
Data entered below will be used throughout the workbook:

Entity name:	10JN North Hampshire CCG
This year	2013-14
This year ended	31 March 2014
This year commencing:	1 April 2013

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**Statement of Comprehensive Net Expenditure for the year ended
31 March 2014**

	Note	2013-14 £000
Administration Costs and Programme Expenditure		
Gross employee benefits	4	2,048
Other costs	5	218,523
Other operating revenue	2	<u>(4,499)</u>
Net operating costs before interest		216,072
Other operating revenue	2	0
Other (gains)/losses	9	0
Finance costs	10	<u>0</u>
Net operating costs for the financial year		216,072
Net (gain)/loss on transfers by absorption	11	
Net operating costs for the financial year including absorption transfers		216,072
Of which:		
Administration Costs		
Gross employee benefits	4	1,823
Other costs	5	3,854
Other operating revenue	2	<u>(458)</u>
Net administration costs before interest		5,219
Programme Expenditure		
Gross employee benefits	4	225
Other costs	5	214,669
Other operating revenue	2	<u>(4,041)</u>
Net programme expenditure before interest		210,853

Other Comprehensive Net Expenditure

	2013-14 £000
Impairments and reversals	0
Net gain/(loss) on revaluation of property, plant & equipment	0
Net gain/(loss) on revaluation of intangibles	0
Net gain/(loss) on revaluation of financial assets	0
Movements in other reserves	0
Net gain/(loss) on available for sale financial assets	0
Net gain/(loss) on assets held for sale	0
Net actuarial gain/(loss) on pension schemes	0
Share of (profit)/loss of associates and joint ventures	0
Reclassification Adjustments	
On disposal of available for sale financial assets	<u>0</u>
Total comprehensive net expenditure for the year	216,072

**Statement of Financial Position as at
31 March 2014**

	31 March 2014	
	Note	£000
Non-current assets:		
Property, plant and equipment	13	-
Intangible assets	14	-
Investment property	15	-
Trade and other receivables	17	-
Other financial assets	18	-
Total non-current assets		-
Current assets:		
Inventories	16	-
Trade and other receivables	17	4,310
Other financial assets	18	-
Other current assets	19	-
Cash and cash equivalents	20	168
Total current assets		4,478
Non-current assets held for sale		-
Total current assets		4,478
Total assets		4,478
Current liabilities		
Trade and other payables	23	11,940
Other financial liabilities	24	-
Other liabilities	25	-
Borrowings	26	-
Provisions	30	499
Total current liabilities		12,439
Total Assets less Current Liabilities		(7,962)
Non-current liabilities		
Trade and other payables	23	-
Other financial liabilities	24	-
Other liabilities	25	-
Borrowings	26	-
Provisions	30	40
Total non-current liabilities		40
Total Assets Employed		(8,002)
Financed by Taxpayers' Equity		
General fund	SoCITE	(8,002)
Revaluation reserve	SoCITE	-
Other reserves	SoCITE	-
Charitable Reserves	SoCITE	-
Total taxpayers' equity:		(8,002)

The notes on pages 5 to 54 form part of this statement

The financial statements on pages 1 to 54 were approved by the Governing Body on 3rd June 2014 and signed on its behalf by:

Chief Accountable Officer
Dr Sam Hullah

**Statement of Changes In Taxpayers Equity for the year ended
31 March 2014**

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Changes in taxpayers' equity for 2013-14				
Balance at 1 April 2013	-	-	-	-
Transfer of assets and liabilities from closed NHS Bodies as a result of the 1 April 2013 transition	-	-	-	-
Transfer between reserves in respect of assets transferred from closed NHS bodies	-	-	-	-
Adjusted CCG balance at 1 April 2013	-	-	-	-
Changes in CCG taxpayers' equity for 2013-14				
Net operating costs for the financial year	(216,072)	-	-	(216,072)
Net gain/(loss) on revaluation of property, plant and equipment	-	-	-	-
Net gain/(loss) on revaluation of intangible assets	-	-	-	-
Net gain/(loss) on revaluation of financial assets	-	-	-	-
Total revaluations against revaluation reserve	-	-	-	-
Net gain (loss) on available for sale financial assets	-	-	-	-
Net gain (loss) on revaluation of assets held for sale	-	-	-	-
Impairments and reversals	-	-	-	-
Net actuarial gain (loss) on pensions	-	-	-	-
Movements in other reserves	-	-	-	-
Transfers between reserves	-	-	-	-
Release of reserves to the Statement of Comprehensive Net Expenditure	-	-	-	-
Reclassification adjustment on disposal of available for sale financial	-	-	-	-
Transfers by absorption to (from) other bodies	-	-	-	-
Transfer between reserves in respect of assets transferred under absorption	-	-	-	-
Reserves eliminated on dissolution	-	-	-	-
Net Recognised CCG Expenditure for the Financial Year	(216,072)	-	-	(216,072)
Net funding	208,070	-	-	208,070
Balance at 31 March 2014	(8,002)	-	-	(8,002)

**Statement of Cash Flows for the year ended
31 March 2014**

	2013-14
Note	£000
Cash Flows from Operating Activities	
Net operating costs for the financial year	(216,072)
Depreciation and amortisation	13 -
Impairments and reversals	22 -
Other gains (losses) on foreign exchange	33 -
Donated assets received credited to revenue but non-cash	13 -
Government granted assets received credited to revenue but non-cash	13 -
Interest paid	10 -
Release of PFI deferred credit	27 -
(Increase)/decrease in inventories	-
(Increase)/decrease in trade & other receivables	(4,310)
(Increase)/decrease in other current assets	-
Increase/(decrease) in trade & other payables	11,940
Increase/(decrease) in other current liabilities	-
Provisions utilised	30 -
Increase/(decrease) in provisions	30 539
Net Cash Inflow (Outflow) from Operating Activities	(207,902)
Cash Flows from Investing Activities	
Interest received	17 -
(Payments) for property, plant and equipment	-
(Payments) for intangible assets	-
(Payments) for investments with the Department of Health	-
(Payments) for other financial assets	-
(Payments) for financial assets (LIFT)	-
Proceeds from disposal of assets held for sale: property, plant and equipment	-
Proceeds from disposal of assets held for sale: intangible assets	-
Proceeds from disposal of investments with the Department of Health	-
Proceeds from disposal of other financial assets	-
Proceeds from disposal of financial assets (LIFT)	-
Loans made in respect of LIFT	-
Loans repaid in respect of LIFT	-
Rental revenue	-
Net Cash Inflow (Outflow) from Investing Activities	-
Net Cash Inflow (Outflow) before Financing	(207,902)
Cash Flows from Financing Activities	
Net funding received	208,070
Other loans received	-
Other loans repaid	-
Capital element of payments in respect of finance leases and on Statement of Financial Position PFI and LIFT	-
Capital grants and other capital receipts	-
Capital receipts surrendered	-
Net Cash Inflow (Outflow) from Financing Activities	208,070
Net Increase (Decrease) in Cash & Cash Equivalents	168
Cash & Cash Equivalents at the Beginning of the Financial Year	-
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year	168

Notes to the financial statements

1 Accounting Policies

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

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

1.1 Going Concern

These accounts have been prepared on the going concern basis, the CCG (as a public sector body) is to be responsible for commissioning of NHS services and as such it is anticipated that the commissioning function of the NHS will continue in the future. The CCG External Auditors issued a notification under Section 19 of the Audit Commission Act 1998 for the anticipated breach of financial duties relating to a deficit plan for the year, however this position was improved upon with the CCG ending the year with a £20k surplus.

Public sector bodies are assumed to be going concerns where the continuation of the provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

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

1.2 Accounting Convention

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

1.3 Acquisitions & Discontinued Operations

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

1.4 Movement of Assets within the Department of Health Group

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

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

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

Notes to the financial statements

1.5 Charitable Funds

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

1.6 Pooled Budgets

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

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

- The assets the clinical commissioning group controls;
- The liabilities the clinical commissioning group incurs;
- The expenses the clinical commissioning group incurs; and,
- The clinical commissioning group's share of the income from the pooled budget activities.
- If the clinical commissioning group is involved in a "jointly controlled assets" arrangement, in addition to the above, the clinical commissioning group recognises:
- The clinical commissioning group's share of the jointly controlled assets (classified according to the nature of the assets);
- The clinical commissioning group's share of any liabilities incurred jointly; and,
- The clinical commissioning group's share of the expenses jointly incurred.

1.7 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

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

1.7.1 *Critical Judgements in Applying Accounting Policies*

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

- Expenditure has been recognised for incomplete spells as at 31st march 2014. The incomplete spells are accrued to reflect activity undertaken to the year end but not yet charged for.
- Leases have been reviewed to determine whether they should be classified as finance leases or operating leases.
- The CCG has made a number of Provisions against likely claims which have not yet been finalised. Most notably Continuing Health Care where the provision is based upon the number of unassessed claims registered. The provision includes an adjustment for uncertainty about the amount and timings of these payments as well as the likelihood of eligibility and it has been assumed that they will be processed within a year of the registration of their claim.

