NATIONAL WAITING TIMES CENTRE BOARD

DIRECTORS' REPORT AND ACCOUNTS

For Year ended 31st March 2013

Annual Report and Accounts

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DIRECTORS REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2013.

Naming Convention

The National Waiting Times Centre Board is the common name for the National Waiting Times Centre NHS Board.

Principal activities and review of the business and future developments

The information that fulfils the requirements of the business review, principal activities and future developments can be found in the operating and financial review, which is incorporated in this report by reference.

Date of Issue

Financial statements were approved and authorised for issue by the Board on 13 June 2013.

Accounting convention

The annual accounts and notes have been prepared under the historical cost convention modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale assets and financial assets and liabilities (including derivative instruments) at fair value through profit and loss. The Accounts have been prepared under a direction issued by Scottish Ministers, which is reproduced as an appendix to these accounts.

The statement of the accounting policies, which have been adopted, is shown at Note 1.

Appointment of auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed Scott-Moncrieff to undertake the audit of the National Waiting Times Centre Board. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Board Membership

Under the terms of the Scottish Health Plan, the Health Board is a board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The Directors during the period were as follows:

Chair	J Freeman OBE	
Non-Executive	J Christie – Employee Director	
	M Whitehead	
	J Rae	
	P Cox	
	S MacKinnon	
	K Harriman	
	M MacGregor	
Executive Directors	J W Young	- Chief Executive
	J M Carter	- Director of Finance
	S Chaib	- Director of Nursing
	A Flowerdew	- Medical Director (left 26 October 2012)
	M Higgins	- Medical Director (started 1 December 2012)
	L Ferries	- Director of Human Resources
	J Rogers	- Director of Operations

The board members' responsibilities in relation to the accounts are set out in the statement of board members responsibilities.

Board members' and senior managers' interests

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contractors with the Board as required by IAS 24 are disclosed in note 13. No Board members or senior managers had any interests in contracts or potential contractors with the Health Board during 2012/13, the following interests have been declared:

Name	**Interest**
J Freeman OBE	Freeman Associates Ltd Member – Scottish Police Services Authority Board Member – Judicial Appointments Board for Scotland
JW Young	Board Director - Clydebank Rebuilt Ltd
Julie Carter	Shareholder of 21 Colour Ltd (11% shareholding) and related to the owner of 21 Colour Ltd which is on the public sector contract list. Is removed from any negotiations with the company.

Board members' and senior managers' interests (continued)

Name	Interest
M Whitehead	Lay assessor – NHS Education for Scotland Member of ethics committee – University of Strathclyde Non-executive Director – The State Hospital
J Rae	Trustee - Ardgowan Hospice Trustee – Institute of Counselling
S MacKinnon	Director – MacKinnon Consulting Ltd Visiting Professor (Accounting and Finance) – Strathclyde Business School, University of Strathclyde Non-executive Director – Canadian Payments Association Senior Tutor – Chartered Institute of Bankers in Scotland Senior Consultant – Chartered Management Institute
K Harriman	HR Director – Hilton Worldwide
P Cox	Communications Co-ordinator – Veterans Scotland Consultant (defence advise) – Scottish Government Lecturer (leadership/mentoring) – Scottish Police College
M MacGregor	Clinical Director, Medical Specialities – NHS Ayrshire and Arran Consultant, Nephrologists/Physician – NHS Ayrshire and Arran Member – Renal Association Executive Committee Member – Scottish Renal Association Member – European Renal Association

Directors third party indemnity provisions

Directors and officers indemnity insurance was in place during the period.

Pension Liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown in Note 21 and the remuneration report.

Remuneration for non-audit work

No fees were payable to auditors in respect of consultancy or non-audit services during 2012/13.

Value of Land

There is no significant difference between the market value of land compared with the value of land disclosed in the balance sheet value.

Public Services Reform (Scotland) Act 2010

Following the publication of the public services reform (Scotland) act 2010 the Board is required to publish information as defined by the Act, this information can be found via the following link:
http://www.nhsgoldenjubilee.co.uk/about/our-board/public-spending-psra/

Payment policy

The Board is committed to supporting the Scottish Government in helping businesses during the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days, across all public bodies.

The target has been communicated to all non-departmental public bodies, who are working towards the accelerated payment target of 10 working days.

Prior to this, the Board endeavoured to comply with the principles of the Better Payment Practice Code by processing suppliers' invoices for payment without unnecessary delay and by settling them in a timely manner.

In 2012/13 average credit taken was 13 days (2011/12– 13 days).
In 2012/13 the Board paid 90.61% by value (2011/12– 88.90%) and 90.24% by volume within 30 days (2011/12 – 92.56%).
In 2012/13 the Board paid 81.47% by value (2011/12 – 62.20%) and 81.45% by volume within 10 days (2011/12 – 69.00%).

The calculations above only include payments to Non-NHS suppliers.

Corporate Governance

The Board meets regularly during the year to progress the business of the Health Board. The following standing committees are in place at the Board level:

- Clinical Governance (Safe)
- Audit (Effective)
- Staff Governance (Person Centred)
- Ethics (provided by NHS Greater Glasgow & Clyde ethics committee).

In 2012/13 the Board reviewed its standing committees to ensure that they were fit for purpose to meet both the future requirements of the Board and the NHSScotland Quality Strategy. All Board business is now conducted under the overarching principles of 'Person Centred', 'Safe' and 'Effective'.

Clinical governance (Safe)
The membership of the Clinical Governance Committee comprises: S MacKinnon, M Whitehead, K Harriman and is chaired by M McGregor.

The Clinical Governance Committee of the Health Board has two key roles:

- **Systems assurance –** to ensure that clinical governance mechanisms are in place and effective throughout the Board; and
- **Public Health governance –** to ensure that the principles and standards of clinical governance are applied to the health improvement activities of the Board.

Corporate Governance (continued)

Clinical governance (continued)

The Committee is responsible for the oversight of clinical governance within the Board. Specifically it:

- considers the Board's performance in relation to its statutory duty for quality of care;
- reviews action taken by the Chief Executive on recommendations made by the Committee or Board on clinical governance matters;
- gives assurance to the Board on the operation of clinical governance systems within the Board, highlighting problems and action being taken where appropriate;
- gives assurance on the effective operation of clinical governance structures and appropriate flow of information throughout the Board;
- reviews the operation of the Board's complaints handling procedures;
- develops mechanisms for engaging effectively with representatives of patients and staff;
- oversee the work of the Public Focus and Patient Involvement Group (PFPI); and
- ensures a confidential channel for the expression of concerns about clinical performance or quality of care.

Audit (Effective)
The Audit Committee comprises: J Rae, P Cox, M Whitehead and is chaired by S MacKinnon. The committee meets approximately four times per year to consider the work of internal audit, external audit and other matters as appropriate.

Staff Governance (Person Centred)
The membership of the Staff Governance committee comprises: K Harriman, P Cox, M MacGregor J Christie, a partnership forum representative and is chaired by J Rae.

The committee has an important role in ensuring consistency of policy and equity of treatment of staff across the Board, including remuneration issues, where they are not already covered by existing arrangements at national level.

Ethics
The principal function of the committee is to provide independent advice as to whether a given piece of research is ethical, and whether the dignity, rights, safety and wellbeing of individual research subjects are adequately protected. There currently is no requirement for a separate ethics committee within the Board; any research requiring ethical approval is considered via the NHS Greater Glasgow and Clyde ethics committee.

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware; and each director has taken all the steps that he/she ought reasonably to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

Human Resources

As an equal opportunities employer, the Board welcomes applications for employment from disabled persons and actively seeks to provide an environment where they and any employees who become disabled can continue to contribute to the work of the Board.

Human Resources (continued)

The Board is the first NHS organisation in Scotland to sign up for the new Investor in Diversity standard. As a national resource for NHS Scotland, the Board strives to lead the way in everything that it does. We are demonstrating our commitment to diversity and equality issues and leading the way for other NHS and public sector organisations to do the same. For the third year in a row, the NHS National Waiting Times Centre has been ranked the best Scottish NHS Board in Stonewall's Workplace Equality Index (WEI).

The Board provides employees with information on matters of concern to them as employees through a number of means including:

- Performance and Planning Committee Minutes;
- Senior Managers Meeting Minutes;
- Partnership Forum Minutes;
- Internet and Intranet service/GJNH and Beardmore Website;
- Staff magazine (JABS) and weekly e-digest staff communication bulletins;
- General and organisational information given to all new staff at induction;
- Communications Department;
- Departmental and Team Meetings;
- Hospital and Hotel Departmental and General Notice Boards; and
- Social Networking i.e. Twitter and Facebook.

The Board consults employees and Trade Union representatives so their views are taken into account in decisions affecting their interests through a range of means including:

- Partnership Forum attended by Staff and Management Representatives across the Board, which ensures that there is a forum for staff input on a range of areas including service developments;
- Staff Governance Policy sub-group, which ensures there is staff input in the formulation of personnel policies and procedures, e.g. Maternity Leave, Disciplinary and Grievance etc. The group also ensures the Board meets its commitments towards the staff governance standard;
- Clinical Governance, Risk and Quality groups where the views of staff are taken into account in the provision of service delivery; and
- Workforce Development Group includes representation from a range of Hospital disciplines on areas such as Service Redesign and Development of new roles.

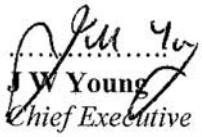
Events after the end of the reporting period

There were no post balance sheets events.

Financial Instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Board to price risk, credit risk, liquidity risk and cash flow risk is disclosed in note 22.

Approval



J W Young
Chief Executive

Date: 13 June 2013

The Accounting Officer authorised these financial statements for issue on 13 June 2013

OPERATING AND FINANCIAL REVIEW

Principal activities and review of the year

The NHS National Waiting Times Centre is a national resource for NHSScotland made up of three distinct parts - the Golden Jubilee National Hospital, the Beardmore Hotel and Conference Centre, and the Beardmore Centre for Health Science.

The Golden Jubilee National Hospital

Based in Clydebank, near Glasgow, the Golden Jubilee is Scotland's flagship hospital specialising in heart, lung and orthopaedic services. The hospital also carries out a number of diagnostic and surgical specialties to help reduce patient waiting times across the country.

Summary of our services

Clinical Services

- Cardiac Surgery
- Thoracic Surgery
- National Cardiac Services
- Diagnostic cardiology
- Interventional cardiology
- Orthopaedic surgery
- General surgery, inc Endoscopy
- Ophthalmic surgery
- Plastic surgery
- Bariatric surgery

Diagnostic Imaging Services

- X-ray
- Magnetic Resonance Imaging (MRI) scanning
- Computer Tomography (CT) scanning
- Bone densitometry
- Barium exams
- Ultrasound

The Golden Jubilee National Hospital manages regional and national heart and lung services such as:

- all heart and lung surgery for the West of Scotland, including all bypasses, heart valve surgery and other complex procedures;
- Interventional cardiology services, including angioplasty, angiography, electrophysiology and complex pacemakers;
- the Scottish National Advanced Heart Failure Service, including the heart transplant unit;
- the Scottish Pulmonary Vascular Unit; and the
- Scottish Adult Congenital Cardiac Service.

The hospital is also one of only two specialist centres in the West of Scotland that provides the Optimal Reperfusion service. This service means that patients, whose heart attack is due to a blocked artery, will be transferred directly to a specialist centre leading to better outcomes.

The Beardmore Hotel and Conference Centre

The award-winning Beardmore Hotel and Conference Centre is a four-star facility that is managed and run by the Board and is linked to the Golden Jubilee National Hospital by a communal corridor. It supports the hospital by using its accommodation to assist with access for patients and their relatives from all over Scotland.

The Beardmore is recognised as the national NHS and public sector conference venue and is only the second venue in Scotland to be accredited as a 'Conference Centre of Excellence'. It combines the standards of a four-star hotel with the facilities and first class service required for successful conferences, training and meetings.

Principal activities and review of the year (continued)

The unique status of the centre, not only allows them to offer preferential rates for NHS and public sector colleagues booking conferences or events, but also to cater for commercial business and keep at the heart of the local community by continuing to provide a facility for family celebrations and local events.

Facilities include:

- an iMac computer with free Internet access in all 168 stylish bedrooms;
- free WiFi Internet access;
- free parking for 300 cars;
- video conferencing and advanced AV technology;
- 170 seat auditorium with tiered seating
- 14 versatile meeting and training spaces;
- area for mini exhibitions and cabaret conferences;
- specialist healthcare facilities that are perfect for clinicians, medical equipment providers and pharmaceutical companies;
- complimentary pick up from Glasgow International Airport;
- swimming pool, sauna and gym;
- extensive choice of restaurants and menus; and
- extensive grounds for outdoor activities.

Over the years, the Beardmore has won a range of awards, these include:

- Conference Hotel of the Year 2012, Scottish Hotel Awards
- Conference Hotel of the Year 2011, Scottish Hotel Awards
- Business Hotel of the Year 2010, Scottish Hotel Awards
- Scottish Conference Hotel of the Year 2009
- Scottish Business Hotel of the Year 2009
- Conference Centre of Excellence accredited 2008
- Scottish Business Hotel Special Commendation 2007 and 2008
- Conference Hotel of the Year 2005 and 2006
- Green Tourism Gold Award 2010
- Investors in People 10 year achievement award
- Investors in People Silver Award 2010

The Beardmore Centre for Health Science

Opened in May 2011, The Beardmore Centre for Health Science is a world class centre cultivating clinical excellence, research and learning.

