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Data entered below will be used throughout the workbook:

Entity name:	NHS Rotherham CCG
This year	2014-15
This year ended	31 March 2015
This year commencing:	1 April 2014

### **Foreword**

The accounts for the year ending 31 March 2015 have been prepared as directed by NHS England in accordance with section 232 (Schedule 15, Paragraph 3) of the National Health Service Act 2006. The directions issued by NHS England require clinical commissioning groups to comply with the requirements laid out in the Manual for Accounts issued by the Department of Health. The Manual for Accounts complies with the requirements of the Government Financial Reporting Manual, which the Department of Health Group Accounts are required to comply with.

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**Statement of Comprehensive Net Expenditure for the year ended  
31 March 2015**

	<b>Note</b>	<b>2014-15 £000</b>	<b>2013-14 £000</b>
<b>Total Income and Expenditure</b>			
Employee benefits	4.1.1	3,459	3,040
Operating Expenses	5	340,156	327,767
Other operating revenue	2	(725)	(660)
<b>Net operating expenditure before interest</b>		<b>342,891</b>	<b>330,147</b>
Investment Revenue	8	0	0
Other (gains)/losses	9	0	0
Finance costs	10	0	0
<b>Net operating expenditure for the financial year</b>		<b>342,891</b>	<b>330,147</b>
Net (gain)/loss on transfers by absorption	11	0	0
<b>Total Net Expenditure for the year</b>		<b>342,891</b>	<b>330,147</b>
Of which:			
<b>Administration Income and Expenditure</b>			
Employee benefits	4.1.1	2,278	2,037
Operating Expenses	5	3,126	3,537
Other operating revenue	2	(110)	(10)
<b>Net administration costs before interest</b>		<b>5,294</b>	<b>5,564</b>
<b>Programme Income and Expenditure</b>			
Employee benefits	4.1.1	1,181	1,003
Operating Expenses	5	337,030	324,230
Other operating revenue	2	(615)	(650)
<b>Net programme expenditure before interest</b>		<b>337,597</b>	<b>324,583</b>
<b>Other Comprehensive Net Expenditure</b>			
		<b>2014-15 £000</b>	<b>2013-14 £000</b>
Impairments and reversals	22	0	0
Net gain/(loss) on revaluation of property, plant & equipment		0	0
Net gain/(loss) on revaluation of intangibles		0	0
Net gain/(loss) on revaluation of financial assets		0	0
Movements in other reserves		0	0
Net gain/(loss) on available for sale financial assets		0	0
Net gain/(loss) on assets held for sale		0	0
Net actuarial gain/(loss) on pension schemes		0	0
Share of (profit)/loss of associates and joint ventures		0	0
Reclassification Adjustments		0	0
On disposal of available for sale financial assets		0	0
<b>Total comprehensive net expenditure for the year</b>		<b>342,891</b>	<b>330,147</b>

The notes on pages 5 to 27 form part of this statement.

**Statement of Financial Position as at  
31 March 2015**

	<b>31 March 2015</b>		31 March 2014
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Non-current assets:</b>			
Property, plant and equipment	13	0	0
Intangible assets	14	0	0
Investment property	15	0	0
Trade and other receivables	17	0	0
Other financial assets	18	0	0
<b>Total non-current assets</b>		<b>0</b>	<b>0</b>
<b>Current assets:</b>			
Inventories	16	0	0
Trade and other receivables	17	1,890	2,009
Other financial assets	18	0	0
Other current assets	19	0	0
Cash and cash equivalents	20	42	17
<b>Total current assets</b>		<b>1,932</b>	<b>2,026</b>
Non-current assets held for sale	21	0	0
<b>Total current assets</b>		<b>1,932</b>	<b>2,026</b>
<b>Total assets</b>		<b>1,932</b>	<b>2,026</b>
<b>Current liabilities</b>			
Trade and other payables	23	(15,404)	(17,795)
Other financial liabilities	24	0	0
Other liabilities	25	0	0
Borrowings	26	0	0
Provisions	30	0	0
<b>Total current liabilities</b>		<b>(15,404)</b>	<b>(17,795)</b>
<b>Non-Current Assets plus/less Net Current Assets/Liabilities</b>		<b>(13,472)</b>	<b>(15,769)</b>
<b>Non-current liabilities</b>			
Trade and other payables	23	0	0
Other financial liabilities	24	0	0
Other liabilities	25	0	0
Borrowings	26	0	0
Provisions	30	0	0
<b>Total non-current liabilities</b>		<b>0</b>	<b>0</b>
<b>Assets less Liabilities</b>		<b>(13,472)</b>	<b>(15,769)</b>
<b>Financed by Taxpayers' Equity</b>			
General fund		(13,482)	(15,779)
Revaluation reserve		10	10
Other reserves		0	0
Charitable Reserves		0	0
<b>Total taxpayers' equity:</b>		<b>(13,472)</b>	<b>(15,769)</b>

The notes on pages 5 to 27 form part of this statement.

**Statement of Changes In Taxpayers Equity for the year ended  
31 March 2015**

**Changes in taxpayers' equity for 2014-15**

**Balance at 1 April 2014**

General fund £000	Revaluation reserve £000	Other reserves £000	Total reserves £000
(15,780)	10	0	(15,770)

Transfer between reserves in respect of assets transferred from closed NHS bodies

0	0	0	0
(15,780)	10	0	(15,770)

**Adjusted NHS Clinical Commissioning Group balance at 1 April 2014**

**Changes in NHS Clinical Commissioning Group taxpayers' equity for 2014-15**

Net operating expenditure for the financial year

(342,891)			(342,891)
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Net gain/(loss) on revaluation of property, plant and equipment

Net gain/(loss) on revaluation of intangible assets

Net gain/(loss) on revaluation of financial assets

	0		0
	0		0
	0		0
0	0	0	0

**Total revaluations against revaluation reserve**

Net gain (loss) on available for sale financial assets

Net gain (loss) on revaluation of assets held for sale

Impairments and reversals

Net actuarial gain (loss) on pensions

Movements in other reserves

Transfers between reserves

Release of reserves to the Statement of Comprehensive Net Expenditure

Reclassification adjustment on disposal of available for sale financial assets

Transfers by absorption to (from) other bodies

Reserves eliminated on dissolution

0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

**Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year**

(358,671)	10	0	(358,661)
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Net funding

345,188	0	0	345,188
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**Balance at 31 March 2015**

(13,482)	10	0	(13,472)
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General fund £000	Revaluation reserve £000	Other reserves £000	Total reserves £000
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**Changes in taxpayers' equity for 2013-14**

**Balance at 1 April 2013**

0	0	0	0
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Transfer of assets and liabilities from closed NHS bodies as a result of the 1 April 2013 transition

96	10	0	106
96	10	0	106

**Adjusted NHS Commissioning Board balance at 1 April 2013**

**Changes in NHS Commissioning Board taxpayers' equity for 2013-14**

Net operating costs for the financial year

(330,147)			(330,147)
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Net gain/(loss) on revaluation of property, plant and equipment

Net gain/(loss) on revaluation of intangible assets

Net gain/(loss) on revaluation of financial assets

	0		0
	0		0
	0		0
0	0	0	0

**Total revaluations against revaluation reserve**

Net gain (loss) on available for sale financial assets

Net gain (loss) on revaluation of assets held for sale

Impairments and reversals

Net actuarial gain (loss) on pensions

Movements in other reserves

Transfers between reserves

Release of reserves to the Statement of Comprehensive Net Expenditure

Reclassification adjustment on disposal of available for sale financial assets

Transfers by absorption to (from) other bodies

Reserves eliminated on dissolution

0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

**Net Recognised NHS Commissioning Board Expenditure for the Financial Year**

(330,051)	10	0	(330,041)
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Net funding

314,272	0	0	314,272
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**Balance at 31 March 2014**

(15,779)	10	0	(15,769)
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The notes on pages 5 to 27 form part of this statement.

