10</b>							
Total comprehensive income for the year:							
Retained surplus/(deficit) for the year		(48,100)					(48,100)
Transfers between reserves		3,663	(3,663)	0	0	0	0
Impairments and reversals			(48,619)	0	0		(48,619)
Net gain on revaluation of property, plant, equipment			8,675	133	0		8,808
Net gain on revaluation of intangible assets			0	0	20		20
Net gain on revaluation of financial assets			0				0
Receipt of donated/government granted assets				808	95		903
Net gain/loss on other reserves (e.g. defined benefit pension scheme)						0	0
Movements in other reserves							0
Reclassification adjustments:							
- transfers from donated asset/government grant reserve				(2,986)	(95)		(3,081)
- on disposal of available for sale financial assets			0				0
Reserves eliminated on dissolution		0	0	0	0	0	0
Originating capital for trust establishment in year	0						0
New PDC received	1,961						1,961
PDC repaid in year	0						0
PDC written off	0						0
Other movements in PDC in year	0	0					0
<b>Balance at 31 March 2010</b>	174,547	(78,466)	99,528	68,838	97	1,743	266,287

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2011**

	Public dividend capital (PDC) £000	Retained earnings £000	Revaluation reserve £000	Donated asset reserve £000	Government grant reserve £000	Other reserves £000	Total £000
<b>Changes in taxpayers' equity for 2010-11</b>							
<b>Balance at 1 April 2010</b>	174,547	(78,466)	99,528	68,838	97	1,743	266,287
Total comprehensive income for the year							
Retained surplus/(deficit) for the year		13,207					13,207
Transfers between reserves		0	0	0	0	0	0
Impairments and reversals			(1,131)	0	(26)		(1,157)
Net gain on revaluation of property, plant, equipment			5,299	157	0		5,456
Net gain on revaluation of intangible assets			0	0	0		0
Net gain on revaluation of financial assets			0				0
Receipt of donated/government granted assets				1,575	0		1,575
Net gain/loss on other reserves (e.g. defined benefit pension scheme)						0	0
Movements in other reserves							0
Reclassification adjustments:							
- transfers from donated asset/government grant reserve				(1,944)	0		(1,944)
- on disposal of available for sale financial assets			0				0
Reserves eliminated on dissolution		0	0	0	0	0	0
Originating capital for trust establishment in year	0						0
New PDC received	0						0
PDC repaid in year	0						0
PDC written off	0						0
Other movements in PDC in year	0						0
<b>Balance at 31 March 2011</b>	<b>174,547</b>	<b>(65,259)</b>	<b>103,696</b>	<b>68,626</b>	<b>71</b>	<b>1,743</b>	<b>283,424</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED****31 MARCH 2011**

	<b>2010-11</b>	2009-10
	<b>£000</b>	£000
<b>Cash flows from operating activities</b>		
Operating surplus/(deficit)	<b>38,691</b>	(21,908)
Depreciation and amortisation	<b>28,688</b>	31,975
Impairments and reversals	<b>(11,618)</b>	46,594
Net foreign exchange gains/(losses)	<b>0</b>	0
Transfer from donated asset reserve	<b>(1,944)</b>	(2,986)
Transfer from government grant reserve	<b>0</b>	(95)
Interest paid	<b>(17,565)</b>	(18,097)
Dividends paid	<b>(6,960)</b>	(7,104)
(Increase)/decrease in inventories	<b>(306)</b>	(1,633)
(Increase)/decrease in trade and other receivables	<b>2,492</b>	4,609
(Increase)/decrease in other current assets	<b>0</b>	0
Increase/(decrease) in trade and other payables	<b>7,329</b>	(4,660)
Increase/(decrease) in other current liabilities	<b>0</b>	0
Increase/(decrease) in provisions	<b>2,545</b>	(470)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>41,352</b>	26,225
<b>Cash flows from investing activities</b>		
Interest received	<b>87</b>	86
(Payments) for property, plant and equipment	<b>(21,158)</b>	(27,741)
Proceeds from disposal of plant, property and equipment	<b>561</b>	0
(Payments) for intangible assets	<b>(1,805)</b>	0
Proceeds from disposal of intangible assets	<b>0</b>	0
(Payments) for investments with DH	<b>0</b>	0
(Payments) for other investments	<b>0</b>	0
Proceeds from disposal of investments with DH	<b>0</b>	0
Proceeds from disposal of other financial assets	<b>0</b>	0
Revenue rental income	<b>0</b>	0
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(22,315)</b>	(27,655)
<b>Net cash inflow/(outflow) before financing</b>	<b>19,037</b>	(1,430)
<b>Cash flows from financing activities</b>		
Public dividend capital received	<b>0</b>	1,961
Public dividend capital repaid	<b>0</b>	0
Loans received from the DH	<b>0</b>	0
Other loans received	<b>0</b>	0
Loans repaid to the DH	<b>(4,736)</b>	(4,736)
Other loans repaid	<b>0</b>	0
Other capital receipts	<b>2,254</b>	0
Capital element of finance leases and PFI	<b>(7,442)</b>	(4,718)
<b>Net cash inflow/(outflow) from financing</b>	<b>(9,924)</b>	(7,493)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,113</b>	(8,923)
<b>Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year</b>	<b>10,364</b>	19,287
Effect of exchange rate changes on the balance of cash held in foreign currencies	<b>0</b>	0
<b>Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year</b>	<b>19,477</b>	10,364

## NOTES TO THE ACCOUNTS

### 1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the NHS Trusts Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2010-11 NHS Trusts Manual for Accounts issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the NHS Trusts 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 trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting convention

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

#### 1.2 Acquisitions and 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.

#### 1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust'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.

##### 1.3.1 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 Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### Accounting for property, plant and equipment

Certified valuations by the DV are provided as part of a five year rolling programme and an annual review for impairment covering all assets. All valuations are prepared in accordance with MEA (Modern Equivalent Asset) basis of valuation. Depreciation of capital assets is based on their useful economic life. Any increase or decrease in useful lives will affect the level of depreciation and the carrying value of the assets.

##### Accounting for leases

Judgements have been made regarding whether risks and rewards of ownership pass to the lessee under lease arrangements. Where risks and rewards are transferred, leases have been classified as finance leases.

The trust has a number of finance leases including the managed equipment services contract, which is provided by one of the PFI partners. This provides for lifecycling of equipment, values of which are determined by the financial model included within the PFI contract.

##### Accounting for Public Finance Initiative Assets

The assets and liabilities relating to the PFI schemes have been brought onto the statement of financial position based on estimations from the DH financial model as required by Department of Health guidance. These estimations were reviewed by external audit as part of the 2008/09 accounts restatement exercise.

The Trust's two Private Finance Initiative schemes are treated as finance leases under IFRS. The PFI at the John Radcliffe is due to finish in 2036 and the PFI at the Churchill Hospital is due to finish in 2038.

##### Capitalisation of staff costs relating to internally generated software

Internally generated software has been capitalised based on the Trust's judgement that the CRS system will be completed and used to generate economic benefits.

## Notes to the Accounts - 1. Accounting Policies (Continued)

### Accounting for Accruals

Various methods are used for calculating different types of accrual. They include:-

- ◆ Trend analysis
- ◆ Expert judgement of Finance Managers
- ◆ Supplier statements
- ◆ Formulaic approach based on historical cost information

### 1.3.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

#### The carrying value of assets at the balance sheet date

In order to keep the ORH estate at current values an expert independent District Valuer (DV) was engaged to undertake a revaluation of the estate. At the last full valuation, which was carried out last year and reflected in the 2009/10 accounts, the DV valued the whole estate on a Modern Equivalent Asset (MEA) basis, with assets componentised to ensure compliance with IFRS.

There have been no significant new builds in the last year that need additional physical valuation.

However, due to the current state of the property market the DV has conducted a 'desk-top' review of the estate for the period ending 31/3/2011 using established building indices. Full physical revaluations are only undertaken every five years, with physical valuation on significant new build undertaken as they come into use.

The Trust has used the valuation provided by the DV in the 2010/11 accounts. This is a judgmental issue in relation to the valuations of the Trust's land holdings and is subject to risk i.e., the valuations may fluctuate due to the uncertain economic climate.