1.7.2 *Key Sources of Estimation Uncertainty*

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

Accounting for Accruals

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

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

The prescribing costs received monthly up to two months in arrears. The CCG has therefore estimated the charge for the last two month of the period based on latest prescribing data and historic spending patterns.

Notes to the financial statements

1.8 Revenue

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

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

1.9 Employee Benefits

1.9.1 Short-term Employee Benefits

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

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

1.9.2 Retirement Benefit Costs

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

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

1.10 Other Expenses

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

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

1.11 Property, Plant & Equipment

1.11.1 Recognition

Property, plant and equipment is capitalised if:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential will be supplied to the clinical commissioning group;
- It is expected to be used for more than one financial year;
- The cost of the item can be measured reliably; and,
- The item has a cost of at least £5,000; or,
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or,
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Notes to the financial statements

1.11.2 Valuation

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

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

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

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

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

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

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

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Net Expenditure.

1.11.3 Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.12 Intangible Assets

1.12.1 Recognition

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

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

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

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

Notes to the financial statements

1.12.2 Measurement

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

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

1.13 Depreciation, Amortisation & Impairments

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

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

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

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.14 Donated Assets

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

1.15 Government Grants

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

1.16 Non-current Assets Held For Sale

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

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

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

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

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

Notes to the financial statements

1.17 Leases

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

1.17.1 *The Clinical Commissioning Group as Lessee*

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

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

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

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

1.17.2 *The Clinical Commissioning Group as Lessor*

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

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

1.18 Private Finance Initiative Transactions

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

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

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

1.18.1 *Services Received*

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

1.18.2 *PFI Asset*

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

Notes to the financial statements

1.18.3 *PFI Liability*

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

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

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

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

1.18.4 *Lifecycle Replacement*

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

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

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

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

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

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

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

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

1.19 Inventories

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

1.20 Cash & Cash Equivalents

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

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

Notes to the financial statements

1.21 Provisions

Provisions are recognised when the clinical commissioning group has a present legal or constructive obligation as a result of a past event, it is probable that the clinical commissioning group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate as follows:

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

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

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

1.22 Legacy NHS Continuing Healthcare Provisions

The accounting arrangements for balances transferred from predecessor PCTs ("legacy" balances) are determined by the Accounts Direction issued by NHS England on 12 February 2014. The Accounts Directions state that the only legacy balances to be accounted for by the CCG are in respect of property, plant and equipment (and related liabilities) and inventories. All other legacy balances in respect of assets or liabilities arising from transactions or delivery of care prior to 31 March 2013 are accounted for by NHS England. The impact of the legacy balances accounted for by the CCG is disclosed in note 11 to these financial statements. The CCG's arrangements in respect of settling NHS Continuing Healthcare claims are disclosed in note 30 to these financial statements.

1.23 Clinical Negligence Costs

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

1.24 Non-clinical Risk Pooling

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

1.25 Carbon Reduction Commitment Scheme

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

Notes to the financial statements

1.26 Contingencies

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

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

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

1.27 Financial Assets

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

Financial assets are classified into the following categories:

- Financial assets at fair value through profit and loss;
- Held to maturity investments;
- Available for sale financial assets; and,
- Loans and receivables.

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

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

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

The CCG has no embedded derivatives at this time.

1.27.2 *Held to Maturity Assets*

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

1.27.3 *Available For Sale Financial Assets*

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

The CCG has no financial assets at this time and therefore none held for sale.

1.27.4 *Loans & Receivables*

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

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

The CCG has no loans and receivable financial assets at this time.

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

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

Notes to the financial statements

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

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

1.28 Financial Liabilities

Financial liabilities are recognised on the statement of financial position when the clinical commissioning group becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

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

1.28.1 *Financial Guarantee Contract Liabilities*

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

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

1.28.2 *Financial Liabilities at Fair Value Through Profit and Loss*

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

The CCG has no embedded derivatives at this time.

1.28.3 *Other Financial Liabilities*

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

1.29 Value Added Tax

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

1.3 Foreign Currencies

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

1.31 Third Party Assets

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

1.32 Losses & Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Notes to the financial statements

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the clinical commissioning group not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.33 Subsidiaries

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

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

1.34 Associates

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

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

1.35 Joint Ventures

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

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

1.36 Joint Operations

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

1.37 Research & Development

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

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

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

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

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

2 Other Operating Revenue

	2013-14 Total £000	2013-14 Admin £000	2013-14 Programme £000
Recoveries in respect of employee benefits	-	-	-
Patient transport services	-	-	-
Prescription fees and charges	-	-	-
Dental fees and charges	-	-	-
Education, training and research	-	-	-
Charitable and other contributions to revenue expenditure: NHS	-	-	-
Charitable and other contributions to revenue expenditure: non-NHS	-	-	-
Receipt of donations for capital acquisitions: NHS Charity	-	-	-
Receipt of Government grants for capital acquisitions	-	-	-
Non-patient care services to other bodies	4,487	453	4,035
Income generation	-	-	-
Rental revenue from finance leases	-	-	-
Rental revenue from operating leases	-	-	-
Other revenue	12	5	7
Total other operating revenue	4,499	458	4,041

Admin Revenue is income that is not directly attributable to the provision of healthcare or healthcare services. It relates to where the CCG hosts administrative services which are recharged to other NHS organisations, including Counter Fraud Services and the Maternity Services Liaison Committee.

Programme revenue is directly attributable to the provision of health care services and also relates to the hosting of services on behalf of other NHS Organisations. This includes Home Oxygen services, Prescribing and some primary care costs totalling £1.5m, Hampshire wide Mental Health services from 'Together for Well Being' £1.1m and Child and Adolescent Mental Health Services funded from a pooled fund with Hampshire County Council of £1.4m. Revenue in this note does not include cash received from NHS England, which is drawn down directly into the bank account of the CCG and credited to the General Fund.

3 Revenue

	2013-14 Total £000	2013-14 Admin £000	2013-14 Programme £000
From rendering of services	4,499	458	4,041
From sale of goods	-	-	-
Total	4,499	458	4,041

The clinical commissioning group receives no revenue from the sale of goods.

4. Employee benefits and staff numbers



**North Hampshire
Clinical Commissioning Group**
Employees

4.1.1 Employee benefits

	2013-14 Total	Total Permanent Employees	Other *	Total	Admin Permanent Employees				
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee Benefits									
Salaries and wages	1,700	1,578	122	1,513	1,392	120	187	186	1
Social security costs	144	144	-	130	130	-	14	14	-
Employer Contributions to NHS Pension scheme	204	204	-	180	180	-	24	24	-
Other pension costs	-	-	-	-	-	-	-	-	-
Other post-employment benefits	-	-	-	-	-	-	-	-	-
Other employment benefits	-	-	-	-	-	-	-	-	-
Termination benefits	-	-	-	-	-	-	-	-	-
Gross employee benefits expenditure	2,048	1,926	122	1,823	1,703	120	225	223	1
Less recoveries in respect of employee benefits (note 4.1.2)	-	-	-	-	-	-	-	-	-
Total - Net admin employee benefits including capitalised costs	2,048	1,926	122	1,823	1,703	120	225	223	1
Less: Employee costs capitalised	-	-	-	-	-	-	-	-	-
Net employee benefits excluding capitalised costs	2,048	1,926	122	1,823	1,703	120	225	223	1

4.1.2 Recoveries in respect of employee benefits

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

* Clinical Leads and recharges

4.2 Average number of people employed

	2013-14		
	Total	Permanently employed	Other
	Number	Number	Number
Total	29	28	1
Of the above:			
Number of whole time equivalent people engaged on capital projects	-	-	-

*Clinical***4.3 Staff sickness absence and ill health retirements**

	2013-14 Number
Total Days Lost	46
Total Staff Years	28
Average working Days Lost	2

The figures have been based on a 9 month average, to reflect the calendar year relevant to 2013/14

	2013-14 Number
Number of persons retired early on ill health grounds	-
Total additional Pensions liabilities accrued in the year	-

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

4.4 Exit packages agreed in the financial year

	2013-14 Compulsory redundancies		Other agreed departures		Total	
	Number	£	Number	£	Number	£
Less than £10,000	-	-	-	-	-	-
£10,001 to £25,000	-	-	-	-	-	-
£25,001 to £50,000	-	-	-	-	-	-
£50,001 to £100,000	-	-	-	-	-	-
£100,001 to £150,000	-	-	-	-	-	-
£150,001 to £200,000	-	-	-	-	-	-
Over £200,001	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Departures where special payments have been made					
	Number	£				
Less than £10,000	-	-				
£10,001 to £25,000	-	-				
£25,001 to £50,000	-	-				
£50,001 to £100,000	-	-				
£100,001 to £150,000	-	-				
£150,001 to £200,000	-	-				
Over £200,001	-	-				
Total	-	-				

Analysis of Other Agreed Departures

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

Includes any non-contractual severance payments made following judicial mediation, and [number] valued at £[x] relating to non-contractual payments in lieu of notice.