The first-class centre aims to:

- enhance the experience of patients participating in clinical trials;
- increase the number of trials hosted by the Golden Jubilee National Hospital;
- provide excellent co-located hotel accommodation for patients taking part in research projects;
- enhance the clinical skills training experience for all health care professionals through the provision of two single bedroom wards;
- provide simulation areas to support the training, development, and evaluation of healthcare professionals;
- provide a dedicated facility for clinical skills training involving the use of a patient simulator; and
- enhance surgical skills training through the provision of a purpose built area with the ability to live stream surgical procedures from the hospital.

Principal activities and review of the year (continued)

The Beardmore Centre for Health Science offers two key areas for health care professionals to use.

- The Clinical Research Facility provides the clinical infrastructure necessary to conduct high quality research in an environment designed to respect the patient's safety, wellbeing and privacy.
- The Clinical Skills Centre offers a high quality tailored environment for the delivery of both clinical and general training to all health care staff. The training rooms are equipped with state of the art conference technology and fibre optic audio visual links from our cardiac catheterisation laboratories (cath labs) and theatres, providing the opportunity for enhanced surgical skills training.

From conferencing to training seminars and practical skill workshops, all requirements will be met in the centre.

2012/13 Patient activity

In 2012/13, we were set a target of carrying a total of 22,581 inpatient, day case and diagnostic examinations. The range of services provided included: orthopaedic surgery, general surgery, ophthalmic surgery, plastic surgery, bariatric surgery, hand surgery, spinal surgery, endoscopy and diagnostic imaging. This number excludes any activity associated with the regional and national heart and lung services.

The actual number of inpatients, day cases and diagnostic examinations carried out in 2012/13 was 23,939, which was 1358 procedures more than anticipated at the beginning of the year, and 6% ahead of plan. The areas of general surgery, ophthalmic surgery, plastic surgery, endoscopy and diagnostic imaging performed better than planned.

Similarly to last year, our orthopaedic case mix included a high number of revisions and complex cases (which requires more than one theatre slot).

Cardiac surgery waiting time

In 2012/13, a significant amount of work has been invested in minimising the risk to patients' waiting time guarantees and ensuring that we meet the Treatment Time Guarantee for patients.

At the end of March 2013 there were 146 patients on the available waiting list. We also had 56 patients who were on the unavailable list due to medical or social reasons. The combined total is 202 patients.

Board strategy

The NHS National Waiting Times Centre is currently working on the Board's 2020 vision. This includes an assessment of current services, future service priorities, our estate capacity, as well as NHSScotland's priorities and demands.

Our values

Between 2010 and 2012, our Board undertook a programme of work with a range of staff, patient representatives and managers to understand our core and shared values. Looking into what shapes our everyday behaviours helps us all to deliver the highest quality care and services across the organisation. These values are also closely linked to our responsibilities around Equality and Diversity.

Positive values currently exist in the organisation but we recognise the importance of making these more visible and appreciating how these influence how we behave on a day to day basis.

Principal activities and review of the year (continued)

Our set of five values has now been finalised:

We will:

- treat everyone with dignity and respect;
- take responsibility to do our jobs well;
- demonstrate our commitment to quality;
- work effectively with others in teams; and
- display a "can do" attitude at every opportunity**.**

Leading quality, research and innovation

Healthcare Environment Inspection report

The Golden Jubilee National Hospital welcomed the inspection report published on Wednesday 9 May 2012 by the Healthcare Environment Inspectorate following an unannounced inspection on 27 March 2012.

Infection prevention and control is one of our top priorities and we have in place an extensive programme to ensure staff and patients have access to the most up-to-date information and guidance. Single patient rooms, strict hand washing guidelines and the use of alcohol hand gel all help us control infection. All our housekeeping staff report to our Senior Manager for Infection Control and we also have members of the public who undertake quality walkrounds, looking at cleanliness within our clinical and non clinical areas.

We accepted the two policy based requirements and two recommendations set out by the Inspectors and have already addressed these. We are particularly pleased to note the recommendation to more clearly promote our low incidence of infection to provide clear assurance to patients and visitors.

Sharing our best practice

In 2012/13, our Board hosted a number of events to share and discuss best practice, some of these are highlighted below.

Cardiology

Our cardiologists have been at the forefront of using Primary Percutaneous Coronary Intervention (PPCI) also known as emergency angioplasty.

In June 2012, speakers from the Golden Jubilee discussed with fellow clinicians, nurses, managers and ambulance service staff how emergency heart attack care is provided at a regional level in Scotland and in the UK. They also discussed the diagnosis, transfer and emergency care of this group of patients.

Cardiac surgery

In July 2012, around 100 heart experts converged on the Golden Jubilee National Hospital –Scotland's heart transplant centre – to discuss and explore the future of mechanical hearts.

The clinical specialists were at the inaugural meeting of the UK VAD Club – a new group set up to share experiences and establish links between UK centres which implant Ventricular Assist Devices (VADs). VADs, also known as mechanical hearts, are used to support patients requiring heart transplantation.

Principal activities and review of the year (continued)

The Golden Jubilee's VAD service was fully established and launched as part of the Scottish National Advanced Heart Failure Service (SNAHFS) Strategy on 14 February 2011.

Undertaking crucial research

In recent years, the Golden Jubilee, which is home to national and regional heart and lung services as well as being a major orthopaedic centre, has developed and enhanced its research activity. Active projects include 9 drug trials and 18 device studies. Currently there are a total of 67 active clinical trials – and that's over and above the large number of trials that have been opened, recruited patients and closed in the last five years.

Two years ago, the hospital opened its new clinical skills and research centre called the Beardmore Centre for Health Science.

Current research trials at the Golden Jubilee span the following specialties:

- Advanced Heart Failure
- Anaesthetics
- Cardiothoracic (heart and lung)
- Interventional Cardiology
- Orthopaedics
- Scottish Pulmonary Vascular Unit
- Scottish Adult Congenital Cardiac Service

In 2012/13, new research conducted on behalf of our Board showed that delaying putting a stent in patients who have suffered a 'high risk' heart attack could aid their recovery. The usual procedure in patients who have suffered a ST segment elevation myocardial infarction (STEMI) – the most serious type of heart attack – and who are at risk of 'no reflow' is to immediately insert a stent to reopen the blocked artery.

The Board is also conducting the 'FAME' trial that places the emphasis on optimising patient care based on coronary pressure measurement rather than subjective visual assessment of the coronary angiogram. Magnetic Resonance Imaging (MRI) has emerging potential for guiding treatment without the need for an invasive angiogram, which we believe could be beneficial to patients and cost saving to the NHS.

Innovative 3D training

Our Board has developed the first virtual 3D surgical programme to train the doctors of the future in Scotland.

Medical students, trainee doctors and clinicians are benefitting from the innovative programme which allows them to practice surgical techniques on 3D models and animations.

Unlike using a cadaver or training dummy, it allows the student to repeat techniques several times, and at their own pace through innovative human-computer interaction systems. In the future, it could also be used to help patients understand their diagnosis and treatment options, through seeing a visual representation of what their treatment will involve.

The training is currently being used within the Golden Jubilee's Enhanced Recovery Programme for teaching on knee anatomy and regional anaesthesia; however it could potentially be used for training in more specialties.

Principal activities and review of the year (continued)

New IT system benefits heart and lung patients

Heart and lung patients are benefiting from a new clinical information system called the Cardiac, Cardiology and Thoracic Health Information System, or CaTHI, which has been developed at the Golden Jubilee National Hospital.

CaTHI is a web based application that is used to capture data throughout the cardiac, cardiology and thoracic patients' journey from diagnostic assessments and surgical procedures to discharges and follow-ups. By providing the clinicians with easy access to all of the relevant patient information, as well as producing reports, patient letters and operation notes, CaTHI has streamlined administrative procedures within the hospital. This means a smoother and safer transition for patients as they move through the stages of their treatment.

The application also tracks target treatment dates for each patient journey which helps the Golden Jubilee to improve on service delivery and timely treatments. Making it easier to monitor the hospital's clinical performance and waiting times is particularly relevant with guarantees as part of the Patient Rights (Scotland) Act 2011.

Celebrating 10 years

In June 2012, our Board marked its 10th anniversary by announcing that it will have performed 300,000 procedures for NHSScotland by the end of the financial year 2012/13. Responding to national demand for its key specialties, the Board has increased its activity by 900% over the last 10 years.

Since its purchase in 2002, the Golden Jubilee National Hospital has helped Scottish NHS Boards by undertaking thousands of procedures to help them meet their waiting times. And since 2008, they have treated Scottish patients requiring diagnosis, intervention and/or care for a range of heart and lung conditions.

Throughout the 10 years, the Golden Jubilee has helped NHS Boards diagnose and treat patients, including carrying out almost:

- 134,000 procedures for Greater Glasgow and Clyde patients;
- 57,000 procedures for Lanarkshire patients;
- 34,000 procedures for Forth Valley patients;
- 14,000 procedures for Ayrshire and Arran patients;
- 10,000 procedures for Lothian patients; and
- 7,000 procedures for Dumfries and Galloway patients.

Of note are some of our research and clinical achievements over the past 10 years:

- The 'Enhanced Recovery' programme for patients undergoing hip and/or knee replacements, allowing them to be mobile on the same day as their surgery.
- Replacement of heart valves through a vein in the leg – avoiding the need for open heart surgery (2011).
- Implantation of ventricular assist devices into patients with advanced heart failure. These 'artificial hearts' have a valuable role to play and can buy patients the time they need until their own heart recovers or a transplant becomes available.
- Creation of the Heart and Lung Institute – a research collaboration with the University of Glasgow. Recently awarded £3.9m for a study into how to prevent the failure of heart bypass grafts making a total of £9M in cardiology grants over a two-year period.

Principal activities and review of the year (continued)

10th anniversary events

During the year, the Board held a number of events to mark its 10th anniversary that included celebrations for volunteers, staff, patients, NHS and Government colleagues, politicians and our local community. These included:

- Staff and volunteer awards
- Our inaugural Research Day and visit by the Chief Scientist for Scotland
- Our inaugural Beardmore Lecture with Professor Lord Robert Winston
- 'Picture of Health' and 'Name the dining room' school's competitions
- Gala Day
- Burns Supper
- Service events such as Scottish Advanced Heart Failure Service 20th anniversary
- 10th anniversary art project

Awards gained in 2012/13

Top marks for equality and diversity

In 2012/13, our Board was the first NHS organisation in the UK to achieve stage two (Full Investor) from Investors in Diversity. The Investors in Diversity (IiD) accreditation scheme is designed to help organisations achieve an inclusive organisational culture which enables every employee to succeed and feel valued, regardless of their background.

The NHS National Waiting Times Centre was also the top Scottish NHS Board in Stonewall's Workplace Equality Index (WEI) for the third year in a row. The WEI is a measure of how an organisation meets the needs of Lesbian, Gay and Bisexual (LGB) staff and service users and is a good indicator for equality generally.

Investing in Volunteers

In 2012/13, The NHS National Waiting Times Centre is delighted to have retained Investing in Volunteers (IiV) status – the national quality standard for organisations showing a commitment to involving volunteers in their work.

The Board is delighted to be one of the first NHS organisations in Scotland to be accredited for a second time after assessors continued to be impressed with the way volunteering is embedded into the culture of the organisation.

Financial Performance and Position

The Scottish Government Health and Social Care Directorate (SGHSCD) set 3 budget limits at a Health Board level on an annual basis. These limits are:

- Revenue resource limit – a resource budget for ongoing operations;
- Capital resource limit – a resource budget for new capital investment; and
- Cash requirement – a financing requirement to fund the cash consequences of the ongoing operations and the new capital investment.

Health Boards are expected to stay within these limits, and will report on any variation from the limits set.

	DRAFT	**Limit as set by SGHSCD £'000** (1)	**Actual Outturn £'000** (2)	**Variance (Over)/Under £'000** (3)
1	Revenue Resource Limit - core	52,380	51,624	756
	Revenue Resource Limit – non-core	5,867	5,867	-
2	Capital Resource Limit - core	3,080	3,080	-
	Capital Resource Limit - non-core	-	-	-
3	Cash Requirement	52,420	52,420	-

MEMORANDUM FOR IN YEAR OUTTURN	**£'000**
Brought forward deficit (surplus) from previous financial year	1
Saving/(excess) against in year Core Revenue Resource Limit (core funding)	**756**

Provisions for impairement of receivables
A provision of £5,000 has been provided in year in relation to bad/doubtful debts (prior year £6,000).

Outstanding liabilities
The Board has no outstanding liabilities for the period.

Significant remote contingent liabilities
There were no significant remote contingent liabilities during the reporting period.

Legal obligations
The following provisions have been included in the accounts with regard to legal obligations:

- Clinical & Medical - £625,000 (prior year £551,000)
- Other - £56,000 (prior year £85,000)
- Total for year – £681,000 (prior year £636,000)

The basis of these provisions is the information provided by the Central Legal Office.

Financial Performance and Position (continued)

Where no certainty has been attributed to future claims these have been accounted for via contingent liabilities, current year £60,000 (prior year £182,000).

Prior year adjustments
During the year there were no prior-year adjustments.

Significant changes in non-current assets
During 2012/13 there has been no significant change in non-current assets.

PFI/PPP
There are no PFI/PPP schemes within the Board.