**Statement of Cash Flows for the year ended  
31 March 2015**

	Note	2014-15 £000	2013-14 £000
<b>Cash Flows from Operating Activities</b>			
Net operating expenditure for the financial year		(342,891)	(330,147)
Depreciation and amortisation	5	0	68
Impairments and reversals	5	0	38
Movement due to transfer by Modified Absorption		0	0
Other gains (losses) on foreign exchange		0	0
Donated assets received credited to revenue but non-cash		0	0
Government granted assets received credited to revenue but non-cash		0	0
Interest paid		0	0
Release of PFI deferred credit		0	0
Other Gains & Losses		0	0
Finance Costs		0	0
Unwinding of Discounts		0	0
(Increase)/decrease in inventories		0	0
(Increase)/decrease in trade & other receivables	17	119	(2,009)
(Increase)/decrease in other current assets		0	0
Increase/(decrease) in trade & other payables	23	(2,391)	17,795
Increase/(decrease) in other current liabilities		0	0
Provisions utilised	30	0	0
Increase/(decrease) in provisions	30	0	0
<b>Net Cash Inflow (Outflow) from Operating Activities</b>		<b>(345,163)</b>	<b>(314,255)</b>
<b>Cash Flows from Investing Activities</b>			
Interest received		0	0
(Payments) for property, plant and equipment		0	0
(Payments) for intangible assets		0	0
(Payments) for investments with the Department of Health		0	0
(Payments) for other financial assets		0	0
(Payments) for financial assets (LIFT)		0	0
Proceeds from disposal of assets held for sale: property, plant and equipment		0	0
Proceeds from disposal of assets held for sale: intangible assets		0	0
Proceeds from disposal of investments with the Department of Health		0	0
Proceeds from disposal of other financial assets		0	0
Proceeds from disposal of financial assets (LIFT)		0	0
Loans made in respect of LIFT		0	0
Loans repaid in respect of LIFT		0	0
Rental revenue		0	0
<b>Net Cash Inflow (Outflow) from Investing Activities</b>		<b>0</b>	<b>0</b>
<b>Net Cash Inflow (Outflow) before Financing</b>		<b>(345,163)</b>	<b>(314,255)</b>
<b>Cash Flows from Financing Activities</b>			
Grant in Aid Funding Received		345,188	314,272
Other loans received		0	0
Other loans repaid		0	0
Capital element of payments in respect of finance leases and on Statement of Financial Position PFI and LIFT		0	0
Capital grants and other capital receipts		0	0
Capital receipts surrendered		0	0
<b>Net Cash Inflow (Outflow) from Financing Activities</b>		<b>345,188</b>	<b>314,272</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	20	<b>25</b>	<b>17</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Financial Year</b>		<b>17</b>	<b>0</b>
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		0	0
<b>Cash &amp; Cash Equivalents (including bank overdrafts) at the End of the Financial Year</b>		<b>42</b>	<b>17</b>

The notes on pages 5 to 27 form part of this statement.

## Notes to the financial statements

### 1 Accounting Policies

NHS England has directed that the financial statements of clinical commissioning groups shall meet the accounting requirements of the *Manual for Accounts* issued by the Department of Health. Consequently, the following financial statements have been prepared in accordance with the *Manual for Accounts 2014-15* issued by the Department of Health. The accounting policies contained in the *Manual for Accounts* follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to clinical commissioning groups, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the *Manual for Accounts* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the clinical commissioning group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the clinical commissioning group are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Going Concern

These accounts have been prepared on the going concern basis.

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

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

#### 1.2 Accounting Convention

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

#### 1.3 Acquisitions & Discontinued Operations

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

#### 1.4 Movement of Assets within the Department of Health Group

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

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

#### 1.5 Charitable Funds

The clinical commissioning group has no charitable funds.

#### 1.6 Pooled Budgets

The clinical commissioning group has entered into pooled budgets with Rotherham Metropolitan Borough Council (RMBC). See Note 35. Under the arrangements funds are pooled under Section 75 of the National Health Service Act 2006 and a memorandum note to the accounts provides details of the joint income and expenditure.

The Intermediate Care pool is hosted by RMBC. As a commissioner of healthcare services, the clinical commissioning group makes contributions to the pools, which are then used to purchase healthcare services. The clinical commissioning group accounts for its share of the assets, liabilities, income and expenditure of the pools as determined by the pooled budget agreements. The Integrated Community Equipment Store pool is hosted by the clinical commissioning group and this operates in a similar manner.

#### 1.7 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

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

##### 1.7.1 Critical Judgements in Applying Accounting Policies

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

Operating lease commitments - Rotherham CCG has in substance a property lease arrangement with NHS Property Services Ltd relating to the headquarters site. As it had been determined that Rotherham CCG has not obtained substantially all the risks and rewards of ownership of this property, the lease has been classified as an operating lease and accounted for accordingly.

##### 1.7.2 Key Sources of Estimation Uncertainty

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

Basis of estimation of key accruals - The CCG has included certain accruals within the financial statements which are estimates. The basis of the estimation of key accruals were approved by the Chief Finance Officer. The key areas requiring estimation were Healthcare contracts and Prescribing expenditure.

## Notes to the financial statements

### 1.8 Revenue

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

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

### 1.9 Employee Benefits

#### 1.9.1 Short-term Employee Benefits

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

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

#### 1.9.2 Retirement Benefit Costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales.

The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the clinical commissioning group of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

### 1.10 Other Expenses

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

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

### 1.11 Property, Plant & Equipment

#### 1.11.1 Recognition

Property, plant and equipment is capitalised if:

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

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

#### 1.11.2 Valuation

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

Land and buildings used for the clinical commissioning group's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any impairment. Rotherham clinical commissioning group currently has no land or buildings.

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

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

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value.

Assets are re-valued and depreciation commences when they are brought into use.

