

# SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST

## BOARD OF DIRECTORS 20 APRIL 2011

### 2010/11 PROVISIONAL OUTTURN FINANCIAL POSITION

#### 1. INTRODUCTION

- 1.1 The Unaudited 2010/11 Annual Accounts will be submitted to Monitor on 21 April 2011. The Accounts will then be subject to audit with the subsequent key dates being as follows:
- Approval/Adoption by Audit Committee on behalf of the Board of Directors – 26 May 2011
  - Submission of Audited Annual Accounts to Monitor – 7 June 2011
  - Laying of Annual Accounts/Annual Report before Parliament – 30 June 2011
- 1.2 This report is to provide the Board with the key high level financial results for 2010/11 as per the unaudited Accounts.

#### 2. INCOME AND EXPENDITURE

- 2.1 The Unaudited Accounts show a surplus for 2010/11 of £2.45m compared to the planned surplus of £6.7m.
- 2.2 However, when the position is adjusted for impairments (non-cash technical write-down of fixed asset values) the position is approximately £2.9m better than the 2010/11 Monitor Annual Plan position.
- 2.3 Also, in addition to the internally generated resources assumed in the 2010/11 Capital Programme, the I&E position generated a further £3m of working capital benefit. This will initially be used to strengthen the Trust's "balance sheet" but could be used for further capital investment in the future.
- 2.4 Turnover for 2010/11 was £806.7m which was an increase of 2.2% over the 2009/10 figure. Income from "activities", ie patient care services, in 2010/11 was only 1.6% higher than in 2009/10.
- 2.5 The pay bill increased by 3.5% over 2009/10 levels and drugs costs increased by 3.4%. The combined depreciation and PDC dividend charges reduced by 12%.

#### 3. BALANCE SHEET

- 3.1 The value of the Trust's Non-Current (Fixed) Assets grew by just £2.7m to £390.8m. This is the net effect of capital investment less depreciation and impairments.
- 3.2 Cash balances totalled £64.9m at 31 March 2011 but of this £25m is committed to the 2011/12 Capital Programme and just under £13m reflects income received in 2010/11 but deferred for use in future years. Further

analysis of the working capital position is required but it is likely that the true uncommitted cash position is around £20m.

3.3 Total borrowings (FTFF loans plus PFI debt) totalled £54.5m at 31 March 2011.

4. MONITOR FINANCIAL RISK RATING

The 2010/11 financial results have yet to be put through the Monitor FRR metrics but it is expected that they will result in a FRR of 4.

5. RECOMMENDATIONS

The Board is asked to note the satisfactory financial results as per the Unaudited 2010/11 Annual Accounts

Neil Priestley  
Director of Finance  
April 2011