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

These tables report the number and value of exit packages agreed in the financial year. The expense associated with these departures may have been recognised in part or in full in a previous period.

Exit costs are accounted for in accordance with relevant accounting standards and at the latest in full in the year of departure.

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

The Remuneration Report includes the disclosure of exit payments payable to individuals named in that Report.

4.5 Pension costs

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

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

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

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

4.5.1 Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the Scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by 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.

4.5.2 Accounting valuation

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

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

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

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

4.5 Pension costs

4.5.3 Scheme Provisions

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

- The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service;
- With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HM Revenue & Customs rules. This new provision is known as “pension commutation”;
- Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year;
- Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness 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 net expenditure at the time the clinical commissioning group commits itself to the retirement, regardless of the method of payment; and,
- Members can purchase additional service in the Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

5. Operating expenses

	2013-14 Total £000	2013-14 Admin £000	2013-14 Programme £000
Gross employee benefits			
Employee benefits excluding governing body members	1,501	1,276	225
Executive governing body members	547	547	-
Total gross employee benefits	2,048	1,823	225
Other costs			
Services from other CCGs and NHS England	3,806	1,586	2,220
Services from foundation trusts	151,004	-	151,004
Services from other NHS trusts	2,914	-	2,914
Services from other NHS bodies	155	-	155
Purchase of healthcare from non-NHS bodies	28,560	-	28,560
Chair and lay membership body and governing body members	398	398	-
Supplies and services – clinical	-	-	-
Supplies and services – general	942	665	277
Consultancy services	14	14	-
Establishment	221	118	102
Transport	1	-	1
Premises	915	501	414
Impairments and reversals of receivables	-	-	-
Inventories written down	-	-	-
Depreciation	-	-	-
Amortisation	-	-	-
Impairments and reversals of property, plant and equipment	-	-	-
Impairments and reversals of intangible assets	-	-	-
Impairments and reversals of financial assets	-	-	-
· Assets carried at amortised cost	-	-	-
· Assets carried at cost	-	-	-
· Available for sale financial assets	-	-	-
Impairments and reversals of non-current assets held for sale	-	-	-
Impairments and reversals of investment properties	-	-	-
Audit fees	85	85	-
Other auditor's remuneration			
· Internal audit services	68	68	-
· Other services	-	-	-
General dental services and personal dental services	-	-	-
Prescribing costs	28,255	-	28,255
Pharmaceutical services	-	-	-
General ophthalmic services	-	-	-
GPMS/APMS and PCTMS	284	-	284
Other professional fees excl. audit	223	223	-
Grants to other public bodies	-	-	-
Clinical negligence	5	5	-
Research and development (excluding staff costs)	-	-	-
Education and training	152	152	-
Change in discount rate	-	-	-
Other expenditure	521	40	481
Total other costs	218,523	3,854	214,669
Total operating expenses	220,571	5,677	214,894

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

Services from other CCGs and NHS England comprise both Admin and Programme charges

The Admin charge relates to

- Recharge for services received from Commissioning Support South who are hosted by NHS England.

The Programme charges relate to health care related services that are either hosted or administered by other CCGs;

- West Hampshire CCG who host Adult Commissioning including Continuing Health Care Services £16.546m,
- North East Hampshire & Farnham CCG who host Children's commissioning including Child and Adolescent Mental Health Services contributions to a Hampshire wide pooled fund £1.421m.
- The remainder relates to recharges for health care services provided to North Hampshire patients via a wide range of CCGs.

Analysis of Premises costs

The recharge from NHS property services comprises Admin and Programme costs. The Admin charge should represent the cost of the CCG headquarters, however for 13/14 the charges include costs for historic buildings. The CCG no longer occupies these buildings but recharges will not update to actuals until 2014/2015. Therefore the CCG has separately included charges relating the Central 40 which are the CCG headquarters (see analysis of premises costs in table right).

The Programme charge should also include the actual cost of vacant NHS premises managed by NHS Property Services. CCGs are responsible for funding the cost of these voids.

Premises	Total £000	Admin £000	Programme £000
Rent	89	89	-
Rates	31	31	-
Service charge	44	44	-
Domestics	11	11	-
Water	1	1	-
Refuse	2	2	-
Recharge from NHS Property Services	680	266	414
Meeting room expense hire	33	33	-
Building contracts	24	24	-
	915	501	414

6.1 Better Payment Practice Code

Measure of compliance	2013-14 Number	2013-14 £000
Non-NHS Payables		
Total Non-NHS Trade invoices paid in the Year	1,922	12,336
Total Non-NHS Trade Invoices paid within target	1,912	12,178
Percentage of Non-NHS Trade invoices paid within target	99.48%	98.72%
NHS Payables		
Total NHS Trade Invoices Paid in the Year	1,738	178,068
Total NHS Trade Invoices Paid within target	1,735	177,957
Percentage of NHS Trade Invoices paid within target	99.83%	99.94%

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

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

	2013-14 £000
Amounts included in finance costs from claims made under this legislation	-
Compensation paid to cover debt recovery costs under this legislation	-
Total	-

The CCG has not received any claims under this legislation

7 Income Generation Activities

The clinical commissioning group does not undertake any income generation activities.

8. Investment revenue

	2013-14 £000
Rental Revenue	
PFI finance lease revenue (planned)	-
PFI finance lease revenue (contingent)	-
Other finance lease revenue	-
Total rental revenue	<hr style="border-top: 1px solid black;"/> -
Interest Revenue	-
LIFT: equity dividends receivable	-
LIFT: loan interest receivable	-
Bank interest	-
Other loans and receivables	-
Impaired financial assets	-
Other financial assets	-
Total interest revenue	<hr style="border-top: 1px solid black;"/> -
Total investment revenue	<hr style="border-top: 1px solid black;"/> -
The CCG has not received any Investment revenue in 13/14	<hr style="border-top: 1px solid black;"/>

9. Other gains and losses

	2013-14 £000
Gain/(loss) on disposal of property, plant and equipment assets other than by sale	-
Gain/(loss) on disposal of intangible assets other than by sale	-
Gain/(loss) on disposal of financial assets other than held for sale	-
Gain/(loss) on disposal of assets held for sale	-
Gain/(loss) on foreign exchange	-
Change in fair value of financial assets carried at fair value through the statement of comprehensive net expenditure	-
Change in fair value of financial liabilities carried at fair value through the statement of comprehensive net expenditure	-
Change in fair value of investment property	-
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	-
Total	<hr style="border-top: 1px solid black;"/> -
The CCG has not incurred any gains or losses in 13/14	<hr style="border-top: 1px solid black;"/>

10. Finance costs

	2013-14 £000
Interest	
Interest on loans and overdrafts	-
Interest on obligations under finance leases	-
Interest on obligations under PFI contracts:	
· Main finance cost	-
· Contingent finance cost	-
Interest on obligations under LIFT contracts:	
· Main finance cost	-
· Contingent finance cost	-
Interest on late payment of commercial debt	-
Other interest expense	-
Total interest	<hr style="border-top: 1px solid black;"/> -
Other finance costs	-
Provisions: unwinding of discount	-
Total finance costs	<hr style="border-top: 1px solid black;"/> -
The CCG has not incurred any Finance costs in 13/14	<hr style="border-top: 1px solid black;"/>

11. Net gain/(loss) on transfer by absorption

The CCG has not undertaken any transfer of assets & therefore there is no net gain or loss reflected in our accounts

12. Operating Leases**12.1 As lessee**

The CCG has an under lease with NHS Property Services for the 1st floor of Central 40 based in Chineham Business Park.

The lease term is for 15 years with a break clause at 5 years

The CCG has no claim on the property and the building remains the property of the Landlord

The CCG has the responsibility for making good any damage during and at the end of the lease

12.1.1 Payments recognised as an Expense

	Land £000	Buildings £000	Other £000	2013-14 Total £000
Payments recognised as an expense				
Minimum lease payments	-	768	0	768
Contingent rents	-	-	-	-
Sub-lease payments	-	-	-	-
Total	<u>-</u>	<u>768</u>	<u>0</u>	<u>768</u>

12.1.2 Future minimum lease payments

	Land £000	Buildings £000	Other £000	2013-14 Total £000
Payable:				
No later than one year	-	88	1	89
Between one and five years	-	503	2	505
After five years	-	946	-	946
Total	<u>-</u>	<u>1,537</u>	<u>3</u>	<u>1,540</u>

North Hampshire CCG is responsible for the cost of voids in NHS property in the North Hampshire Area owned and managed by NHS Property Services. It also occupies property owned and managed by NHS Property Services. For 2013-14, a transitional occupancy rent based on annual property cost allocations was agreed. This is reflected in note 12.1.1. Whilst our arrangements with NHS property services limited fall within the definition of operating leases, the rental charge for future years has not yet been agreed. Consequently this note includes only the known future minimum lease payments for 2014/15.