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

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

#### 1.11.3 Subsequent Expenditure

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



## Notes to the financial statements

### 1.12 Intangible Assets

#### 1.12.1 Recognition

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

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

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

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

#### 1.12.2 Measurement

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

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

### 1.13 Depreciation, Amortisation & Impairments

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

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

At each reporting period end, the clinical commissioning group checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

#### 1.14 Donated Assets

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

#### 1.15 Government Grants

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

#### 1.16 Non-current Assets Held For Sale

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

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

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

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

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

#### 1.17 Leases

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

## Notes to the financial statements

### 1.17.1 *The Clinical Commissioning Group as Lessee*

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the clinical commissioning group's surplus/deficit. Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred. Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

### 1.17.2 *The Clinical Commissioning Group as Lessor*

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

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

### 1.18 **Private Finance Initiative Transactions**

The CCG has no private finance initiatives.

### 1.19 **Inventories**

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

### 1.20 **Cash & Cash Equivalents**

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

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

### 1.21 **Provisions**

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

- Timing of cash flows (0 to 5 years inclusive): Minus 1.50%
- Timing of cash flows (6 to 10 years inclusive): Minus 1.05%
- Timing of cash flows (over 10 years): Plus 2.20%
- All employee early departures: 1.30%

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

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

### 1.22 **Clinical Negligence Costs**

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

### 1.23 **Non-clinical Risk Pooling**

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

### 1.24 **Continuing healthcare risk pooling**

In 2014-15 a risk pool scheme has been introduced by NHS England for continuing healthcare claims, for claim periods prior to 31 March 2013. Under the scheme clinical commissioning group contribute annually to a pooled fund, which is used to settle the claims.

### 1.25 **Carbon Reduction Commitment Scheme**

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

### 1.26 **Contingencies**

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

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

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

## Notes to the financial statements

### 1.27 Financial Assets

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

Financial assets are classified into the following categories:

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

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

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

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

#### 1.27.2 Held to Maturity Assets

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

#### 1.27.3 Available For Sale Financial Assets

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

#### 1.27.4 Loans & Receivables

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

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

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

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

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

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

### 1.28 Financial Liabilities

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

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

#### 1.28.1 Financial Guarantee Contract Liabilities

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

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

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

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

#### 1.28.3 Other Financial Liabilities

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

### 1.29 Value Added Tax

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

## Notes to the financial statements

### 1.3 Foreign Currencies

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

### 1.31 Third Party Assets

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

### 1.32 Losses & Special Payments

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

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

### 1.33 Subsidiaries

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

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

### 1.34 Associates

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

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

### 1.35 Joint Ventures

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

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

### 1.36 Joint Operations

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

### 1.37 Research & Development

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

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

The Government Financial Reporting Manual does not require the following Standards and Interpretations to be applied in 2014-15, all of which are subject to consultation:

- IFRS 9: Financial Instruments
- IFRS 13: Fair Value Measurement
- IFRS 14: Regulatory Deferral Accounts
- IFRS 15: Revenue for Contract with Customers

The application of the Standards as revised would not have a material impact on the accounts for 2014-15, were they applied in that year.

**2 Other Operating Revenue**

	2014-15 Total £000	2014-15 Admin £000	2014-15 Programme £000	2013-14 Total £000
Recoveries in respect of employee benefits	100	100	0	0
Patient transport services	0	0	0	0
Prescription fees and charges	30	0	30	0
Dental fees and charges	0	0	0	0
Education, training and research	0	0	0	0
Charitable and other contributions to revenue expenditure: NHS	0	0	0	0
Charitable and other contributions to revenue expenditure: non-NHS	0	0	0	0
Receipt of donations for capital acquisitions: NHS Charity	0	0	0	0
Receipt of Government grants for capital acquisitions	0	0	0	0
Non-patient care services to other bodies	502	0	502	0
Income generation	0	0	0	0
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	0	0	0	0
Other revenue	93	10	83	660
<b>Total other operating revenue</b>	<b>725</b>	<b>110</b>	<b>615</b>	<b>660</b>

Included within non-patient care services is £392,264 from Rotherham Metropolitan Borough Council.

Admin revenue is revenue received that is not directly attributable to the provision of healthcare or healthcare services.

Included within other revenue is £61,775 relating to a pharmacy efficiency sharing scheme.

Revenue in this note does not include cash received from NHS England, which is drawn down directly into the bank account of the CCG and credited to the General Fund.

**3 Revenue**

	2014-15 Total £000	2014-15 Admin £000	2014-15 Programme £000	2013-14 Total £000
From rendering of services	725	110	615	660
From sale of goods	0	0	0	0
<b>Total</b>	<b>725</b>	<b>110</b>	<b>615</b>	<b>660</b>

Revenue is totally from the supply of services. The clinical commissioning group receives no revenue from the sale of goods.

**4. Employee benefits and staff numbers****4.1.1 Employee benefits**

	2014-15 Total			Admin			Programme		
	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000
Employee Benefits									
Salaries and wages	2,948	2,288	659	1,869	1,821	48	1,078	468	611
Social security costs	201	201	0	163	163	0	38	38	0
Employer Contributions to NHS Pension scheme	311	311	0	246	246	0	65	65	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0	0
<b>Gross employee benefits expenditure</b>	<b>3,459</b>	<b>2,800</b>	<b>659</b>	<b>2,278</b>	<b>2,230</b>	<b>48</b>	<b>1,181</b>	<b>570</b>	<b>611</b>
Less recoveries in respect of employee benefits (note 4.1.2)	(100)	(100)	0	(100)	(100)	0	0	0	0
<b>Total - Net admin employee benefits including capitalised costs</b>	<b>3,360</b>	<b>2,700</b>	<b>659</b>	<b>2,179</b>	<b>2,130</b>	<b>48</b>	<b>1,181</b>	<b>570</b>	<b>611</b>
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
<b>Net employee benefits excluding capitalised costs</b>	<b>3,360</b>	<b>2,700</b>	<b>659</b>	<b>2,179</b>	<b>2,130</b>	<b>48</b>	<b>1,181</b>	<b>570</b>	<b>611</b>

  

	2013/14			2013/14			2013/14		
	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000
Employee Benefits									
Salaries and wages	2,574	2,028	546	1,653	1,653	0	921	375	546
Social security costs	180	180	0	150	150	0	30	30	0
Employer Contributions to NHS Pension scheme	286	286	0	234	234	0	52	52	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0	0
<b>Gross employee benefits expenditure</b>	<b>3,040</b>	<b>2,494</b>	<b>546</b>	<b>2,037</b>	<b>2,037</b>	<b>0</b>	<b>1,003</b>	<b>457</b>	<b>546</b>
Less recoveries in respect of employee benefits (note 4.1.2)	0	0	0	0	0	0	0	0	0
<b>Total - Net admin employee benefits including capitalised costs</b>	<b>3,040</b>	<b>2,494</b>	<b>546</b>	<b>2,037</b>	<b>2,037</b>	<b>0</b>	<b>1,003</b>	<b>457</b>	<b>546</b>
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
<b>Net employee benefits excluding capitalised costs</b>	<b>3,040</b>	<b>2,494</b>	<b>546</b>	<b>2,037</b>	<b>2,037</b>	<b>0</b>	<b>1,003</b>	<b>457</b>	<b>546</b>