Post-Balance Sheet items
There are no post-balance sheet items.

Sickness absence data
The sickness absence rates for 2012/13 were 4.07% (3.72% for 2011/12).

Personal data related incidents
There were no personal data related incidents reported during 2012/13.

Key Performance Indicators

Local Delivery Plans (LDPs) set out a delivery agreement between SGHD and each NHS area Board, based on the key Ministerial targets. LDPs reflect the HEAT Core Set – the key objectives, targets and measures that reflect Ministers' priorities for the Health portfolio. The key objectives are as follows:

- **H**ealth Improvement for the people of Scotland – improving life expectancy and healthy life expectancy;
- **E**fficiency and Governance Improvements – continually improve the efficiency and effectiveness of the NHS**;**
- **A**ccess to Services – recognising patients' need for quicker and easier use of NHS services; and
- **T**reatment Appropriate to Individuals – ensure patients receive high quality services that meet their needs.

NWTCB Local Delivery Plan Agreed Targets

The National Waiting Times Centre Board (NWTCB) is an NHS National Board. In 2012/13, we carried out a total of 23,939 inpatient, day case and diagnostic imaging examinations (subject to final validation). The range of services includes: orthopaedic, general, ophthalmic and plastic surgery, bariatric and spinal surgery, minor procedures, endoscopy and diagnostic imaging. This number excludes the heart and lung activity, which is measured through our performance management process. The Board also manages the Scottish National Advanced Heart Failure Service (SNAHFS), the Scottish Adult Congenital Cardiac Service (SACCS) and the Scottish Pulmonary Vascular Unit (SPVU) which are commissioned by the NHS National Services Division (NSD).

Patients can be referred to the hospital by their NHS Board for cardiothoracic surgery, diagnostic and interventional cardiology, orthopaedic surgery, diagnostic procedures (X-ray, MRI, ultrasound etc.), plastic surgery, eye surgery, endoscopy procedures and other general surgery.

Key Performance Indicators (continued)

We are also the only NHS Board in the UK to have a hotel on site. The Beardmore Hotel and Conference Centre is a four-star facility specialising in conferences, meetings and training courses at special rates for the public sector.

The NWTCB, in discussion with the Scottish Government Performance Division has agreed a reduced number of Health, Efficiency, Access and Treatment (HEAT) targets, to reflect where it has no direct control to influence that target. It is acknowledged that this situation is under continuous review and the NWTCB is committed to reviewing the relevance of all HEAT targets together with Government colleagues for subsequent Local Delivery Plans (LDPs).

The key and local targets submitted for the LDP for 2012/13 are as follows:

Key Performance Indicators

1. Local Targets and Priorities

Local Targets	Status at 31/3/13
L1 Capacity and Activity target for 2012/13	All activity numbers are still subject to final verification, however at end March we have carried out 23,939 (adjusted for case mix complexity) inpatient, day case and diagnostic procedures. Against a target of 7,787 inpatient and day case procedures, we carried out 7,858 procedures (0.9% above target) and exceeded our target for diagnostic imaging by 1,287 procedures (8.7%). This activity excludes the heart and lung centre activity which is managed in accordance with wait times and overseen by the Board Performance and Planning Committee.
L2 The Beardmore Hotel and Conference Centre (Revised Strategy)	The Beardmore has firmly established its role as a public sector partner working closely and providing support and contribution to the Golden Jubilee National Hospital and NHS Scotland in particular as well as the wider public sector and has been transformed into one of the leading conference venues in Scotland and a conference centre of excellence for the NHS and public sector. Recognising the ongoing challenging economic environment the Beardmore seeks to increase medical related business from the commercial sector and to increase bedroom income from a number of sectors. The Beardmore Centre for Health Science combined with the expertise and specialities of the Golden Jubilee National Hospital, the AV links to the Cath Lab and theatres and the conference and bedroom facilities in the hotel together provide a unique package for the medical and health care market. The Beardmore Hotel and Conference Centre exceeded its income target for the year and the percentage of NHS/PS business increased to 54% against a target of 40%.

Key Performance Indicators (continued)

L3 Clinical Strategy	**Scottish National Advanced Heart Failure Service (SNAHFS)** The SNAHFS strategy was agreed with the Scottish Government Health Directorate (SGHD) and approved by the Cabinet Secretary for Health and Wellbeing in December 2010. This Strategy describes an integrated approach which will ensure that patients with heart failure throughout Scotland have equal access to a high quality service that provides full range of appropriate therapeutic options, including heart transplantation, and both long and short term Ventricular Assist Devices (VADs) as a bridge transplant. It is critically important to recognise that heart transplantation procedures should not be considered in isolation but as one several options now available for patients with severe heart failure. **Extracorporeal life support (ECLS)** In line with national practice, venoarterial (V-A) extracorporeal membrane oxygenation (ECMO) has become an intervention in acute circulatory failure as a bridge to recovery or other clinical interventions. Peripheral V-A ECMO may also provide emergency organ support to allow time for assessment without the need for sternotomy. Central V-A ECMO is the intervention of choice in primary graft failure after cardiac transplantation. GJNH has developed the capacity to support ECMO including training for intensive care nurses and physicians. ECMO is one of a selection of interventions such as intraaortic balloon pump, ECMO, and short and long term VADs in the management of advanced circulatory failure. Peripheral ECMO has the capacity to support patients in cardiogenic shock prior to and during transfer to the GJNH for definitive treatment. During 2012, a small number of patients who would have died without intervention were treated with V-A ECMO and addition, GJNH has three years of experience with ECLS in the form of VADS (both short term and long term). **Scottish Adult Congenital Cardiac Service (SACCS) Strategy** The Scottish Adult Congenital Cardiac Service based at the GJNH is a nationally commissioned service. The service has considered its way forward in the future delivery of this critical national resource. The service model described in the strategy review document provides a clinical network that builds on the expertise from the national centre and provides support to the existing regional services. Under the revised national guidance those patients assessed as having simple and moderately complex congenital cardiac conditions would no longer be cared for solely by the national service. Simple cases will be referred back to local NHS Boards and managed appropriately via local shared care arrangements (i.e. local cardiologist/primary care) or be discharged from the service. Moderate complex cases would be managed through shared care arrangements between a local/regional services with the national service. Severely complex cases will continue to be managed predominantly by SACCS. Regionally, the transfer of simple complex cases back to the host NHS Board of residence has, in the main, already been implemented. The focus is now on planning and improving the management of moderately complex cases.

Key Performance Indicators (continued)

L3 Clinical Strategy	The West of Scotland Regional Planning Group has been presented with a proposal from the Cardiac Regional Planning Group to establish a resourced regional service co-located beside the National Service at GJNH. While it is recognised that establishing a regional service remote from large acute sites could lead to de-skilling of accident and emergency and obstetric staff, it is supported as an interim solution, which will be re-assessed. It is planned that this service delivery model will enable appropriate management of patients from the West of Scotland and ensure better equity of access to the National Service for appropriate patients from the North, South and East of Scotland. **Transcatheter Aortic Valve Implantation (TAVI)** Transcatheter Aortic Valve Implantation (TAVI) is a minimally invasive technique for replacing the aortic valve. It was first performed in 2002 and, since then, has been refined to the point where it can be performed the catheter lab, percutaneously, under local anaesthesia with a procedural success rate of 98% and an in-hospital mortality rate of 6-7% compared to the predicted mortality of 15-20% if these patients underwent surgical aortic valve replacement. In September 2012, the Scottish Government announced the result of its review of TAVI provision in Scotland, which set up a single centre at Edinburgh Royal Infirmary commissioned to provide 50 cases per year, commencing from October 2012 to be reviewed after six months to consider numbers and need for a second centre. NWTCB has always been prepared to provide TAVI for NHSScotland patients and currently meets all requirements of the national standards for a TAVI centre. **Orthopaedic expansion** Orthopaedic surgery was again in high demand throughout 2012/13, particularly influenced by the impact of the Patients Rights (Scotland) Act 2011 which came into effect in September 2012. We increased our orthopaedic capacity at GJNH again in 2012/13 to deliver an additional 210 joint replacements in response to the numerous demands that were being made on the service. The full year effect of this increase will amount to 300 joint replacements in 2013/14. **Spinal surgery** Spinal services were identified nationally as representing a risk to the delivery and maintenance of waiting times targets. A spinal review group was formed to develop a national pathway for low back pain and make recommendations for service reconfiguration. The West of Scotland (WoS) Spinal Services Group first met in December 2011 to understand the current demand, determine future surgical capacity to deliver a service for the West of Scotland and to discuss service options and agree a surgical service model. GJNH declared available capacity and the required infrastructure to offer a sustainable service model and we stated that our preferred option would involve partnership working within a regional service. The expectation was that non complex lumbar spinal work could be carried out at the GJNH while complex procedures continue to be carried out within NHS Greater Glasgow and Clyde (NHS GGC). In February 2013, the WoS Regional Planning group approved an expansion of the spinal surgery service in NHS GGC to accommodate demand from NHS Lanarkshire and NHS Ayrshire and Arran.

Key Performance Indicators (continued)

L3 Clinical Strategy	**Outreach Cardiology Service to NHS Western Isles** In response to a request for support from NHS Western Isles, GJNH has set up an outreach cardiology service involving provision of consultant advice by telephone and a fortnightly ECHO clinic covered by cardiac physiologists from the GJNH. This service has been set up as an interim short-term solution but there is the potential for delivery of an outreach service to be a longer-term requirement.
L4 Beardmore Centre for Health Science	The Beardmore Centre for Health Science is a unique venue providing an exceptional focal point for training and research activity for healthcare professionals across the country. The Centre includes a purpose-built clinical skills centre with simulation areas and audio visual links to the hospital's theatre and imaging suites and a first-class clinical research facility specifically designed for patients who choose to participate in research studies. The Clinical Research Facility provides researchers with all the space, equipment and resources necessary to conduct high quality research in an environment designed to respect the patient's safety, wellbeing and privacy. The Golden Jubilee National Hospital presently hosts research projects relating to its clinical specialities, including interventional cardiology, electrophysiology, pulmonary vascular disease, advanced heart failure, orthopaedics and anaesthetics. The Clinical Skills Centre ensures that staff across NHS Scotland has access to a clinical skills area with in-built audio visual links to the Golden Jubilee's theatres, cardiac catheterisation laboratories and diagnostic imaging suite. It also has a patient simulator and a dedicated surgical skills area with its own wet lab. The Centre has a range of key performance indicators which are monitored on a regular basis through the Board's Performance and Planning Committee. The Centre has achieved its income target for the year and during 2012-13 has run a number of very successful courses such as: The RA-UK, Scottish Regional Anaesthesia Cadaveric and Ultrasound Course. One of our anaesthetists Robbi Zimmer had the opportunity to demo a 3D model as part of the workshops and feedback from the faculty was fantastic. In December GJNH hosted an interventional cardiology training meeting attended by a group of 20 invited physicians from all over Europe and South Africa. A series of didactic lectures were delivered by the GJNH's own cardiologists interspersed with live cases from the cath labs including a primary PCI in a patient with an acute heart attack.

Key Performance Indicators (continued)

1. NHS Scotland Objective No.1 – Health Improvement

2012/13 HEAT Target No.	Key Performance Targets	Status at 31/03/13	Comments
1	Early Cancer Detection – Lung Cancer	Data available to end Feb shows that 100% of lung cancer patients referred to the GJNH were treated within the 31 day treatment time guarantee.	Full quarter four data for this target is not yet available. Data from April 2012- Feb 2013 indicates that the 95% target has so far been met.

2. NHS Scotland Objective No.2 – Efficiency and Governance Improvements – continually improve the efficiency and effectiveness of the NHS

2012/13 HEAT Target No.	Key Performance Targets	Status at 31/03/13	Comments
2.1	**Reduce Carbon Emissions by 3% year on year from 2010/11 to 2014/15 (2009/10 baseline).** **Reduce Energy Consumption by 1% year on year from 2010/11 to 2014/15 (2009/10 baseline).**	Validated carbon emission figures for the period April to December 2012 (most recent data available) indicate that against the Year 3 C02 target reduction we have increased our C02 emissions by 7.82%. The validated energy reduction figures for the same period indicate that we have exceeded the Year 3 target by 3.2%.	A range of improvement measures have been undertaken within the Board to support achievement of the energy efficiency targets. During the same period, the Board has expanded its patient activity and completed significant capital estate work including the Beardmore Centre for Health Sciences, an expanded Orthopaedic Outpatient department, new Reception area and an increase in the theatre suite to accommodate the Heart and Lung transfer and Orthopaedic expansion programme. These developments have masked persistent efforts to be more energy efficient which has resulted in a reduction in the rate of increase in energy consumption rather than showing a total energy use reduction.

Key Performance Indicators (continued)

3. NHS Scotland Objective 3 – recognising patients need for quicker and easier use of NHS services

2012/13 HEAT Target No.	Key Performance Targets	Status at 31/03/13	Comments
3.1	Delayed Discharge	We have had no delayed discharges in the year 2012-13.	NWTCB has well-developed discharge planning arrangements with a dedicated team working closely with patients and referring Boards to ensure that appropriate discharge planning takes place and address any challenges to effective capacity planning with local authority and social services colleagues.