12.2 As lessor**12.2.1 Rental revenue**

	2013-14 £000
Recognised as income	
Rent	-
Contingent rents	-
Total	<u>-</u>

The CCG does not lease any premises in a capacity of Lessor

12.2.2 Future minimum rental value

	2013-14 £000
Receivable:	
No later than one year	-
Between one and five years	-
After five years	-
Total	<u>-</u>

The CCG does not lease any premises in the capacity of Lessor

13 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2013-14									
Cost or valuation at 1 April 2013	-	-	-	-	-	-	-	-	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-	-	-	-	-	-	-	-	-
Adjusted Cost or valuation at 1 April 2013	-	-	-	-	-	-	-	-	-
Addition of assets under construction and payments on account	-	-	-	-	-	-	-	-	-
Additions purchased	-	-	-	-	-	-	-	-	-
Additions donated	-	-	-	-	-	-	-	-	-
Additions government granted	-	-	-	-	-	-	-	-	-
Additions leased	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Reclassified as held for sale and reversals	-	-	-	-	-	-	-	-	-
Disposals other than by sale	-	-	-	-	-	-	-	-	-
Upward revaluation gains	-	-	-	-	-	-	-	-	-
Impairments charged	-	-	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-	-	-
Transfer (to)/from other public sector body	-	-	-	-	-	-	-	-	-
Cumulative depreciation adjustment following revaluation	-	-	-	-	-	-	-	-	-
At 31 March 2014	-	-	-	-	-	-	-	-	-
Depreciation 1 April 2013	-	-	-	-	-	-	-	-	-
Adjusted depreciation 1 April 2013	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Reclassified as held for sale and reversals	-	-	-	-	-	-	-	-	-
Disposals other than by sale	-	-	-	-	-	-	-	-	-
Upward revaluation gains	-	-	-	-	-	-	-	-	-
Impairments charged	-	-	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-	-	-
Charged during the year	-	-	-	-	-	-	-	-	-
Transfer (to)/from other public sector body	-	-	-	-	-	-	-	-	-
Cumulative depreciation adjustment following revaluation	-	-	-	-	-	-	-	-	-
At 31 March 2014	-	-	-	-	-	-	-	-	-
Net Book Value at 31 March 2014	-	-	-	-	-	-	-	-	-
Purchased	-	-	-	-	-	-	-	-	-
Donated	-	-	-	-	-	-	-	-	-
Government Granted	-	-	-	-	-	-	-	-	-
Total at 31 March 2014	-	-	-	-	-	-	-	-	-
Asset financing:									
Owned	-	-	-	-	-	-	-	-	-
Held on finance lease	-	-	-	-	-	-	-	-	-
On-SOFP Lift contracts	-	-	-	-	-	-	-	-	-
PFI residual interests	-	-	-	-	-	-	-	-	-
Total PFI & LIFT assets	-	-	-	-	-	-	-	-	-
Total at 31 March 2014	-	-	-	-	-	-	-	-	-
Revaluation Reserve Balance for Property, Plant & Equipment									
	Land	Buildings	Dwellings	Assets under	Plant &	Transport	Information	Furniture &	Total
	£000's	£000's	£000's	construction	machinery	equipment	technology	fittings &	£000's
				£000's	£000's	£000's	£000's	£000's	
Balance at 1 April 2013	-	-	-	-	-	-	-	-	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-	-	-	-	-	-	-	-	-
Adjusted balance at 1 April 2013	-	-	-	-	-	-	-	-	-
Revaluation gains	-	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-
Release to general fund	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
At 31 March 2014	-	-	-	-	-	-	-	-	-

The CCG does not own any property, plant or equipment

13 Property, plant and equipment cont'd

13.1 Additions to assets under construction

	2013-14 £000
Land	-
Buildings excluding dwellings	-
Dwellings	-
Plant & machinery	-
Transport equipment	-
Information technology	-
Furniture & fittings	-
Total	-

13.2 Donated assets

The CCG does not have any donated assets.

13.3 Government granted assets

The CCG does not have any government granted assets.

13.4 Property revaluation

	2013-14 £000
The major constituents of the upward revaluation are as follows:-	
Previously charged to the Statement of Comprehensive Net Expenditure and now reversed:	
Other [balancing figure to get to annual total]	-
Total	-
Credited to the Revaluation Reserve:	
[Detail major items]	-
Other [balancing figure to get to annual total]	-
Total	-
The major constituents of the downward revaluation are as follows	
Charged to the Statement of Comprehensive Net Expenditure:	
Other [balancing figure to get to annual total]	-
Total	-
Charged to the Revaluation Reserve:	
Other [balancing figure to get to annual total]	-
Total	-

The CCG does have any property, plant or equipment on its statement of comprehensive net expenditure (balance sheet)

13 Property, plant and equipment cont'd

13.5 Compensation from third parties

The CCG did not receive any compensation from third parties for assets impaired

13.6 Write downs to recoverable amount

The CCG did not write any assets down to recoverable amounts and any reversals of previous write-downs

13.7 Temporarily idle assets

The net book value of temporarily idle assets was as follows:

	2013-14 £000
Land	-
Buildings excluding dwellings	-
Dwellings	-
Plant & machinery	-
Transport equipment	-
Information technology	-
Furniture & fittings	-
Total	-

13.8 Cost or valuation of fully depreciated assets

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

	2013-14 £000
Land	-
Buildings excluding dwellings	-
Dwellings	-
Plant & machinery	-
Transport equipment	-
Information technology	-
Furniture & fittings	-
Total	-

13.9 Economic lives

	Minimum Life (years)	Maximum Life (Years)
Buildings excluding dwellings	-	-
Dwellings	-	-
Plant & machinery	5	10
Transport equipment	5	10
Information technology	2	5
Furniture & fittings	5	10

The CCG does not own any property, plant or equipment

14 Intangible non-current assets

	Computer Software: Purchased £000	Computer Software: Internally Generated £000	Licences & Trademarks £000	Patents £000	Development Expenditure (internally generated) £000	<i>Clinica</i> £000
2013-14						
Cost or valuation at 1 April 2013	-	-	-	-	-	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-	-	-	-	-	-
Adjusted Cost or valuation at 1 April 2013	-	-	-	-	-	-
Additions purchased	-	-	-	-	-	-
Additions internally generated	-	-	-	-	-	-
Additions donated	-	-	-	-	-	-
Additions government granted	-	-	-	-	-	-
Additions leased	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Reclassified as held for sale and reversals	-	-	-	-	-	-
Disposals other than by sale	-	-	-	-	-	-
Upward revaluation gains	-	-	-	-	-	-
Impairments charged	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-
Transfer (to)/from other public sector body	-	-	-	-	-	-
Cumulative amortisation adjustment following revaluation	-	-	-	-	-	-
At 31 March 2014	-	-	-	-	-	-
Amortisation 1 April 2013	-	-	-	-	-	-
Adjusted amortisation 1 April 2013	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Reclassified as held for sale and reversals	-	-	-	-	-	-
Disposals other than by sale	-	-	-	-	-	-
Upward revaluation gains	-	-	-	-	-	-
Impairments charged	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-
Charged during the year	-	-	-	-	-	-
Transfer (to) from other public sector body	-	-	-	-	-	-
Cumulative amortisation adjustment following revaluation	-	-	-	-	-	-
At 31 March 2014	-	-	-	-	-	-
Net Book Value at 31 March 2014	-	-	-	-	-	-
Purchased	-	-	-	-	-	-
Donated	-	-	-	-	-	-
Government Granted	-	-	-	-	-	-
Total at 31 March 2014	-	-	-	-	-	-

Revaluation Reserve Balance for intangible assets

	Computer Software: Purchased £000	Computer Software: Internally Generated £000	Licences & Trademarks £000	Patents £000	Development Expenditure (internally generated) £000	Total £000
Balance at 1 April 2013	-	-	-	-	-	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-	-	-	-	-	-
Adjusted balance at 1 April 2013	-	-	-	-	-	-
Revaluation gains	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Release to general fund	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
At 31 March 2014	-	-	-	-	-	-

The CCG does not have any intangible assets

14 Intangible non-current assets cont'd

14.1 Donated assets

The CCG has not received any donated assets in 2013/2014

14.2 Government granted assets

The CCG has not received any government granted assets in 2013/2014

14.3 Revaluation

**2013-14
£000**

The major constituents of the upward revaluation are as follows:-

Previously charged to the Statement of Comprehensive Net Expenditure and now reversed:

Total	_____	-
	_____	_____

Credited to the Revaluation Reserve:

Other [balancing figure to get to annual total]	_____	-
---	-------	---

Total	_____	-
	_____	_____

The major constituents of the downward revaluation are as follows

Charged to the Statement of Comprehensive Net Expenditure:

Other [balancing figure to get to annual total]	_____	-
---	-------	---

Total	_____	-
	_____	_____

Charged to the Revaluation Reserve:

Other [balancing figure to get to annual total]	_____	-
---	-------	---

Total	_____	-
	_____	_____

The CCG has not had any property plant or equipment subject to revaluation

14 Intangible non-current assets cont'd

14.4 Compensation from third parties

The CCG has not received any compensation from third parties

14.5 Write downs to recoverable amount

The CCG does not have any property, plant or equipment reflected in our statement of comprehensive net expenditure and therefore this note is not applicable.

