NATIONAL WAITING TIMES CENTRE BOARD

DIRECTORS' REPORT AND ACCOUNTS

For Year ended 31st March 2014

Annual Report and Accounts

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OPERATING AND FINANCIAL REVIEW

DIRECTORS REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2014.

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 19 June 2014.

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
	M Higgins	- Medical Director
	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 2013/14, 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 Board Director – Scottish Health Innovations Ltd (SHIL)
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	Non-executive Director – The State Hospital Lay assessor – NHS Education for Scotland Trustee – City of Glasgow College Foundation
J Rae	Trustee - Ardgowan Hospice Trustee – Institute of Counselling
S MacKinnon	Managing 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 Hotels
P Cox	Chief Executive – Scottish Veterans Residences Non-remunerated Director of housing Pillar – Veterans Charities
M MacGregor	Consultant, Nephrologists/Physician – NHS Ayrshire and Arran Honorary Clinical Senior Lecturer – University of Glasgow Member – UK Renal Association Executive Committee Member – Scottish Medicine Consortium Fellow – Royal College of Physicians and Surgeons of Glasgow

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 2013/14.

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 2013/14 average credit taken was 9 days (2012/13 – 13 days).
In 2013/14 the Board paid 92.19% by value (2012/13 – 90.61%) and 92.71% by volume within 30 days (2013/14 – 90.24%).
In 2013/14 the Board paid 82.41% by value (2012/13 – 81.47%) and 86.83% by volume within 10 days (2013/14 – 81.45%).

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 2013/14 the Board undertook an update of its standing committees to ensure that they remained 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'. Changes to the remit for the audit committee, noted below, were agreed in March 2014 with these changes being implemented from 2014/15 onwards.

Clinical governance (Safe)
The membership of the Clinical Governance Committee comprises: S MacKinnon, M Whitehead, K Harriman and is chaired by M McGregor. The Committee as a minimum meets four times per year.

Clinical governance (continued)

The Committee is responsible for the oversight of clinical governance within the Board. Specifically its role is to:

- provide coordination and leadership to enable effective delivery of the Safe and Clinical Governance elements within the Healthcare Quality Strategy for NHS Scotland. The lead role for person centred and patient focus will be taken by the Person Centred and Staff Governance Committee.
- assure the Board that appropriate structures and processes are in place to meet statutory obligations and any other guidance issued by the Scottish Executive and Healthcare Improvement Scotland.
- review outcomes of patient care through scrutiny of relevant reports and self assessments.

Corporate Governance (continued)

Audit (Effective)
The Audit Committee comprises: J Rae, P Cox, M Whitehead and is chaired by S MacKinnon. During March 2014 the Committee changed its name to the Audit and Risk Committee, this will be effective from 2015 on, however the terms of reference of the committee remain in line with the Audit Committee Handbook. The committee meets approximately four times per year to consider the work of internal audit, external audit and other matters as appropriate.

The Audit and Risk Committee is a standing committee of the Board and supports them in their responsibilities for the issues of risk, control and governance and associated assurance through a process of constructive challenge. The purpose of the Committee is to assure the Board that an appropriate system of internal control has been implemented and is working effectively. In meeting this requirement the Chair of the Audit and Risk Committee submits an annual report summarising the activities of the Committee to assure the Board that the Committee's responsibilities are being discharged in accordance with its remit.

The remit has been widen and in future years will include a more substantial role in ensuring that the risk management processes are robust and risks are being managed effectively.

Staff Governance (Person Centred)
The membership of the Staff Governance committee comprises: K Harriman, P Cox, M MacGregor, J Christie (employee director), and two lay representatives nominated by the partnership forum and is chaired by J Rae. The Committee as a minimum meets 4 per year.

It is the responsibility of the Person Centred Committee to assure the Board that appropriate structure and processes are in place for the effective governance of the Board's person centred agenda. The Committee shall be responsible for ensuring that the governance processes to meet statutory obligations and any other guidance issued by the Scottish Executive and Health Improvement Scotland are met.

This Committee is a standing committee of the Board which is part of the governance framework for NHS Boards.

The Person Centred Committee provides coordination and leadership to enable effective delivery of the Involving People Strategy and the Staff Governance Standard. This will include supporting the delivery of the highest standard possible of person centred care including an understanding that staff management is the responsibility of everyone working within the system and is built upon partnership and collaboration.

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.

In addition the Board research steering group considers all aspects of Governance associated with research.

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.

The Board was 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 fourth 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.

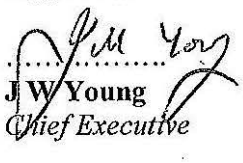
Events after the end of the reporting period

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: 19 June 2014

The Accounting Officer authorised these financial statements for issue on 19 June 2014

OPERATING AND FINANCIAL REVIEW

STRATEGIC REPORT

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 overall vision of the Board is to lead quality, research and innovation for NHSScotland.

The Golden Jubilee National Hospital

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

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.

It is also a major centre for orthopaedics and following the announcement of recent expansion plans will carry out above 25% of all Scottish hip and knee replacements from 2015. The Golden Jubilee National Hospital ophthalmology department has also continued to expand to meet demand of NHSScotland and from 2015 will carry out at least 12% of all cataract operations performed by the NHS in Scotland

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

Principal activities and review of the year (continued)

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. 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.

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;
- dedicated two way audio visual links with Golden Jubilee National Hospital theatres, imaging suites and cardiac catheterisation laboratories;
- 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.

Recent accolades include:

- AA Four Star commendation;
- Scottish Tourist Board Four Star;
- VenueVerdict 2012 Gold Standard;
- Conference Hotel Of The Year 2011 and 2012;
- 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;.
- Green Tourism Gold Award 2013;
- Investors in People 10 year achievement award;.
- Investors in People Silver Award;
- Finalist for Eco Hotel of the Year Award 2013/14; and
- Eco Award for Environmental Excellence 2013.

Principal activities and review of the year (continued)

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;
- help promote innovation across the organisation.

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 2013/14, we were set a target of carrying a total of 23,528 inpatient, day case and diagnostic examinations. The range of services provided included: orthopaedic surgery, general surgery, ophthalmic surgery, plastic surgery, bariatric surgery, hand 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 2013/14 was 26,975, which was 3,447 procedures more than anticipated at the beginning of the year, and 14.7% ahead of plan. Ophthalmic surgery performed better than expected as we carried out over 1,100 extra operations than we had planned for the year.

Similarly to last year, our orthopaedic case mix included a high number of revisions and complex cases (which requires more than one theatre slot). However, unlike previous years we diversified and undertook over 500 foot and ankle orthopaedic procedures in addition to hip and knee replacements.

Principal activities and review of the year (continued)

Cardiac surgery waiting time

In 2013/14, 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.

Our values

In 2013/14 work continued on embedding our core values within the organisation, where 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**.**

Innovations

In a series of Scottish firsts for the Golden Jubilee National Hospital:

- cardiologists replaced a patient's heart valve through a vein in his leg, avoiding the need for open heart surgery;
- heart surgeons began implanting Ventricular Assist Devices (VADs) – also known as artificial hearts – into patients with advanced heart failure, giving patients the time they need until their own heart recovers or a transplant becomes available; and
- anaesthetists developed Scotland's first ever training course for doctors on single lung ventilation using a patient simulator. This event now takes place regularly on site.

The Golden Jubilee National Hospital's pioneering team also developed an innovative programme which allows medical students, trainee doctors and clinicians to practice surgical techniques on 3D models and animations. 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 knee anatomy and regional anaesthesia, however it could potentially be used for training in more specialties.

In Information technology, our Clinical Portal ensures clinicians can access diagnostic test results and clinic or referral letters via one single sign-on, allowing improved decision making with patient information available in a timely way, helping to improve outcomes for patients. Heart and lung patients benefit from CaTHI, the Cardiac, Cardiology and Thoracic Health Information System, a web-based application that captures data throughout the cardiac, cardiology and thoracic patients' journey from diagnostic assessments and surgical procedures to discharges and follow-ups.

Dedicated wireless internet networks are benefiting both patients and staff. Patients can keep in touch with family and friends in an easier way thanks to the introduction of a public WiFi network. And staff can work faster and smarter by tapping into the 'NHS' WiFi network. Using secure mobile devices to access email and clinical systems helps with timely decision-making, and therefore improves patient care.