#### The estimated useful lives of assets

Depreciation of capital assets is based on their useful economic life. The useful economic life of the asset is dependent on the Trust's practices regarding repairs and maintenance, as well as the pace of technological change and the demand for the service using the assets as productive inputs.

The Trust has recently undertaken its annual review of the useful lives of the assets and although the current economic climate is very uncertain, the Trust plans to sustain its current spending on repairs and maintenance. With this in mind the useful economic lives of the assets should remain unchanged.

#### Accounting for Doubtful Debts - Impairment of receivables

The Trust is required to judge when there is sufficient evidence to impair individual receivables. It does this based on the age and status of the receivables.

An estimate is made for a general provision for doubtful debts. The calculation is based on 5% for non-nhs invoices greater than 90 days and 100% provision for all non-nhs invoices over 180 days.

#### Estimation of March contract income

Achieving early closure of accounts means that the accounts must be prepared before the normal cycle for contract income generated in March is complete. Contract income includes some estimated values, based on PSCAL month 12 forecast.

## Notes to the Accounts - 1. Accounting Policies (Continued)

### 1.4 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. The main source of revenue for the trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

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

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

### 1.5 Employee Benefits

#### Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. 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.

An accrual for bonuses earned but not taken is only made where such amounts are material.

Some departments operate local flexi-time schemes where small amounts of time are able to be carried forward at the month end where hours worked exceed those contracted. No accrual has been made for any such balances

#### 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 NHS body 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 Trust commits itself to the retirement, regardless of the method of payment.

### 1.6 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.

### 1.7 Property, plant and equipment

#### 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 trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £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.

## Notes to the Accounts - 1. Accounting Policies (Continued)

### 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 trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. 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
- Specialised buildings – depreciated replacement cost

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. 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 revalued and depreciation commences when they are brought into use.

Equipment is carried at fair value based on appropriate indices applicable to the nature of the asset less the depreciation to date. The UK Gross Domestic Product Deflator is deemed to be the most appropriate index for their purpose. Fixtures are stated 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 should be taken to expenditure. This is a change in accounting policy from previous years where all impairments were taken to the revaluation reserve to the extent that a balance was held for that asset and thereafter to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

### 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.

## 1.8 Intangible assets

### Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the trust'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 trust; where the cost of the asset can be measured reliably, and where the cost is at least £5000.

## Notes to the Accounts - 1. Accounting Policies (Continued)

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: it 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
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

### 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.

### 1.9 Depreciation, amortisation and 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 Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust 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 trust 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 should be taken to expenditure. This is a change in accounting policy from previous years where all impairments were taken to the revaluation reserve to the extent that a balance was held for that asset and thereafter 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.

In accordance with IAS 16 the depreciation of buildings is based upon the separate depreciation of each of the component physical elements of the building which have a significant cost in relation to the total. The expected useful life of each component is estimated by the District Valuer in the course of the periodic valuation of the Trust's estate or the point that buildings are completed. Depreciation is based upon those estimates. The expected useful lives of other classes of assets are assessed on an annual basis by the Trust.

### 1.10 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to the donated asset reserve. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are 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 offset the expenditure. On sale of donated assets, the net book value is transferred from the donated asset reserve to retained earnings.

## Notes to the Accounts - 1. Accounting Policies (Continued)

### 1.11 Government grants

Government grants are grants from government bodies other than revenue from NHS bodies for the provision of services. Revenue grants are treated as deferred income initially and credited to income to match the expenditure to which they relate. Capital grants are credited to the government grant reserve and released to operating revenue over the life of the asset in a manner consistent with the depreciation and impairment charges for that asset. Assets purchased from government grants are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are taken to the government grant reserve and, each year, an amount equal to the depreciation charge on the asset is released from the government grant reserve to the offset the expenditure.

### 1.12 Non-current assets held for sale

*The Trust did not have any non-current assets held for sale in 2010/11.*

### 1.13 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.

#### The trust 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 trust'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. This is a change in accounting policy from previous years where leased land was always treated as an operating lease.

#### The trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust'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 trust'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.

### 1.14 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure 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 Trust 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.

## Notes to the Accounts - 1. Accounting Policies (Continued)

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

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

### Services received

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

### 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 IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

### 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 Income.

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 Income.

### Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust'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.

### Assets contributed by the Trust 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 Trust's Statement of Financial Position.

**Notes to the Accounts - 1. Accounting Policies (Continued)**

**Other assets contributed by the Trust to the operator**

Assets contributed (e.g. cash payments, surplus property) by the trust 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 Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

**1.15 Inventories**

NHS Accounting requirements are that inventories are valued at the lower of cost and net realisable value using FIFO (first-in first-out) or weighted average cost formula, on the grounds that given the high turnover of stock this would give a reasonable approximation to fair value. The Trust's current information systems do not enable it to calculate weighted average or FIFO cost for certain inventories. For the majority of those stockholdings which are not subject to continuous inventory control systems, year end inventories has been calculated using current prices. It is considered that given inventory turnover levels that it is unlikely to be materially different to the figure that would be calculated using FIFO

**1.16 Cash and cash equivalents**

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

## Notes to the Accounts - 1. Accounting Policies (Continued)

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 Trust's cash management.

### 1.17 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust 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, which is 2.2% with the exception of early retirement provisions. The applicable rate for early retirement provisions is 2.9%.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust 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 ongoing activities of the entity.

### 1.18 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. The contribution is charged to expenditure. 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 35.

### 1.19 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 as and when they become due.

### 1.20 EU Emissions Trading Scheme

EU Emission Trading Scheme 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 NHS body makes emissions, a provision is recognised with an offsetting transfer from the government grant reserve. The provision is settled on surrender of the allowances. The asset, provision and government grant reserve are valued at fair value at the end of the reporting period.

### 1.21 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 trust, 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.

## Notes to the Accounts - 1. Accounting Policies (Continued)

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 trust. 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.

### 1.22 Financial assets

Financial assets are recognised when the Trust 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 initially recognised at fair value.

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.

#### 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.

#### Loans and 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. Non-current receivables are discounted for the time value of money where it is material. Any loans on non-commercial terms are stated at fair value using a market rate of interest.

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 trust 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 directly/through a provision for impairment of receivables [Delete as appropriate].

## Notes to the Accounts - 1. Accounting Policies (Continued)

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.

### 1.23 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the trust 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.

#### 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.

#### 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.

### 1.24 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.

### 1.25 Foreign currencies

The Trust'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 trust's surplus/deficit in the period in which they arise.

### 1.26 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. Details of third party assets are given in Note 41 to the accounts.

## **Notes to the Accounts - 1. Accounting Policies (Continued)**

### **1.27 Public Dividend Capital (PDC) and PDC dividend**

Public dividend capital represents taxpayers' equity in the NHS trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets and cash balances with the Office of the Paymaster General. The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets. Prior to 2009/10 the PDC dividend was determined using forecast average relevant net assets and a note to the accounts discloses the rate that the dividend represents as a percentage of the actual average carrying amount of assets less liabilities in the year. From 1 April 2009, the dividend payable is based on the actual average relevant net assets for the year instead of forecast amounts.

### **1.28 Losses and 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 NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

### **1.29 Subsidiaries**

Material entities over which the Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. The charitable funds associated with the Trust have independent trustees appointed under S.11 of the NHS and Community Care Act 1990 and are therefore not consolidated.

**Notes to the Accounts - 1. Accounting Policies (Continued)**

**1.30 Research and Development**

Research and development expenditure is charged against income 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 Operating Cost Statement on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

**1.31 Accounting standards issued but not yet adopted.**

Neither the Treasury FReM nor the Department of Health's Manual for Accounts require the following Standards and Interpretations to be applied in 2010-11. The application of the Standards as revised would not have a material impact on the Oxford Radcliffe Hospitals accounts in 2010-11, were they applied in that year:

IFRS 7 - Financial Instruments: Disclosures (amendment) - Transfers of financial assets (effective 2012/13)  
IFRS 9 - Financial Instruments: Reporting of Financial Assets and Financial Liabilities  
IAS 12 - Income Taxes amendment (effective 2012/13)  
IAS 24 - (Revised) Related Party Disclosures (2011/12)  
IFRIC 14 amendment (2011/12) IAS 19 - The limit on a defined benefit asset  
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments (2011/12)

**2. Pooled budget**

The Trust has no pooled budgets

**3. Operating segments**

The Oxford Radcliffe Hospitals NHS Trust has no significant activities for which a segmental analysis is required.