**4.1.2 Recoveries in respect of employee benefits**

	2014-15 Total £000	2014-15 Permanent Employees £000	2014-15 Other £000
<b>Employee Benefits - Revenue</b>			
Salaries and wages	(81)	(81)	0
Social security costs	(8)	(8)	0
Employer contributions to the NHS Pension Scheme	(11)	(11)	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
<b>Total recoveries in respect of employee benefits</b>	<b>(100)</b>	<b>(100)</b>	<b>0</b>

**4.2 Average number of people employed**

	2014-15 Total Number	2014-15 Permanently employed Number	2014-15 Other Number	2013-14 Total Number
<b>Total</b>	<b>70</b>	<b>51</b>	<b>19</b>	<b>70</b>

Of the above:

<b>Number of whole time equivalent people engaged on capital projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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#### 4.3 Staff sickness absence and ill health retirements

	2014-15 Number	2013-14 Number
Total Days Lost	263	398
Total Staff Years	52	52
<b>Average working Days Lost</b>	<b>5</b>	<b>8</b>

The clinical commissioning group had no persons retired early on ill health grounds in 2014-15 and 2013-14.

The clinical commissioning group had no additional pensions liabilities accrued in the year in 2014-15 and 2013-14.

Ill health retirement costs are met by the NHS Pension Scheme.

#### 4.4 Exit packages agreed in the financial year

The clinical commissioning group had no exit packages agreed in 2014-15 and 2013-14.

#### 4.5 Pension costs

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

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM required that "the period between formal valuations shall be four years, with approximate assessments in intervening years." An outline of these follows:

##### 4.5.1 Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with the updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes.

The valuation of the scheme liability as at 31 March 2015 is based on valuation data as at 31 March 2014 updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

##### 4.5.2 Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

#### **4.5 Pension costs continued...**

##### *4.5.3 Scheme Provisions*

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

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service;

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HM Revenue & Customs rules. This new provision is known as "pension commutation";

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used replaced the Retail Prices Index (RPI)

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

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

#### **4.6 Severance Payments**

The clinical commissioning group had no severance payments in 2014-15 or in 2013-14.

**5. Operating expenses**

	<b>2014-15 Total £000</b>	<b>2014-15 Admin £000</b>	<b>2014-15 Programme £000</b>	<b>2013-14 Total £000</b>
<b>Gross employee benefits</b>				
Employee benefits excluding governing body members	2,848	1,667	1,181	2,474
Executive governing body members	611	611	0	566
<b>Total gross employee benefits</b>	<b>3,459</b>	<b>2,278</b>	<b>1,181</b>	<b>3,040</b>
<b>Other costs</b>				
Services from other CCGs and NHS England	3,301	1,507	1,794	2,606
Services from foundation trusts (*)	234,208	0	234,208	225,164
Services from other NHS trusts	10,534	35	10,499	9,530
Services from other NHS bodies	0	0	0	0
Purchase of healthcare from non-NHS bodies	40,410	0	40,410	40,721
Chair and Non Executive Members	457	457	0	413
Supplies and services – clinical	64	0	64	17
Supplies and services – general	239	200	40	314
Consultancy services	112	112	0	95
Establishment	926	340	585	661
Transport	0	0	0	0
Premises	1,179	266	914	2,946
Impairments and reversals of receivables	0	0	0	0
Inventories written down	0	0	0	0
Depreciation	0	0	0	68
Amortisation	0	0	0	0
Impairments and reversals of property, plant and equipment	0	0	0	38
Impairments and reversals of intangible assets	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0
- Assets carried at amortised cost	0	0	0	0
- Assets carried at cost	0	0	0	0
- Available for sale financial assets	0	0	0	0
Impairments and reversals of non-current assets held for sale	0	0	0	0
Impairments and reversals of investment properties	0	0	0	0
Audit fees	90	90	0	92
Other non statutory audit expenditure				
- Internal audit services	0	0	0	0
- Other services	1	1	0	0
General dental services and personal dental services	0	0	0	0
Prescribing costs	45,202	0	45,202	42,975
Pharmaceutical services	0	0	0	0
General ophthalmic services	21	0	21	16
GPMS/APMS and PCTMS	2,661	0	2,661	2,004
Other professional fees excl. audit	24	24	0	42
Grants to other public bodies	0	0	0	0
Clinical negligence	7	7	0	7
Research and development (excluding staff costs)	40	40	0	40
Education and training	188	47	142	18
Change in discount rate	0	0	0	0
Provisions	0	0	0	0
CHC Risk Pool contributions	490	0	490	0
Other expenditure	2	0	2	0
<b>Total other costs</b>	<b>340,156</b>	<b>3,126</b>	<b>337,030</b>	<b>327,767</b>
<b>Total operating expenses</b>	<b>343,615</b>	<b>5,404</b>	<b>338,211</b>	<b>330,807</b>

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

\*This includes enabling works for the new Emergency Centre commenced in 2014/15 totalling £483,000.



**6.1 Better Payment Practice Code**

Measure of compliance	2014-15 Number	2014-15 £000	2013-14 Number	2013-14 £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade invoices paid in the Year	12043	50485	9,433	39,275
Total Non-NHS Trade Invoices paid within target	11982	50219	9,205	37,875
<b>Percentage of Non-NHS Trade invoices paid within target</b>	<b>99.49%</b>	<b>99.47%</b>	<b>97.58%</b>	<b>96.44%</b>
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	2355	251362	1,652	240,125
Total NHS Trade Invoices Paid within target	2340	251199	1,624	239,904
<b>Percentage of NHS Trade Invoices paid within target</b>	<b>99.36%</b>	<b>99.94%</b>	<b>98.31%</b>	<b>99.91%</b>

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

The clinical commissioning group has signed up to the Prompt Payment Code administered by the Institute of Credit Management.

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

The clinical commissioning group did not incur any costs associated with the Late Payment of Commercial Debts (Interest) Act 1998 in 2014-15 and 2013-14.

**7 Income Generation Activities**

The clinical commissioning group did not undertake any income generation activities in 2014-15 and 2013-14.

**8. Investment revenue**

The clinical commissioning group had no investment revenue in 2014-15 and 2013-14.

**9. Other gains and losses**

The clinical commissioning group had no other gains and losses in 2014-15 and 2013-14.

**10. Finance costs**

The clinical commissioning group had no finance costs in 2014-15 and 2013-14.

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

The clinical commissioning group had no net gain or loss on transfer by absorption in 2014-15 and 2013-14.

**12. Operating Leases****12.1 As lessee**

Rotherham CCG has in substance a property lease arrangement with NHS Property Services Ltd relating to the headquarters site at Oak House. As it had been determined that Rotherham CCG has not obtained substantially all the risks and rewards of ownership of this property, the lease has been classified as an operating lease and accounted for accordingly. Payment in 2014-15 (£1,075,000) is based on the CCG's actual costs. Rotherham CCG has also ongoing a 3 year lease on 2 Photocopiers.