14.6 Non-capitalised assets

The CCG does not have any non capitalised assets.

14.7 Temporarily idle assets

The net book value of temporarily idle assets was as follows:

	2013-14 £000
Computer software: purchased	-
Computer software: internally generated	-
Licences & trademarks	-
Patents	-
Development expenditure (internally generated)	-
Total	<u>-</u>

The CCG does not have any temporary idle assets

14.8 Cost or valuation of fully amortised assets

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

	2013-14 £000
Computer software: purchased	-
Computer software: internally generated	-
Licences & trademarks	-
Patents	-
Development expenditure (internally generated)	-
Total	<u>-</u>

The CCG does not have any property plant or equipment and therefore this note is not applicable

14.9 Economic lives (not applicable in 2013/14 but will apply to future year transactions)

	Minimum Life (years)	Maximum Life (Years)
Computer software: purchased	3	5
Computer software: internally generated	3	5
Licences & trademarks	3	5
Patents	3	5
Development expenditure (internally generated)	3	5

15 Investment property

The clinical commissioning group had no investment property as at 31 March 2014

**North Hampshire
Clinical Commissioning**

	2013-14 £000
Fair value balance at 1 April 2013	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-
Adjusted fair value balance at 1 April 2013	-
Additions through subsequent expenditure	-
Other acquisitions	-
Reclassified as held for sale and reversals	-
Disposals other than by sale	-
Loss from fair value adjustments: Impairments	-
Gain from fair value adjustments: Reversal of impairments	-
Gain from fair value adjustments	-
Transfer (to) from other public sector body	-
Other changes	-
At 31 March 2014	-

15.1 Investment property

	2013-14 £000
Capital revenue	-
Capital expenditure	-
Net revenue (expenditure)	-

16 Inventories

The clinical commissioning group had no inventories as at 31 March 2014

	Drugs £000	Consumables £000	Energy £000	Work in Progress £000	Loan Equipment £000	Other £000	Total £000
Balance at 1 April 2013	-	-	-	-	-	-	-
Adjusted balance at 1 April 2013	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Inventories recognised as an expense in the period	-	-	-	-	-	-	-
Write-down of inventories (including losses)	-	-	-	-	-	-	-
Reversal of write-down previously taken to the statement of comprehensive net expenditure	-	-	-	-	-	-	-
Transfer (to) from other public sector body	-	-	-	-	-	-	-
CCG Balance at Statement of Financial Position	-	-	-	-	-	-	-

17 Trade and other receivables

	Current	Non-current
	2013-14	2013-14
	£000	£000
NHS receivables: Revenue	883	-
NHS receivables: Capital	-	-
NHS prepayments and accrued income	3,125	-
Non-NHS receivables: Revenue	245	-
Non-NHS receivables: Capital	-	-
Non-NHS prepayments and accrued income	55	-
Provision for the impairment of receivables	-	-
VAT	2	-
Private finance initiative and other public private partnership arrangement prepayments and accrued income	-	-
Interest receivables	-	-
Finance lease receivables	-	-
Operating lease receivables	-	-
Other receivables	-	-
Total	4,310	-
Total current and non current	4,310	
Included above:		
Prepaid pensions contributions	-	

The majority of the trade receivables is with NHS England. The Department of Health is voted an allocation for the NHS, there is a revenue allocation formula which sets the basis of revenue funding allocation to CCG's. No credit rating is considered necessary.

17.1 Receivables past their due date but not impaired

	2013-14
	£000
By up to three months	617
By three to six months	-
By more than six months	-
Total	617

£54k of the amount above has been recovered post the statement of financial position date as at 16th April 2014

The CCG did not hold any collateral against receivables outstanding at 31 March 2014.

17.2 Provision for impairment of receivables

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

Following a review of the aged debt profile, a decision was made that no provision was required

	2013-14
	£000
Receivables are provided against at the following rates:	
NHS debt	-

The CCG did not make any provision to impair its receivable value.

18 Other financial assets**18.1 Current**

	2013-14
	£000
Balance at 1 April 2013	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-
Adjustment balance at 1 April 2013	<u>-</u>
Additions	-
Revaluation	-
Impairments	-
Impairment reversals	-
Transferred from non-current financial assets	-
Disposals	-
Transfer (to)/from other public sector body	-
At 31 March 2014	<u><u>-</u></u>

The CCG had no other financial assets. Closing balances of predecessor organisations (Primary Care Trusts) have transferred to NHS England who hold the legal status as successor body.

18.2 Non-current

	2013-14
	£000
Balance at 1 April 2013	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-
Adjustment balance at 1 April 2013	<u>-</u>
Additions	-
Revaluation	-
Impairments	-
Impairment reversals	-
Transferred from non-current financial assets	-
Disposals	-
Transfer (to)/from other public sector body	-
At 31 March 2014	<u><u>-</u></u>

The CCG had no other financial assets

18.3 Non-current: capital analysis

	2013-14
	£000
Capital revenue	-
Capital expenditure	-

The CCG had no other financial assets

19 Other current assets

	2013-14
	£000
EU Emissions trading scheme allowance	-
Other assets	-
Total	<u><u>-</u></u>

The clinical commissioning group had no other current assets as at 31 March 2014.

20 Cash and cash equivalents

	2013-14 £000
Balance at 1 April 2013	-
Net change in year	168
Balance at 31 March 2014	<u>168</u>
Made up of:	
Cash with the Government Banking Service	48
Cash with Commercial banks	-
Cash in hand *	120
Current investments	-
Cash and cash equivalents as in statement of financial position	<u>168</u>
Bank overdraft: Government Banking Service	-
Bank overdraft: Commercial banks	-
Total bank overdrafts	-
Balance at 31 March 2014	<u><u>168</u></u>
Patients' money held by the clinical commissioning group, not included above	-

*Cash in hand being the pooled budget and not actual cash

21 Non-current assets held for sale



**North Hampshire
Clinical Commissioning Group**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Trans equip	£000	£000	£000	£000
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2013	-	-	-	-	-	-	-	-	-	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-	-	-	-	-	-	-	-	-	-
Adjustment balance at 1 April 2013	-	-	-	-	-	-	-	-	-	-
Plus: assets classified as held for sale in the year	-	-	-	-	-	-	-	-	-	-
Less: assets sold in the year	-	-	-	-	-	-	-	-	-	-
Less: impairment of assets held for sale	-	-	-	-	-	-	-	-	-	-
Plus: reversal of impairment of assets held for sale	-	-	-	-	-	-	-	-	-	-
Less: assets no longer classified as held for sale, for reasons other than disposal by sale	-	-	-	-	-	-	-	-	-	-
Transfer (to) from other public sector body	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2014	-	-	-	-	-	-	-	-	-	-

Liabilities associated with assets held for sale at 31 March 2014

The CCG does not have any non current assets held for sale

22 Analysis of impairments and reversals

22.1 Analysis of impairments and reversals: property, plant and equipment

	2013-14 £000
Impairments and reversals charged to the statement of comprehensive net expenditure	
Loss or damage resulting from normal operations	-
Over-specification of assets	-
Abandonment of assets in the course of construction	-
Total charged to departmental expenditure limit	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total charged to annually managed expenditure	-
Total impairments and reversals charged to the statement of comprehensive net expenditure	-
Impairments and Reversals charged to the revaluation reserve	
Loss or damage resulting from normal operations	-
Over-specification of assets	-
Abandonment of assets in the course of construction	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total Impairments and reversals charged to the revaluation reserve	-
Total impairments and reversals of property, plant and equipment charged to the revaluation reserve	-
Total impairments and reversals of property, plant and equipment	-