#### 4. Income generation activities

The trust undertakes income generation activities with an aim of achieving profit, which is then used in patient care. The following provides details of income generation activities whose full cost exceeded £1m or was otherwise material. At present the only activity of the Trust which falls under this heading is car parking .

	2010-11 £000	2009-10 £000
Income	2,663	2,475
Full cost	1,918	1,878
Surplus	<u>745</u>	<u>597</u>

#### Car Parking

Car Parking is provided for staff and patients in line with the green travel plan policy. The objective is to cover cost. Any surpluses are subsequently invested in hospital care.

#### 5. Revenue from patient care activities

	2010-11 £000	2009-10 £000
Strategic health authorities	0	4,000
NHS trusts	0	0
Primary care trusts	534,053	496,080
Foundation trusts	0	0
Local authorities	0	0
Department of Health	0	0
NHS other	0	0
Non-NHS:		
Private patients	10,316	11,407
Overseas patients (non-reciprocal)	0	4
Injury costs recovery	2,335	2,078
Other	0	0
	<u>546,704</u>	<u>513,569</u>

Injury cost recovery income is subject to a provision for impairment of receivables of 9.6% to reflect expected rates of collection

<b>6. Other operating revenue</b>	<b>2010-11</b>	2009-10
	<b>£000</b>	£000
Patient transport services	197	251
Education, training and research	72,058	70,458
Charitable and other contributions to expenditure	4,916	5,072
Transfers from donated asset reserve	1,944	2,986
Transfers from government grant reserve	0	95
Non-patient care services to other bodies	21,819	25,712
Income generation	2,857	2,659
Rental revenue from finance leases	0	0
Rental revenue from operating leases	4,070	4,755
Other revenue	9,205	10,336
	<b>117,066</b>	<b>122,324</b>

The transfer from Donated Asset Reserve represents the extent to which depreciation in the year charged to the Income and Expenditure Account arose on donated assets.

<b>7. Revenue</b>	<b>2010-11</b>	2009-10
	<b>£000</b>	£000
From rendering of services	661,826	632,812
From sale of goods	0	0

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial

<b>8. Operating expenses</b>	<b>2010-11</b>	2009-10
	<b>£000</b>	£000
Services from other NHS trusts	1,396	931
Services from PCTs	2,568	1,418
Services from other NHS bodies	263	0
Services from foundation trusts	162	4
Purchase of healthcare from non NHS bodies	1,445	555
Trust chair and non executive directors	63	65
Employee benefits	382,276	363,388
Supplies and services - clinical	133,735	130,061
Supplies and services - general	17,027	15,820
Consultancy services	2,373	4,426
Establishment	6,633	7,048
Transport	1,133	1,343
Premises	33,369	32,975
Provision for impairment of receivables	597	(249)
Inventories write down	133	70
Depreciation	27,999	31,159
Amortisation	689	816
Impairments and reversals of property, plant and equipment	(11,618)	46,594
Impairments and reversals of intangible assets	0	0
Impairments and reversals of financial assets	0	0
Impairments and reversals of non current assets held for sale	0	0
Audit fees	199	217
Other auditor's remuneration	179	143
Clinical negligence	13,395	11,016
Research and development	0	0
Education and Training	1,882	1,607
Other	9,181	8,381
	<b>625,079</b>	<b>657,788</b>

Other auditor's remuneration comprises £138,156 related to value for money, £588 for the National Fraud Initiative, £16,959 for the review of arrangements for production of the Quality Account and £24,000 for advisory work commissioned separately by the Trust on the accuracy of clinical coding under the Payment by Results data assurance framework.

## 9. Operating leases

### 9.1 As lessee

The Trust's operating leases fall into two categories:

a) leases of items of plant and equipment which are not treated as finance leases fall into this category. These are predominately items of office equipment or motor vehicles. There is no material contingent rental, and the leases are for fixed terms. There are no restrictions in these leases other than those which would commonly be found in commercial leases of this kind.

b) leases of property. Typically these are leases of space in other NHS facilities. These leases are negotiated for fixed terms.

<b>Payments recognised as an expense</b>	<b>2010-11 £000</b>	2009-10 £000
Minimum lease payments	<b>508</b>	839
Contingent rents	<b>0</b>	0
Sub-lease payments	<b>0</b>	0
	<b><u>508</u></b>	<u>839</u>

<b>Total future minimum lease payments</b>	<b>2010-11</b>			<b>Total £000</b>	2009-10
	<b>Buildings £000</b>	<b>Land £000</b>	<b>Other £000</b>		Total £000
Payable:					
Not later than one year	<b>29</b>	<b>0</b>	<b>345</b>	<b>374</b>	247
Between one and five years	<b>59</b>	<b>0</b>	<b>840</b>	<b>899</b>	438
After 5 years	<b>165</b>	<b>0</b>	<b>165</b>	<b>330</b>	154
Total	<b><u>253</u></b>	<b><u>0</u></b>	<b><u>1,350</u></b>	<b><u>1,603</u></b>	<u>839</u>

Total future sublease payments expected to be received is not material.

### 9.2 As lessor

The Trust has a considerable number of properties where it acts as lessor. These are generally buildings or parts of buildings on the various hospital sites where space has been let to universities, charities or other organisations.

<b>Rental revenue</b>	<b>2010-11 £000</b>	2009-10 £000
Contingent rent	<b>0</b>	0
Other	<b>4,070</b>	4,755
<b>Total rental revenue</b>	<b><u>4,070</u></b>	<u>4,755</u>
<b>Total future minimum lease payments</b>	<b>2010-11 £000</b>	2009-10 £000
Receivable:		
Not later than one year	<b>2,087</b>	3,318
Between one and five years	<b>3,662</b>	3,525
After 5 years	<b>19,652</b>	21,724
Total	<b><u>25,401</u></b>	<u>28,567</u>

**10. Employee costs and numbers****10.1 Employee costs**

	2010-11			2009-10		
	Total	Permanently employed	Other	Total	Permanently employed	Other
	£000	£000	£000	£000	£000	£000
Salaries and wages	327,263	310,165	17,098	309,645	296,785	12,860
Social security costs	22,831	22,831	0	22,237	22,237	0
Employer contributions to NHS Pension scheme	32,884	32,884	0	32,369	32,369	0
Other pension costs	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0
Termination benefits	1,345	1,345	0	13	13	0
<b>Employee benefits expense</b>	<b>384,323</b>	<b>367,225</b>	<b>17,098</b>	<b>364,264</b>	<b>351,404</b>	<b>12,860</b>
<b>Of the total above:</b>						
Charged to capital	2,047			863		
Employee benefits charged to revenue	382,276			363,401		
	<b>384,323</b>			<b>364,264</b>		

**10.2 Average number of people employed**

	2010-11			2009-10		
	Total	Permanently employed	Other	Total	Permanently employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	1,332	1,314	18	1,278	1,272	6
Ambulance staff	0	0	0	0	0	0
Administration and estates	1,640	1,577	63	1,706	1,629	77
Healthcare assistants and other support staff	1,051	1,051	0	1,008	1,008	0
Nursing, midwifery and health visiting staff	2,986	2,771	215	3,012	2,837	175
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	1,084	1,069	16	1,091	1,076	15
Social care staff	0	0	0	0	0	0
Other	112	112	0	100	100	0
<b>Total</b>	<b>8,205</b>	<b>7,894</b>	<b>312</b>	<b>8,195</b>	<b>7,922</b>	<b>273</b>
<b>Of the above:</b>						
Number of whole time equivalent staff engaged on capital projects	47			18		