4. NHS Scotland Objective 4 – Treatment

2012/13 HEAT Target No.	Key Performance Targets	Status at 31/03/13	Comments
4.1	MRSA/MSSA Bacteraemias: Achieve a rate of 0.26 cases per 1000 acute occupied bed days by year ending March 2013.	The target to achieve a rate of 0.26 cases per 1000 acute occupied bed days has been achieved.	The HEAT targets for delivery by March 2013 are based on an infection rate per occupied bed days rather than numbers of cases. Using this method of measurement in a specialist surgical centre makes the target very challenging to achieve.
	Clostridium difficile infections in ages 65+: National target is 0.39 cases per 1000 total occupied bed days by end March 2013.	Our local target is to maintain at 0.10 cases per 1000 total occupied bed days and this has been achieved.	Our Board has developed clinical dashboards as a key tool in driving safe and effective care. These will be used at ward level and will include clinical indicators related to infection control and will provide early warning of actual or potential declining standards of care. This is just one of the many initiatives we have adopted to maintain our low levels of HAI.

Sustainability and environmental reporting

Sustainability

Work is ongoing by the sustainability leads to deliver the strands of the sustainable development strategy; recognition has been give to the long term nature of these action plans.

Plans for the coming year include:

- To work towards the implementation of GREENCODE in the organisation, this will form part of the sustainable development action plan.
- To update the environmental action plan
- Organisation of staff awareness training regarding all standards of the sustainable development action plan
- Improved energy saving signage around the building.

Carbon Management Programme

The programme helps public sector organisations identify what they need to meet their energy saving and carbon reduction commitments. It establishes what their current CO_2 emissions are, assesses the risks and opportunities posed to them by climate change, and develops a strategy to reduce carbon footprints and save energy bills over five to ten years.

We have continued throughout the year with our efforts to reduce energy usage, taking various actions and looking at future plans. Our educational plans are ongoing and with the ongoing work of the sustainability group and the formation of the new energy group we are also looking to further increase communication across the board. The groups are formed of directors, senior managers and representatives of various departments including communications.

We continue to monitor record and compare our utilities usage and costs with reviews at the performance and planning group and sustainability group. These assist in giving direction for future actions, which will facilitate savings and reduce energy consumption.

During the year the Board had a prepared and had approved a business case to support the bid for capital grant funding approved by SGHSCD, for the decentralisation of the boiler house. The work is due to commence in June 2013 for completion in February 2014.

REMUNERATION REPORT

Remuneration
Remuneration of Board Members and Senior Employees is determined in line with directions issued by the Scottish Government.

Notice Periods
As per guidance executive directors have to serve a three-month notice period and the Chief Executive has to serve a six-month notice period.

Remuneration Committee – Role and Purpose
The remuneration of the executive team is central to the organisation's ability to recruit and retain the type of executive team capable of delivering the substantial strategic agenda and responsibilities placed upon them by the Scottish Government.

Accountability for the efficient and effective use of public monies is paramount within the public sector. Therefore any decision on remuneration issues must be fully supportable in public.

The Remuneration Committee, as a stand alone Committee to the Board (which also reports to the Staff Governance (Person Centred) Committee), is responsible for overseeing changes to the pay, terms and conditions of the Executive team and relevant senior managers in the above context and taking into account Scottish Government direction and guidance and standards of good corporate governance.

The Remuneration Committee - Membership
The Remuneration Committee comprises of the Board Chairman and the Non-Executive Directors of the Board. The Chief Executive, Employee Director and the Director of Human Resources will attend meetings of the Remuneration Committee as advisors and assessors and to provide administrative support.

A meeting with the Chairman of the remuneration committee (a Non-Executive member of the Board) and two Non-Executive Directors will constitute a quorum. When the Chairman of the remuneration committee is unavailable one other Non-Executive Director will be appointed to chair the meeting providing a quorum of three is present.

The Remuneration Committee will seek specialist guidance and advice as appropriate.

The Remuneration Committee - Conduct of Business:
a) The Committee shall meet at least twice a year.
b) The conduct of business will be in accordance with the Board's Standing Orders.
c) In accordance with the principles of good corporate governance, members of the committee should declare and record if they have an interest in any agenda item and then withdraw while the item is being discussed.

Performance Appraisal
Performance appraisals for Executive Directors and Senior Managers are carried out in line with the guidance from the Scottish Government.

Performance Appraisal – for staff covered under Agenda for Change
All staff covered under Agenda for Change required an up to date Personal Development Plan and annual appraisal.

Payments to past senior managers
No significant payments were made to past senior managers during 2012/13.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

The following tables provide a breakdown of executive and non-executive directors' remuneration in 2012/13 and 2011/12 and have been audited by the Board's auditors.

FOR THE YEAR ENDED 31 MARCH 2013

2013 Name	Remuneration (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2012 £'000	Cash equivalent Transfer Value (CETV) at 31 March 2013 £'000	Real Increase in CETV in year £'000	Benefits in kind £'000
Remuneration of:							
Executive Members							
Chief Executive: JW Young	110-115	(0-2.5)	40-45	725	922	(20)	3.8
Director of Finance: J M Carter	75-80	0-2.5	15-20	232	293	(4)	5.2
J Rogers	80-85	0-2.5	10-15	200	272	9	5
A Flowerdew (left 26 October 2012)	95-100	(2.5-5)	0-5	114	-	-	5.6
M Higgins (started 1 December 2012)	65-70	0-2.5	0-5	-	17	4	-
S Chaib	80-85	0-2.5	10-15	145	102	14	-
L Ferries	85-90	0-2.5	10-15	156	218	11	4.0
Non-Executive Members							
Chair: J Freeman OBE	20-25	-	-	-	-	-	-
J Christie	60-65	(0-2.5)	15-20	207	241	(42)	-
J Rae	5-10	-	-	-	-	-	-
M Whitehead	5-10	-	-	-	-	-	-
M MacGregor	5-10	-	-	-	-	-	-
S MacKinnon	5-10	-	-	-	-	-	-
K Harriman	5-10	-	-	-	-	-	-
P Cox	5-10	-	-	-	-	-	-

The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year but excludes employers' national insurance. There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2011/12 and are included in the salary costs.

The Employee Director's salary includes £50k-£55k in respect of non-Board duties.

The Medical Director's salary includes £20k-£25k in respect of non-Board duties.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2012

2012 Name	Remuneration (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2011 £'000	Cash equivalent Transfer Value (CETV) at 31 March 2012 £'000	Real Increase in CETV in year £'000	Benefits in kind £'000
Remuneration of:							
Executive Members							
Chief Executive: JW Young	110-115	0-2.5	40-45	684	867	(14)	3.5
Director of Finance: J M Carter	75-80	0-2.5	15-20	210	271	9	-
J Rogers	80-85	0-2.5	10-15	156	244	75	5.0
A Flowerdew	190-195	0-2.5	5-10	64	132	54	9.6
S Chaib	80-85	0-2.5	5-10	129	175	8	6.4
L Ferries	85-90	0-2.5	5-10	135	191	18	3.0
Non-Executive Members							
Chair: J Freeman OBE	20-25	-	-	-	-	-	-
J Christie	70-75	0-2.5	15-20	199	244	(14)	-
J H Mounfield OBE (left 30 September 2011)	0-5	-	-	-	-	-	-
Dr J E G O'Neil (left 30 September 2011)	0-5	-	-	-	-	-	-
P J Ramsay left 30 September 2011)	0-5	-	-	-	-	-	-
J Rae	5-10	-	-	-	-	-	-
M Whitehead	5-10	-	-	-	-	-	-
M McGregor (started 1 October 2011)	0-5	-	-	-	-	-	-
S MacKinnon (started 1 October 2011)	0-5	-	-	-	-	-	-
K Harriman (started 1 October 2011)	0-5	-	-	-	-	-	-
P Cox (started 1 October 2011)	0-5	-	-	-	-	-	-

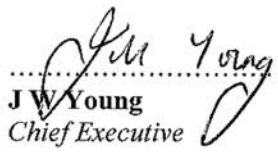
The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year but excludes employers' national insurance. There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2010/11 and are included in the salary costs.

The Employee Director's salary includes £60k-65k in respect of non-Board duties.
The Medical Director's salary includes £35k-40k in respect of non-Board duties.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

In addition to the information contained in the remuneration report and the subsequent notes to the account the Board are required to make the additional disclosure detailed below in line with the Hutton guidance relating to fair pay. The highest earning director is the Medical Director. The table below includes full employer's costs.

2012/13	£000s	2011/12	£000s
Highest earning Director's total remuneration	170-175	Highest earning Director's total remuneration	180-185
Median Total remuneration	29,107	Median Total remuneration	28,785
Ratio	5.97	Ratio	6.32



J W Young
Chief Executive

Date: 13 June 2013

Statement of the Chief Executive's responsibilities as the accountable officer of The National Waiting Times Centre Board

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, the Principal Accountable Officer (PAO) of the Scottish Executive has appointed me as Accountable Officer of the National Waiting Times Centre Board.

This designation carries with it, responsibility for:

- the propriety and regularity of financial transactions under my control;
- for the economical, efficient and effective use of resources placed at the Board's disposal; and
- safeguarding the assets of the Board.

In preparing the accounts I am required to comply with the requirements of the governments Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the government Financial Reporting Manual have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter to me of the 25th October 2004.

.....J W Young.....

J W Young
Chief Executive

Date: 13 June 2013

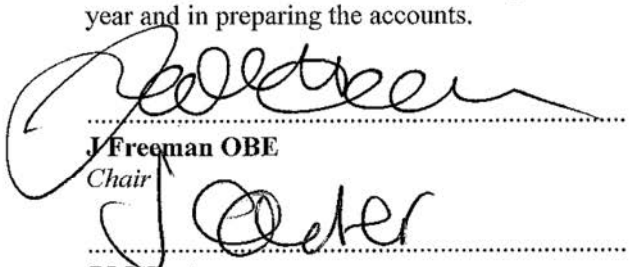
Statement of NHS Board members' responsibilities in Respect of the Accounts

Under the National Health Service (Scotland) Act 1978, the National Waiting Times Centre Board is required to prepare accounts in accordance with the directions of the Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the NHS Board as at 31 March 2013 and of its operating costs for the year then ended. In preparing those accounts, the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for NHS Scotland by Scottish Ministers.
- Make judgements and estimates that are reasonable and prudent.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

The Board members are responsible for ensuring proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The NHS Board members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.



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J Freeman OBE
Chair

.....

J M Carter
Director of Finance

Date: 13 June 2013

Governance Statement

Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the Board's policies and promotes achievement of the Board's aims and objectives, including those set by Scottish Ministers. Also I am responsible for safeguarding the public funds and assets assigned to the Board.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principle risks facing the organisation. The system aims to evaluate the nature and extent of risks and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Board's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

This process within the Board accords with the guidance from the Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance and has been in place for the year up to the date of the approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy and promotes good practice and high standards of propriety.

Governance Framework

In line with good practice, the Board has had robust governance arrangements in place for the year ended March 2013, with the key points of this framework detailed below:

- The Board has undertaken a detailed piece of work with staff, managers and patient/lay representatives to redefine the vision and values for the Board. Work during the prior year this work has now been finalised with our vision and values statements launched during 2012/13:

  Our Vision
  - Excellence in patient and customer care.
  - Providing first class facilities.
  - Encouraging innovation and investing in staff.
  - Valuing dignity and respect for all.

  Our values
  - Treat everyone we meet in the course of our work with dignity and respect.
  - Demonstrate through our actions our commitment to quality.
  - Communicate effectively, working with others as part of a team.
  - Display a positive attitude at every opportunity.
- The Board measures the quality of its services on an ongoing basis via patient and customer satisfaction surveys. The Board's Performance and Planning Committee uses our corporate balanced scorecard to review how the Board is performing against set indicators, including the use of available resources. This information is also reviewed at every meeting of the Senior Management Team and the Board. Clinical Dashboards have also been implemented within clinical areas and whilst are at an early stage of being embedded into practice they aim to provide quality performance in a timely manner for clinical service areas.

Governance Statement (continued)

- The role of the Board is clearly defined in the Standing Orders, which details how the Board conducts its business. The Standing Orders are reviewed regularly to ensure that they continue to reflect best practice and good governance arrangements. This has also been assessed against the Audit Scotland report on the Role of Boards with the follow-up report presented to the audit committee during the year.
- During the year the Board reviewed the role of each of the governance committees (audit, clinical (safe) and staff (person centred) to ensure that they were fulfilling the governance requirements of the Board and were demonstrating clear links to the NHS in Scotland quality strategy. Following this review revised remits for each of the governance committees were updated accordingly. All the revised terms of reference were approved by the Board, with the committees working to these updated terms of reference during 2012/13. In addition all committees have submitted formal annual reports regarding the work of the committee to the Board.
- The Board has in place the following policies which govern the work of core Board functions. These documents are reviewed on an annual basis and updated as required to reflect guidance issued by the Government or changes within the Board:
  - Standing Orders, including the scheme of delegations;
  - Standing Financial Instructions, including authorised signatory list – these govern all financial related business of the Board and are approved by the Audit Committee following updates;
  - Procurement policy – this details the process for procurement within the Board in line with UK and European procurement rules. The policy is referred to in the Standing Financial Instructions with both being intrinsically linked. The Policy is reviewed on an ongoing basis with any amendments being submitted to the Audit Committee for approval.
- The Audit Committee of the Board has updated terms of reference which govern its function in line with those contained in the Government Audit Committee Handbook and the review conducted during the year. The Committee meets four times a year, with any documents which affect the overall governance arrangements in the Board being approved at the committee prior to Board approval. The Committee also considers all audit work. The Staff Governance (person centered) and Clinical Governance (safe) Committees also function in line with clear terms of reference and review assurance in these specific areas, annual reports have been presented to reflect this for 2012/13.
- The Board follows all applicable laws and regulations, with this being confirmed via internal and external audits. All policies and procedures are prepared, taking into account appropriate guidance issued by the Government.
- The Board's Whistle-blowing policy, which is overseen by the Staff Governance (Person Centred) Committee, details the processes to be followed by staff members. One of the Non-Executive Board Members also acts as the Board Whistle-blowing Champion.
- The Board has a Fraud Policy in line with the Counter Fraud Services partnership agreement. The Chair of the Audit Committee (a Non-Executive Board Member) acts our Counter Fraud Champion, and we also have a Fraud Liaison Officer.
- The Board has in place a Complaints Policy, which contains guidance on the investigation and handling of complaints from members of the public. Complaints are monitored and reported to the Clinical Governance Committee which in-turn updates the Board on a regular basis.
- All Executive Directors of the Board undertake annual appraisals during which any development needs are identified, in line with guidance from SGHSCD.
- Active participation is also demonstrated in regional and national groups.
- The Board has also commenced a refresh of the Board Strategy including the Beardmore Hotel.
- The Board has a very well established Partnership Forum, which works effectively and provides updates to the Board following each meeting. Over the course of the year a series of finance workshops have been undertaken for the Partnership Forum.