Principal activities and review of the year (continued)

Research

The Golden Jubilee National Hospital delivers leading edge research ensuring it is taken from 'bench to bedside' to the benefit of the patients. Our research projects are hosted relating to our clinical specialties including interventional cardiology, electrophysiology, pulmonary vascular disease, advanced heart failure, orthopaedics and anaesthetics.

Researchers from the Golden Jubilee National Hospital:

- are part of the team of scientists, cardiologists and heart surgeons participating in a £3.9m study into how to prevent the failure of heart bypass grafts;
- carried out a delayed stenting trial with the University of Glasgow which suggested that waiting for a period of time before putting in a stent may improve clinical outcomes for patients experiencing a STEMI heart attack;
- are part of the UK's first gene therapy trial for heart failure patients which will assess whether cardiac gene therapy to increase a protein called SERCA2a – which is involved in calcium signalling in heart cells – is safe and can improve both quality and length of life for patients;
- played a major role in the 'PRAMI trial' over the past five years, with two of our leading cardiologists made significant contributions to this groundbreaking research study, which found evidence to suggest that preventative angioplasty following a heart attack has the potential to save the lives of thousands of patients every year;
- began participation in the UK's first gene therapy trial for advanced heart failure, and are one of only two centres to be running the CUPID 2 trial, we aim to help establish the effectiveness of the MYDICAR treatment, a genetically targeted enzyme replacement therapy. In an earlier phase of the trial, evidence was found that MYDICAR has the potential to dramatically reduce frequency of death, hospitalisations, transplants, the need for a mechanical heart and worsening condition in end stage heart failure patients; and
- published research which revealed that Computer Assisted Hip Arthroplasty could increase accuracy of the surgery by over 20 per cent, from 70 per cent to over 90 per cent, however, as this is not standard practice in the UK, further research is necessary to determine the long term advantages of this approach to patients.

Endowments

The Board has a reasonable level of endowments which are currently administered by NHS Greater Glasgow and Clyde. During the year a detailed review was undertaken of the endowment processes and administration within the Board particularly with regard to research and innovation, it was approved by the Endowments Committee that this function would be moved to the Board during 2014/15.

Inspections

Older people in acute hospitals announced inspection

Healthcare Improvement Scotland (HIS) carried out an announced inspection to Golden Jubilee National Hospital from Tuesday 21 to Wednesday 22 January 2014.

Areas of strength

HIS noted areas where NHS National Waiting Times Centre was performing well in relation to the care provided to older people in acute hospitals, which included the following.

- A Caring Behaviours Assurance System (CBAS) has been rolled out throughout the hospital giving a multidisciplinary approach to the assurance of patient care.

Principal activities and review of the year (continued)

- Executives and senior managers carry out frequent walk-rounds in the hospital. Action plans are made and followed up from these walk-rounds.
- Staff development is taking place, in line with the Promoting Excellence framework.
- Specialist pressure relieving equipment is available for patients. The hospital has also made a commitment to invest in more mattresses that can be converted to alternating pressure relieving mattresses.

Areas for improvement
HIS found that further improvement is required in the following areas.

- Personalised care plans were not in place. All patients must have a care plan which identifies all of their individual needs in relation to nutrition, and eating and drinking.
- Protected mealtimes were not always adhered to. The hospital must ensure that all non-essential staff activity (clinical and non-clinical) is stopped during patient mealtimes.
- Patients' intake of food and fluid was not always accurately recorded and monitored to ensure that necessary action is taken if a patient's intake is inadequate.

In response, the Golden Jubilee National Hospital immediately addressed the administration and protected mealtimes issues. Although the report observed that personalised care plans were not in place, every patient has planned care that is communicated to them and their families as part of an multi professional integrated care pathway. However, we continue to improve this documentation process and will seek best practice that will be appropriate in our service to patients

Awards gained in 2013/14

In 2013/14, The NHS National Waiting Times Centre was the top Scottish NHS Board in Stonewall's Workplace Equality Index (WEI) for the fourth 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.

In 2013/14 The NHS National Waiting Times Centre also retained Investing in Volunteers (IiV) status – the national quality standard for organisations showing a commitment to involving volunteers in their work.

Social, Community and Human Rights

In accordance with the Equality Act 2010 and regulations, the Board promotes equality and celebrates the diversity of the population that it serves. In the Mainstreaming Report (2013) the Board demonstrated how it aims to mainstream and build equality and diversity and its wider aspects into all of its functions. The report showed how it will meet the three aims of the General Duty; eliminating discrimination, harassment, victimisation and any other prohibited conduct; advancing equality of opportunity; fostering good relations. The development of equality outcomes provides assurance that the NHS NWTC meets the equality and diversity needs of people with the nine relevant protected characteristics (race, disability, age, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership, religion or belief), whether they are patients, public, carers or staff.

The NHS NWTC Equality Impact Assessment tool ensures that the impact of equality, human rights and health inequalities is embedded and integrated into the decisions and actions of the Board. The systems of training, education and appraisal of staff also include the requirements of knowledge and understanding of equality, diversity and discrimination.

Social, Community and Human Rights (continued)

NHS NWTC is required to publish a mainstreaming report and other relevant information every two years, and to revise the mainstreaming report and develop new equality outcomes every four years.

Breakdown of staff by Gender

The analysis of all current staff by gender as at 31 March 2014 is noted below:

Female – 74%
Male – 26%

Financial Performance

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.

Financial Performance and position

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

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	57,687	57,187	500
	Revenue Resource Limit – non-core	6,193	6,193	-
2	Capital Resource Limit - core	3,050	3,050	-
	Capital Resource Limit - non-core	-	-	-
3	Cash Requirement	60,598	60,598	-

MEMORANDUM FOR IN YEAR OUTTURN	**£'000**
Brought forward deficit (surplus) from previous financial year	(500)
Saving/(excess) against in year Core Revenue Resource Limit (core funding)	**(500)**

Provisions for impairement of receivables
A provision of £3,000 has been provided in year in relation to bad/doubtful debts (prior year £5,000).

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

Financial Performance and position (continued)

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 - £814,000 (prior year £625,000)
- Other - £26,000 (prior year £56,000)
- Total for year – £840,000 (prior year £681,000)

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

Where no certainty has been attributed to future claims these have been accounted for via contingent liabilities, current year £374,000 (prior year £209,000).

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

Significant changes in non-current assets
During 2013/14 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 2013/14 were 3.36% (4.07% for 2012/13).

Personal data related incidents
There were no personal data related incidents reported during 2013/14.

Key Performance Indicators

Local Delivery Plans (LDPs) set out a delivery agreement between SGHSCD 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 2013/14, we carried out a total of 23,939 inpatient, day case and diagnostic imaging examinations. 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 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 2013/14 are as follows:

Key Performance Indicators

1. Local Targets and Priorities

Local Targets	Status at 31/3/14
L1 Capacity and Activity target for 2013/14	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 Hotel and Conference Centre continues to play a vital and supportive role as part of NHS Scotland with more than 50% of Beardmore business being generated annually from conferences and events and has established itself as a conference centre of excellence. The Beardmore continues to support the adjoining GJNH by providing dedicated sleep room provision for clinical staff and accommodation for patients and patient relatives, to facilitate improved patient access to treatment and reduce waiting times. It also operates as a 4 star hotel and welcomes local community, business and leisure guests who use a range of services from hotel accommodation, the health club and restaurants. The Board approved an interim updated strategy in 2013 and work is underway to develop a new strategy which will identify the potential direction of The Beardmore until 2020. This will form part of our overall Board 2020 strategy and aims to create an innovative future for the Hotel and Conference Centre in the locality and internationally as a national resource for Scotland. A Programme Board has been established to steer and approve the development of the strategy and the Beardmore 2020 Strategy will be submitted for Board approval in the May 2014. The key performance indicators continue to be overseen by the Board's Performance and Planning Committee and these have been achieved for the year 2013-14.