**10.3 Staff sickness absence**

	2010-11	2009-10
	Number	Number
Days lost (long term)	0	0
Days lost (short term)	61,457	58,697
<b>Total days lost</b>	<b>61,457</b>	<b>58,697</b>
<b>Total staff years</b>	<b>7,885</b>	<b>7,862</b>
Average working days lost	8	7
Total staff employed in period (headcount)	0	0
Total staff employed in period with no absence (headcount)	0	0
<b>Percentage staff with no sick leave</b>	<b>0.00%</b>	<b>0.00%</b>

**10.4 Management Costs**

	2010-11	2009-10
	£000	£000
Management costs	20,384	21,277
Income	663,770	635,893

**10.5 Exit Packages for staff leaving in 2010-11**

Exit package cost band (including any special payment element)	2010-11			2009-10		
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
<£20,001	2	9	11	2		2
£20,001 - £40,000	1	12	13			
£40,001 - 100,000	3	7	10			
£100,001 - £150,000	1	0	1			
£150,001 - £200,000						
>£200,000						
<b>Total number of exit packages by type (total cost)</b>	<b>7</b>	<b>28</b>	<b>35</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Total resource cost (£000s)</b>	<b>404</b>	<b>941</b>	<b>1,345</b>	<b>16</b>	<b>0</b>	<b>16</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the Scheme. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

MARS is not a redundancy scheme. It enabled individual employees - in mutual agreement with their employer - to choose to leave their employment voluntarily in return for a severance payment. The severance payment is between 3 and 12 months' basic pay with the payment being based on length of service. The purpose of the MARS was to create job vacancies which could be filled by redeployment of staff from other jobs or as a suitable alternative for those facing redundancy. The scheme ran from mid September to end of October 2010 and applies to NHS Trusts as well as Strategic Health Authorities (SHAs) and Primary Care Trusts (PCTs).

## 11. Pension costs

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

### a) 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 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 employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction of 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.

### b) 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.

### c) Scheme provisions

The NHS Pension Scheme provided 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 HMRC 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 or 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 income at the time the trust commits itself to the retirement, regardless of the method of payment.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

**12. Retirements due to ill-health**

This information is no longer required.

**13. Better Payment Practice Code**

**13.1 Better Payment Practice Code - measure of compliance**

	2010-11		2009-10	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	98,303	237,483	92,253	234,219
Total Non NHS trade invoices paid within target	<u>88,732</u>	<u>202,498</u>	<u>82,693</u>	<u>202,709</u>
Percentage of Non-NHS trade invoices paid within target	<u>90%</u>	<u>85%</u>	<u>90%</u>	<u>87%</u>
Total NHS trade invoices paid in the year	4,771	55,249	4,254	53,171
Total NHS trade invoices paid within target	<u>3,540</u>	<u>44,785</u>	<u>3,127</u>	<u>43,813</u>
Percentage of NHS trade invoices paid within target	<u>74%</u>	<u>81%</u>	<u>74%</u>	<u>82%</u>

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

**13.2 The Late Payment of Commercial Debts (Interest) Act 1998**

	2010-11	2009-10
	£000	£000
Amounts included in finance costs from claims made under this legislation	10	0
Compensation paid to cover debt recovery costs under this legislation	<u>0</u>	<u>0</u>
<b>Total</b>	<u>10</u>	<u>0</u>

<b>14. Investment revenue</b>	<b>2010-11</b>	2009-10
	<b>£000</b>	£000
Rental revenue:		
PFI finance lease revenue:		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	87	61
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
<b>Total</b>	<b>87</b>	<b>61</b>
<b>15. Other gains and losses</b>	<b>2010-11</b>	2009-10
	<b>£000</b>	£000
Gain/(loss) on disposal of property, plant and equipment	<b>(293)</b>	(253)
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of financial assets	0	0
Gain/(loss) on foreign exchange	0	0
Change in fair value of financial assets carried at fair value through profit and loss	0	0
Change in fair value of financial liabilities carried at fair value through profit and loss	0	0
<b>Total</b>	<b>(293)</b>	<b>(253)</b>
<b>16. Finance costs</b>	<b>2010-11</b>	2009-10
	<b>£000</b>	£000
Interest on loans and overdrafts	<b>870</b>	1,101
Interest on obligations under finance leases	<b>931</b>	671
Interest on obligations under PFI contracts:		
- main finance cost	<b>14,801</b>	15,102
- contingent finance cost	<b>2,048</b>	1,434
Interest on late payment of commercial debt	<b>10</b>	0
Other interest expense	<b>0</b>	0
<b>Total interest expense</b>	<b>18,660</b>	18,308
Other finance costs	<b>31</b>	25
<b>Total</b>	<b>18,691</b>	<b>18,333</b>

**17. Property, plant and equipment**

	Land	Buildings excluding dwellings	Dwellings	Assets under construct and POA	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>2010-11</b>									
Cost or valuation at 1 April 2010	84,208	435,443	0	3,307	119,407	393	12,758	1,759	657,275
Additions purchased	0	3,311	0	4,501	6,898	0	1,883	31	16,624
Additions donated	0	1,575	0	0	0	0	0	0	1,575
Additions government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(4,682)	0	(8,390)	(20)	(13,092)
Revaluation/indexation gains	0	3,550	0	0	3,178	2	0	52	6,782
Impairments	(1,131)	0	0	0	0	0	0	0	(1,131)
Reversal of impairments	0	0	0	0	0	0	0	0	0
<b>At 31 March 2011</b>	<b>83,077</b>	<b>443,879</b>	<b>0</b>	<b>7,808</b>	<b>124,801</b>	<b>395</b>	<b>6,251</b>	<b>1,822</b>	<b>668,033</b>
Depreciation at 1 April 2010	0	0	0	0	50,442	336	8,591	456	59,825
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(4,199)	0	(8,390)	(20)	(12,609)
Revaluation/indexation gains	0	0	0	0	1,310	1	0	15	1,326
Impairments	0	(11,618)	0	0	0	0	0	0	(11,618)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	14,186	0	0	11,950	10	1,680	173	27,999
<b>Depreciation at 31 March 2011</b>	<b>0</b>	<b>2,568</b>	<b>0</b>	<b>0</b>	<b>59,503</b>	<b>347</b>	<b>1,881</b>	<b>624</b>	<b>64,923</b>
<b>Net book value</b>									
Purchased	70,341	388,407	0	7,653	62,486	48	4,370	1,179	534,484
Donated	12,736	52,904	0	155	2,812	0	0	19	68,626
Government granted	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2011</b>	<b>83,077</b>	<b>441,311</b>	<b>0</b>	<b>7,808</b>	<b>65,298</b>	<b>48</b>	<b>4,370</b>	<b>1,198</b>	<b>603,110</b>
<b>Asset financing</b>									
Owned	83,077	217,360	0	7,808	35,367	48	4,370	1,198	349,228
Finance leased	0	0	0	0	16,598	0	0	0	16,598
Private finance initiative	0	223,951	0	0	13,333	0	0	0	237,284
<b>Total 31 March 2011</b>	<b>83,077</b>	<b>441,311</b>	<b>0</b>	<b>7,808</b>	<b>65,298</b>	<b>48</b>	<b>4,370</b>	<b>1,198</b>	<b>603,110</b>

**17.1 Revaluation reserve balance for property, plant & equipment**

	Land	Buildings excluding dwellings	Dwellings	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2010	10,126	72,743	0	16,659	0	0	0	99,528
Movements (specify)	(2,559)	1,729	0	4,998	0	0	0	4,168
<b>At 31 March 2011</b>	<b>7,567</b>	<b>74,472</b>	<b>0</b>	<b>21,657</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103,696</b>

