

## Summary of changes made in the 2013-14 9 Month FTC

In order to assist FTs in assessing the impact of changes made since 2012/13, these have been categorised by nature of change.

### 1. Structural changes / changed analyses

Tab Affected	Statement/ Note affected	Change	Reason
Various	Various	Counterparty analyses throughout the FTC have been updated to reflect the 1 April 2013 reorganisation within the Departmental Group. More information on the classification of bodies into these revised groupings can be found on the accounts process website. <a href="http://www.monitor.gov.uk/accountsprocess">www.monitor.gov.uk/accountsprocess</a>	Group reorganisation
Various	Various	The prior year counterparty analyses throughout the FTC have been removed at month 9. Monitor will review whether this is needed for month 12 following completion of the month 9 consolidation.	Simplification of FTC
12/13 WGA tabs	N/A	Similarly, 12/13 WGA sheets have also been removed.	
Various	N/A	Transfers by absorption lines in movements notes throughout the FTC have now been split in two. Separate rows should be used for transfers under modified absorption accounting and transfers under normal absorption accounting.	Change in accounting policy.
1. SOCI	SOCI	Other Comprehensive income items on the face of the SOCI are now categorised in accordance with the amendments to IAS 1.	Change in accounting policy
2. SOFP  18. Other Assets / 20. Receivables / 22. Trade payables / 23. Borrowings / 24. Other liabilities	SOFP	Third column on the SoFP (01/04/2012) is visible this year due to the sector-wide restatement for consolidation of charitable funds. This opening balance sheet is required by all FTs even where not consolidating a charitable fund.  01/04/2012 comparative columns have been added to feed the balance sheet.	Change in accounting policy.

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3. SOCIE	SOCIE	New row has been added for the PDC adjustment resulting from the cash impact of transfers from legacy bodies. FTs should refer to the DH Receiver Guidance cascaded by Monitor.	Group reorganisation
3. SOCIE	SOCIE	New row added for 'gains/(losses) on 1 April transfers from demising bodies (subcode MOD1). This line only allows input into the I&E reserve and is fed directly from tab 36.  To maintain the position on the revaluation reserve, a subsequent transfer should be performed using subcode MOD2.	Change in accounting policy
4. CF	CF	A new row has been added within Investing cash flows for 'PFI prepayments'.	Departmental reporting requirement
5. Op Inc (Class)	Note 2.2	The disclosure of future operating lease receipts due now requires a full counterparty split.	Departmental reporting requirement
5. Op Inc (class)	Note 2.2 (previous reference)	This note has been removed and replaced with a single line for 'other operating income' drawn from Sheet 6. Op Inc *type)	Simplification of FTC
7. Op Exp	Note 3	A row has been added to the Operating expenses note for 'change in discount rate applied to provisions' which is formula driven from tab 25. Provisions.	Improve internal consistency
8. Staff	Note 4.1	Separate counterparty analyses are now included for Permanent and Other staff. Permanent is intentionally restricted to external to government (for gross salary payments) and Other WGA (for employer contributions) only.  Analysis of staff recharges (accounted net) has been reduced down to two lines for expenditure with DH group bodies and expenditure not with DH group bodies. No counterparty analyses is required and both parties to the net accounted recharge should disclose this as external to government.  Expenditure on agency/contract staff is restricted to 'Other' staff only.	Departmental reporting requirement  Departmental reporting requirement  Improve data quality
8. Staff	Note 4.2	Agency/Contract and Bank staff now have separate lines.	Improve internal consistency
8. Staff	Tables 4C/4D (previous reference)	These disclosures are no longer required and have been removed from the FTC.	Departmental reporting requirement