Key Performance Indicators (continued)

L3 Clinical Strategy – progress in our existing National Services	**Scottish National Advanced Heart Failure Service (SNAHFS)** The Scottish National Advanced Heart Failure Service (SNAHFS) continues to exceed the target transplant activity outlined in the Strategy approved in December 2010 by the Cabinet Secretary for Health and Wellbeing. 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 a full range of appropriate therapeu options, including heart transplantation. Since the publication of the strategy and the dedicated and focussed work of our team, transplantation activity has increased with improvements in 30 and 90 day survival. Our target for heart transplants for 2013/14 was 11, and as at end March 2014, we have carried out 19 transplants. Over the last four years, heart transplant numbers in Scotland have increased by 185%. This increase in activity is thought to be multi-factorial along with the significant improvement made by the team it is also attributed to an increase in donation across the UK and work by the Cardiothoracic Transplant Advisory Group including the Scout project. The SNAHFS service has focussed on a number of elements to increase heart transplantation numbers and improved outcomes for patients: **The Referral Management Strategy** The Referral Management Strategy is part of the overall SNAHFS Clinical Strategy that aims to ensure Scotland-wide referral of candidates for transplantation by heightening awareness of transplantation. This initiative involves visiting referral centres emphasising that referrals should not just be for those who are critically ill but also those who are chronically limited by their symptoms; this ensures early referral to our specialist service. **The Donor and Retrieval Strategy** This aims to: i) Ensure optimal use of organs offered: Donor offers are reviewed at a weekly multidisciplinary meeting to ensure optimal use. ii) Ensure optimal management of donors prior to removal of the accepted heart. We have carried out redesign focussed on the medical support for the retrieval programme which is a crucial step in maintaining a safe and effective service and supporting further development. Additionally, the redesign has enabled the SNAHFS to join the UK scout project, aiming to ensure that all possible donor organs are inspected and optimally managed. **Mechanical Circulatory Support** The service provides Mechanical Circulatory Support through the use of Veno-Arterial Extra-corporeal Membrane Oxygenation (ECMO), Short Term Ventricular Assist Devices (VADs), and Long Term VADs. 18 intensive care nurses at the Golden Jubilee are now fully trained in ECMO, which reduces the dependence on perfusionists. VAD and ECMO activity has increased, with a reduction in mortality at 30 days.

Key Performance Indicators (continued)

L3 Clinical Strategy – progress in our existing National Services	**Scottish Adult Congenital Cardiac Service (SACCS) Strategy** The Scottish Adult Congenital Cardiac Service based at the GJNH is a National service. The SACCS Clinical Strategy was published in 2012 acknowledging the expanding role of SACCS and detailing a network model of Adult Congenital Heart Disease (ACHD) care in which patients can access specialist care when needed irrespective of geographical location but are also supported by high quality local services. Key components of the model include specialist medical and nursing involvement in local services, combined with education and training across all areas of the care pathway to improve care and ensure sustainability. Infrastructure and improved communication are acknowledged as central to the success of the strategy. In 2013 the Scottish Government recognised the need for a network approach to congenital heart disease care by commissioning the Scottish Congenital Cardiac Network to provide an infrastructure supporting the developing clinical networks in both paediatric and adult populations. **Supporting Regional ACHD Service Delivery** Significant progress has been made during 2013/14 to establish a resourced regional ACHD service co-located beside the National Service at GJNH to enable appropriate management of patients from the West of Scotland and ensure equity of access to the National Service for appropriate patients from the North, South and East of Scotland. A Regional ACHD Project Board has been established that will be responsible for the physical relocation of this regional clinic to a suitable site in the West towards the end of 2014 allowing more local care and access. **Scottish Pulmonary Vascular Unit (SPVU)** Specialist services for pulmonary arterial hypertension are designated as a national specialist service and are commissioned on behalf of NHS Scotland by the National Services Division. The service has been nationally designated since October 1997. Its mission is to provide first class investigation and appropriate treatment for those patients who have this rare and life threatening illness. In 2008 the diagnostic and assessment service moved from the Western Infirmary to the Golden Jubilee National Hospital, along with cardiothoracic and cardiology services. The respiratory medicine element of the SPVU service continues to be provided by NHS Greater Glasgow and Clyde as part of the much larger respiratory medicine service. As a result the service is currently provided over two sites and presents a number of challenges around the management and governance of the service. With the planned changes in the provision of acute hospital services in Glasgow consideration is being given to whether there is scope to streamline patient pathways or to consolidate the service into one site. As a designated national service there will be a need for broad stakeholder engagement to ensure any proposed change to the service delivery model is in line with Board strategies. We are currently undertaking internal strategic scoping work to inform the discussion on the way forward.

Key Performance Indicators (continued)

L3 Board 2020 Strategy	In addition to the aforementioned developments in our National Services, during the year 2013-14, the Board has progressed the following priority areas within the Board 2020 Strategy: **Orthopaedic expansion** Orthopaedic surgery continues to be in high demand. In response to this demand, we increased our capacity at GJNH in 2013/14 to accommodate an increase equivalent to 300 primary joint replacements. In addition to this increase, a further expansion was approved and planned to take effect from November 2013 to support NHS Boards with winter pressures. This amounts to 180 additional joint procedures over the winter period and includes weekend working. The full year effect of this increase will amount to the equivalent of 300 primary joint replacements in 2014/15. Further expansion will take effect in 2014; and by 2015 GJNH will carry out 25% of all total hip and knee replacement surgery in Scotland. **Ophthalmology expansion** The GJNH has employed one full time Ophthalmic Surgeon for a number of years who has the capacity to deliver 1200 procedures per year. In mid 2013/14 an additional two part time Ophthalmic Surgeons were recruited to address the increased demand for cataract surgery. As a result of these appointments together with utilising visiting consultants, we were able to offer an additional 920 ophthalmic procedures to support Boards over the winter period. These patients will be seen on a 'see and treat' basis which will amount to approximately 1,200 new referrals. The full year effect of this increase will result in approximately 2,400 procedures being carried out in 2014/15. The Board is also planning to deliver a further expansion of ophthalmology capacity. This expansion (due from September 2014) will result in an additional 600 cases in 2014/15, increasing to an additional 1200 cases (full year effect) in 2015/16. **Further Board Strategy delivery** The Board has outlined a number of development opportunities which will be further discussed with stakeholders and developed alongside existing relevant local and national strategies. A phased approach will be used for implementation during 2014-15 and beyond.

Key Performance Indicators (continued)

L4 Beardmore Centre for Health Science	The Beardmore Centre for Health Science (BCHS) opened in 2011 and is a unique facility within NHS Scotland in that it combines a specialist NHS facility – the Golden Jubilee National Hospital – with a purpose-built Clinical Skills Centre and Clinical Research Facility and a four star hotel – the Beardmore Hotel and Conference Centre. The Centre operates as part of the NWTCB providing the latest technology for the clinical training of all health professionals both internal and external to NHS Scotland. The management and performance of the Centre is overseen by the Board's Performance and Planning Committee. **Clinical Skills Centre** The Clinical Skills Centre is open to staff across NHS Scotland and to other organisations that require a high quality clinical training environment. The Centre has four clinical style training rooms including: in-built audio visual links to the Golden Jubilee's theatres, cardiac catheterisation laboratories and diagnostic imaging suite; a patient simulator, and a surgical skills training area which incorporates wet lab capability. The Centre continues to attract new and repeat business from clients running a wide range of courses and the medical and dental examinations for the Royal College of Physicians and Surgeons Glasgow. **Clinical Research Facility** The Clinical Research Facility (CRF) is the base for research projects and continues to be heavily used since opening. 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. As the number of research studies hosted by the hospital continues to increase, an area of the centre has been refurbished into our new Research Hub. This provides a base for our research nurses and as the hub is co-located with the Research and Development Office, provides research governance oversight for all research activity.

Key Performance Indicators (continued)

L4 Beardmore Centre for Health Science	**Planned Developments for 2014-15** During 2014-15 the BCHS will continue to build on its success and explore the opportunities for marketing its services including the Live Link available in the Centre. The Live Link is an innovative teaching and conferencing system that enables sound and images from the cardiac catheterisation labs, imaging suites (CT and MRI scanners) and a number of orthopaedic and cardiothoracic operating theatres to be viewed in the BCHS training rooms. For large events the same system is available in the Beardmore Hotel and Conference Centre auditorium. The high bandwidth fibre optic connection allows remote audiences to view live interventions, procedures and operations and the two-way sound link enables the audience to interact with the operator as the procedure is performed. The technology has been successfully used for a number of national and international events including Chronic Total Occlusion (CTO) and Intravascular Ultrasound (IVUS) study days.