**17. Property, plant and equipment continued**

	Land	Buildings excluding dwellings	Dwellings	Assets under construct and POA	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>2009-10</b>									
Cost or valuation at 1 April 2009	111,733	476,210	0	29,167	108,089	335	10,249	1,078	736,861
Additions purchased	0	11,497	0	1,861	10,392	58	2,509	655	26,972
Additions donated	0	0	0	0	808	0	0	0	808
Additions government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	25,429	0	(27,721)	2,292	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(6,262)	0	0	0	(6,262)
Revaluation/indexation gains	0	7,043	0	0	4,088	0	0	26	11,157
Impairments	(27,487)	(21,132)	0	0	0	0	0	0	(48,619)
Reversal of impairments	0	0	0	0	0	0	0	0	0
<b>At 31 March 2010</b>	<b>84,246</b>	<b>499,047</b>	<b>0</b>	<b>3,307</b>	<b>119,407</b>	<b>393</b>	<b>12,758</b>	<b>1,759</b>	<b>720,917</b>
Depreciation at 1 April 2009					43,187	332	5,627	301	49,447
Reclassifications		0	0		0	0	0	0	0
Reclassified as held for sale	0	0	0		0	0	0	0	0
Disposals other than by sale	0	0	0		(6,082)	0	0	0	(6,082)
Revaluation/indexation gains	0	378	0		1,964	0	0	7	2,349
Impairments	38	46,556	0	0	0	0	0	0	46,594
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	16,670	0		11,373	4	2,964	148	31,159
<b>Depreciation at 31 March 2010</b>	<b>38</b>	<b>63,604</b>	<b>0</b>	<b>0</b>	<b>50,442</b>	<b>336</b>	<b>8,591</b>	<b>456</b>	<b>123,467</b>
<b>Net book value</b>									
Purchased	71,471	382,911	0	3,161	65,563	57	4,167	1,282	528,612
Donated	12,737	52,532	0	146	3,402	0	0	21	68,838
Government granted	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2010</b>	<b>84,208</b>	<b>435,443</b>	<b>0</b>	<b>3,307</b>	<b>68,965</b>	<b>57</b>	<b>4,167</b>	<b>1,303</b>	<b>597,450</b>
<b>Asset financing</b>									
Owned	84,208	216,221	0	3,307	40,916	57	4,167	1,303	350,179
Finance leased	0	0	0	0	14,725	0	0	0	14,725
Private finance initiative	0	219,222	0	0	13,324	0	0	0	232,546
<b>Total 31 March 2010</b>	<b>84,208</b>	<b>435,443</b>	<b>0</b>	<b>3,307</b>	<b>68,965</b>	<b>57</b>	<b>4,167</b>	<b>1,303</b>	<b>597,450</b>

**17. Property, plant and equipment (cont.)**

The Trust's land and buildings were revalued as at 31st March 2011 by the District Valuer. The valuation was an open market value using the modern equivalent asset basis of valuation. In assessing the value of the Trust's land it was assumed that should the existing buildings be replaced by a modern equivalent asset, certain buildings would be rebuilt on a more intensive basis and therefore a smaller landholding would be required to support this.

Both impairments and upward movements in value resulting from this revaluation of the estate have been reflected in the accounts for the year ended 31 March 2011.

The Trust plant and equipment assets are indexed annually using the GDP Deflator index published by HM Treasury. The Trust undertook this exercise in February 2011. This is a measure of the level of prices of all new, domestically produced, final goods and services in the UK economy, and is considered to be the best available index to reflect movements in the price of the plant and equipment assets.

The Assets lives used are as follows:

<b>Buildings</b>	<b>Years</b>
Structural Elements	20-85
Roofs	17-78
Windows & Exit Doors	6-60
Wall Finishes:	19-61
Internal Doors, Fittings, etc.	7-32
Water & Sanitary Installations	19-50
Heating & Ventilation	6-25
Electrical & Gas Installations	15-42
Lifts	2-18
Communications & Alarms	7-23
External Works	24-32
<b>Other Assets</b>	<b>Years</b>
Plant & Machinery	5-15
Plant & Machinery under Finance Lease	4-10
Transport equipment	7
Information technology	5-8
Furniture and Fittings	7-10
Software Licences	5

The asset lives of building components have been reassessed based upon estimates provided by the valuer in the course of the periodic revaluation of the estate; these lives will be used as the basis for depreciating building assets from 1<sup>st</sup> April 2011. Previously the lives of buildings were calculated by using a weighted average life, whereby the lives of the various components were weighted by their value to give an overall life for the building. The new approach is a requirement of IAS 16. It is not considered that this will produce a materially different depreciation charge in future years.

The Trust leases some of its buildings premises to other organisations, including the University of Oxford and charities connected with medical care and research. The carrying amounts, depreciation and any impairment of these premises are included in the building assets in note 17. Rentals for these premises are set out in note 9.2

The donated assets acquired in the year were all donated by the Oxford Radcliffe Charities Trust and other trust funds associated with the Oxford Radcliffe

**18. Intangible assets**

<b>2010-11</b>	<b>Computer software - internally generated</b>	<b>Computer software - Purchased</b>	<b>Licences and trademarks</b>	<b>Patents</b>	<b>Development expenditure (internally generated)</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Gross cost at 1 April 2010	6,617	0	306	0	0	6,923
Additions purchased	1,805	0	0	0	0	1,805
Additions internally generated	0	0	0	0	0	0
Additions donated	0	0	0	0	0	0
Additions government granted	0	0	162	0	0	162
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	(1,935)	0	(371)	0	0	(2,306)
Revaluation/indexation	0	0	0	0	0	0
Impairments	0	0	(26)	0	0	(26)
Reversals of impairments	0	0	0	0	0	0
<b>Gross cost at 31 March 2011</b>	<b>6,487</b>	<b>0</b>	<b>71</b>	<b>0</b>	<b>0</b>	<b>6,558</b>
Amortisation at 1 April 2010	3,741	0	0	0	0	3,741
Reclassifications	0	0	0	0	0	0
Reclassifications as held for sale	0	0	0	0	0	0
Disposals other than by sale	(1,935)	0	0	0	0	(1,935)
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Charged during the year	689	0	0	0	0	689
<b>Amortisation at 31 March 2011</b>	<b>2,495</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,495</b>
<b>Net book value</b>						
Purchased	3,992	0	0	0	0	3,992
Donated	0	0	0	0	0	0
Government granted	0	0	71	0	0	71
<b>Total at 31 March 2011</b>	<b>3,992</b>	<b>0</b>	<b>71</b>	<b>0</b>	<b>0</b>	<b>4,063</b>

**18. Intangible assets continued**

	Computer software - internally generated	Computer software - purchased	Licences and trademarks	Patents	Development expenditure (internally generated)	Total
	£000	£000	£000	£000	£000	£000
2009-10						
Gross cost at 1 April 2009	6,609	0	191	0	0	6,800
Additions purchased	0	0	0	0	0	0
Additions internally generated	8	0	0	0	0	8
Additions donated	0	0	0	0	0	0
Additions government granted	0	0	95	0	0	95
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation / indexation	0	0	20	0	0	20
Impairments	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0
<b>Gross cost at 31 March 2010</b>	<b>6,617</b>	<b>0</b>	<b>306</b>	<b>0</b>	<b>0</b>	<b>6,923</b>
Amortisation at 1 April 2009	2,925	0	0	0	0	2,925
Reclassifications	0	0	0	0	0	0
Reclassifications as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Charged during the year	816	0	0	0	0	816
<b>Amortisation at 31 March 2010</b>	<b>3,741</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,741</b>
<b>Net book value</b>						
Purchased	2,876	0	0	0	0	2,876
Donated	0	0	0	0	0	0
Government granted	0	0	306	0	0	306
<b>Total at 31 March 2010</b>	<b>2,876</b>	<b>0</b>	<b>306</b>	<b>0</b>	<b>0</b>	<b>3,182</b>

**18. Intangible assets (cont.)**

Computer software is stated at cost  
 EU Emissions trading allowances are stated at market value.

<b>18.2 Revaluation reserve balance for intangible assets</b>	<b>2010-11</b>	2009-10
	<b>£000</b>	£000
At 1 April	<b>0</b>	0
Changes	<b>0</b>	0
<b>At 31 March</b>	<b><u>0</u></b>	<b><u>0</u></b>

**19. Impairments**

The impairment of £1,131,000 arises because of the amendment on International Accounting Standard 17 in respect of long-leases of land. All the Trust's long leases of land have been reviewed to determine whether they should be treated as finance leases under the revised standard.

One lease, of land on the John Radcliffe site to the University of Oxford has been reclassified as a finance lease, and accordingly should be excluded from the carrying value of the Trust's land assets in which it was included in previous years. Substantially all the value of the land in question related to upward revaluations of the land since the inception of the lease, therefore this impairment has been debited to the revaluation reserve.