**12.1.1 Payments recognised as an Expense**

	Land £000	Buildings £000	Other £000	2014-15 Total £000	2013-14 Total £000
<b>Payments recognised as an expense</b>					
Minimum lease payments	0	1,075	7	<b>1,082</b>	2596
Contingent rents	0	0	0	<b>0</b>	0
Sub-lease payments	0	0	0	<b>0</b>	0
<b>Total</b>	<b>0</b>	<b>1,075</b>	<b>7</b>	<b>1,082</b>	<b>2,596</b>

**12.1.2 Future minimum lease payments**

	Land £000	Buildings £000	Other £000	2014-15 Total £000	2013-14 Total £000
<b>Payable:</b>					
No later than one year	0	1,075	2	<b>1,077</b>	2
Between one and five years	0	5,375	2	<b>5,377</b>	4
After five years	0	2,150	0	<b>2,150</b>	0
<b>Total</b>	<b>0</b>	<b>8,600</b>	<b>0</b>	<b>8,604</b>	<b>6</b>

The clinical commissioning group occupies property owned and managed by NHS Property Services Ltd. For 2013-14, a transitional occupancy rent based on annual property cost allocation was agreed. This is reflected in Note 12.1.1. While our arrangements with NHS Property Services Ltd fall within the definition of operating leases, the rental charge for future years has not yet been agreed. Consequently, this note includes estimated future minimum lease payments based on payments in 2014/15.

**12.2 As lessor**

The clinical commissioning group was not a lessor in 2014-15 and 2013-14.

**12.2.1 Rental revenue**

The clinical commissioning group had no rental revenue in 2014-15 and 2013-14.

## 13 Property, plant and equipment

2014-15	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2014</b>	0	0	0	0	0	0	102	3	106
Addition of assets under construction and payments on account				0					0
Additions purchased	0	0	0	0	0	0	0	0	0
Additions donated	0	0	0	0	0	0	0	0	0
Additions government granted	0	0	0	0	0	0	0	0	0
Additions leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Upward revaluation gains	0	0	0	0	0	0	0	0	0
Impairments charged	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Transfer (to)/from other public sector body	0	0	0	0	0	0	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0	0	0	0	0	0	0
<b>Cost/Valuation At 31 March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>102</b>	<b>3</b>	<b>106</b>
<b>Depreciation 1 April 2014</b>	0	0	0	0	0	0	102	3	106
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Upward revaluation gains	0	0	0	0	0	0	0	0	0
Impairments charged	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	0	0	0	0	0	0	0	0
Transfer (to)/from other public sector body	0	0	0	0	0	0	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0	0	0	0	0	0	0
<b>Depreciation at 31 March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>102</b>	<b>3</b>	<b>106</b>
<b>Net Book Value at 31 March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Purchased	0	0	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Asset financing:</b>									
Owned	0	0	0	0	0	0	0	0	0
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP Lift contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Revaluation Reserve Balance for Property, Plant &amp; Equipment

	Land £000's	Buildings £000's	Dwellings £000's	Assets under construction & payments on account £000's	Plant & machinery £000's	Transport equipment £000's	Information technology £000's	Furniture & fittings £000's	Total £000's
<b>Balance at 1 April 2014</b>	0	0	0	0	0	0	10	0	10
Revaluation gains	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Release to general fund	0	0	0	0	0	0	0	0	0
Other movements	0	0	0	0	0	0	0	0	0
<b>At 31 March 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>

### 13 Property, plant and equipment cont'd

#### 13.1 Additions to assets under construction

The clinical commissioning had no assets under construction as at 31st March 2015 and as at 31st March 2014.

#### 13.2 Donated assets

The clinical commissioning had no donated assets in 2014-15 and 2013-14.

#### 13.3 Government granted assets

The clinical commissioning had no government granted assets in 2014-15 and 2013-14.

#### 13.4 Property revaluation

The clinical commissioning held no property to re-value in 2014-15 and 2013-14.

#### 13.5 Compensation from third parties

The clinical commissioning had no compensation from third parties in relation to assets in 2014-15 and 2013-14.

#### 13.6 Write downs to recoverable amount

The clinical commissioning group had no write downs to recoverable amounts in 2014-15 and 2013-14.

#### 13.7 Temporarily idle assets

The clinical commissioning group had no temporarily idle assets as at 31 March 2015 and as at 31 March 2014.

#### 13.8 Cost or valuation of fully depreciated assets

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

	2014-15 £000	2013-14 £000
Land	0	0
Buildings excluding dwellings	0	0
Dwellings	0	0
Plant & machinery	0	0
Transport equipment	0	0
Information technology	298	298
Furniture & fittings	11	11
<b>Total</b>	<b>309</b>	<b>309</b>

#### 13.9 Economic lives

The clinical commissioning group had no tangible assets being depreciated in 2014-15.

#### 14 Intangible non-current assets

The clinical commissioning group had no intangible assets in 2014-15 and 2013-14.

#### 15 Investment property

The clinical commissioning group had no investment property as at 31 March 2015 and as at 31 March 2014.

#### 16 Inventories

The clinical commissioning group had no inventories as at 31 March 2015 and as at 31 March 2014.

**17 Trade and other receivables**

	<b>Current 2014-15 £000</b>	<b>Non-current 2014-15 £000</b>	<b>Current 2013-14 £000</b>	<b>Non-current 2013-14 £000</b>
NHS receivables: Revenue	469	0	195	0
NHS receivables: Capital	0	0	0	0
NHS prepayments and accrued income	1,289	0	1,286	0
Non-NHS receivables: Revenue	135	0	18	0
Non-NHS receivables: Capital	0	0	0	0
Non-NHS prepayments and accrued income	0	0	0	0
Provision for the impairment of receivables	0	0	0	0
VAT	(2)	0	3	0
Private finance initiative and other public private partnership arrangement prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	0	0	507	0
<b>Total Trade &amp; other receivables</b>	<b>1,890</b>	<b>0</b>	<b>2,009</b>	<b>0</b>
<b>Total current and non current</b>	<b>1,890</b>		<b>2,009</b>	

Included above:

Prepaid pensions contributions	0	0
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**17.1 Receivables past their due date but not impaired**

The clinical commissioning group had no receivables past their due date but not impaired as at 31 March 2015 and as at 31 March 2014.

The clinical commissioning group did not hold any collateral against receivables outstanding at 31 March 2015.

**17.2 Provision for impairment of receivables**

The clinical commissioning group did not hold any provision for impairment of receivables at 31 March 2015 and as at 31 March 2014

The great majority of trade is with NHS England. As NHS England is funded by Government to provide funding to clinical commissioning groups to commission services, no credit scoring of them is considered necessary.

The majority of the other receivables are with the local authority and so the credit quality is considered good.

No financial assets that would otherwise be past due or impaired have had terms renegotiated.