Governance Statement (continued)

- The Board Communications Strategy sets out strategic objectives for communicating with the public, staff and other stakeholders. Reports on performance against key communications indicators are submitted to the Senior Management Team and Staff Governance Committee, with Communications attendance at the Involving People Steering Group, Partnership Forum, Volunteers Forum and Quality Patient Public Panel. At the last assessment by NHS Quality Improvement Scotland (now Healthcare Improvement Scotland), we scored level four for both Internal and External Communications. Work is under way on the new Communications and Public Affairs Strategy which will ensure that we continue to engage with our staff and stakeholders in appropriate and innovative ways.

As per the guidance contained within the UK Corporate Governance Code (adapted for the NHS) to the best of my knowledge the Board has followed the underlying principles of good governance as defined by the 'Code': accountability, transparency, probity and focus on sustainable success in conducting its business during the year.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- The executives and senior managers within the Board who have responsibility for developing, implementing and maintaining internal controls across their areas;
- The work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement; and
- Comments by the external auditors in their management letters and other reports.

The Board has an internal mechanism for monitoring the implementation of recommendations made by both internal and external audit and Audit Scotland. Updates are given to the Audit Committee, Clinical Governance and Risk Management Group and Clinical Governance Committee.

The Audit Committee, through its statutory role of reviewing internal controls, and the Clinical Governance and Risk Management Group, through its role in ensuring that risks are being managed, provides assurance to me as Accountable Officer.

Additional assurance has been provided during 2012/13 via the receipt of formal reports relating to each of the governance committees. All senior managers/executive directors have also signed certificates of assurance demonstrating that all internal controls are working effectively in their area of responsibility.

I have been advised on the implications of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Clinical Governance and Risk Management Group. Plans to address any weaknesses are highlighted and ensure continuous improvement of the system are in place in line with best value principles.

Best Value

In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the SPFM.

Governance Statement (continued)

As part of this assurance the Board undertakes self-assessments of the Board's performance against the Best Value principles on an annual basis.

Risk Assessment

NHS Scotland bodies are subject to the requirements of the SPFM and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

Overall leadership of risk management lies with the Chief Executive. Local leadership is devolved through Executive Directors to Heads of Operations, Senior Nurses and Associate Medical Directors and their department managers, with appropriate training provided to staff as and when the need arises. All staff are made aware, through general and local induction, that it is their responsibility to ensure that they use and follow the risk management systems and processes.

There is a corporate risk register in place which links with organisational objectives and performance management. The corporate risk register is presented to the Board quarterly and reviewed on an ongoing basis.

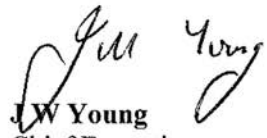
The Clinical Governance and Risk Management Group ensures that all risks are addressed fully and in a timely manner. The group meets on a regular basis with updates being provided via the Clinical Governance Committee to the Board and Audit Committee.

Risk controls are identified through the risk register process. The implementation of controls is monitored to ensure their timely introduction and key controls are subject to audit to ensure their effectiveness in reducing risk. Risks to information are also controlled as part of this process.

More generally, the organisation is committed to continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice.

Disclosures

During the previous financial year, no significant control weaknesses or issues have arisen and no significant failures have arisen in the expected standards for good governance, risk management and control.



J W Young
Chief Executive
Date: 13 June 2013

Independent auditor's report to the members of National Waiting Times Centre Board, the Auditor General for Scotland and the Scottish Parliament

We have audited the financial statements of NHS National Waiting Times Centre Board for the year ended 31 March 2013 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Balance Sheet, the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2012/13 Government Financial Reporting Manual (the 2012/13 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, we read all the financial and non-financial information in the directors' report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements, irregularities, or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the board's affairs as at 31 March 2013 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2012/13 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Independent auditor's report to the members of National Waiting Times Centre Board, the Auditor General for Scotland and the Scottish Parliament (continued)

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Opinion on other prescribed matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and
- the information given in the Operating and Financial Review and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

……

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

__ June 2013

Statement of Comprehensive Net Expenditure (SOCNE) and Summary of Resource Outturn for the year ended 31 March 2013

	Note	2013	2013	2012	2012
		£'000	£'000	£'000	£'000
Clinical Services Costs					
Hospital and Community Health Services	*4*	115,372		113,427	
Less: Hospital and Community Income	*7*	61,111		59,192	
			54,261		54,235
Family Health	-	-		-	
Less: Family Health Income	-	-		-	
Total Clinical Services Costs			**54,261**		**54,235**
Administration Costs	*5*	8,311		7,884	
Less: Administration Income	*7*	-		-	
			8,311		7,884
Other Non Clinical Services	*6*	93		8	
Less: Other Operating Income	*7*	5,174		5,167	
			(5,081)		(5,159)
Net Operating Costs	*SOCTE*		**57,491**		**56,960**

Other Comprehensive Net Expenditure	2013 £'000	2012 £'000
Net (gain)/loss on Revaluation of Property, Plant and Equipment	164	(1,855)
Net (gain)/loss on Revaluation of Intangible assets	-	-
Net (gain)/loss on Revaluation of available for sale financial assets	-	-
Other comprehensive expenditure	**164**	**(1,855)**
Total Comprehensive Expenditure	**57,655**	**55,105**

Statement of Comprehensive Net Expenditure and Summary of Resource Outturn for the year ended 31 March 2013

SUMMARY OF CORE REVENUE RESOURCE OUTTURN	2013 £'000	2013 £'000
Net Operating Costs		**57,491**
Total Non Core Expenditure (see below)		(5,867)
FHS Non Discretionary Allocation		-
Total Core Expenditure		**51,624**
Core Revenue Resource Limit		52,380
Saving/(excess) against Core Revenue Resource Limit		**756**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN		
Capital Grants to / (from) Other Bodies	0	
Depreciation/Amortisation	5,701	
Annually Managed Expenditure - Impairments	105	
Annually Managed Expenditure - Creation of Provisions	61	
IFRS PFI Expenditure	-	
Total Non Core Expenditure		**5,867**
Non Core Revenue Resource Limit		5,867
Saving/(excess) against Non Core Revenue Resource Limit		**-**

SUMMARY RESOURCE OUTTURN	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	52,380	51,624	756
Non Core	5,867	5,867	-
Total	**58,247**	**57,491**	**756**

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

Balance sheet as at 31 March 2013

	Note	2013 £000	2013 £000	2012 £'000	2011 £'000
Non-Current Assets					
Property, plant and equipment	*10*	130,199		133,359	134,800
Intangible Assets	*9*	143		-	-
Financial Assets:					
- Available for sale financial assets		-		-	-
- Trade and other receivables		-		-	-
Total Non-current Assets			130,342	133,359	134,800
Current assets					
Inventories	*11*	2,449		1,304	1,106
Financial Assets:					
- Trade and other receivables	*12*	4,329		5,699	4,705
- Cash and cash equivalents	*14*	7,692		8,960	6,097
- Available for sale financial assets		-		-	-
Assets classified as held for sale	*10c*	20		20	-
Total Current Assets			14,490	15,983	11,908
Total Assets			144,832	149,342	146,708
Current Liabilities					
Provisions	*16*	(681)		(636)	(784)
Financial Liabilities:					
- Trade and other payables	*15*	(29,244)		(29,831)	(20,766)
Total Current Liabilities			(29,925)	(30,467)	(21,550)
Non-current assets plus/less net current assets/liabilities			**114,907**	**118,875**	**125,158**
Non-current liabilities					
Provisions	*16*	-	-	-	-
Financial Liabilities:					
- trade and other payables	*15*	-	-	-	-
Total Non-current liabilities			-	-	-
Assets less liabilities			**114,907**	**118,875**	**125,158**
Taxpayers' Equity					
General Fund	*SOCTE*		40,362	43,445	51,044
Revaluation reserve	*SOCTE*		74,545	75,430	74,114
Donated asset reserve	*SOCTE*		-	-	-
Other reserves	*SOCTE*		-	-	-
Government Grant Reserve	*SOCTE*		-	-	-
Total Taxpayers' Equity			**114,907**	**118,875**	**125,158**

Adopted by the Board on 13 June 2013

.....Director of Finance

J M Carter

.....Chief Executive

J W Young

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

Cash flow statement for the year ended 31 March 2013

	Note	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Cash flows from operating activities					
Net operating cost	*SOCNE*	(57,491)		(56,960)	
Adjustments for non-cash transactions	*3*	6,009		5,784	
Add back: interest payable recognised in net operating cost	*3*	-		-	
Deduct: interest receivable recognised in net operating cost	*7*	-		-	
(Increase)/decrease in trade and other receivables	*17*	1,370		(994)	
(Increase)/decrease in inventories	*17*	(1,145)		(198)	
Increase/(decrease) in trade and other payables	*17*	680		6,203	
Increase in provisions	*17*	45		(148)	
			(50,532)		**(46,313)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(2,937)		(2,508)	
Purchase of intangible assets		(143)		-	
Proceeds of disposal of property, plant and equipment		-		-	
Proceeds of disposal of intangible assets		(76)		-	
Interest received		-		-	
Net cash outflow from investing activities			**(3,156)**		**(2,508)**
Cash flows from financing activities					
Funding	*SOCTE*	53,687		48,822	
Movement in general fund working capital	*SOCTE*	(1,267)		2,862	
Cash drawn down		52,420		51,684	
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts		-			
Interest paid	3	-		-	
Interest element of finance leases and on-balance sheet PFI/PPP contracts	3	-		-	
Net financing			**52,420**		**51,684**
Net Increase/(decrease) in cash and cash equivalents in the period			(1,268)		2,863
Cash and cash equivalents at the beginning of the period			8,960		6,097
Cash and cash equivalents at the end of the period			**7,692**		**8,960**
Reconciliation of net cash flow to movement in net debt/cash					
Increase/(decrease) in cash in year			(1,268)		2,863
Net debt/cash at 1 April	*14*		8,960		6,097
Net debt/cash at 31 March	*14*		**7,692**		**8,960**

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2013

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2012		**43,445**	**75,430**	**118,875**
Prior year adjustments for changes in accounting policy and material errors	-	-	-	**-**
Restated balance at 1 April 2012		**43,445**	**75,430**	**118,875**
Changes in taxpayers' equity for 2012/13				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	*10*	-	(164)	(164)
Net gain/(loss) on revaluation/indexation of intangible assets	*9*	-	-	-
Net gain/(loss) on revaluation of available for sale financial assets		-	-	-
Impairment of property, plant and equipment	*10*	-	(232)	(232)
Impairment of intangible assets	*9*	-	-	-
Revaluation & impairments taken to operating cost statement	*3*	-	232	232
Transfers between reserves		721	(721)	-
Transfer of fixed assets from other bodies		-	-	-
Pension Reserve movement			-	-
Net operating cost for year		(57,491)	-	**(57,491)**
Total recognised income and expense for 2012/13		**(56,770)**	**(885)**	**(57,655)**
Funding:				
Drawn Down		52,420	-	**52,420**
Movement in General Fund (Creditor)/Debtor		1,267	-	**1,267**
Balance at 31 March 2013		**40,362**	**74,545**	**114,907**

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2012

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2011		**51,044**	**74,114**	**125,158**
Prior year adjustments for changes in accounting policy and material errors, including First Time Adoption of IFRS	-			
Restated balance at 1 April 2011		**51,044**	**74,114**	**125,158**
Changes in taxpayers' equity for 2011/12				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	*10*	-	1,855	**1,855**
Net gain/(loss) on revaluation/indexation of intangible assets	*9*	-	-	**-**
Net gain/(loss) on revaluation of available for sale financial assets	*13*	-	-	**-**
Impairment of property, plant and equipment	*10*	-	(183)	**(183)**
Impairment of intangible assets	*9*	-	-	**-**
Receipt donated assets	-	-	-	**-**
Revaluation & impairments taken to operating cost statement	*3*	-	183	**183**
Non-cash charges – cost of capital	*3*	-	-	**-**
Transfers between reserves		539	(539)	**-**
Transfer of fixed assets from other bodies		-	-	**-**
Pension Reserve movement		-	-	**-**
Net operating cost for year		(56,960)	-	**(56,960)**
Total recognised income and expense for 2011/12		**(56,421)**	**1,316**	**(55,105)**
Funding:				
Drawn Down		51,684	-	**51,684**
Movement in General Fund (Creditor)/Debtor		(2,862)	-	**(2,862)**
Balance at 31 March 2012		**43,445**	**75,430**	**118,875**

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

Notes to the Accounts

Note 1 Accounting Policies

1. **Authority**
   In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

   The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 27 below.