1. NHS Scotland Objective No.1 – Health Improvement

2013/14 HEAT Target No.	Key Performance Targets	Status at 31/03/14	Comments
1	Early Cancer Detection – Lung Cancer Surgical treatment	The NWTCB has consistently achieved the 31 day cancer HEAT standard and works with referring Boards to meet the 62 day standard.	Effective and timely surgical treatment of lung cancer is an important element of the delivery of the Early Cancer Detection HEAT target. Full quarter four data for this target is not yet available. Data from April 2013-March 2014 indicates that the 95% target has so far been met.

Key Performance Indicators (continued)

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

2013/14 HEAT Target No.	Key Performance Targets	Status at 31/03/14	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 data for the financial year 2013-14 has not yet been published by Health Facilities Scotland (HFS). The latest data for the period April -December 2013 indicates that our energy usage and carbon emissions continue to exceed the national targets and it is anticipated that the full year position will reflect a similar picture.	We continue to experience challenges in demonstrating progress against the 2009/10 baseline to reduce our C02 emissions and energy usage. We have sought guidance and support from HFS who have recognised the complexities of energy management within the estate. Improvements are set against a backdrop that sees the Board continuing to significantly expand its patient activity and a number of capital estate projects that have seen increased utilisation of the building. 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

2013/14 HEAT Target No.	Key Performance Targets	Status at 31/03/14	Comments
3.1	Delayed Discharge	We have had no delayed discharges in the year 2013-14.	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

2013/14 HEAT Target No.	Key Performance Targets	Status at 31/03/14	Comments
4.1	MRSA/MSSA Bacteraemias: Achieve a rate of 0.24 cases per 1000 acute occupied bed days by year ending March 2016. Boards currently with a rate of less than 0.24 cases are expected to at least maintain this lower rate as reflected in their trajectories. Based on this statement and on local case numbers our target is 0.12 per 1000 occupied bed days.	Our local target has been marginally exceeded April 13 – March 2014 data indicating a SAB rate of 0.17 per 1000 acute occupied bed days, but still well within the national target of 0.24.	*The HEAT targets for delivery by March 2016 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. Our overall number of SABS for the year is very low (<10).*
	Clostridium difficile infection (CDI): Boards are expected to achieve a rate of 0.25 cases CDI per 1,000 acute occupied bed days by year ending March 2016 for patients aged 15 and over. Boards currently with a rate of less than 0.25 are expected to at least maintain this, as reflected in their trajectories. Based on this statement and on local case numbers over the past year, our target is 0.10 per 1000 acute occupied bed days.	Our local target has been achieved for the period April 13 - March 14 with data indicating a CDI rate of 0.06 per 1000 acute occupied bed days, and still well below the national target of 0.25	*The Prevention and Control of Infection Team monitor new cases of C.difficile as part of their alert organism surveillance programme. Monthly local reporting using statistical process control charts provides the means to monitor trends and review control limits both* locally and nationally in keeping with the national surveillance programme.

Sustainability and environmental reporting

This focuses not only on energy management but also on overall management of the environment, including water consumption, waste management and transport. The Board has a Sustainable Development Action Plan to support this work.

The Board has an effective Environment Management System (EMS) to measure performance, through which it can aim to improve environment performance consistent with the Scottish Government's commitment to sustainable development. The Board also has an Environmental Management Action Plan in place to support this.

The Board has a completed Carbon Management Plan which is reviewed regularly at the Energy Group.

A range of improvement measures have been undertaken within the Board to support achievement of the energy efficiency targets to reduce energy consumption and carbon footprint. The Board recognises that increased efficiency will not only assist with the financial pressures of rising energy costs but also help to meet the associated national outcomes to reduce the local and global environmental impact of our energy consumption and production.

The Board's Energy Steering Group meets regularly to support the work of the Board in improving energy efficiency and has developed links across the organisation to promote energy awareness and identify areas for improvement.

Staff engagement is also a key area of focus with a range of communications methods (e.g. staff bulletins, the intranet etc) used to reiterate the need for improved environmental management.
Plans are at an advanced stage to decentralise the boiler plant following our successful grant funding application through the Scottish Government. This project will assist us in achieving a significant reduction in our energy consumption and a corresponding fall in C02 emissions.

We are fully supportive of the revised HEAT targets proposed to take place from April 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.

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.

Remuneration Committee will seek specialist guidance and advice as appropriate.

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 2013/14.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

In accordance with the Financial Reporting Manual (FReM) and the Companies Act, 2013/14 is the first year that the publication of the 'pension benefits' has been required. This calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement.

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings in 2013/14.

FOR THE YEAR ENDED 31 MARCH 2014

Remuneration Table

2014 **Name**	**Directors Gross Salary (bands of £5,000)**	**Bonus Payments (bands of £5,000)**	**Benefits in Kind**	**Total Earnings in Year (bands of £5,000)**	**Pension Benefits**	**Total Remuneration (bands of £5,000)**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Remuneration of:						
Executive Members						
Chief Executive: JW Young	100-105	-	3	100-105	-	100-105
Director of Finance: J M Carter	70-75	-	6	75-80	36	110-115
J Rogers	75-80	-	5	80-85	14	95-100
M Higgins	145-150	-	4	145-150	187	335-340
S Chaib	75-80	-	-	75-80	14	90-95
L Ferries	75-80	-	4	80-85	13	90-95
Non-Executive Members						
Chair: J Freeman OBE	20-25	-	-	20-25	-	20-25
J Christie	50-55	-	-	50-55	-	50-55
J Rae	5-10	-	-	5-10	-	5-10
M Whitehead	5-10	-	-	5-10	-	5-10
M MacGregor	5-10	-	-	5-10	-	5-10
S MacKinnon	5-10	-	-	5-10	-	5-10
K Harriman	5-10	-	-	5-10	-	5-10
P Cox	5-10	-	-	5-10	-	5-10

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 2012/13 and are included in the salary costs.

The Employee Director's salary includes £40k-£45k in respect of non-Board duties.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2014

Pension Values

2014 **Name**	**Accrued pension at age 60 as at 31/03/14* (bands of £5,000)**	**Real increase in pension at age 60 (bands of £2,500)**	**Cash equivalent Transfer Value (CETV) at 31 March 2014 (bands of £5,000)**	**Cash equivalent Transfer Value (CETV) at 31 March 2013**	**Real increase in cash equivalent Transfer Value (CETV) at 31 March**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Pension Values of:					
Executive Members					
Chief Executive: JW Young	40-45	0-2.5	924	872	(3)
Director of Finance: J M Carter	20-25	0-2.5	330	290	17
J Rogers	10-15	0-2.5	301	257	22
M Higgins	50-55	7.5-10	1,113	884	167
S Chaib	10-15	0-2.5	226	194	14
L Ferries	10-15	0-2.5	235	206	9
Non-Executive Members					
Chair: J Freeman OBE	-	-	-	-	-
J Christie	10-15	(0-2.5)	231	237	(21)
J Rae	-	-	-	-	-
M Whitehead	-	-	-	-	-
M MacGregor	-	-	-	-	-
S MacKinnon	-	-	-	-	-
K Harriman	-	-	-	-	-
P Cox	-	-	-	-	-

*the accrued pension lump sum associated with staff on the 1995 scheme is three times the accrued pension stated above.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

As noted above these tables have been revised and are now presented in the new format.

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings in 2012/13.