# **18 Other financial assets**

The clinical commissioning group had no other financial assets as at 31 March 2015 and as at 31 March 2014.

# **19 Other current assets**

The clinical commissioning group had no other current assets as at 31 March 2015 and as 31 March 2014.

# **20 Cash and cash equivalents**

	2014-15 £000	2013-14 £000
Balance at 1 April 2014	17	0
Net change in year	25	17
<b>Balance at 31 March 2015</b>	<b>42</b>	<b>17</b>
Made up of:		
Cash with the Government Banking Service	42	17
Cash with Commercial banks	0	0
Cash in hand	0	0
Current investments	0	0
<b>Cash and cash equivalents as in statement of financial position</b>	<b>42</b>	<b>17</b>
Bank overdraft: Government Banking Service	0	0
Bank overdraft: Commercial banks	0	0
<b>Total bank overdrafts</b>	<b>0</b>	<b>0</b>
<b>Balance at 31 March 2015</b>	<b>42</b>	<b>17</b>
No patients' monies are held by the clinical commissioning group.	0	0

# **21 Non-current assets held for sale**

The clinical commissioning group had no non-current assets held for sale as at 31 March 2015 and as at 31 March 2014.

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

	<b>2014-15 £000</b>	2013-14 £000
<b>Impairments and reversals charged to the statement of comprehensive net expenditure</b>		
Loss or damage resulting from normal operations	0	0
Over-specification of assets	0	0
Abandonment of assets in the course of construction	0	0
<b>Total charged to departmental expenditure limit</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	0	0
Loss as a result of catastrophe	0	0
Other	0	(38)
Change in market price	0	0
<b>Total charged to annually managed expenditure</b>	<b>0</b>	<b>(38)</b>
<b>Total impairments and reversals charged to the statement of comprehensive net expenditure</b>	<b>0</b>	<b>(38)</b>
<b>Impairments and Reversals charged to the revaluation reserve</b>		
Loss or damage resulting from normal operations	0	0
Over-specification of assets	0	0
Abandonment of assets in the course of construction	0	0
Unforeseen obsolescence	0	0
Loss as a result of catastrophe	0	0
Other	0	0
Change in market price	0	0
<b>Total Impairments and reversals charged to the revaluation reserve</b>	<b>0</b>	<b>0</b>
Total impairments and reversals of property, plant and equipment charged to the revaluation reserve	<b>0</b>	<b>0</b>
<b>Total impairments and reversals of property, plant and equipment</b>	<b>0</b>	<b>(38)</b>

**22.2 Analysis of impairments and reversals: Intangible assets**

The clinical commissioning group had no impairments or reversals of impairments recognised in expenditure during 2014-15 and 2013-14.

**22.3 Analysis of impairments and reversals: investment property**

The clinical commissioning group had no impairments or reversals of impairments recognised in expenditure during 2014-15 and 2013-14.

**22.4 Analysis of impairments and reversals: inventories**

The clinical commissioning group had no impairments or reversals of impairments recognised in expenditure during 2014-15 and 2013-14.

**22.5 Analysis of impairments and reversals: financial assets**

The clinical commissioning group had no impairments or reversals of impairments recognised in expenditure during 2014-15 and 2013-14.

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

The clinical commissioning group had no impairments or reversals of impairments recognised in expenditure during 2014-15 and 2013-14.

**22.7 Analysis of impairments and reversals: totals**

	<b>2014-15 £000</b>	2013-14 £000
<b>Impairments and reversals charged to the statement of comprehensive net expenditure</b>		
Departmental expenditure limit	0	0
Annually managed expenditure	0	(38)
<b>Total impairments and reversals charged to the statement of comprehensive net expenditure</b>	<b>0</b>	<b>(38)</b>
Impairments and reversals charged to the revaluation reserve	0	0
<b>Total impairments</b>	<b>0</b>	<b>(38)</b>

<b>23 Trade and other payables</b>	<b>Current 2014-15 £000</b>	<b>Non-current 2014-15 £000</b>	<b>Current 2013-14 £000</b>	<b>Non-current 2013-14 £000</b>
Interest payable	0	0	0	0
NHS payables: revenue	1,229	0	2,934	0
NHS payables: capital	0	0	0	0
NHS accruals and deferred income	1,776	0	1,013	0
Non-NHS payables: revenue	1,464	0	4,105	0
Non-NHS payables: capital	0	0	0	0
Non-NHS accruals and deferred income	9,971	0	9,630	0
Social security costs	37	0	34	0
VAT	0	0	0	0
Tax	41	0	37	0
Payments received on account	0	0	0	0
Other payables	887	0	42	0
<b>Total Trade &amp; Other Payables</b>	<b>15,404</b>	<b>0</b>	<b>17,795</b>	<b>0</b>
Total current and non-current	<b>15,404</b>		<b>17,795</b>	

Included in payables are no liabilities due in future years under arrangements to buy out the liability for early retirement over 5 years.

Other payables include £47,000 outstanding pension contributions at 31 March 2015 and £42,000 as at 31 March 2014.

#### **24 Other financial liabilities**

The clinical commissioning group had no other financial liabilities as at 31 March 2015 and as at 31 March 2014.

#### **25 Other liabilities**

The clinical commissioning group had no other liabilities as at 31 March 2015 and as at 31 March 2014.

#### **26 Borrowings**

The clinical commissioning group had no borrowings as at 31 March 2015 and as at 31 March 2014.

#### **27 Private finance initiative, LIFT and other service concession arrangements**

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

The clinical commissioning group had no private finance initiative, LIFT or other service concession arrangements that were excluded from the Statement of Financial Position as at 31 March 2015 and as at 31 March 2014.

#### **28 Finance lease obligations**

The clinical commissioning group had no finance lease obligations as at 31 March 2015 and as at 31 March 2014.

##### **28.1 Finance leases as lessee**

The clinical commissioning group had no future sublease payments expected to be received as at 31 March 2015 and as at 31 March 2014.

#### **29 Finance lease receivables**

The clinical commissioning group had no finance lease receivables as at 31 March 2015 and as at 31 March 2014.

##### **29.1 Finance leases as lessor**

The clinical commissioning group had no unguaranteed residual value accruing as at 31 March 2015 and as at 31 March 2014.

The clinical commissioning group had no accumulated allowance for uncollectable lease receivables as at 31 March 2015 and as at 31 March 2014.

#### **30 Provisions**

The clinical commissioning group had no provisions as at 31 March 2015 and as at 31 March 2014.

Under the Accounts Direction issued by NHS England on 12 February 2014, NHS England is responsible for accounting for liabilities relating to NHS Continuing Healthcare claims relating to periods of care before establishment of the clinical commissioning group. However, the legal liability remains with the CCG.

The total value of legacy NHS Continuing Healthcare provisions accounted for by NHS England on behalf of this CCG at 31 March 2015 is £4,717,731

## 31 Contingencies

### Contingent liabilities

The clinical commissioning group had no contingent liabilities as at 31 March 2015 and as at 31 March 2014.