**20. Commitments****20.1 Capital commitments**

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	<b>31 March 2011</b>	31 March 2010
	<b>£000</b>	£000
Property, plant and equipment	76	878
Intangible assets	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u>76</u></b>	<b><u>878</u></b>

**20.2 Other financial commitments**

The Trust does not have any "Other Financial Commitments".

**21. Inventories****21.1 Inventories**

	<b>31 March 2011</b>	31 March 2010
	<b>£000</b>	£000
Drugs	1,916	1,909
Work in progress	0	0
Consumables	7,781	7,636
Energy	355	313
Other	<u>782</u>	<u>670</u>
<b>Total</b>	<b><u>10,834</u></b>	<b><u>10,528</u></b>
Of which held at net realisable value:	<u>0</u>	<u>0</u>

**21.2 Inventories recognised in expenses**

	<b>31 March 2011</b>	31 March 2010
	<b>£000</b>	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	(133)	70
Reversal of write-downs that reduced the expense	0	0

**22. Trade and other receivables****22.1 Trade and other receivables**

	<b>Current</b>	<b>Non-current</b>	Current	Non-current
	<b>31 March 2011</b>	<b>31 March 2011</b>	31 March 2010	31 March 2010
	<b>£000</b>	<b>£000</b>	£000	£000
NHS receivables-revenue	9,121	0	13,302	0
NHS receivables-capital	0	0	237	0
Non-NHS receivables-revenue	4,245	0	4,070	0
Non-NHS receivables-capital	0	0	442	0
Provision for the impairment of receivables	(2,404)	0	(1,901)	0
Prepayments and accrued income	2,670	90	1,793	90
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
VAT	2,789	0	2,483	0
Other receivables	<u>9,430</u>	<u>2,497</u>	<u>9,012</u>	<u>2,081</u>
<b>Total</b>	<b><u>25,851</u></b>	<b><u>2,587</u></b>	<b><u>29,438</u></b>	<b><u>2,171</u></b>

The great majority of trade is with Primary Care Trusts, as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Receivables from Other NHS bodies are generally considered to be of good credit quality. The Trust does not use formal credit scoring for other debts. However, it is considered that the provisions held in relation to those debts are sufficient to cover the non-payment.

<b>22.2 Receivables past their due date but not impaired</b>	<b>31 March 2011</b>	31 March 2010
	<b>£000</b>	£000
By up to three months	<b>0</b>	3,930
By three to six months	<b>1,263</b>	329
By more than six months	<b>960</b>	11
<b>Total</b>	<b><u>2,223</u></b>	<u>4,270</u>

<b>22.3 Provision for impairment of receivables</b>	<b>31 March 2011</b>	31 March 2010
	<b>£000</b>	£000
<b>Balance at 1 April</b>	<b>(1,901)</b>	(2,380)
Amount written off during the year	<b>94</b>	230
Amount recovered during the year	<b>0</b>	6
(Increase)/decrease in receivables impaired	<b>(597)</b>	243
<b>Balance at 31 March</b>	<b><u>(2,404)</u></b>	<u>(1,901)</u>

A provision is made against trade debtors based upon the number of days by which the invoice is overdue. Provisions are not normally made against debts from other NHS bodies with the exception of Foundation Trusts.

**23. Other financial assets**

This note is not applicable to the Trust.

**24. Other current assets**

This note is not applicable to the Trust.

**25. Cash and cash equivalents**

**31 March 2011** 31 March 2010  
**£000** £000

Balance at 1 April	<b>10,364</b>	19,287
Net change in year	<b>9,113</b>	(8,923)
<b>Balance at 31 March</b>	<b><u>19,477</u></b>	<b><u>10,364</u></b>

**Made up of**

Cash with Government banking services	<b>19,446</b>	10,281
Commercial banks and cash in hand	<b>31</b>	83
Current investments	<b>0</b>	0
<b>Cash and cash equivalents as in statement of financial position</b>	<b><u>19,477</u></b>	<b><u>10,364</u></b>
Bank overdraft - Government banking services	<b>0</b>	0
Bank overdraft - Commercial banks	<b>0</b>	0
<b>Cash and cash equivalents as in statement of cash flows</b>	<b><u>19,477</u></b>	<b><u>10,364</u></b>

**26. Non-current assets held for sale**

This note is not applicable to the Trust.

**27. Trade and other payables**

	Current 31 March 2011 £000	Non-current 31 March 2011 £000	Current 31 March 2010 £000	Non-current 31 March 2010 £000
Interest payable	28		38	
NHS payables-revenue	9,280	0	7,028	0
NHS payables-capital	0	0	231	0
Non NHS trade payables - revenue	8,481	0	7,385	0
Non NHS trade payables - capital	3,943	0	6,671	0
Accruals and deferred income	44,656	0	39,102	0
Social security costs	3,512		3,387	
VAT	0	0	0	0
Tax	2,036		3,063	
Other	6,513	60	6,259	90
<b>Total</b>	<b>78,449</b>	<b>60</b>	<b>73,164</b>	<b>90</b>

Other payables included £4,213,701 (prior year £4,142,000) for outstanding pension contributions at the year end.

**28. Borrowings**

	Current 31 March 2011 £000	Non-current 31 March 2011 £000	Current 31 March 2010 £000	Non-current 31 March 2010 £000
Bank overdraft - Government banking services	0		0	
Bank overdraft - Commercial banks	0		0	
Loans from:				
Department of Health	4,736	12,541	4,736	17,277
Other entities	0	0	0	0
PFI liabilities	8,268	262,182	7,194	269,870
LIFT	0	0	0	0
Finance lease liabilities	2,943	8,929	1,186	11,515
Other (describe)	0	0	0	0
<b>Total</b>	<b>15,947</b>	<b>283,652</b>	<b>13,116</b>	<b>298,662</b>

	31 March 2011			31 March 2010	
	Department of Health £000	PFI Liabilities £000	Finance Lease Liabilities £000	Total £000	Total £000
Wholly repayable within five years	13,678	43,192	7,304	64,174	11,987
Wholly or partially repayable after five years, by instalments	3,599	227,258	4,568	235,425	299,791
<b>TOTAL</b>	<b>17,277</b>	<b>270,450</b>	<b>11,872</b>	<b>299,599</b>	<b>311,778</b>

**Department of Health Loans**

	Interest Rate %	31 March 2011 Value Outstanding £000	31 March 2010 Value Outstanding £000
<b>Wholly or Partly Repayable After Five Years</b>			
Capital Loan	4.19	4,299	4,913
Capital Loan	2.69	6,320	7,110
		<u>10,619</u>	<u>12,023</u>

**Wholly Repayable Within Five years**

Working Capital Loan	5.40	<u>6,658</u>	<u>9,990</u>
		<u>6,658</u>	<u>9,990</u>
<b>Total Loans</b>		<b><u>17,277</u></b>	<b><u>22,013</u></b>

Working Capital Loan - Commenced 22/03/07

Capital Loan - Commenced 17/03/08

Capital Loan - Commenced 16/03/09

Repayable over 6 years with 2 equal instalments Per Annum of £1,666,000

Repayable over 10 years with 2 equal instalments Per Annum of £307,000

Repayable over 10 years with 2 equal instalments Per Annum of £395,000

**29. Other liabilities**

This note is not applicable to the Trust.

**30. Finance lease obligations**

The Trust has a number of finance lease arrangements which have been used to acquire items of medical plant and equipment. Typically these leases provide for an option to purchase at the end of the primary term. The leases do not include any escalation clauses, nor do they include any restrictions other than those which would be expected to apply in a normal lease contract on normal commercial terms. Total minimum lease payments at 31st March 2011 were £14,548,000 (2010 £15,535,000).