The CCG does not have any impairments or reserves

22.1 Analysis of impairments and reversals: Intangible assets

	2013-14 £000
Impairments and reversals charged to the statement of comprehensive net expenditure	
Loss or damage resulting from normal operations	-
Over-specification of assets	-
Abandonment of assets in the course of construction	-
Total charged to departmental expenditure limit	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total charged to annually managed expenditure	-
Total impairments and reversals charged to the statement of comprehensive net expenditure	-
Impairments and Reversals charged to the revaluation reserve	
Loss or damage resulting from normal operations	-
Over-specification of assets	-
Abandonment of assets in the course of construction	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total Impairments and reversals charged to the revaluation reserve	-
Total impairments and reversals of property, plant and equipment charged to the revaluation reserve	-
Total impairments and reversals of intangible assets	-

The CCG has not made any impairments to property, plant, equipment or reversals

22 Analysis of impairments and reversals cont'd**22.3 Analysis of impairments and reversals: investment property**

	2013-14 £000
Impairments and reversals charged to the statement of comprehensive net expenditure	
Loss or damage resulting from normal operations	-
Over-specification of assets	-
Abandonment of assets in the course of construction	-
Total charged to departmental expenditure limit	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total charged to annually managed expenditure	-
Total impairments and reversals charged to the statement of comprehensive net expenditure	-
Impairments and Reversals charged to the revaluation reserve	-
Loss or damage resulting from normal operations	-
Over-specification of assets	-
Abandonment of assets in the course of construction	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total Impairments and reversals charged to the revaluation reserve	-
Total impairments and reversals of property, plant and equipment charged to the revaluation reserve	-
Total impairments and reversals of investment property	-

[Details of material impairment losses and reversals can be found in note x]

22.4 Analysis of impairments and reversals: inventories

	2013-14 £000
Impairments and reversals charged to the statement of comprehensive net expenditure	
Loss or damage resulting from normal operations	-
Total charged to departmental expenditure limit	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total charged to annually managed expenditure	-
Total impairments and reversals charged to the statement of comprehensive net expenditure	-
Total impairments and reversals of inventories	-

The CCG has not made any impairment or reversals to investment property.

22 Analysis of impairments and reversals cont'd**22.5 Analysis of impairments and reversals: financial assets**

	2013-14 £000
Impairments and reversals charged to the statement of comprehensive net expenditure	
Loss or damage resulting from normal operations	-
Total charged to Departmental Expenditure Limit	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total charged to Annually Managed expenditure	-
Total impairments and reversals charged to the statement of comprehensive net expenditure	-
Impairments and Reversals charged to the revaluation reserve	-
Loss or damage resulting from normal operations	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total impairments and reversals charged to the revaluation reserve	-
Total impairments and reversals of property, plant and equipment charged to the revaluation reserve	-
Total impairments and reversals of financial assets	-

[Details of material impairment losses and reversals can be found in note x]

22.6 Analysis of impairments and reversals: non-current assets held for sale

	2013-14 £000
Impairments and reversals charged to the statement of comprehensive net expenditure	
Loss or damage resulting from normal operations	-
Over-specification of assets	-
Abandonment of assets in the course of construction	-
Total charged to departmental expenditure limit	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total charged to annually managed expenditure	-
Total impairments and reversals charged to the statement of comprehensive net expenditure	-
Impairments and Reversals charged to the revaluation reserve	-
Loss or damage resulting from normal operations	-
Over-specification of assets	-
Abandonment of assets in the course of construction	-
Unforeseen obsolescence	-
Loss as a result of catastrophe	-
Other	-
Change in market price	-
Total Impairments and reversals charged to the revaluation reserve	-
Total impairments and reversals of property, plant and equipment charged to the revaluation reserve	-
Total impairments and reversals of intangible assets	-

The CCG has not made any impairments or reversals to its financial assets.

22 Analysis of impairments and reversals cont'd

22.7 Analysis of impairments and reversals: totals

	2013-14 £000
Impairments and reversals charged to the statement of comprehensive net expenditure	
Departmental expenditure limit	-
Annually managed expenditure	-
Total impairments and reversals charged to the statement of comprehensive net expenditure	-
Impairments and reversals charged to the revaluation reserve	-
Total impairments	<hr style="width: 100%; border: 0.5px solid black;"/> -
Of the above:	
Impairment on revaluation to "modern equivalent asset" basis	<hr style="width: 100%; border: 0.5px solid black;"/> -
Impairments and reversals of donated and government granted assets charged to the statement of comprehensive net expenditure included above:	
Property, plant & equipment charged to departmental expenditure limit	-
Intangible assets charged to departmental expenditure limit	-
Total charged to departmental expenditure limit	-
Property, plant & equipment charged to annually managed expenditure	-
Intangible assets charged to annually managed expenditure	-
Total charged to annually managed expenditure	-
Total impairments and reversals of donated and government granted assets charged to the statement of comprehensive net expenditure	<hr style="width: 100%; border: 0.5px solid black;"/> -

23 Trade and other payables	Current 2013-14 £000	Non-current 2013-14 £000
Interest payable	-	-
NHS payables: revenue	214	-
NHS payables: capital	-	-
NHS accruals and deferred income	2,642	-
Non-NHS payables: revenue	3,280	-
Non-NHS payables: capital	-	-
Non-NHS accruals and deferred income	5,640	-
Social security costs	25	-
VAT	-	-
Tax	30	-
Payments received on account	-	-
Other payables	109	-
Total	11,940	-
Total payables (current and non-current)	11,940	-

Accruals includes a credit note of £1.4m from West Hampshire CCG. This has reduced the amount owed to them by this amount.

Other payables include £34k outstanding pension contributions at 31 March 2014.

24 Other financial liabilities	Current 2013-14	Non-current 2013-14
Embedded derivatives at fair value through the statement of comprehensive net expenditure	-	-
Financial liabilities carried at fair value through profit and loss	-	-
Amortised cost	-	-
Total	-	-
Total current and non-current	-	-

The CCG does not have any embedded derivatives or other financial liabilities

25 Other liabilities	Current 2013-14	Non-current 2013-14
Private finance initiative/LIFT deferred credit	-	-
Lease incentives	-	-
Other	-	-
Total	-	-
Total current and non-current	-	-

The CCG does not have private finance/LIFT, deferred credit or lease incentive liabilities

26 Borrowings

	Current 2013-14 £000	Non-current 2013-14 £000
Bank overdrafts:		
· Government banking service	-	-
· Commercial banks	-	-
Total overdrafts	-	-
Loans from:		
· The Department of Health	-	-
· Other entities	-	-
Total loans	-	-
Private finance initiative liabilities:		
· Main liability	-	-
· Lifecycle replacement received in advance	-	-
Total private finance initiative liabilities	-	-
LIFT liabilities:		
· Main liability	-	-
· Lifecycle replacement received in advance	-	-
Total LIFT liabilities	-	-
Finance lease liabilities	-	-
Other [give detail]	-	-
Total	-	-
Total current and non-current	-	-

The CCG had not had any borrowings in 13/14

26.1 Repayment of principal falling due

	Department of Health £000	Other £000	Total £000
Within one year	-	-	-
Between one and two years	-	-	-
Between two and five years	-	-	-
Between one and five years	-	-	-
After five years	-	-	-
Total	-	-	-

The CCG has not made any repayment of principal in respect of borrowings in 13/14

27 Private finance initiative, LIFT and other service concession arrangements

27.1 Off-Statement of Financial Position private finance initiative and other service concession arrangements

	2013-14 £000
Within one year	-
Between one and five years	-
After five years	-
Total	-

27.1.1 Payments committed to in respect of off-statement of financial position LIFT schemes

	2013-14 £000
Within one year	-
Between one and five years	-
After five years	-
Total	-

27.2.1 Imputed “finance lease” obligations for on-statement of financial position private finance initiative and other service concession arrangements

	2013-14 £000
Within one year	-
Between one and five years	-
After five years	-
Sub-total	-
Less: Interest element	-
Total	-

27.2.2 Imputed “finance lease” obligations for on-statement of financial position LIFT schemes

	2013-14 £000
Within one year	-
Between one and five years	-
After five years	-
Sub-total	-
Less: Interest element	-
Total	-

The CCG has not inherited or entered into any Private finance initiative, LIFT and other service concession arrangements in 2013/14.

27 Private finance initiative, LIFT and other service concession arrangements cont'd

27.3.1 In respect of private finance initiative and other service concession arrangements

	2013-14	
	£000	
Off-Statement of financial position arrangements	-	
Service element of on-statement of financial position arrangements	-	
Total	<u>-</u>	

27.3.2 In respect of LIFT schemes

	2013-14	
	£000	
Off-Statement of financial position arrangements	-	
Service element of on-statement of financial position arrangements	-	
Total	<u>-</u>	

27.4.1 In respect of on-statement of financial position private finance initiative and other service concession arrangements

	2013-14	
	£000	
Within one year	-	
Between one and five years	-	
After five years	-	
Total	<u>-</u>	

27.4.2 In respect of on-statement of financial position LIFT schemes

	2013-14	
	£000	
Within one year	-	
Between one and five years	-	
After five years	-	
Total	<u>-</u>	

The CCG has not entered into any Private finance initiative, LIFT and other service concession arrangements.