### Contingent assets

The clinical commissioning group had no contingent assets as at 31 March 2015 and as at 31 March 2014.

## 32 Commitments

### 32.1 Capital commitments

There are no capital commitments for the clinical commissioning group in 2014/15. The CCG has committed to fund a capital development at the Rotherham Hospital NHS FT over the next three years - the total cost of which is expected to be £12m. The capital commitment for this in the Trust's accounts as at 31st March 2015 is £8.9m

### 32.2 Other financial commitments

The clinical commissioning group had no non-cancellable contracts as at 31 March 2015 and as at 31 March 2014.

## 33 Financial instruments

### 33.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.

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

Treasury management operations are carried out by the finance department, within parameters defined formally within the NHS Clinical Commissioning Group standing financial instructions and policies agreed by the Governing Body. Treasury activity is subject to review by the NHS Clinical Commissioning Group and internal auditors.

#### 33.1.1 Currency risk

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

#### 33.1.2 Interest rate risk

The Clinical Commissioning Group borrows from government for capital expenditure, subject to affordability as confirmed by NHS England. The borrowings are for 1 to 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The clinical commissioning group had no borrowings in 2014/15 or 2013/14 therefore has low exposure to interest rate fluctuations.

#### 33.1.3 Credit risk

Because the majority of the NHS Clinical Commissioning Group and revenue comes parliamentary funding, NHS Clinical Commissioning Group has low exposure to credit risk. The maximum exposures as at the end of the financial year are in receivables from customers, as disclosed in the trade and other receivables note.

#### 33.1.3 Liquidity risk

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



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

	At 'fair value through profit and loss' 2014-15 £000	Loans and Receivables 2014-15 £000	Available for Sale 2014-15 £000	Total 2014-15 £000
Embedded derivatives	0	0	0	0
Receivables:				
- NHS	0	469	0	469
- Non-NHS	0	135	0	135
Cash at bank and in hand	0	42	0	42
Other financial assets	0	0	0	0
<b>Total at 31 March 2015</b>	<b>0</b>	<b>645</b>	<b>0</b>	<b>645</b>

	At 'fair value through profit and loss' 2013-14 £000	Loans and Receivables 2013-14 £000	Available for Sale 2013-14 £000	Total 2013-14 £000
Embedded derivatives	0	0	0	0
Receivables:				
- NHS	0	195	0	195
- Non-NHS	0	18	0	18
Cash at bank and in hand	0	17	0	17
Other financial assets	0	507	0	507
<b>Total at 31 March 2014</b>	<b>0</b>	<b>737</b>	<b>0</b>	<b>737</b>

**33.3 Financial liabilities**

	At 'fair value through profit and loss' 2014-15 £000	Other 2014-15 £000	Total 2014-15 £000
Embedded derivatives	0	0	0
Payables:			
- NHS	0	3,005	3,005
- Non-NHS	0	12,322	12,322
Private finance initiative, LIFT and finance lease obligations	0	0	0
Other borrowings	0	0	0
Other financial liabilities	0	0	0
<b>Total at 31 March 2015</b>	<b>0</b>	<b>15,327</b>	<b>15,327</b>

	At 'fair value through profit and loss' 2013-14 £000	Other 2013-14 £000	Total 2013-14 £000
Embedded derivatives	0	0	0
Payables:			
- NHS	0	3,947	3,947
- Non-NHS	0	13,736	13,736
Private finance initiative, LIFT and finance lease obligations	0	0	0
Other borrowings	0	0	0
Other financial liabilities	0	0	0
<b>Total at 31 March 2014</b>	<b>0</b>	<b>17,683</b>	<b>17,683</b>

**34 Operating segments**

The clinical commissioning group consider they have only one segment: commissioning of healthcare services, therefore no separate reporting required.

**35 Pooled budgets**

**35.1** The clinical commissioning group operates a pooled budget for the provision of an Integrated Community Equipment store with Rotherham Metropolitan Borough Council. The CCG acts as host for this budget.

**Provision of an Integrated Community Equipment Store**

The partnership agreement aims to provide an Integrated Local Community Equipment Service for the people of Rotherham.

Outcomes are:

- Provision of an integrated service.
- Increase in the number of people benefiting from the provision of equipment.
- Increase in the range and type of equipment available.
- Greater involvement of service users in the running of the service.

Pooled budget memorandum account for period 1 April 2014 to 31 March 2015

	<b>Total £</b>	<b>2014/15 Staff £</b>	<b>Other £</b>
<b><u>Gross Funding</u></b>			
Rotherham CCG	1,204,847	511,619	693,228
Rotherham MBC	281,916	91,788	190,128
<b>Total Funding</b>	<b>1,486,763</b>	<b>603,407</b>	<b>883,356</b>
<hr/>			
<b><u>Expenditure</u></b>			
Expenditure	1,486,763	603,407	883,356
<b>Total Expenditure</b>	<b>1,486,763</b>	<b>603,407</b>	<b>883,356</b>
<b>Net Overspend/ (Underspend)</b>	<b>0</b>		

**35.2** There is a pooled budget for Intermediate Care services with Rotherham Metropolitan Borough Council acting as host for this budget.

**Intermediate Care Scheme**

Services designed to facilitate an early discharge from hospital for individuals who would otherwise undergo assessment and low key rehabilitation within a hospital.

Objectives of the schemes;

- To assist in the prevention of avoidable admissions to acute hospital care.
- To assist in the prevention of inappropriate admissions to long-term residential and nursing care.
- To promote the practice of multi agency teams within the Intermediate Care service to provide a holistic assessment process to assist in timely and appropriate transfers of care.

Pooled budget memorandum account for period 1 April 2014 to 31 March 2015

	<b>Total £</b>	<b>2014/15 Staff £</b>	<b>Other £</b>
<b><u>Gross Funding</u></b>			
Rotherham CCG	2,075,154	1,643,597	431,557
NHS England	1,095,000	1,095,000	0
Rotherham MBC	1,311,246	1,157,728	153,518
<b>Total Funding</b>	<b>4,481,400</b>	<b>3,896,325</b>	<b>585,075</b>
<hr/>			
<b>Total Expenditure</b>	4112960	3,436,262	676,698
<b>Net Underspend</b>	(368,440)		

The Partnership Agreement states that utilisation of under/over spends is discussed including any carry over to the following year.

**36 NHS Lift investments**

The clinical commissioning group had no NHS LIFT investments as at 31 March 2015 and as at 31 March 2014.