**Amounts payable under finance leases:**

<b>Other</b>	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
	<b>31 March 2011 £000</b>	<b>31 March 2011 £000</b>	<b>31 March 2010 £000</b>	<b>31 March 2010 £000</b>
Within one year	3,137	2,943	1,466	1,186
Between one and five years	9,332	7,601	10,864	9,043
After five years	2,079	1,328	3,205	2,472
Less future finance charges	<b>(2,676)</b>		<b>(2,834)</b>	
Present value of minimum lease payments	<u>11,872</u>	<u>11,872</u>	<u>12,701</u>	<u>12,701</u>
Included in:				
Current borrowings		2,943		1,186
Non-current borrowings		<u>8,929</u>		<u>11,515</u>
		<u>11,872</u>		<u>12,701</u>

There were no material sub-lease payments and contingent rentals on finance leases were immaterial.

**31. Finance lease receivables**

There are no Finance Lease Receivables

### 32. Finance lease commitments

The Trust has no finance lease commitments

### 33. Private Finance Initiative contracts

#### 33.1 PFI schemes off-Statement of Financial Position

The Trust has no PFI schemes which are off-statement.

#### 33.2 PFI schemes on-Statement of Financial Position

John Radcliffe PFI Scheme	
Contract Start Date:	19/12/2003
Contract End Date:	19/12/2036
Capital Value at 31st March 2011: (£000's)	£131,537
Churchill PFI Scheme	
Contract Start Date:	13/12/2005
Contract End Date:	13/12/2038
Capital Value at 31st March 2011: (£000's)	£92,415

The John Radcliffe scheme was partly financed by a fund raising campaign. The donated asset reserve includes £11,648K representing the donation receivable less the depreciation of the donated part of the asset to date. Partially with the aid of this donation a bullet prepayment of the charges under the PFI scheme was made. Under International Financial Reporting Standards this bullet prepayment is no longer shown separately in the balance sheet, but is reflected in the difference between the PFI asset and the finance lease which provided the balance of the financing.

The Churchill PFI scheme also includes a managed equipment service for medical equipment, the NBV of this equipment at 31 March 2011 was £13,333K.

Total obligations for on-statement of financial position PFI contracts due:

	31 March 2011 £000	31 March 2010 £000
Not later than one year	22,388	21,119
Later than one year, not later than five years	87,092	88,460
Later than five years	379,671	400,691
Sub total	<u>489,151</u>	<u>510,270</u>
Less: interest element	<u>(218,701)</u>	<u>(233,206)</u>
<b>Total</b>	<u><b>270,450</b></u>	<u><b>277,064</b></u>

**33.3 Charges to expenditure**

The total charged in the year to expenditure in respect of off-statement of financial position PFI contracts and the service element of on-statement of financial position PFI contracts was £19,839,000 (prior year £19,209,000).

The trust is committed to the following charges

	31 March 2011	31 March 2010
	£000	£000
Not later than one year	20,531	0
Later than one year, not later than five	88,802	0
Later than five years	737,822	19,839
<b>Total</b>	<b>847,155</b>	<b>19,839</b>

**34. Other financial liabilities**

This note is not applicable to the Trust.

**35. Provisions**

	Current	Non-current	Current	Non-current
	31 March 2011	31 March 2011	31 March 2010	31 March 2010
	£000	£000	£000	£000
Pensions relating to former directors	10	128	10	137
Pensions relating to other staff	76	904	74	987
Legal claims	139	0	174	0
Restructurings	0	0	0	0
Redundancy	767	0	-	-
Other	2,366	0	432	0
<b>Total</b>	<b>3,358</b>	<b>1,032</b>	<b>690</b>	<b>1,124</b>

	Pensions relating to former directors	Pensions relating to other staff	Legal claims	Restructurings	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2010	147	1,061	174	0	-	432	1,814
Arising during the year	0	0	151	0	767	2,461	3,379
Used during the year	(10)	(74)	(166)	0	0	(527)	(777)
Reversed unused	0	0	(20)	0	0	0	(20)
Unwinding of discount	4	27	0	0	0	0	31
Change in discount rate	(3)	(34)	-	-	-	-	(37)
At 31 March 2011	<b>138</b>	<b>980</b>	<b>139</b>	<b>0</b>	<b>767</b>	<b>2,366</b>	<b>4,390</b>

**Expected timing of cash flows:**

Within one year	10	76	139	0	767	2,366	3,358
Between one and five years	36	305	0	0	0	0	341
After five years	92	599	0	0	0	0	691

Other provisions is in respect of commercial claims & EU Emissions.

£113,982,052 is included in the provisions of the NHS Litigation Authority at 31/3/2011 in respect of clinical negligence liabilities of the trust (31/03/2010 £99,228,634).

**36. Contingencies**

<b>36.1 Contingent liabilities</b>	<b>2010-11 £000</b>	<b>2009-10 £000</b>
Equal pay cases	0	0
Other (specify)	(12,448)	(12,254)
Amounts recoverable against contingent liabilities	0	0
<b>Total</b>	<b>(12,448)</b>	<b>(12,254)</b>

Contingent Liabilities consist of:

a) Claims of £12,334,563 in respect of two commercial contracts. Legal advice has been obtained on these matters and the Trust considers the claims to have a low chance of success.

b) Legal claims under the liability to third parties and property expenses claims administered by the NHS Litigation Authority amounted to £113,982K.

**36.2 Contingent assets**

There were no contingent assets.

**37. Financial instruments**

<b>37.1 Financial assets</b>	<b>At fair value through profit and loss £000</b>	<b>Loans and receivables £000</b>	<b>Available for sale £000</b>	<b>Total £000</b>
Embedded derivatives	0			0
Receivables		25,678		25,678
Cash at bank and in hand		19,477		19,477
Other financial assets	0	0	0	0
<b>Total at 31 March 2011</b>	<b>0</b>	<b>45,155</b>	<b>0</b>	<b>45,155</b>
Embedded derivatives	0			0
Receivables		29,726		29,726
Cash at bank and in hand		10,364		10,364
Other financial assets	0	0	0	0
<b>Total at 31 March 2010</b>	<b>0</b>	<b>40,090</b>	<b>0</b>	<b>40,090</b>
<b>37.2 Financial liabilities</b>	<b>At fair value through profit and loss £000</b>	<b>Other £000</b>	<b>Total £000</b>	
Embedded derivatives	0		0	
Payables		72,961	72,961	
PFI and finance lease obligations		282,322	282,322	
Other borrowings		17,277	17,277	
Other financial liabilities	0	0	0	
<b>Total at 31 March 2011</b>	<b>0</b>	<b>372,560</b>	<b>372,560</b>	
Embedded derivatives	0		0	
Payables		66,804	66,804	
PFI and finance lease obligations		289,765	289,765	
Other borrowings		22,013	22,013	
Other financial liabilities	0	0	0	
<b>Total at 31 March 2010</b>	<b>0</b>	<b>378,582</b>	<b>378,582</b>	

### **37.3 Financial risk management**

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS trust has with primary care trusts and the way those primary care trusts are financed, the NHS trust 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 NHS 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 NHS trust in undertaking its activities.

The trust's treasury management operations are carried out by the finance department, within parameters defined formally within the trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the trust's internal auditors.

#### **Currency risk**

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

#### **Interest rate risk**

The trust borrows from government for capital expenditure, subject to affordability as confirmed by the strategic health authority. The borrowings are for 1 – 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 trust therefore has low exposure to interest rate fluctuations.

#### **Credit risk**

Because the majority of the trust's income comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2011 are in receivables from customers, as disclosed in the trade and other receivables note.

#### **Liquidity risk**

The trust's operating costs are incurred under contracts with primary care trusts, which are financed from resources voted annually by Parliament. The trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The trust is not, therefore, exposed to significant liquidity risks.

**37.4 Maturity of financial liabilities**

	<b>31 March 2011</b>	31 March 2010
	<b>£000</b>	£000
<i>In one year or less</i>	<b>102</b>	102
<i>In more than one year but not more than two years</i>		
<i>In more than two years but not more than five years</i>	<b>98</b>	114
<i>In more than five years</i>	<b>382</b>	409
<b>Total</b>	<b><u>582</u></b>	<b><u>625</u></b>

In accordance with IFRS 7 the maturity of financial liabilities shown above is the undiscounted value of future payments assigned to years based upon the earliest contractually due date. In the case of loans (including the deemed finance leases for PFI schemes) the values shown is the grand total of all loan repayments and future interest. In relation to payables the expected date of the liability crystallising may be later than the contractually due date, particularly where current liabilities reflected deferred income.