   (a) Standards, amendments and interpretations effective in 2012/13
   There are no new standards, amendments or interpretations effective for the first time in 2012/13.

   (b) Standards, amendments and interpretations early adopted in 2012/13
   There are no new standards, amendments or interpretations early adopted in 2012/13.

2. **Basis of Consolidation**
   As directed by the Scottish Ministers, the financial statements do not consolidate the Board's endowment funds. Transactions between the Board and the endowment fund are disclosed as related party transactions, where appropriate, in notes to the financial statements.

3. **Prior Year Adjustments**
   There are no prior year adjustments which will impact on the Board in the current financial year.

4. **Going Concern**
   The accounts are prepared on a going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

5. **Accounting Convention**
   The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value.

6. **Funding**
   Most of the expenditure of the Health Board is met from funds advanced by the Scottish Government within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

   All other income receivable by the Board that is not classed as funding is recognised in the period in which it is receivable.

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

Note 1 Accounting Policies (continued)

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Non-discretionary funding out with the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of capital assets received from the Scottish Government is credited against the general fund when cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in the Statement of Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

7. Property, plant and equipment

The treatment of capital assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with the NHS Capital Accounting Manual.

Title to properties included in the accounts is held by Scottish Ministers.

7.1 Recognition

Property, plant and equipment is capitalised where: it is held for use in delivering services or for administration purposes; it is probable that future economic benefits will flow to; or service potential be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

1. Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.
2. Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are apart of the initial cost of equipping a new development and total over £20,000.

7.2 Measurement

Valuation

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

All assets are measured subsequently at fair value as follows:

1) Specialised NHS land, buildings, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.
2) Non-specialised land and buildings, such as offices, are stated fair value. The Beardmore Hotel is stated at fair value.
3) Valuations of all land and building assets within the Board are reassessed by valuers on an annual basis. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Note 1 Accounting Policies (continued)

4) Non-specialised equipment, installations and fittings are valued at fair value. The Board values such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).

5) Assets under construction are valued at current cost. This is calculated as the level of expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

6) To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

   Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.

   Subsequent expenditure:

   Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive New Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

   Revaluation and Impairment:

   Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

   Permanent decreases in asset values and impairments are charged to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

   Gains and losses on revaluation are reported in the statement of Comprehensive Net Expenditure.

7.3 Depreciation

Items of property, plant and equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on each main class of tangible asset as follows:

1) Freehold land is considered to have an infinite life and is not depreciated.
2) Assets in the course of construction are not depreciated until the asset is brought into use.
3) Property, plant and equipment which has been classified as 'held for sale' ceases to be depreciated upon reclassification.

Note 1 Accounting Policies (continued)

4) Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
5) Equipment is depreciated over the estimated life of the asset.

Depreciation is charged on a straight-line basis.
The following asset lives have been used for the period:

Asset Category/Component	Useful Life
Structure	33 – 73 years
Landscaping & Surfacing	18 – 40 years
Engineering	28 – 49 years
Medical Equipment	10 years
Information Systems & Office Equipment	5 years

8. Intangible Assets

8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Board's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Board and where the cost of the asset can be measured reliably.

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board's activities for more than one year and they have a cost of at least £5,000.

The main classes of intangible assets recognised are:

Software licences:
Purchased computer software licences are capitalised as intangible assets where expenditure of at least £5,000 is incurred.

8.2 Measurement

Valuation:
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment:
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

Note 1 Accounting Policies (continued)

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

Intangible assets held for sale are reclassified to 'non-current assets held for sale' measured at the lower of their carrying amount or 'fair value less costs to sell'.

8.3 Amortisation

Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the Statement of Comprehensive Net Expenditure on each main class of intangible asset as follows:

1) Internally generated intangible assets. Amortised on a systematic basis over the period expected to benefit from the project.
2) Software. Amortised over their expected useful life
3) Software licences. Amortised over the shorter term of the licence and their useful economic lives.
4) Other intangible assets. Amortised over their expected useful life.
5) Intangible assets which has been reclassified as 'Held for Sale' ceases to be amortised upon the reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Software licences	5 years

9. Non-current assets held for sale

Non-current assets intended for disposal are reclassified as 'held for sale' once all the following criteria are met:

- The asset is available for immediate sale in it present condition subject only to terms which are usual and customary for such sales:
- The sale must be highly probable, ie:
  - Management are committed to a plan to sell the asset;
  - An active programme has begun to fund a buyer and complete the sale;
  - The asset is being actively marketed at a reasonable price;
  - The sale is expected to be completed within 12 months of the date of classification as 'held for sale'; and
  - The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Note 1 Accounting Policies (continued)

Following reclassification, the assets are measure at the lower of their exiting carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plan and equipment which is t be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

10. Sale of property, plant and equipment, intangible assets and non-current assets held for sale

Disposal of non-current assets is accounted for as a reduction to the value of assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recoded in the Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

11. Leasing

Leases other than finance leases are regarded as operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

12. Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the Statement of Comprehensive Net Expenditure are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

13. General Fund Receivables and Payables

Where the Board has a positive net cashbook balance at the year-end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHSCD. Where the Board has a net overdrawn cash position at the year-end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

14. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase prices is deemed to represent current cost. Work in progress is valued at the cost of the direct materials plus the conversion costs incurred to bring the goods up to their present location, condition and degree of completion.

Note 1 Accounting Policies (continued)

15. Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

16. Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19

'Employee Benefits'. As a result, the amount charged to the statement of comprehensive net expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to Exchequer.

The pension cost is assessed every five years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation took place in the year to 31 March 2004, details of which are published by the Scottish Public Pensions Agency.

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

For employees remaining on HCI (Scotland) Ltd terms and conditions the Board makes contributions to a defined contribution pension scheme. Contributions payable in respect of the accounting year are charged to the statement of comprehensive net expenditure.

17. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this limit are reimbursed to Boards from a central fund held by the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) on behalf of the Scottish Government.

The Board provides for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical

Note 1 Accounting Policies (continued)

Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body.

The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

18. Related Party Transactions

Material related party transactions are disclosed in the notes in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

19. Value Added Tax

Most of the activities of the Board (with the exclusion of any business activities) 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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

20. Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

21. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 18 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 18, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

22. Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'presentation of financial statements', requires that they should be adjusted and the basis for the adjustment disclosed.

Note 1 Accounting Policies (continued)

23. Financial Instruments

Financial assets

Classification
The NHS Board classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise derivatives. Assets in this category are classified as current assets. The Board does not trade in derivatives and does not apply hedge accounting.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash at bank and in hand in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available for sale financial assets comprise investments.

Recognition and measurement
Financial assets are recognised when the Board becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

(a) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the operating cost statement.

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the SOCNE.

(b) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the

Note 1 Accounting Policies (continued)

Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the SOCNE. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the SOCNE.

(c) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised and subsequently carried at fair value. Changes in the fair value of financial assets classified as available for sale are recognised in equity. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the SOCNE. Dividends on available-for-sale equity instruments are recognised in the SOCNE when the Board's right to receive payments is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment.

The Board assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the SOCNE. Impairment losses recognised in the SOCNE on equity instruments are not reversed through the income statement.

Financial Liabilities

Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. The Board does not trade in derivatives and does not apply hedge accounting.

(b) Other financial liabilities

Other financial liabilities are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities. The Board's other financial liabilities comprise trade and other payables in the balance sheet.

Note 1 Accounting Policies (continued)

Recognition and measurement
Financial liabilities are recognised when the Board becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the balance sheet when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the SOCNE.

(b) Other financial liabilities

Other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

24. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the senior management of the Board.

Operating segments are unlikely to directly relate to the analysis of expenditure shown in notes 4 to 7 for Hospital & Community, Family Health and Other Service and Administration Costs, the basis of which relates to Scottish Government funding streams and the classification of which varies depending on Scottish Government reporting requirements.

25. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Where the Government Banking Service is using Citi and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

26. Foreign exchange

The functional and presentational currencies of the Board are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Board has assets or liabilities denominated in a foreign currency at the balance sheet date:

Note 1 Accounting Policies (continued)

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

27. Key Sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board makes estimates and assumptions concerning the future on an ongoing basis. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

Impairments

The value of impairment included within the accounts was provided by James Barr as part of the valuation work undertaken.

Material Provisions

The Board has a small number of material provisions in the accounts, with the most substantial of these relate to pay issues, the basis of these provisions is that they are likely to be realised within the next six to twelve months.

Significant Risks

There are no significant risks that the Board is aware of that would materially affect the carrying amounts of assets and liabilities.

Note 2(a) Staff Numbers and Costs

(i) Segmentation of Staff Costs

2013	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	Total	2012
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	543	81	48,724	-	802	(97)	50,053	47,267
Social security costs	62	4	4,372	-	40	(9)	4,469	4,330
NHS Scheme employers' costs	70	-	5,169	-	22	(12)	5,249	5,080
Other employers' pension costs	-	-	4	-	-	-	4	4
Inward Secondees	-	-	-	101	360	-	461	594
Agency staff	-	-	-	-	2,451	-	2,451	3,009
	675	85	58,269	101	3,675	(118)	62,687	60,284
Compensation for loss of office or early retirement	-	-	597	-	-	-	597	1,397
Total	**675**	**85**	**58,866**	**101**	**3,675**	**(118)**	**63,284**	**61,681**

(ii) The average number of WTE (including Board members and recharged staff excluding agency staff) employed during the year was as follows:

	Annual Mean 2013 No.	Annual Mean 2012 No.
Administration Costs	299.5	297.2
Hospital and Community Services	933.6	893.4
Non Clinical Services	158.3	164.4
Other, including recharge Trading Accounts	-	-
Inward Secondees	2.2	4.1
Agency staff	29.1	32.7
Outward Secondees	2.4	2.0
Total Board Average Staff	**1,425.1**	**1,393.6**
Disabled staff	-	-

As an equal opportunities employer, the Board welcomes applications for employment from disabled persons and actively seeks to provide an environment where they and any employees who become disabled can continue to contribute to the work of the Board. The Board employs a number of registered disabled staff.

Note: Staff pension benefits are provided through the NHS Superannuation Scheme for Scotland. Details of the scheme are in note 21.

Note 2 (b) Higher Paid Employees Remuneration

(iii) The following number of employees (excluding Board members) received remuneration (excluding pension contributions) falling within the following ranges:

			2013	2012
Clinicians				
£50,001	-	£60,000	7	5
£60,001	-	£70,000	6	4
£70,001	-	£80,000	6	2
£80,001	-	£90,000	6	6
£90,001	-	£100,000	3	5
£100,001	-	£110,000	6	4
£110,001	-	£120,000	3	2
£120,001	-	£130,000	6	7
£130,001	-	£140,000	9	10
£140,001	-	£150,000	5	5
£150,001	-	£160,000	8	1
£160,001	-	£170,000	2	4
£170,001	-	£180,000	-	2
£180,001	-	£190,000	2	2
£190,001	-	£200,000	2	2
£200,001	and above		8	5
Other				
£50,001	-	£60,000	34	25
£60,001	-	£70,000	10	11
£70,001	-	£80,000	1	4
£80,001	-	£90,000	4	4
£90,001	-	£100,000	-	-
£100,001	-	£110,000	-	-
£110,001	-	£120,000	1	-
£120,001	-	£130,000	-	-
£130,001	-	£140,000	-	-
£140,001	-	£150,000	1	-
£150,001	-	£160,000	-	-
£160,001	-	£170,000	-	-
£170,001	-	£180,000	-	-
£180,001	-	£190,000	-	-
£190,001	-	£200,000	-	-
£200,001	and above		-	-

Arrears of pay received by staff in 2012/13, which amounts to £ 123,446 This is split between clinical £64,015 and non-clinical £59,451.

The increase in the number of clinical staff earning over £200k primarily relates to additional payments in relation to waiting list initiative sessions caused by the variation in demand of patient activity from other NHS Boards.

The numbers above are exclusive of the six Executive Directors of the Board who are disclosed separately within the remuneration report.

Note 3 Other Operating Costs

Expenditure Not Paid in Cash	*Note*	2013 £'000	2012 £'000
Depreciation	*10*	5,701	5,601
Impairments on property, plant and equipment charged to OCS	*10*	232	183
Loss/ (Profit) on disposal of property, plant and equipment		76	-
Total Expenditure Not Paid in Cash		**6,009**	**5,784**

Interest Payable
No interest was payable in either this period or the prior year.

Statutory Audit	2013 £'000	2012 £'000
External auditor's remuneration and expenses	67	73
	67	**73**

Note 4 Hospital and Community Health Services

By Provider

	2013 £'000	2012 £'000
Treatment in Board area of NHS Scotland patients	115,347	113,401
Other NHS Scotland Bodies	-	-
Health Bodies outside Scotland	-	-
Private Sector	25	26
Total NHS Scotland Patients	**115,372**	**113,427**
Treatment of UK residents based outside Scotland	-	-
Total Hospital and Community Health Service	**115,372**	**113,427**

All expenditure has been in the Acute Services category.