28 Finance lease obligations

	Present value of minimum lease payments			
	Land 2013-14 £000	Buildings 2013-14 £000	Other 2013-14 £000	Total 2013-14 £000
Within one year	-	-	-	-
Between one and five years	-	-	-	-
After five years	-	-	-	-
Less: future finance charges	-	-	-	-
Present value of minimum lease payments	-	-	-	-
Included in:	-	-	-	-
Current borrowings	-	-	-	-
Non-current borrowings	-	-	-	-
Total	-	-	-	-

	Minimum lease payments			
	Land 2013-14 £000	Buildings 2013-14 £000	Other 2013-14 £000	Total 2013-14 £000
Within one year	-	-	-	-
Between one and five years	-	-	-	-
After five years	-	-	-	-
Less: future finance charges	-	-	-	-
Present value of minimum lease payments	-	-	-	-
Included in:	-	-	-	-
Current borrowings	-	-	-	-
Non-current borrowings	-	-	-	-
Total	-	-	-	-

28.1 Finance leases as lessee

	2013-14 £000
Future sublease payments expected to be received	-
The CCG does not hold any finance leases as lessee	

29 Finance lease receivables

	Present value of minimum lease payments			
	Land 2013-14 £000	Buildings 2013-14 £000	Other 2013-14 £000	Total 2013-14 £000
Within one year	-	-	-	-
Between one and five years	-	-	-	-
After five years	-	-	-	-
Less: future finance charges	-	-	-	-
Present value minimum lease payments	-	-	-	-
Less: allowance for uncollectible lease receivables	-	-	-	-
Total finance lease receivables recognised in the statement of financial position	-	-	-	-
Included in:	-	-	-	-
Current finance lease receivables	-	-	-	-
Non-current finance lease receivables	-	-	-	-
Total	-	-	-	-

	Gross investment in leases			
	Land 2013-14 £000	Buildings 2013-14 £000	Other 2013-14 £000	Total 2013-14 £000
Within one year	-	-	-	-
Between one and five years	-	-	-	-
After five years	-	-	-	-
Less: future finance charges	-	-	-	-
Present value minimum lease payments	-	-	-	-
Less: allowance for uncollectible lease receivables	-	-	-	-
Total finance lease receivables recognised in the statement of financial position	-	-	-	-
Included in:	-	-	-	-
Current finance lease receivables	-	-	-	-
Non-current finance lease receivables	-	-	-	-
Total	-	-	-	-

29.1 Finance leases as lessor

	2013-14 £000
Unguaranteed residual value accruing	-
Accumulated allowance for uncollectible lease receivables	-

29.2 Rental revenue

	2013-14 £000
Contingent rent	-
Other	-
Total	-

The CCG does not have any Finance Leases as lessor

30 Provisions

	Current 2013-14 £000	Non-current 2013-14 £000
Pensions relating to former directors	-	-
Pensions relating to other staff	-	-
Restructuring	-	-
Redundancy	-	-
Agenda for change	-	-
Equal pay	-	-
Legal claims	-	-
Continuing care	481	-
Other	18	40
Total	499	40



Total current and non-current

	Pensions Relating to Former Directors £000	Pensions Relating to Other Staff £000	Restructuring £000	Redundancy £000	Agenda for Change £000	Equal Pay £000	Legal Claims £000	Continuing Care £000	Other £000	Total £000
Balance at 1 April 2013	-	-	-	-	-	-	-	-	-	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-	-	-	-	-	-	-	-	-	-
Adjusted balance at 1 April 2013	-	-	-	-	-	-	-	-	-	-
Arising during the year	-	-	-	-	-	-	-	481	58	539
Utilised during the year	-	-	-	-	-	-	-	-	-	-
Reversed unused	-	-	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-	-	-
Change in discount rate	-	-	-	-	-	-	-	-	-	-
Transfer (to) from other public sector body	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2014	-	-	-	-	-	-	-	481	58	539
Expected timing of cash flows:										
Within one year	-	-	-	-	-	-	-	481	18	499
Between one and five years	-	-	-	-	-	-	-	-	40	40
After five years	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2014	-	-	-	-	-	-	-	481	58	539

Under the Accounts Direction issued by NHS England on 12 February 2014, NHS England is responsible for accounting for liabilities relating to NHS Continuing Healthcare claims relating to periods of care before establishment of the clinical commissioning group. However, the legal liability remains with the CCG. The total value of legacy NHS Continuing Healthcare provisions accounted for by NHS England on behalf of this CCG at 31 March 2014 is £5,386,000.

For Continuing Health Care a provision has been made for the 13/14 costs relating to patients who have registered their assumed eligibility for NHS funding but who are yet to receive a full assessment to confirm their status. The provision is based upon the number of unassessed claims registered. The provision includes an adjustment for uncertainty about the amount and timings of these payments as well as the likelihood of eligibility and it has been assumed that they will be processed within a year of the registration of their claim.

The "Other" class of provisions comprises an amount for dilapidations, being the probable cost of returning the CCGs leased office accommodation to its original state upon termination of its lease. It is assumed that this will not be required until the lease break point of 5 years at the earliest. It also includes a provision for the probable settlement costs of a pending a legal claim.

Pension payments are made quarterly and amounts are known. The pension provision is based on life expectancy.

Legal claims are calculated from the number of claims currently lodged with the NHS Litigation Authority and the probabilities provided by them.

£0 is included in the provisions of the NHS Litigation Authority as at 31 March 2014 in respect of clinical negligence liabilities of the clinical commissioning group.

31 Contingencies

	2013-14 £000
Contingent liabilities	
Equal Pay	-
[Input detail here]	-
[Input detail here]	-
Amounts recoverable against contingent liabilities	-
Net value of contingent liabilities	-
Contingent assets	
[Input detail here]	-
[Input detail here]	-
Amounts payable against contingent assets	-
Net value of contingent assets	-

The CCG does not have any contingent liabilities or contingent assets

32 Commitments

32.1 Capital commitments

	2013-14 £000
Property, plant and equipment	-
Intangible assets	-
Total	-

The CCG does not have any capital commitments at the end of 2013/2014.

32.2 Other financial commitments

The clinical commissioning group and consolidated group had entered into non-cancellable contracts (which are not leases, private finance initiative contracts or other service concession arrangements) which expire as follows:

	2013-14 £000
In not more than one year	-
In more than one year but not more than five years	-
In more than five years	-
Total	-

The CCG does not have any other financial commitments relating to non cancellable contracts (which are not leases or PFI's)

33 Financial instruments

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

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

33.1.1 Currency risk

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

33.1.2 Interest rate risk

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

33.1.3 Credit risk

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

33.1.3 Liquidity risk

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

33 Financial instruments cont'd**33.2 Financial assets**

	At 'fair value through profit and loss'	Loans and Receivables	Available for Sale	Total
	2013-14 £000	2013-14 £000	2013-14 £000	2013-14 £000
Embedded derivatives	-	-	-	-
Receivables:	-	-	-	-
· NHS	-	883	-	883
· Non-NHS	-	245	-	245
Cash at bank and in hand	-	168	-	168
Other financial assets	-	-	-	-
Total at 31 March 2014	-	1,296	-	1,296

Further information is shown in note 17.

33.3 Financial liabilities

	At 'fair value through profit and loss'	Other	Total
	2013-14 £000	2013-14 £000	2013-14 £000
Embedded derivatives	-	-	-
Payables:	-	-	-
· NHS	-	2,856	2,856
· Non-NHS	-	8,920	8,920
Private finance initiative, LIFT and finance lease obligations	-	-	-
Other borrowings	-	-	-
Other financial liabilities	-	-	-
Total at 31 March 2014	-	11,776	11,776

Further information is shown in note 23.

34 Operating segments

The clinical commissioning group and consolidated group consider they have only one segment being in respect of the commissioning of healthcare services.
OR

	Gross expenditure £000	Income £000	Net expenditure £000	Total assets £000	Total liabilities £000	Net asset £000
Healthcare	220,571	(4,499)	216,072	4,478	(12,479)	(8,002)
	<u>220,571</u>	<u>(4,499)</u>	<u>216,072</u>	<u>4,478</u>	<u>(12,479)</u>	<u>(8,002)</u>

34.1 Reconciliation between Operating Segments and Statement of Comprehensive Net Expenditure

The clinical commissioning group and consolidated group consider they have only one segment: commissioning of healthcare services.