FOR THE YEAR ENDED 31 MARCH 2013

Remuneration Table

2013 **Name**	**Directors Gross Salary (bands of £5,000)**	**Bonus Payments (bands of £5,000)**	**Benefits in Kind**	**Total Earnings in Year (bands of £5,000)**	**Pension Benefits**	**Total Remuneration (bands of £5,000)**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Remuneration of:						
Executive Members						
Chief Executive: JW Young	100-105	-	4	100-105	-	100-105
Director of Finance: J M Carter	65-70	-	5	70-75	14	85-90
J Rogers	70-75	-	5	75-80	15	90-95
A Flowerdew (left 26 October 2012)	80-85	-	6	90-95	-	90-95
M Higgins (started 1 December 2012)	150-155	-	-	55-60	55	110-115
S Chaib	70-75	-	-	70-75	16	90-95
L Ferries	75-80	-	4	80-85	14	95-100
Non-Executive Members						
Chair: J Freeman OBE	20-25	-	-	20-25	-	20-25
J Christie	55-60	-	-	55-60	-	55-60
J Rae	5-10	-	-	5-10	-	5-10
M Whitehead	5-10	-	-	5-10	-	5-10
M MacGregor	5-10	-	-	5-10	-	5-10
S MacKinnon	5-10	-	-	5-10	-	5-10
K Harriman	5-10	-	-	5-10	-	5-10
P Cox	5-10	-	-	5-10	-	5-10

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 (A Flowerdew) salary includes £20k-25k in respect of non-Board duties.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2013

Pension Values

2013 **Name**	**Accrued pension at age 60 as at 31/03/14 (bands of £5,000)**	**Real increase in pension at age 60 (bands of £2,500)**	**Cash equivalent Transfer Value (CETV) at 31 March 2013 (bands of £5,000)**	**Cash equivalent Transfer Value (CETV) at 31 March 2012**	**Real increase in cash equivalent Transfer Value (CETV) at 31 March**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Pension Values of:					
Executive Members					
Chief Executive: JW Young	40-45	0-2.5	872	824	(8)
Director of Finance: J M Carter	15-20	0-2.5	290	267	(1)
J Rogers	10-15	0-2.5	257	231	6
A Flowerdew (left 26 October 2012)	0-5	(0-2.5)	87	146	(70)
M Higgins (started 1 December 2012)	40-45	2.5-5	884	781	45
S Chaib	10-15	0-2.5	194	169	8
L Ferries	10-15	0-2.5	206	182	7
Non-Executive Members					
Chair: J Freeman OBE	-	-	-	-	-
J Christie	15-20	(0-2.5)	237	240	(21)
J Rae	-	-	-	-	-
M Whitehead	-	-	-	-	-
M MacGregor	-	-	-	-	-
S MacKinnon	-	-	-	-	-
K Harriman	-	-	-	-	-
P Cox	-	-	-	-	-

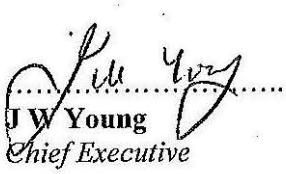
*the accrued pension lump sum associated with staff on the 1995 scheme is three times the accrued pension stated above.

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.

2013/14	**£000s**	**2012/13**	**£000s**
Highest earning Director's total remuneration	145-150	Highest earning Director's total remuneration	170-175
Median Total remuneration	28,079	Median Total remuneration	29,107
Ratio	5.32	Ratio	6.00

Minor changes have been made to the calculation method for this disclosure, they do not have a material impact on the numbers included above.



J W Young
Chief Executive

Date: 19 June 2014

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.

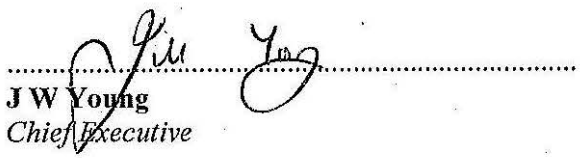
This designation carries with it, responsibility for:

- 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 25 October 2004.



J W Young
Chief Executive

Date: 19 June 2014

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

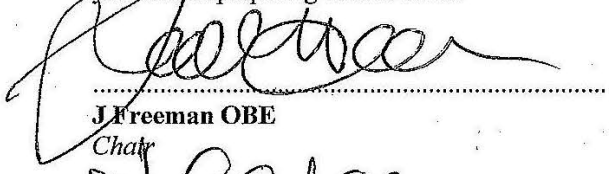
Under the National Health Service (Scotland) Act 1978, the National Waiting Times Centre Board is required to prepare accounts in accordance with the directions of the Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the NHS Board as at 31 March 2014 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.

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: 19 June 2014

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 2014, with the key points of this framework detailed below:

- As part of our ongoing Board Strategy, we have agreed a vision statement, 'Leading quality, research and innovation for NHSScotland', which sums up who we are, what we do, and where we want to be over the next few years.
  Our organisational values set out the values we work to and how we should behave to our patients, our hotel guest, our visitors and to each other. Supporting these values, and more importantly, demonstrating them in everything we do and say, helps us provide a caring, personal and quality service for our patients, visitors and guests .

  Our values are:

  - Valuing dignity and respect
  - A 'can do' attitude
  - Leading commitment to quality
  - Understanding our responsibilities
  - Effectively working

Governance Statement (continued)

- 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 are scrutinised at the Quality and Innovation Group which was established in 2013/14. As these are being fully embedded into practice they aim to provide quality performance in a timely manner for clinical service areas.
- 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 again been assessed against the Audit Scotland report on the Role of Boards.
- During the year the Board continued to review the role of each of the governance committees (audit (effective), 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 work regarding the role of the audit committee it formally changed its name to 'audit and risk' committee, the Terms of Reference were updated with an increased focus on risk, these changes will be embedded during 2014/15. 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.
- The Audit (Audit and Risk) Committee of the Board has updated its terms of reference which govern its function in line with the requirements of the Government Audit Committee Handbook and the reviews conducted during the year. The Committee meets a minimum of 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 centred) 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 2013/14.
- 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.

Governance Statement (continued)

- All Executive Directors of the Board undertake annual appraisals during which any development needs are identified, in line with guidance from SGHSCD.
- The Board Communications Strategy is continually reviewed to ensure that we inform, engage and communicate appropriately with our patients, the public, staff and other stakeholders. Reports on performance against key communications indicators are submitted to the Senior Management Team and Person Centred Committee, with Communications attendance at the Involving People Steering Group, Partnership Forum, Volunteers Forum and Quality Patient Public Panel. Our Communications and Public Affairs Strategy is currently under development which will ensure that we are evolving to meet the communication needs of our staff and stakeholders in appropriate and innovative ways.
- 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.
- Active participation is also demonstrated in regional and national groups.
- The Board has also undertaken a refresh of the Board Strategy including the Beardmore Hotel.

As per the guidance contained within the Scottish Public Finance Manual to the best of my knowledge the Board has followed the underlying principles of good governance as defined by the 'SPFM': 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 (Audit and Risk 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 (Audit and Risk) 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. The change in the Audit (and Risk) committees' role with regard to risk will be fully implemented during 2014/15 and therefore this committee will provide additional assurance on risk as well as the internal control environment.

Additional assurance has been provided during 2013/2014 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.

Governance Statement (continued)

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.

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 name of this has been changed during the year to the 'Board Risk Register'. The board risk register is presented to the Board quarterly and reviewed on an ongoing basis. Going forward the Board Risk Register will be reviewed by the audit and risk committee prior to submission to the Board.

The Clinical Governance and Risk Management Group and Senior Management Team currently ensures that all risks are addressed fully and in a timely manner. The group meets on a regular basis with updates being provided during 2013/14 via the Clinical Governance Committee to the Board and Audit Committee. This will be further strengthened during 2014/15 to take account of the enhanced role of the audit (and risk) committee with regard to provision of assurance regarding risk management to the Board.

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. This process will be reviewed by the Audit (and Risk) Committee going forward.

Governance Statement (continued)

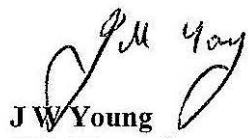
More generally, the organisation is committed to continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice, during the year to 31 March and up to the signing of the accounts, the Board has:

- reviewed the risk management reporting arrangements within the Board to ensure that these are robust;
- renamed the audit committee to the audit and risk committee and increased the focus on risk for this committee; and
- renamed the corporate risk register to recognise that this a Board Wide Risk register.

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.

It should be noted that whilst no significant control weaknesses have been identified a number of recommendations were made by internal audit; however these areas would not have an impact on the achievement of the Corporate Objectives.



J W Young
Chief Executive
Date: 19 June 2014

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 2014 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, the Balance Sheet, 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 2013/14 Government Financial Reporting Manual (the 2013/14 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 2013/14 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 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.

……

Chris Brown
For and on behalf of Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

__ June 2014

Statement of Comprehensive Net Expenditure (SOCNE) and Summary of Resource Outturn for the year ended 31 March 2014

	Note	**2014 £'000**	**2014 £'000**	**2013 £'000**	**2013 £'000**
Clinical Services Costs					
Hospital and Community Health Services	*4*	108,068		115,372	
Less: Hospital and Community Income	*7*	47,843		61,111	
			60,225		54,261
Family Health	-	-		-	
Less: Family Health Income	-	-		-	
Total Clinical Services Costs			**60,225**		**54,261**
Administration Costs	*5*	8,991		8,311	
Less: Administration Income	*7*	-		-	
			8,991		8,311
Other Non Clinical Services	*6*	62		93	
Less: Other Operating Income	*7*	5,898		5,174	
			(5,836)		(5,081)
Net Operating Costs	*SOCTE*		**63,380**		**57,491**

Other Comprehensive Net Expenditure	**2014 £'000**	**2013 £'000**
Net (gain)/loss on Revaluation of Property, Plant and Equipment	195	164
Net (gain)/loss on Revaluation of Intangible assets	-	-
Net (gain)/loss on Revaluation of available for sale financial assets	-	-
Other comprehensive expenditure	**195**	**164**
Total Comprehensive Expenditure	**63,575**	**57,655**

The Notes to the Accounts, numbered 1 to 25, form an integral part of these Accounts.