Note 5 Administration Costs

	2013 £'000	2012 £'000
Board Members' Remuneration	760	741
Administration of Board Meetings and Committees	131	140
Corporate Governance and Statutory Reporting	113	149
Health Planning, Commissioning and Performance Reporting	-	-
Treasury Management and Financial Planning	25	25
Public Relations	-	-
Other Support Functions	7,282	6,829
Total Administration Costs	**8,311**	**7,884**

Note 6 Other non-clinical services

	2013 £'000	2012 £'000
Loss on Disposal of non-current assets	76	-
Post Graduate Medical Education	17	8
Other	-	-
Total Other Non Clinical Services	**93**	**8**

Note 7 Operating Income

HCH Income	2013 £'000	2012 £'000
NHS Scotland Bodies – Boards	60,626	58,847
Non-NHS:		
Private patients	36	37
Other HCH Income	449	308
Total HCH Income	**61,111**	**59,192**
Other operating income		
NHS Scotland Bodies	1,318	523
Profit on disposal of non-current Assets	-	-
Interest Received	-	-
Other	3,856	4,644
Total other operating income	**5,174**	**5,167**
Total income	**66,285**	**64,359**
Of the above, the amount derived from NHS bodies is	**61,944**	**59,370**

Note 8 Analysis of Capital Expenditure

	Note	**2013**	**2012**
Expenditure		**£'000**	**£'000**
Acquisition of Intangible Fixed Assets	*9*	143	-
Acquisition of property, plant and equipment	*10*	2,937	2,508
(Profit)/Loss of disposal of non-current assets	*OCS*	-	-
Gross Capital Expenditure		**3,080**	**2,508**
Income			
Net Book Value of disposal of Intangible Fixed Assets	*9*	-	-
Net Book Value of disposal of Property, plant and equipment	*10a*	-	-
Capital Income		**-**	**-**
Net Capital Expenditure		**3,080**	**2,508**
Summary of Capital Resource Outturn			
Net capital expenditure as above		3,080	2,508
Capital Resource Limit		3,080	2,508
Savings/(Excess) against capital resource limit		**0**	**0**

Note 9 Intangible Fixed Assets for year-ended 31 March 2013

	Software Licences	Total
	£'000	£'000
Cost or valuation		
At 1 April 2012	**-**	**-**
Additions	143	**143**
Completions	-	-
Transfers	-	-
Transfers (to)/from non-current assets held for sale	-	-
Revaluation	-	-
Impairment Charge	-	-
Impairment Reversal	-	-
Disposals	-	-
At 31 March 2013	**143**	**143**
Depreciation		
At 1 April 2012	**-**	**-**
Provided during the year	-	-
Transfers	-	-
Transfers (to)/from non-current assets held for sale	-	-
Revaluation	-	-
Impairment Charge	-	-
Impairment Reversal	-	-
Disposals	-	-
At 31 March 2013	**-**	**-**
Net book value purchased assets		
At 1 April 2012	-	-
At 31 March 2013	143	**143**

Note 9 Intangible Fixed Assets prior year

There were no intangible assets held in the prior year

10 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2013

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2012	**5,680**	**108,607**	**36,237**	**7,632**	**534**	**1,337**	**160,027**
Additions	-	-	1,015	506	-	1,416	2,937
Completions	-	278	1,137	40	-	(1,455)	-
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(2,602)	(478)	(67)	(404)	-	(3,551)
Impairment Charge	-	-	(127)	-	-	(105)	(232)
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	(176)	-	-	-	(176)
At 31 March 2013	**5,680**	**106,283**	**37,608**	**8,111**	**130**	**1,193**	**159,005**
Depreciation							
At 1 April 2012	**-**	**-**	**21,188**	**5,003**	**477**	**-**	**26,668**
Provided during the year	-	2,438	2,593	661	9	-	5,701
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(2,438)	(478)	(67)	(404)	-	(3,387)
Impairment Charge	-	-	-	-	-	-	-
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	(176)	-	-	-	(176)
At 31 March 2013	**-**	**-**	**23,127**	**5,597**	**82**	**-**	**28,806**
Net book value purchased assets							
At 1 April 2012	5,680	108,607	15,049	2,629	57	1,337	133,359
At 31 March 2013	5,680	106,283	14,481	2,514	48	1,193	130,199
Open Market value of Land included above	-	**-**	**-**	**-**	**-**	**-**	**-**
Asset Financing:							
Owned	5,680	106,283	14,481	2,514	48	1,193	130,199
Net Book Value at 31 March 2013	**5,680**	**106,283**	**14,481**	**2,514**	**48**	**1,193**	**130,199**

10 (a) Property, Plant and Equipment (Purchased Assets) – prior year

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2011	5,680	108,782	35,311	7,022	534	975	158,304
Additions	-	-	329	562	-	1,617	2,508
Completions	-	498	597	48	-	(1,143)	-
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	(20)	-	-	-	-	-	(20)
Revaluation	20	(602)	-	-	-	-	(582)
Impairment Charge	-	(71)	-	-	-	(112)	(183)
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 March 2012	**5,680**	**108,607**	**36,237**	**7,632**	**534**	**1,337**	**160,027**
Depreciation							
At 1 April 2011	-	-	18,694	4,342	468	-	23,504
Provided during the year		2,437	2,494	661	9	-	5,601
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(2,437)	-	-	-	-	(2,437)
Impairment Charge	-	-	-	-	-	-	-
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 March 2012	**-**	**-**	**21,188**	**5,003**	**477**	**-**	**26,668**
Net book value purchased assets							
At 1 April 2011	5,680	108,782	16,617	2,680	66	975	134,800
At 31 March 2012	5,680	108,607	15,049	2,629	57	1,337	133,359
Open Market value of Land included above	-	**-**	**-**	**-**	**-**	**-**	**-**
Asset Financing:							
Owned	5,680	108,607	15,049	2,629	57	1,337	133,359
Net Book Value at 31 March 2012	**5,680**	**108,607**	**15,049**	**2,629**	**57**	**1,337**	**133,359**

Note 10 (b) Property, Plant and Equipment Disclosures

Net book value of tangible fixed assets as at 31 March	*Note*	2013	2012
		£'000	£'000
Purchased	*10a*	130,199	133,359
	BS	130,199	133,359

Land, hospital and hotel buildings were fully valued by James Barr at the 31 March 2013 on the basis of existing use value or market value, where no longer in use.

The net impact was a decrease in value of £164,000 (2011/12: £1,855,000 increase) which was debited to the revaluation reserve.

Note 10 (c) Assets Held for Sale

The following assets related to 0.4 acres of land have been presented as held for sale following the approval for sale by the Board, the value of this land as at 31 March 2013 is £20k (prior year £20,000). The completion date for sale is expected to be within 12 months.

Note 11 Inventories

	2013 £'000	2012 £'000	2011 £'000
Raw Materials and Consumables	2,449	1,304	1,106

Note 12 Trade and Other Receivables

	2013 £'000	£'000	2012 £'000	2011 £'000
Debtors due within one year				
National Health Service in Scotland				
SGHD	-		-	-
Boards	2,822		4,835	3,760
Total National Health Service in Scotland Receivables			4,835	3,760
NHS Non-Scottish Bodies	-		-	-
General Fund Receivable	-		-	-
VAT recoverable	76		78	85
Prepayments	414		383	406
Accrued income	159		101	47
Other Receivables	858		302	407
Reimbursement of provisions	-		-	-
Other Public Sector Bodies	-		-	-
Total Receivables within one year		**4,329**	**5,699**	**4,705**
Total Receivables due after more than one year		-	-	-
Total Receivables		**4,329**	**5,699**	**4,705**

The total receivables figure above includes a provision for bad debts of £5k (prior year £6k).

Movements on the provision for Impairment of Debtors are as follows:	2013 £'000	2012 £'000
As at 1 April	6	13
Provisions for debtors impairment	5	6
Debtors written off during the year as uncollectible	(6)	(13)
Unused amounts reverses		-
At 31 March	**5**	**6**

As at 31 March 2013, debtors with a carrying value of £29,092 (2011/12: £16,341) were impaired and provided for. The amount of the provision was £ 4,502 (2011/12: £6,347). The aging of these receivables is as follows:

	2013 £'000	2012 £'000
3 to 6 months past due	1	-
Over 6 months past due	4	6
	5	**6**

The receivables assessed as individually impaired were mainly insurance bureau and agents, which are in unexpected difficult economic situations and it was assessed that not all of the debtor balance may be recovered.

Note 12 Trade and Other Receivables (continued)

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2013 debtors of carrying value of £2,619,376 (2011/12: £4,056,000) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

	2013 £'000	2012 £'000
Up to 3 months past due	2,130	3,754
3 to 6 months past due	35	302
Over 6 months past due	455	-
	2,620	**4,056**

The receivables assessed as past due but not impaired were mainly NHS Boards and Hotel customers and there is no recent history of default from these customers.

Concentration of credit risk it limited due to Government bodies (ie customer base being large and unrelated/government bodies). Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

Receivables that are neither past due nor impaired are shown by their credit risk below:

Counterparties with external credit ratings	2013 £'000	2012 £'000
A	21	21
BB	-	3
BBB	12	-
Counterparties with no external credit rating	-	-
New customers	-	-
Existing customers with no defaults in the past	-	-
Existing customers with some defaults in the past	1	-
Total neither past due or impaired	**34**	**24**

The maximum exposure to credit risk is the fair value of each class of receivable. The Board does not hold any collateral as security.

The carrying amount of receivables are denominated in the following currencies:

	2013 £'000	2012 £'000
Pounds	4,329	5,699
Euros	-	-
US Dollars	-	-
	4,329	**5,699**

Note 12 Trade and Other Receivables (continued)

There are no non-current receivables that are due over one year.

Note 13 Related party transactions

The Board had a small number of transactions with other government departments and other central government bodies.

No Board member, key manager or other related party has undertaken any material transactions with the Board during the year.

Note 14 Cash and Cash Equivalents

	As at 1 April 2012 £'000	Cash Flows £'000	As at 31 March 2013 £'000
Government Banking Service account balance	8,782	(1,424)	7,358
Cash at Bank and in Hand	178	156	334
Total cash and cash equivalents	**8,960**	**(1,268)**	**7,692**
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	**8,960**	**(1,268)**	**7,692**

Prior Year

	As at 1 April 2011 £'000	Cash Flows £'000	As at 31 March 2012 £'000
Government Banking Service account balance	4,907	3,875	8,782
Cash at Bank and in Hand	1,190	(1,012)	178
Total cash and cash equivalents	**6,097**	**2,863**	**8,960**
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	**6,097**	**2,863**	**8,960**

Cash at bank is held with major UK banks. The credit risk associated with cash at bank is considered to be low

Note 15 Trade and Other Payables

	2013 £'000	£'000	2012 £'000	2011 £'000
Payables due within one year				
National Health Service in Scotland				
SGHD	-		-	-
Boards	6,669		6,335	2,557
Total NHS Scotland Payables		**6,669**	**6,335**	**2,557**
NHS Non-Scottish Bodies	-		-	-
General fund payable	7,692		8,959	6,097
Trade payables	561		485	734
Accruals	11,387		11,595	9,150
Deferred Income	487		150	18
Payments received on account	56		90	89
Interest Payable	-		-	-
Bank Overdrafts	-		-	-
Income tax and social security	1,395		1,285	1,253
Superannuation	690		623	612
Holiday pay accrual	307		309	256
Clinical/Medical Negligence claims	-		-	-
VAT	-		-	-
Other Public Sector Bodies	-		-	-
EC Carbon Emissions	-		-	-
Other payables	-		-	-
Total Payables due within one year		**29,244**	**29,831**	**20,766**
Total Payables due after more than one year		-	-	-
Total Payables		**29,244**	**29,831**	**20,766**

There are no borrowings included in the above.

The carrying value of short term creditors approximates their fair value.

The carrying value of payables are denominated in the following currencies:

	2013 £'000	2012 £'000
Pounds	29,244	29,831
Euros		-
US Dollars		-
	29,244	**29,831**

Note 16 Provisions for year-ended 31 March 2013

	Pensions	Clinical & Medical	EC Carbon Emissions	Other	Total
	£'000	£'000	£'000	£'000	£'000
As at April 2012	**-**	551	**-**	85	**636**
Arising during the year	-	204	-	46	**250**
Utilised during the year	-	(77)	-	(27)	**(104)**
Unwinding of discount	-	-	-	-	**-**
Reversed unutilised	-	(53)	-	(48)	**(101)**
At 31 March 2013	**-**	**625**	**-**	**56**	**681**

The amounts above are stated gross and the amounts of any expected re-imbursements are separately disclosed as receivables in note 12.

Analysis of expected timing of discounted flows

	Pensions	Clinical & Medical	EC Carbon Emissions	Other	Total
	£'000	£'000	£'000	£'000	£'000
Current	-	625	-	56	**681**
Non-current	-	-	-	-	**-**
Total as at 31 March 2013	**-**	**625**	**-**	**56**	**681**

Provisions for Prior-year

	Pensions	Clinical & Medical	EC Carbon Emissions	Other	Total
	£'000	£'000	£'000	£'000	£'000
As at April 2011	**-**	**737**	**-**	**47**	**784**
Arising during the year	-	116	-	55	**171**
Utilised during the year	-	(202)	-	(10)	**(212)**
Unwinding of discount	-	-	-	-	**-**
Reversed unutilised		(100)	-	(7)	**(107)**
At 31 March 2012	**-**	**551**	**-**	**85**	**636**

The amounts above are stated gross and the amounts of any expected re-imbursements are separately disclosed as receivables in note 12.