	2013-14 £000
Total net expenditure reported for operating segments	216,072
Reconciling items:	
Total net expenditure per the Statement of Comprehensive Net Expenditure	<u>216,072</u>

34.2 Reconciliation between Operating Segments and Statement of Financial Position

	2013-14 £000
Total net assets reported for operating segments	4,478
Reconciling items:	
Total net expenditure per the Statement of Comprehensive Net Expenditure	<u>4,478</u>

	2013-14 £000
Total liabilities reported for operating segments	(12,479)
Reconciling items:	
Total liabilities per Statement of Financial Position	<u>(12,479)</u>

The CCG does not have any other operating segments other than Healthcare

35 Pooled budgets

The clinical commissioning group and consolidated group in 13/14 entered into a pooled budget with contracting partners being Hampshire County Council, West Hampshire CCG, North East & Farnham CCG, South Eastern CCG, Fareham & Gosport CCG. The pooled budget is hosted by Hampshire County Council.

Under the arrangement funds are pooled under Section 75 of the NHS Act 2006 for the joint commissioning of Child and Adolescent Mental Health Services and the Hampshire wide Joint Equipment Service.

The memorandum account for the pooled budget is:

The clinical commissioning group's and consolidated group's shares of the income and expenditure handled by the pooled budget in the financial year were:

	2013-14
	£000
Income	1,793
Expenditure	- 1,727

The CCG accounts for its share of the assets and liabilities in its accounts. The net amount is usually equal to the surplus or deficit. The CCG share of the Pooled budgets balances are

	CCG	Others	Total
Cash/(overdrawn)	119	859	978
Debtors	0	0	0
Less Creditors	(54)	(390)	(444)
Net Assets	65	469	534

36 NHS Lift investments

	Loan	Share Capital	Total
	2013-14	2013-14	2013-14
	£000	£000	£000
Balance at 1 April 2013	-	-	-
Transfer of investments from closed NHS bodies as a result of the 1 April 2013 transition	-	-	-
Adjusted balance at 1 April 2013	-	-	-
Additions	-	-	-
Disposals	-	-	-
Loan repayments	-	-	-
Revaluations	-	-	-
Loans repayable within 12 months	-	-	-
Balance at 31 March 2014	-	-	-

The CCG does not have any Lift investments

37 Intra-government and other balances

	Current Receivables	Non-current Receivables	Current Payables	Non-current Payables
	2013-14	2013-14	2013-14	2013-14
	£000	£000	£000	£000
Balances with:				
· Other Central Government bodies	2	-	89	-
· Local Authorities	300	-	54	-
Balances with NHS bodies:				
· NHS bodies outside the Departmental Group	2,845	-	1,084	-
· NHS Trusts and Foundation Trusts	1,163	-	1,772	-
Total of balances with NHS bodies:	4,008	-	2,856	-
· Public corporations and trading funds	-	-	-	-
· Bodies external to Government	-	-	8,941	-
Total balances at 31 March 2014	4,310	-	11,940	-

38 Related party transactions

Details of related party transactions with individuals are as follows:

	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Beggarwood Surgery - Dr Sam Hullah	16	-	-	-
Brambls Grange Medical Practice - Sunil Rathod	46	-	-	-
Chineham Medical Practice - Dr Philip Hiorns, Dr Robert Green	60	-	-	-
Crown Heights Medical Centre - Dr Sam Hullah	69	-	-	-
Gillies & Overbridge Medical P/Ship - Dr Angus Carnegie, Dr Robert Walker	103	-	16	-
Hackwood Partnership - Dr Amanda Britton, Dr Andrew Cameron	57	-	-	-
Hampshire County Council - Dr Sallie Bacon, Gill Duncan, Sue Pidduck	127	1,475	54	300
Hampshire Hospitals Foundation Trust - Dr Amanda Britton, Dr Robert Green	105,548	37	902	1,000
Hook & Hartley Wintney Medical Partnership - Dr Andrew Fernando	154	-	-	-
Member of HFMA South Central Committee - Pam Hobbs	118	-	-	-
North Hampshire Urgent Care - Dr Andrew Fellows, Dr Andrew Fernando, Dr Angus Carnegie, Dr Andrew Cameron and Mr Hugh Freeman	2,191	-	1	76
North Hampshire Alliance - Dr Sam Hullah, Dr Amanda Britton, Dr Andrew Fellows, Dr Philip Hiorns, Dr Robert Green, Dr Angus Carnegie, Dr Robert Walker, Sunil Rathod, Dr Andrew Cameron	778	-	212	-
Solent NHS Trust - Dr Amanda Britton	422	32	-	83
Southern Health - Dr Angus Carnegie, Sunil Rathod	24,632	-	115	-
Surrey and Borders FT Trust - Dr Nicholas Sorby	2	-	5	-
The Ark Conference Centre - Dr Amanda Britton	18	-	7	-
Wilson Practice - Dr Andrew Fellows	154	-	5	-
Bentley Village Surgery	221	-	-	-
Boundaries Surgery	109	-	-	-
Canrose Medical Partnership	33	-	-	-
Chawton Park Surgery	122	-	-	-
Clift Surgery	418	-	-	-
East Barn Surgery	5	-	-	-
Kingsclere Medical Practice	169	-	-	-
Oakley & Overton Partnership	59	-	-	-
Dr A D Weaver & Partners	84	-	-	-
The Rosewood Practice	13	-	-	-
The Tadley Medical Partnership	595	-	7	-
The Bermuda & Marlow Patrice	46	-	-	-

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

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

In addition, the clinical commissioning group has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with [e.g. the Department for Education and Skills in respect of University Hospitals, Hampshire County Council Local Authority in respect of joint enterprises].

The CCG was established as a new organisation on 1st April 2014, therefore there are no meaningful prior year comparators for this note.

39 Events after the end of the reporting period

There are no post balance sheet events which will have a material effect on the financial statements of the clinical commissioning group or consolidated group.

40 Losses and special payments

40.1 Losses

The total number of clinical commissioning group losses and special payments cases, and their total value, was as follows:

	Total Number of Cases 2013-14 Number	Total Value of Cases 2013-14 £000
Administrative write-offs	-	-
Fruitless payments	-	-
Store losses	-	-
Constructive loss	-	-
Cash losses	-	-
Claims abandoned	-	-
Other losses	-	-
Total	-	-

40.2 Special payments

	Total Number of Cases 2013-14 Number	Total Value of Cases 2013-14 £000
Compensation payments	-	-
Extra contractual Payments	-	-
Ex gratia payments	-	-
Extra statutory extra regulatory payments	-	-
Special severance payments	-	-
Total	-	-

The CCG has not had any losses or made any special payments in the year

41 Third party assets

The clinical commissioning group held cash and cash equivalents which relate to monies held by the clinical commissioning group on behalf of other parties. This has been excluded from the cash and cash equivalents figure reported in these financial statements.

	2013-14 £000
Third party assets held by the clinical commissioning group	-
The CCG does not have any third party assets	-

42 Financial performance targets

Clinical commissioning groups have a number of financial duties under the NHS Act 2006 (as amended). The clinical commissioning group's performance against those duties was as follows:

	2013-14 Maximum £'000	Performance £'000	Duty Achieved
Expenditure not to exceed income (deficit)	220,591	220,570	Yes
Capital resource use does not exceed the amount specified in Directions	-	-	Yes
Revenue resource use does not exceed the amount specified in Directions	216,092	216,071	Yes
Capital resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	Yes
Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	Yes
Revenue administration resource use does not exceed the amount specified in Directions	5,220	5,219	Yes

At the beginning of the year the CCG set a £2m deficit plan agreed by NHS England. The CCG External Auditors issued a notification under Section 19 of the Audit Commission Act 1998 for the anticipated breach of financial duty to breakeven relating to a deficit plan for the year. This position was improved upon with the CCG ending the year with a £20k surplus. This was possible due to the identification of expenditure attributable to NHS England in the latter part of the year which totalled £980k and related to Oral Surgery, Dental helpline charges and NHS property charges. March acute activity was also less than expected, which contributed to the delivery of £20k surplus.

43 Impact of International Financial Reporting Standards (IFRS)

	2013-14 £000
Depreciation charges	-
Interest expense	-
Impairment charge: Annually Managed Expenditure	-
Impairment charge: Departmental Expenditure Limit	-
Other Expenditure	-
Revenue receivable from subleasing	-
Total IFRS Expenditure (IFRIC 12)	-
Revenue consequences of private finance initiative/LIFT schemes under UK GAAP/ESA95 (net of any sublease revenue)	-
Net IFRS Change (IFRIC 12)	-
Capital Consequences of IFRS: private finance initiative/LIFT and other service concession arrangements under IFRIC 12	-
Capital expenditure 2013-14	-
UK GAAP capital expenditure 2013-14 (reversionary interest)	-

There is nil impact for the CCG

44 Analysis of charitable reserves

	2013-14 £000
Unrestricted funds	-
Restricted funds	-
Endowment funds	-
Total	-

The CCG does not have any charitable reserves