Statement of Comprehensive Net Expenditure and Summary of Resource Outturn for the year ended 31 March 2014

SUMMARY OF CORE REVENUE RESOURCE OUTTURN	2014 £'000	2014 £'000
Net Operating Costs		**63,380**
Total Non Core Expenditure (see below)		(6,193)
FHS Non Discretionary Allocation		-
Total Core Expenditure		**57,187**
Core Revenue Resource Limit		57,687
Saving/(excess) against Core Revenue Resource Limit		**500**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN		
Capital Grants to / (from) Other Bodies	-	
Depreciation/Amortisation	5,761	
Annually Managed Expenditure - Impairments	124	
Annually Managed Expenditure - Creation of Provisions	308	
IFRS PFI Expenditure	-	
Total Non Core Expenditure		**6,193**
Non Core Revenue Resource Limit		6,193
Saving/(excess) against Non Core Revenue Resource Limit		**-**

SUMMARY RESOURCE OUTTURN	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	57,687	57,187	500
Non Core	6,193	6,193	-
Total	**63,880**	**63,380**	**500**

The Notes to the Accounts, numbered 1 to 25, form an integral part of these Accounts.

Balance sheet as at 31 March 2014

	Note	**2014 £'000**	**2014 £'000**	**2013 £'000**
Non-Current Assets				
Property, plant and equipment	*10*	127,163		130,199
Intangible Assets	*9*	143		143
Financial Assets:				-
- Available for sale financial assets		-		-
- Trade and other receivables		-		-
Total Non-current Assets			**127,306**	**130,342**
Current assets				
Inventories	*11*	2,635		2,449
Financial Assets:				
- Trade and other receivables	*12*	2,195		4,329
- Cash and cash equivalents	*13*	3,067		7,692
- Available for sale financial assets		-		-
Assets classified as held for sale	*10c*	-		20
Total Current Assets			7,897	**14,490**
Total Assets			**135,203**	**144,832**
Current Liabilities				
Provisions	*16*		(840)	(681)
Financial Liabilities:				
- Trade and other payables	*14*		(17,808)	(29,244)
Total Current Liabilities			**(18,648)**	**(29,925)**
Non-current assets plus/less net current assets/liabilities			**116,555**	**114,907**
Non-current liabilities				
Provisions	*15*	-	-	-
Financial Liabilities:				
- trade and other payables	*14*	-	-	-
Total Non-current liabilities			-	-
Assets less liabilities			**116,555**	**114,907**
Taxpayers' Equity				
General Fund	*SOCTE*		42,946	40,362
Revaluation reserve	*SOCTE*		73,609	74,545
Donated asset reserve	*SOCTE*		-	-
Other reserves	*SOCTE*		-	-
Government Grant Reserve	*SOCTE*		-	-
Total Taxpayers' Equity			**116,555**	**114,907**

Adopted by the Board on 19 June 2014

.....Director of Finance

J M Carter

.....Chief Executive

J W Young

The Notes to the Accounts, numbered 1 to 25, form an integral part of these Accounts.

Cash flow statement for the year ended 31 March 2014

		2014	2014	2013	2013
	Note	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net operating cost	*SOCNE*	(63,380)		(57,491)	
Adjustments for non-cash transactions	*3*	5,911		6,009	
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	*16*	2,134		1,370	
(Increase)/decrease in inventories	*16*	(186)		(1,145)	
Increase/(decrease) in trade and other payables	*16*	(6,811)		680	
Increase in provisions	*16*	159		45	
			(62,173)		**(50,532)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(3,050)		(2,937)	
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			**(3,050)**		**(3,156)**
Cash flows from financing activities					
Funding	*SOCTE*	65,223		53,687	
Movement in general fund working capital	*SOCTE*	(4,625)		(1,267)	
Cash drawn down		60,598		52,420	
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			**60,598**		**52,420**
Net Increase/(decrease) in cash and cash equivalents in the period			(4,625)		(1,268)
Cash and cash equivalents at the beginning of the period			7,692		8,960
Cash and cash equivalents at the end of the period			**3,067**		**7,692**
Reconciliation of net cash flow to movement in net debt/cash					
Increase/(decrease) in cash in year			(4,625)		(1,268)
Net debt/cash at 1 April	*13*		7,692		8,960
Net debt/cash at 31 March	*13*		**3,067**		**7,692**

The Notes to the Accounts, numbered 1 to 25, form an integral part of these Accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2014

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2014		**40,362**	**74,545**	**114,907**
Prior year adjustments for changes in accounting policy and material errors	-	-	-	**-**
Restated balance at 1 April 2014		**40,362**	**74,545**	**114,907**
Changes in taxpayers' equity for 2013/14				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	*10*	-	(195)	(195)
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*	-	(150)	(150)
Impairment of intangible assets	*9*	-	-	-
Revaluation & impairments taken to operating cost statement	*3*	-	150	150
Transfers between reserves		741	(741)	-
Transfer of fixed assets from other bodies		-	-	-
Pension Reserve movement		-	-	-
Net operating cost for year		(63,380)	-	**(63,380)**
Total recognised income and expense for 2013/14		**(62,639)**	**(936)**	**(63,575)**
Funding:				
Drawn Down		60,598	-	**60,598**
Movement in General Fund (Creditor)/Debtor		4,625	-	**4,625**
Balance at 31 March 2014		**42,946**	**73.609**	**116,555**

The Notes to the Accounts, numbered 1 to 25, 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, including First Time Adoption of IFRS	-	-	-	**-**
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	*13*	-	-	-
Impairment of property, plant and equipment	*10*	-	(232)	(232)
Impairment of intangible assets	*9*	-	-	**-**
Receipt donated assets	-	-	-	**-**
Revaluation & impairments taken to operating cost statement	*3*	-	232	**232**
Non-cash charges – cost of capital	*3*	-	-	**-**
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 25, 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 25 below.

   (a) Standards, amendments and interpretations effective in current year
   There are no new standards, amendments or interpretations effective for the first time this year.

   (b) Standards, amendments and interpretations early adopted in current year
   There are no new standards, amendments or interpretations early adopted this year.

2. **Basis of Consolidation**
   In accordance with IAS 27 – Consolidated and Separate Financial statements, the board have considered the requirement to consolidate the financial statements of the Board endowment funds.

   It has been agreed that the value of income and expenditure of the funds are not sufficiently material to require consolidation.

   NHS Endowment funds are established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustees Investment (Scotland) Act 2005. Under the 1978 Act Endowment Trustees area also members of the NHS Board. The Board members (who are also Trustees) are appointed by Scottish Ministers.

   The Board is in the process of Charity registration with the office of the Charity Regulator of Scotland (OSCR), currently Board funds are administered by NHS Greater Glasgow and Clyde with the financial transactions been accounted for under the NHSGG&C charity number.

   This is not likely to be concluded by 31 March 2014.

   Transactions between the board and the funds are disclosed as related party transactions, where appropriate, in note 23 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.

Note 1 Accounting Policies (continued)

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.

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

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.

Note 1 Accounting Policies (continued)

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.

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.

Note 1 Accounting Policies (continued)

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.
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.

Note 1 Accounting Policies (continued)

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.

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.

Note 1 Accounting Policies (continued)

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.

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).

Note 1 Accounting Policies (continued)

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.

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 is published by the Scottish Public Pensions Agency and is available on their website.

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.

Note 1 Accounting Policies (continued)

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

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.

Note 1 Accounting Policies (continued)

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.

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.

Note 1 Accounting Policies (continued)

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

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.

Note 1 Accounting Policies (continued)

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.

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.

Note 1 Accounting Policies (continued)

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:

- 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 no material provisions within the accounts.