**37 Intra-government and other balances**

	Current Receivables 2014-15 £000	Non-current Receivables 2014-15 £000	Current Payables 2014-15 £000	Non-current Payables 2014-15 £000
<b>Balances with:</b>				
- Other Central Government bodies	(2)	0	80	0
- Local Authorities	117	0	949	0
<b>Balances with NHS bodies:</b>				
- NHS bodies outside the Departmental Group	292	0	5	0
- NHS Trusts and Foundation Trusts	1,466	0	3,000	0
<b>Total of balances with NHS bodies:</b>	<b>1,758</b>	<b>0</b>	<b>3,005</b>	<b>0</b>
- Public corporations and trading funds	0	0	0	0
- Bodies external to Government	17	0	11,370	0
<b>Total balances at 31 March 2015</b>	<b>1,890</b>	<b>0</b>	<b>15,404</b>	<b>0</b>

	Current Receivables 2013-14 £000	Non-current Receivables 2013-14 £000	Current Payables 2013-14 £000	Non-current Payables 2013-14 £000
<b>Balances with:</b>				
- Other Central Government bodies	3	0	113	0
- Local Authorities	507	0	706	0
<b>Balances with NHS bodies:</b>				
- NHS bodies outside the Departmental Group	0	0	186	0
- NHS Trusts and Foundation Trusts	1,480	0	3,761	0
<b>Total of balances with NHS bodies:</b>	<b>1,480</b>	<b>0</b>	<b>3,947</b>	<b>0</b>
- Public corporations and trading funds	0	0	0	0
- Bodies external to Government	19	0	13,029	0
<b>Total balances at 31 March 2014</b>	<b>2,009</b>	<b>0</b>	<b>17,795</b>	<b>0</b>

### 38 Related party transactions

#### Rotherham clinical commissioning group was formed on the 1st April 2013.

GP's are appointed to the Strategic Clinical Executive. During 2014-15 the following doctors have been present - Drs Turner, Kitlowski, Birks, Brynes, Page, Cullen, Gunasekera, Clitherow and Barmade. Drs Jacob and MacKeown are the chair and vice-chair of the GP Members Committee.

The Department of Health is regarded as a related party. During the year the clinical commissioning group has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department. The transactions with these entities, listed below, are disclosed within the table:

The Rotherham NHS Foundation Trust  
Sheffield Teaching Hospitals NHS Foundation Trust  
Rotherham Doncaster and South Humber NHS Foundation Trust  
Doncaster and Bassetlaw Hospitals NHS Foundation Trust  
Yorkshire Ambulance Service NHS Trust  
Sheffield Children's NHS Foundation Trust  
NHS Yorkshire & The Humber Commissioning Support  
NHS Pension Scheme

In addition, the Clinical Commissioning Group has had a significant number of material transactions with other Government Departments and other central and local Government bodies. The transactions with these entities, listed below, are disclosed within the table:

Rotherham Metropolitan Borough Council  
HM Revenue and Customs (PAYE)  
National Insurance Fund  
NHS Property Services

During 2014/15 staff were asked to complete a Declaration of Business or Commercial Interests form. These forms have been reviewed and they are considered to contain no material disclosures to be included in the accounts.

	Payments to Related Party £'000	Payments from Related Party £'000	Amounts owed to Related Party £'000	Amounts due from Related Party £'000
<b>2014/15</b>				
The Rotherham NHS Foundation Trust	166,937	(57)	1,768	(1,138)
Sheffield Teaching Hospitals NHS Foundation Trust	21,573	0	92	(133)
Rotherham Doncaster and South Humber NHS Foundation Trust	31,016	0	267	0
Doncaster and Bassetlaw Hospitals NHS Foundation Trust	9,936	0	0	(52)
Yorkshire Ambulance Service NHS Trust	9,268	0	180	0
Sheffield Children's NHS Foundation Trust	1,839	0	97	(3)
NHS Yorkshire & The Humber Commissioning Support	2,805	0	0	(27)
NHS Property Services	1,075	0	0	0
Rotherham Metropolitan Borough Council	9,170	(402)	949	0
NHS Pension Scheme	311	0	47	0
HM Revenue and Customs (PAYE)	447	0	41	0
National Insurance Fund	243	0	38	0
Dr Turner - (Crown Street Surgery)*	107	0	10	0
Dr Kitlowski - (St Anns Medical Centre)*	250	0	23	0
Dr Birks - (Dinnington Group Practice)*	498	0	46	0
Dr Brynes - (Woodstock Bower Group Practice)*	132	0	12	0
Dr Page - (Thorpe Hesley Surgery)*	52	0	6	0
Dr Cullen - (Broom Lane Medical Centre)*	144	0	17	0
Dr Jacob - (Thrybergh Medical Centre)*	38	0	7	0
Dr MacKeown - (St Anns Medical Centre)*	250	0	23	0
Dr Gunasekera - (Thurcroft Village Surgery)*	94	0	4	0
Dr Clitherow - (Stag Medical Centre)*	220	0	30	0
Dr Barmade - (Parkgate Medical Centre)*	86	0	6	0

In regard to outstanding balances for both payables and receivables the clinical commissioning groups terms are 30 days. These values are not secured and no guarantees are given or received but amounts are to be settled in cash.

None of the above are classified as bad or doubtful debts in the clinical commissioning group's accounts.

Drs Kitlowski and MacKeown are at the same GP Practice.

All GPs are partners in GP Practices which receive funding from the clinical commissioning group for clinical services.

\*The majority of GP payments are for Local Enhanced Services and activity will vary between practices.

**39 Events after the end of the reporting period**

In January 2015 the CCG submitted a successful application to NHS England to take on delegated responsibility for the commissioning of primary medical care services. With effect from the 1 April 2015, the CCG will assume responsibility for commissioning primary care in General Practice under a delegation agreement with NHS England. The governance arrangements for commissioning will fall to the Primary Care Sub Committee established by the CCG in April 2015.

**40 Losses and special payments**

The clinical commissioning group had 2 special payments in 2014-15 totalling £1,799 (there were no payments in 2013/14). These were reported to the Audit & Quality Committee.

**41 Third party assets**

The clinical commissioning group held no third party assets as at 31 March 2015 and as at 31 March 2014.

**42 Financial performance targets**

NHS Clinical Commissioning Groups have a number of financial duties under the NHS Act 2006 (as amended).

Rotherham NHS Clinical Commissioning Group's performance against those duties was as follows:

NHS Act Section	Duty	2014-15	2014-15	Duty	2013-14	2013-14	Duty
		Target £'000	Performance £'000	Achieved £'000	Target £'000	Performance £'000	Achieved £'000
223H (1)	Expenditure not to exceed income	358,806	343,616	yes	344,357	330,147	Yes
223I (2)	Capital resource use does not exceed the amount specified in Directions	0	0	n/a	0	0	n/a
223I (3)	Revenue resource use does not exceed the amount specified in Directions	358,081	342,891	yes	344,357	330,147	yes
223J (1)	Capital resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	n/a	0	0	n/a
223J (2)	Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	350,976	337,596	yes	0	0	n/a
223J (3)	Revenue administration resource use does not exceed the amount specified in Directions	7,105	5,295	yes	6,200	5,564	yes

**43 Impact of IFRS**

The clinical commissioning group experienced no impact due to IFRS in 2014-15 and 2013-14.

**44 Analysis of charitable reserves**

The clinical commissioning group did not hold any charitable reserves at 31 March 2015 and at 31 March 2014