Note 16 Provisions for year-ended 31 March 2013

Analysis of expected timing of discounted flows

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
Current	-	551	-	85	636
Non-current	-	-	-	-	-
Total as at 31 March 2012	**-**	**551**	**-**	**85**	**636**

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
Current	-	737	-	47	784
Non-current	-	-	-	-	-
Total as at 31 March 2011	**-**	**737**	**-**	**47**	**784**

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.8% in real terms.

Clinical and Medical

The Board holds a provision to meet costs of all outstanding and potential medical negligence claims. All legal claims notified to the Board are processed by the Scottish NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provisions for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately in the notes to the accounts.

Claims which are categorised as 3 are provided fully and are likely to be incurred within 1 year, claims that are categorised as 2 are provided for at 50% and are likely to be incurred in more than one year. Where claims are classed as a 1, these are deemed not likely to occur and are not provided for.

Note 17 Movement on Working Capital Balances

	Opening Balances £'000	Closing Balances £'000	2013 Net Movement £'000	2012 Net Movement £'000
Inventories				
Balance Sheet	1,304	2,449		
Net Decrease/(Increase)			(1,145)	(198)
Trade and Other Receivables				
Due within one year	5,699	4,329		
Due after more than one year	-	-		
	5,699	4,329		
Less: Property, plant and equipment included above	-	-		-
Less: intangible assets included above	-	-		-
Less: general fund debtor included above	-	-		-
	5,699	4,329		
Net Decrease/(Increase)			1,370	(994)
Trade and Other Payables				
Due within one year	29,831	29,244		
Due after more than one year	-	-		
Less: Property, plant and equipment included above	-	-		
Less: intangible assets included above	-	-		
Less: Bank Overdraft	-	-		
Less: General Fund Creditor included in above	(8,959)	(7,692)		
Less: Lease and PFI Creditors included in above	-	-		
	20,872	21,552		
Net (Decrease)/Increase			680	6,203
Provisions				
Balance Sheet	636	681		
Transfer from Provision to General Fund	-	-		
Net (Decrease)/Increase	(148)		45	(148)
Net Movement (Decrease)/Increase			**950**	**4,863**

Note 18 Contingent Liabilities

The following contingent liabilities have not been provided for in the Accounts:

Nature	2013 £'000	2012 £'000
Clinical and medical compensation payments	152	127
Employer's liability	-	-
Other	57	55
Total Contingent Liabilities	**209**	**182**

Contingent liabilities have been estimated based on information provided by the Central Legal Office regarding negligence claims against the Board. All claims classed as category 1 along with 50% of the value of category 2 claims have been included in contingent liabilities.

Equal Pay Claims

The Board has received no claims under the Equal Pay Act 1970 (mainly) from women seeking compensation for past inequalities with male colleagues, under their pay arrangements.

The basis of claims is as follows:

- The claimant's job has been rated as being of equivalent to that of their comparator using a valid Job Evaluation Study, and/or is of equal value to that of their comparator.
- Their comparator is currently paid or has been paid more than them.
- They claim equal pay, back pay and interest (back pay is claimed for the statutory maximum of five years).

The current position and recent developments are summarised below.

Comparator Information
Comparators have still not been identified, with the exception of a small number of cases. Work is still ongoing by both claimants and respondents in this regard. Until comparators are identified it is not possible to identify the term which is said to breach the equality clause.

Period of Claim
The period over which back pay for any established breach would have to be calculated is the period between dissolution of their employing Trust and 30 September 2004. As the Board has no claims there is no identified period of the claim. The limited scope of these claims was upheld by the Employment Appeal Tribunal in the test case of Foley and Ors v Greater Glasgow Health Board (August 2012).

Unequal Contract Term
The issue of the basis of claims was considered at the Case Management Discussion on 22 January 2013, which centred on Emmanual v City and Hackney Primary Care Trust. This was a national test case to establish, where claimant and comparators carried out work of equal value, whether there was a genuine material factor defence to different terms of related pay. The Tribunal decided that the Trust had failed to demonstrate a justification in the respect of different weekend overtime rates, but had done in relation to basic pay.

Note 18 Contingent Liabilities (continued)

Summary
The NHS Scotland Central Legal Office and Equal Pay Unit are continuing to monitor the progress of all equal pay claims in NHS Scotland as well as developments relating to NHS equal pay claims elsewhere that may further inform the position. They continue to advise that it is not possible to provide any financial quantification at this stage because of the lack of information available. On the basis of their view the appropriate accounting treatment is to disclose the claims as a contingent liability that is not possible to quantify.

Contingent Assets
The Board currently has contingent assets of £130,000 in year (prior year £130,000).

Note 19 Commitments

Capital Commitments

The Board has the following Capital Commitments, which have not been provided for in the accounts

	2013 £'000	2012 £'000
Contracted		
Theatre 16	-	18
MRI Scanner	-	180
Authorised but not contracted		
Boiler Decentralisation	1,400	-
	-	-
Total	**1,400**	**198**

Note 20 Commitments under Leases

At 31 March 2013, the Board had annual commitments under non-cancellable operating leases as follows:

Operating leases	2013 £'000	2012 £'000
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.	-	-
Obligations under operating lease comprise:		
Land	-	-
Buildings	-	-
Other		
Not later than one year	118	238
Later than one	4	114
Amounts charged to operating costs in the year were:		
Hire of equipment (including vehicles)	273	349
Total	**273**	**349**

The Board held no finance leases in the reporting period.

Note 21 Pensions Costs

The NHS Board participates in the National Health Service Superannuation Scheme for Scotland, which is a notional defined benefit scheme where contributions are credited to the Exchequer and the balance in the account is deemed to be invested in a portfolio of Government securities. The pension cost is assessed every five years by the Government Actuary; details of the most recent actuarial valuation can be found in the separate statement of the Scottish Public Pensions Agency (SPPA).

The National Health Service Superannuation Scheme for Scotland is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The NHS Board will therefore account for its pension costs on a defined contribution basis as permitted by IAS 19.

For 2012/13, normal employer contributions of £5,027,529 were payable to the SPPA (prior year £4,827,818) at the rate of 13.5% (prior year: 13.5%) of total pensionable salaries. No additional costs were incurred during the accounting period arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £370 million to be met by future contributions from employing authorities.

Provisions/liabilities/pre-payments amounting to nil are included in the Balance Sheet and reflect the difference between the amounts charged to the Operating Cost Statement and the amounts paid directly.

Changes to the scheme were implemented from 1 April 2008. Existing staff, and those joining the scheme up to 31 March 2008, will keep the benefits of the existing scheme but will be given the choice to transfer to the new scheme.

Existing Scheme:
The scheme provides benefits on a 'final salary' basis at a normal retirement age of 60. Annual benefits are normally based on 1/80th of the best of the last three years' pensionable pay for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay tiered contributions ranging from 5% to 10.9% of pensionable earnings. Pensions are increased in line with the Consumer Price Index.

On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump-sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Child allowances are payable according to the number of dependent children and whether there is a surviving parent who will get a scheme widow/widower's pension. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately where the member has more than 2 years' service. Where service exceeds 5 years, the pension is calculated using specially enhanced service, with a maximum enhancement of 10 years.

Members aged 50 or above may take voluntary early retirement and receive a reduced pension. Alternatively, if the employer agrees to this the member will be able to retire on the full pension and lump sum which they have earned.

Note 21 Pensions Costs (continued)

New 2008 Arrangements:

The scheme provides benefits on a 'final salary' basis at normal retirement age of 65. Pension will have an accrual rate of 1/60th and be calculated on the basis of the average of the best consecutive three years pensionable pay in the ten years before retirement. There is an option to exchange part of the Pension benefits for a cash lump sum at retirement, up to 25% of overall Pension value. Members pay tiered contribution rates ranging from 5% to 8.5% of pensionable earnings. Pensions and allowances are index linked to protect their value.

Members aged 55 or above may take voluntary early retirement and receive a reduced pension. Alternatively, if the employer agrees to this the member will be able to retire on the full pension and lump sum earned.

Staff remaining under HCI terms and conditions of employment continue to receive benefits in the format of contribution to a defined contribution pension scheme unless they elected to join the National Health Superannuation Scheme. Contributions to the defined contribution pension scheme amounted to £3,923.

Pension Costs	**2012/13**	**2011/12**
	£'000	**£'000**
Pension cost charge for year	5,028	4,828
Additional Costs arising from early retirement	-	-
Provisions/Pre-payments included in the Balance Sheet	-	-

Note 22 Financial Instruments

22a Financial Instruments by category

Financial Assets	**Loans and Receivables £'000**	**Assets at fair value through profit and loss £'000**	**Achievable for sale £'000**	**Total £'000**
At 31 March 2013				
Assets per balance sheet				
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	1,017	-	-	**1,017**
Cash and cash equivalents	7,692	-	-	**7,692**
	8,709	**-**	**-**	**8,709**

Note 22 Financial Instruments (continued)

22a Financial Instruments by category

Financial Assets	Loans and Receivables £'000	Assets at fair value through profit and loss £'000	Achievable for sale £'000	Total £'000
At 31 March 2012				
Assets per balance sheet				
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	403	-	-	403
Cash and cash equivalents	8,960	-	-	8,960
	9,363	**-**	**-**	**9,363**

Note 22 Financial Instruments (continued)

Financial Liabilities	Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
At 31 March 2013			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	-	20,003	**20,003**
	-	**20,003**	**20,003**

Financial Liabilities	Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
At 31 March 2012			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	-	21,438	21,438
	-	**21,438**	**21,438**

22b Financial Risk Factors

Exposure to risk

The Board's activities expose it to a variety of financial risks:

Credit risk – the possibility that other parties might fail to pay amounts due.
Liquidity risk – the possibility that the Board might not have funds available to meets its commitments to make payments.
Market risk – the possibility that financial loss might arise as a result of changes in such measures as interest rates, stock market movements or foreign exchange rates.

Because of the largely non-trading nature of its activities and the way in government departments are financed, the Board is not exposed to the degree of financial risk faced by business entities.

The Board provides written principles for overall risk management, as well as written policies covering procurement, delegated limits of authority, standing financial instructions and standing orders.

Note 22 Financial Instruments (continued)

A - Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with parameters set by the Board.

The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period and no losses are expected from non-performance by any counterparties in relation to deposits.

B – Liquidity Risk

The Scottish Parliament makes provision for the use of resources by the Board for revenue and capital purposes in a Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the Budget Act. The Act also specifies an overall cash authorisation to operate for the financial year. The Board is not therefore exposed to significant liquidity risk.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 March 2013	-	-	-	-
PFI Liabilities	-	-	-	-
Finance Lease Liabilities	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other payables excluding statutory liabilities	21,180	-	-	-
Total	**21,180**	**-**	**-**	**-**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 March 2012	-	-	-	-
PFI Liabilities	-	-	-	-
Finance Lease Liabilities	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other payables excluding statutory liabilities	22,211	-	-	-
Total	**22,211**	**-**	**-**	**-**

Note 22 Financial Instruments (continued)

C – Market Risk

The Board has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the Board in undertaking its activities.

i) Cash flow and fair value interest rate risk
The Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

ii) Foreign currency risk
The Board is not exposed to foreign currency risk.

iii) Price risk
The Board is not exposed to equity security price risk.

21c Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Board does not currently hold any such assets.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

Note 23 Segment Information

Segmental information as required under IFRS has been reported for each strategic objective.

	Segment 1 2012/13 £'000	**Segment 2011/12 £'000**
Net Operating Cost	57,491	56,960
Total Assets	114,907	118,875

In line with the requirement of IFRS the segments included in these accounts are in line with what is reported to management on a monthly basis.

Note 24 Exit Packages

EXIT PACKAGES 2012/13

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	2	2
£10,000 - £25,000	-	7	7
£25,000 - £50,000	-	8	8
£50,000 - £100,000	-	2	2
£100,000- £150,000	-	-	-
£150,000- £200,000	-	-	-
>£200,000	-	-	-
Total number exit packages by type	**-**	**19**	**19**
Total resource cost (£'000)	**-**	**597**	**597**

EXIT PACKAGES - PRIOR YEAR

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	7	7
£10,000 - £25,000	-	9	9
£25,000 - £50,000	-	7	7
£50,000 - £100,000	-	10	10
£100,000- £150,000	-	1	1
£150,000- £200,000	-	-	-
>£200,000	-	-	-
		-	-
Total number exit packages by type	**-**	**34**	**34**
Total resource cost (£'000)	**-**	**1,397**	**1,397**

DIRECTION BY THE SCOTTISH MINISTERS

1 The Scottish Ministers, in exercise of the powers conferred on them by sections 86(1), (1B) and (3) of the National Health Service (Scotland) Act 1978, as read with article 5(1) of and the Schedule to the National Waiting Times Centre Board (Scotland) Order 2002, (S.S.I. 2002/305), and all powers enabling them in that behalf, hereby give the following direction.

2 The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

3 Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.

4 The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

5 This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 December 2002 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated 8 February 2006