Note 1 Accounting Policies (continued)

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

2014	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	Total	2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	553	81	51,379	-	786	(85)	**52,714**	50,053
Social security costs	66	4	4,542	-	41	(8)	**4,645**	4,469
NHS Scheme employers' costs	75	-	5,508	-	26	(11)	**5,598**	5,249
Other employers' pension costs	-	-	4	-	-	-	**4**	4
Inward Secondees	-	-	-	82	366	-	**448**	461
Agency staff	-	-	-	-	2,530	-	**2,530**	2,451
	694	85	61,433	82	3,749	(104)	**65,939**	62,687
Compensation for loss of office or early retirement	-	-	-	-	-	-	-	597
Total	**694**	**85**	**61,433**	**82**	**3,749**	**(104)**	**65,939**	**63,284**

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

	Annual Mean 2014 No.	Annual Mean 2013 No.
Administration Costs	303.4	299.5
Hospital and Community Services	951.3	933.6
Non Clinical Services	156.2	158.3
Other, including recharge Trading Accounts	-	-
Inward Secondees	2.1	2.2
Agency staff	58.5	43.0
Outward Secondees	(2.6)	(2.4)
Total Board Average Staff	**1,468.8**	**1,434.2**

The Annual Mean for agency staff for 2013 has been recalculated due to a slight change in the method of calculation of this statistic.

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:

			2014	**2013**
Clinicians				
£50,001	-	£60,000	**7**	7
£60,001	-	£70,000	7	6
£70,001	-	£80,000	7	6
£80,001	-	£90,000	3	6
£90,001	-	£100,000	5	3
£100,001	-	£110,000	5	6
£110,001	-	£120,000	5	3
£120,001	-	£130,000	6	6
£130,001	-	£140,000	6	9
£140,001	-	£150,000	5	5
£150,001	-	£160,000	4	8
£160,001	-	£170,000	6	2
£170,001	-	£180,000	3	-
£180,001	-	£190,000	3	2
£190,001	-	£200,000	4	2
£200,001	and above		7	8
Other				
£50,001	-	£60,000	33	34
£60,001	-	£70,000	9	10
£70,001	-	£80,000	1	1
£80,001	-	£90,000	3	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		-	-

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*	2014 £'000	2013 £'000
Depreciation	*10*	5,761	5,701
Impairments on property, plant and equipment charged to OCS	*10*	150	232
Loss/ (Profit) on disposal of property, plant and equipment		-	76
Total Expenditure Not Paid in Cash		**5,911**	**6,009**

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

Statutory Audit	2014 £'000	2013 £'000
External auditor's remuneration and expenses	69	67
	69	**67**

Note 4 Hospital and Community Health Services

By Provider

	2014 £'000	2013 £'000
Treatment in Board area of NHS Scotland patients	108,032	115,347
Other NHS Scotland Bodies	-	-
Health Bodies outside Scotland	-	-
Private Sector	36	25
Total NHS Scotland Patients	**108,068**	**115,372**
Treatment of UK residents based outside Scotland	-	-
Total Hospital and Community Health Service	**108,068**	**115,372**

All expenditure has been in the Acute Services category.

Note 5 Administration Costs

	2014 £'000	2013 £'000
Board Members' Remuneration	779	760
Administration of Board Meetings and Committees	152	131
Corporate Governance and Statutory Reporting	79	113
Health Planning, Commissioning and Performance Reporting	-	-
Treasury Management and Financial Planning	26	25
Public Relations	-	-
Other Support Functions	7,955	7,282
Total Administration Costs	**8,991**	**8,311**

Note 6 Other non-clinical services

	2014 £'000	2013 £'000
Loss on Disposal of non-current assets	-	76
Post Graduate Medical Education	62	17
Other	-	-
Total Other Non Clinical Services	**62**	**93**

Note 7 Operating Income

HCH Income	2014 £'000	2013 £'000
NHS Scotland Bodies – Boards	46,972	60,626
Non-NHS:		
Private patients	51	36
Other HCH Income	820	449
Total HCH Income	**47,843**	**61,111**
Other operating income		
NHS Scotland Bodies	1,168	1,318
Profit on disposal of non-current Assets	-	-
Interest Received	-	-
Other	4,730	3,856
Total other operating income	**5,898**	**5,174**
Total income	**53,741**	**66,285**
Of the above, the amount derived from NHS bodies is	**48,140**	**61,944**

Note 8 Analysis of Capital Expenditure

	Note	**2014**	**2013**
Expenditure		**£'000**	**£'000**
Acquisition of Intangible Fixed Assets	*9*	-	143
Acquisition of property, plant and equipment	*10*	3,050	2,937
(Profit)/Loss of disposal of non-current assets	*OCS*	-	-
Gross Capital Expenditure		**3,050**	**3,080**
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		**3,050**	**3,080**
Summary of Capital Resource Outturn			
Net capital expenditure as above		3,050	3,080
Capital Resource Limit		3,050	3,080
Savings/(Excess) against capital resource limit		**0**	**0**

Note 9 Intangible Fixed Assets for year-ended 31 March 2014

	Software Licences	Total
	£'000	£'000
Cost or valuation		
At 1 April 2013	**143**	**143**
Additions		
Transfers	-	-
Transfers (to)/from non-current assets held for sale	-	-
Revaluation	-	-
Impairment Charge	-	-
Impairment Reversal	-	-
Disposals	-	-
At 31 March 2014	**143**	**143**
Depreciation		
At 1 April 2013	**-**	**-**
Provided during the year	-	-
Transfers	-	-
Transfers (to)/from non-current assets held for sale	-	-
Revaluation	-	-
Impairment Charge	-	-
Impairment Reversal	-	-
Disposals	-	-
At 31 March 2014	**-**	**-**
Net book value purchased assets		
At 1 April 2013	143	143
At 31 March 2014	**143**	**143**

Note 9 Intangible Fixed Assets prior year

	Software Licences	Total
	£'000	£'000
Cost or valuation		
At 1 April 2012	-	-
Additions	143	143
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**

10 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2014

	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 2013	**5,680**	**106,283**	**37,608**	**8,111**	**130**	**1,193**	**159,005**
Additions	-	-	1,856	770	-	424	3,050
Completions	-	161	1,061	-	-	(1,222)	-
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	20	-	-	-	-	-	20
Revaluation	-	(2,640)	-	-	-	-	(2,640)
Impairment Charge	-	-	(26)	-	-	(124)	(150)
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	(452)	-	-	-	(452)
At 31 March 2014	**5,700**	**103,804**	**40,047**	**8,881**	**130**	**271**	**158,833**
Depreciation							
At 1 April 2013	**-**	**-**	**23,127**	**5,597**	**82**	**-**	**28,806**
Provided during the year	-	2,445	2,689	620	7	-	5,761
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(2,445)	-	-	-	-	(2,445)
Impairment Charge	-	-	-	-	-	-	-
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	(452)	-	-	-	(452)
At 31 March 2014	**-**	**-**	**25,364**	**6,217**	**89**	**-**	**31,670**
Net book value purchased assets							
At 1 April 2013	5,680	106,283	14,481	2,514	48	1,193	130,199
At 31 March 2014	5,700	103,804	14,683	2,664	41	271	127,163
Open Market value of Land included above	-						
Asset Financing:							
Owned							
Net Book Value at 31 March 2014	**5,700**	**103,804**	**14,683**	**2,664**	**41**	**271**	**127,163**

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 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**

Note 10 (b) Property, Plant and Equipment Disclosures

Net book value of tangible fixed assets as at 31 March	*Note*	2014	2013
			£'000
Purchased	*10a*	127,163	130,199
	BS	127,163	130,199

Land, hospital and hotel buildings were fully valued by James Barr at the 31 March 2014 on the basis of existing use value or market value, where no longer in use.

The net impact was a decrease in value of £195,457 (2012/13: £164,000 increase) which was debited to the revaluation reserve.

Note 10 (c) Assets Held for Sale

There are no assets held for sale as at 31 March 2014.

Note 11 Inventories

	2014 £'000	2013 £'000
Raw Materials and Consumables	2,635	2,449

Note 12 Trade and Other Receivables

	2014 £'000	£'000	2013 £'000
Debtors due within one year			
National Health Service in Scotland			
SGHSCD	-		-
Boards	1,070		2,822
Total National Health Service in Scotland Receivables		1,070	2,822
NHS Non-Scottish Bodies			
General Fund Receivable			
VAT recoverable		41	76
Prepayments		550	414
Accrued income		197	159
Other Receivables		337	858
Reimbursement of provisions		-	-
Other Public Sector Bodies		-	-
Total Receivables within one year		**2,195**	**4,329**
Total Receivables due after more than one year			-
Total Receivables		**2,195**	**4,329**

The total receivables figure above includes a provision for bad debts of £3k (prior year £5k).