**38. Events after the reporting period**

On Monday, 28th February 2011, the Trust Boards of the Nuffield Orthopaedic Centre (NOC) and the Oxford Radcliffe Hospitals (ORH) agreed, at separate public Board meetings, to integrate their services and create a combined NHS Trust with a new name. This will increase the operating expenditure of the new integrated trust by £82million and the asset base by £114million. This integration is subject to an approval process which includes, inter alia, the South Central Strategic Health Authority and the Secretary of State for Health. The exact timing of the integration is dependant on receiving the necessary approvals, however, it is hoped that it will become effective in the autumn of 2011.

On completion of the merger the assets and liabilities of the Trust will be absorbed into the new organisation and the NOC will be dissolved and cease to exist as a separate entity thereafter. As a consequence the Trust Board of the NOC will cease to exist. A provision for redundancy has been made in respect of the members of the NOC Trust Board affected (refer to note 28 in the NOC accounts).

### 39. Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

#### 39.1 Breakeven performance

	2005-06 £000	2006-07 £000	2007-08 £000	2008-09 £000	2009-10 £000	2010-11 £000
Turnover	474,983	484,559	553,098	614,371	635,893	663,770
Retained surplus/(deficit) for the year	(19,409)	(8,649)	4,311	2,405	(48,100)	13,207
Adjustment for:						
Timing/non-cash impacting distortions:						
Use of pre - 1.4.97 surpluses [FDL(97)24 Agreements]	0	0	0	0	0	0
2006/07 PPA (relating to 1997/98 to 2005/06)	0					
2007/08 PPA (relating to 1997/98 to 2006/07)	0	0				
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	0			
Adjustments for Impairments				0	46,594	(11,618)
Consolidated Budgetary Guidance - Adjustment for Dual Accounting under IFRIC12*					1,612	(300)
Other agreed adjustments	0	0	0	0	0	0
Break-even in-year position	<u>(19,409)</u>	<u>(8,649)</u>	<u>4,311</u>	<u>2,405</u>	<u>106</u>	<u>1,289</u>
Break-even cumulative position	<u>(17,796)</u>	<u>(26,445)</u>	<u>(22,134)</u>	<u>(19,729)</u>	<u>(19,623)</u>	<u>(18,334)</u>

\* Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance

The Trust's recovery plan, approved by the SHA aims to achieve break-even in 2014

	2005-06 %	2006-07 %	2007-08 %	2008-09 %	2009-10 %	2010-11 %
Materiality test (I.e. is it equal to or less than 0.5%):						
Break-even in-year position as a percentage of turnover	-4%	-2%	1%	0%	0%	0%
Break-even cumulative position as a percentage of turnover	-4%	-5%	-4%	-3%	-3%	-3%

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have **not** been restated to IFRS and remain on a UK GAAP basis.

### 39.2 Capital cost absorption rate

Until 2008/09 the trust was required to absorb the cost of capital at a rate of 3.5% of forecast average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital bears to the actual average relevant net assets.

From 2009/10 the dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

### 39.3 External financing

The trust is given an external financing limit which it is permitted to undershoot.

	2010-11 £000	2009-10 £000
External financing limit	<b>(10,615)</b>	17,615
Cash flow financing	<b>(19,037)</b>	1,417
Finance leases taken out in the year	<b>2,892</b>	5,287
Other capital receipts	<b>(2,254)</b>	0
External financing requirement	<b><u>(18,399)</u></b>	<u>6,704</u>
<b>Undershoot</b>	<b><u>7,784</u></b>	<u>10,911</u>

The EFL undershoot is due to the undershoot against the Capital Resource Limit (CRL), the income & expenditure surplus against breakeven plan and improvements in Trust working capital.

### 39.4 Capital resource limit

The trust is given a capital resource limit which it is not permitted to exceed.

	2010-11 £000	2009-10 £000
Gross capital expenditure	<b>20,166</b>	27,883
Less: book value of assets disposed of	<b>(854)</b>	(180)
Plus: loss on disposal of donated assets	<b>0</b>	0
Less: capital grants	<b>0</b>	0
Less: donations towards the acquisition of non-current assets	<b>(1,575)</b>	(800)
Charge against the capital resource limit	<b><u>17,737</u></b>	<u>26,903</u>
Capital resource limit	<b><u>22,181</u></b>	<u>30,262</u>
<b>Underspend against the capital resource limit</b>	<b><u>4,444</u></b>	<u>3,359</u>

The CRL undershoot is due to slippage on certain capital schemes.

#### 40. Related party transactions

Oxford Radcliffe Hospitals NHS Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Oxford Radcliffe Hospitals NHS Trust.

The Department of Health is regarded as a related party. During the year Oxford Radcliffe Hospitals NHS 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:

Bedfordshire PCT  
Berkshire PCT  
Berkshire East PCT  
Birmingham East & North PCT  
Bristol PCT  
Buckinghamshire Hospitals NHS Trust  
Buckinghamshire PCT  
Department Of Health  
East Midlands Specialised Commissioning Group  
Gloucestershire PCT  
Haemophilia Consortium  
Hampshire PCT  
Leicestershire County & Rutland PCT  
London Strategic Health Authority  
Milton Keynes General NHS Trust  
Milton Keynes PCT  
National Commissioning Group  
NHS Blood and Transplant  
NHS Innovations South East  
NHS Litigation Authority(70362)  
NHS Logistics Authority  
NHS Professionals  
NHS Supply Chain  
NHSBSA  
Northamptonshire PCT  
Nuffield Orthopaedic Centre NHS Trust  
Oxfordshire & Buckinghamshire Mental Health Partnership  
Oxfordshire PCT  
Royal Berkshire NHS Foundation Trust  
South Central Ambulance Service NHS Trust  
South Central Specialist Commissioning  
South Central Strategic Health Authority  
Specialised Commissioning Team (West Midlands)  
Swindon & Marlborough NHS Trust  
Swindon PCT  
University Hospital Birmingham NHS Trust  
Warwickshire PCT  
West Hertfordshire PCT  
Wiltshire PCT

In addition, the Trust has had a number of material transactions with other Government Departments, other central and local Government bodies and universities. Most of these transactions have been with Oxford University.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the Trustees of which are also members of the NHS Trust Board.

Consolidated accounts to include the Oxford Radcliffe Charitable Funds are not prepared as these have trustees appointed under Section 11 of the NHS and Community Care Act 1990 and are therefore not controlled by the Trust.

**41. Third party assets**

The Trust held £7,790 cash and cash equivalents at 31 March 2011 (£8,000 - at 31 March 2010) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

**42. Intra-Government and other balances**

	Current receivables	Non- current receivables	Current payables	Non- current payables
	£000	£000	£000	£000
Balances with other central government bodies	6,638	0	17,209	0
Balances with local authorities	0	0	0	0
Balances with NHS trusts and foundation trusts	4,047	0	2,826	0
Balances with public corporations and trading funds	0	0	169	0
Intra government balances	<u>10,685</u>	<u>0</u>	<u>20,204</u>	<u>0</u>
Balances with bodies external to government	15,166	2,587	58,245	60
<b>At 31 March 2011</b>	<b><u>25,851</u></b>	<b><u>2,587</u></b>	<b><u>78,449</u></b>	<b><u>60</u></b>
Balances with other central government bodies	10,796	0	14,141	0
Balances with local authorities	0	0	0	0
Balances with NHS trusts and foundation trusts	4,164	0	2,523	0
Balances with public corporations and trading funds	119	0	1,187	0
Intra government balances	<u>15,079</u>	<u>0</u>	<u>17,851</u>	<u>0</u>
Balances with bodies external to government	14,359	2,171	55,313	90
<b>At 31 March 2010</b>	<b><u>29,438</u></b>	<b><u>2,171</u></b>	<b><u>73,164</u></b>	<b><u>90</u></b>

**43. Losses and special payments**

There were 244 cases of losses and special payments (2009-10: 471 cases) totalling £332,502 (2009-10: £365,917) accrued