Movements on the provision for Impairment of Debtors are as follows:	2014 £'000	2013 £'000
As at 1 April	5	6
Provisions for debtors impairment	3	5
Debtors written off during the year as uncollectible	-	(6)
Unused amounts reverses	(5)	-
At 31 March	**3**	**5**

As at 31 March 2014, debtors with a carrying value of £5,354 (2012/13: £29,092) were impaired and provided for. The amount of the provision was £3,112 (2012/13: £4,502). The aging of these receivables is as follows:

	2014 £'000	2013 £'000
3 to 6 months past due	-	1
Over 6 months past due	3	4
	3	**5**

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 2014 debtors of carrying value of £1,130,416 (2012/13: £2,619,376) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

	2014 £'000	2013 £'000
Up to 3 months past due	796	2,130
3 to 6 months past due	128	35
Over 6 months past due	206	455
	1,130	**2,620**

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	2014 £'000	2013 £'000
A	27	21
BB	1	-
BBB	2	12
Counterparties with no external credit rating	-	-
New customers	-	-
Existing customers with no defaults in the past	1	-
Existing customers with some defaults in the past	-	1
Total neither past due or impaired	**31**	**34**

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:

	2014 £'000	2013 £'000
Pounds	2,195	4,329
Euros	-	-
US Dollars	-	-
	2,195	**4,329**

Note 12 Trade and Other Receivables (continued)

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

Note 13 Cash and Cash Equivalents

	As at 1 April 2013 £'000	Cash Flows £'000	As at 31 March 2014 £'000
Government Banking Service account balance	7,358	(5,152)	2,206
Cash at Bank and in Hand	334	527	861
Total cash and cash equivalents	**7,692**	**(4,625)**	**3,067**
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	**7,692**	**(4,625)**	**3,067**

Prior Year

	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**

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

Note 14 Trade and Other Payables

	2014 £'000	£'000	2013 £'000
Payables due within one year			
National Health Service in Scotland			
SGHSCD	-		
Boards	694		6,669
Total NHS Scotland Payables		**694**	**6,669**
NHS Non-Scottish Bodies		-	-
General fund payable		3,067	7,692
Trade payables		399	561
Accruals		10,733	11,387
Deferred Income		262	487
Payments received on account		177	56
Interest Payable		-	-
Bank Overdrafts		-	-
Income tax and social security		1,387	1,395
Superannuation		808	690
Holiday pay accrual		280	307
Clinical/Medical Negligence claims		-	-
VAT		-	-
Other Public Sector Bodies		1	-
EC Carbon Emissions		-	-
Other payables		-	-
Total Payables due within one year		**17,808**	**29,244**
Total Payables due after more than one year		-	-
Total Payables		**17,808**	**29,244**

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:

	2014 £'000	2013 £'000
Pounds	17,808	29,244
Euros	-	-
US Dollars	-	-
	17,808	**29,244**

Note 15 Provisions for year-ended 31 March 2014

	Pensions	Clinical & Medical	EC Carbon Emissions	Other	Total
	£'000	£'000	£'000	£'000	£'000
As at April 2013	**-**	**625**	**-**	**56**	**681**
Arising during the year	-	746	-	40	**786**
Utilised during the year	-	(180)	-	(23)	**(203)**
Unwinding of discount	-	-	-	-	**-**
Reversed unutilised	-	(377)	-	(47)	**(424)**
At 31 March 2014	**-**	**814**	**-**	**26**	**840**

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	-	814	-	26	**840**
Non-current	-	-	-	-	**-**
Total as at 31 March 2014	**-**	**814**	**-**	**26**	**840**

Provisions for Prior-year

	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.

Note 15 Provisions for year-ended 31 March 2014

Analysis of expected timing of discounted flows (prior year)

	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**

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 16 Movement on Working Capital Balances

	Opening Balances £'000	Closing Balances £'000	2014 Net Movement £'000	2013 Net Movement £'000
Inventories				
Balance Sheet	2,449	2,635		
Net Decrease/(Increase)			(186	(1,145)
Trade and Other Receivables				
Due within one year	4,329	2,195		
Due after more than one year	-	-		(1,370)
Less: Property, plant and equipment included above	-	-		-
Less: intangible assets included above	-	-		-
Less: general fund debtor included above	-	-		-
	4,329	2,195		
Net Decrease/(Increase)			2,134	1,370
Trade and Other Payables				
Due within one year	29,244	17,808		(587)
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	(7,692)	(3,067)		1,267
Less: Lease and PFI Creditors included in above	-	-		-
	21,552	14,741		
Net (Decrease)/Increase			(6,811)	680
Provisions				
Balance Sheet	681	840		
Transfer from Provision to General Fund	-	-		
Net (Decrease)/Increase			159	45
Net Movement (Decrease)/Increase			**(4,704)**	**950**

Note 17 Contingent Liabilities

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

Nature	2014 £'000	2013 £'000
Clinical and medical compensation payments	339	152
Employer's liability	-	-
Other	35	57
Total Contingent Liabilities	**374**	**209**

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.

The current position and recent developments are summarised below.

Claimant Information
Work is ongoing to ensure that there is consistency in relation to the data that is held on the CLO data, and that held by the claimants' representatives, and the Employment Tribunal. Until this exercise is concluded it is not possible to accurately advise of the number of live claims.

Comparator Information
Named comparators have still not been identified. Work is still ongoing by both claimants and respondents in this regard. In a significant number of cases the term/terms that is/are said to breach the equality clause has/have not been identified. Work is however being planned in order to capture information necessary to progress claims once the terms have been identified.

Period of Claim
As the Board has no claims there is no identified period of the claim.

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 £238,000 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

	2014 £'000	2013 £'000
Contracted		
Boiler Decentralisation	1,970	148
Authorised but not contracted		
Endoscopy replacement	650	37
Total	**2,620**	**185**

Note 20 Commitments under Leases

At 31 March 2014, the Board had annual commitments under non-cancellable operating leases as follows:

Operating leases	2014 £'000	2013 £'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	245	118
Later than one	169	4
Amounts charged to operating costs in the year were:		
Hire of equipment (including vehicles)	404	273
Total	**404**	**273**

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 an unfunded multi employer defined benefit scheme. It is accepted that the treatment can be as a defined contribution scheme as the Board is unable to identify its share of the underlying assets and liabilities of the scheme. An actuarial assessment was carried out at 31st March 2008. The results of this assessment were rolled forward to give a liability of £29.1 billion at 31st March 2013.

As the scheme is unfunded there can be no surplus or shortfall. Pension contribution rates will be set by the schemes actuary at a level to meet the cost of pensions as they accrue. The Board has no liability for other employers obligations to the multi-employer scheme.

For 2013/14, normal employer contributions of £5,363,208 were payable to the SPPA (prior year £5,043,484) 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	**2013/14**	**2012/13**
		£'000
Pension cost charge for year	5,363	5,043
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 2014				
Assets per balance sheet				
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	534	-	-	**534**
Cash and cash equivalents	3,067	-	-	**3,067**
	3,601	**-**	**-**	**3,601**

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 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)

Financial Liabilities	Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
At 31 March 2014			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	-	14,657	**14,657**
	-	**14,657**	**14,657**

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**

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 2014	-	-	-	-
PFI Liabilities	-	-	-	-
Finance Lease Liabilities	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other payables excluding statutory liabilities	15,727	-	-	-
Total	**15,727**	**-**	**-**	**-**

	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**	**-**	**-**	**-**

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.

22c 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 Related party transactions

The Board had a small number of transactions with other government departments and other central government bodies. The value of these transactions is noted below and all are with twentyone colour which is disclosed separately in the Directors report by the Director of Finance as a related party. It should be noted that the Director of Finance has no involvement in any transaction with this company.

Year 2013/14 - £17,871
Prior Year - £19,803

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

Note 24 Segment Information

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

	Segment 1 2013/14 £'000	**Segment 2012/13 £'000**
Net Operating Cost	63,380	57,491
Total Assets	116,555	114,907

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 25 Exit Packages

EXIT PACKAGES 2013/14

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

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	-	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**

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