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8. Staff	Table 4C (new reference)	A new disclosure for severance payments has been added for month 9. Disclosure requirements for additional disclosure of severance payments are currently under review by the Permanent Secretary.	Departmental reporting requirement
9. Op Misc	Note 5.2	The disclosure of future operating lease obligations now requires a full counterparty split.	Departmental reporting requirement
11. Finance	Note 9	New rows have been added for finance costs on LIFT schemes.  Interest costs on DH loans have been split between capital loans and working capital loans.	Departmental reporting requirement
12. Impairments	Table 10A	Additional functionality has been added below the current year impairments detail to permit allocation of impairment charge to either the cost or the depreciation/amortisation sections of the PPE/Intangibles note. The default on this additional functionality remains in line with FTC treatment in previous years.	Improve FTC to accounts consistency
12. Impairments	Note 10	The impairments summary note has been reformatted to separately identify impairments taken to operating expenditure and amounts taken to the revaluation reserve.	Improved disclosure
13. Intangibles	Note 11.1	'Additions – internally generated' has been removed and is now merged with 'Additions – purchased'.	Departmental reporting requirement
13. Intangibles / 14. PPE	Note 11.1 Note 12.1	Further to the change above, impairments and reversals of impairments (current year) are now both split between charges to operating expenditure/income and revaluation reserve on the face of the intangibles note.	Improve FTC to account consistency
13. Intangibles / 14. PPE	Note 11.1 Note 12.1	Current year Intangibles and PPE notes contain new lines to permit the correction of historical presentational differences between accounts and FTCs arising as a result of impairments. This allows trusts to move previous amounts between cost and depreciation. These lines will appear in FTCs this year only and should not be (and will not need to be) duplicated in an FT's own accounts (given their purpose is to align FTCs with accounts).	Improve FTC to accounts consistency
13. Intangibles / 14. PPE	Note 11.1 Note 12.1	Donated / government granted additions are now split between 'Additions – donations of physical assets' and 'Additions – donation/grant of cash to purchase assets'.	Departmental reporting requirement

<b>Tab Affected</b>	<b>Statement/ Note affected</b>	<b>Change</b>	<b>Reason</b>
13. Intangibles / 15. NCA Misc	Table 11A Table 15A Table 15B (old references)	The analyses of revaluation reserve movements for intangible assets and PPE categories have been removed.	Simplification of FTC
14. PPE	Table 12A Table 12B	The analysis of Asset Under Construction Additions now only applies to purchased and leased additions (not donated additions).	Departmental reporting requirement
15. NCA misc	Note 15.1 Note 15.2 (old references)	Disclosures in relation to protected assets are no longer required.	Legislative change
15. NCA misc	Table 15A Table 15B (New references)	Two new tables have been added to collect additional information in respect of purchased additions where an FT has consolidated its charitable fund. This will enable Monitor to make required adjustments to the PPE note on deconsolidation of charities. If not consolidating a charitable fund, these tables do not require completion.	Change in accounting policy
16. Investments	Note 16.1 Note 16.2	New row added to permit 'reallocation to/from PPE'.	Improved functionality
16. Investments	Note 16.1	Fair value movements has been split between fair value gains and fair value losses.	Departmental reporting requirement
16. Investments / SOCIE	Note 16.1 Note 16.2 SOCIE	A new row has been added for 'movement in fair value of available-for-sale assets recognised directly in other comprehensive income'. This feeds directly to the SOCIE.	Improve internal consistency
17. AHFS	Note 18.1 Note 18.2	The column for financial investments has been removed.	Simplification of FTC
19. Inventories	Table 21A	New analysis is required to identify where in operating expenses the charge resulting from the consumption of inventory has been recognised.	Departmental reporting requirement
21. CCE	Note 25.1	The closing cash balance on the movement note is now populated from the 'cash balance per SoFP' balance in Note 25.2 and the movement in year is a balancing figure.	Improve consistency across FTs
21. CCE	Note 25.3	The format of the third party assets (patients' monies) note has been simplified and no longer requires in-year movements.	Departmental reporting requirement
23. Borrowings	Note 28	Prudential borrowing code disclosure are no longer required.	Legislative change

<b>Tab Affected</b>	<b>Statement/ Note affected</b>	<b>Change</b>	<b>Reason</b>
23. Borrowings	Note 27	DH loans have been split between capital loans and working capital loans.	Departmental reporting requirement
24. Other liabilities	Table 29A	A column has been added to the current year movements table for legacy bodies. Opening balances for PCTs and SHAs have been populated into this column. The column should be nil as at 31 December 2013.  FTs should allocate such deferred income balances to successor bodies or external to government using the new reallocation row provided.	Group reorganisation
25. Provisions and CL	Table 31B	New analysis is required to identify where in operating expenses the net charge/credit resulting from provisions made/released in year has been recognised.	Departmental reporting requirement
26. Revaluation Reserve / SOCIE	Note 33.1 Note 33.2	A new row has been added for the transfer between the revaluation reserve and I&E reserve arising from the consumption of economic benefits.	Correction of previous omission
26. Revaluation Reserve	Note 33.1 Note 33.2	The financial assets column no longer allows input.	Correction of error
29. PFI (on-SoFP) / 30. PFI (off-SoFP)	Note 37.1 Note 38.1	The analysis of PFI, LIFT and other service concession arrangement obligations are now split between 'PFI', 'LIFT' and 'Other'. This was previously split by scheme.  The number of schemes, and the number of schemes with total obligation over £500m is now also collected.	Departmental reporting requirements
29. PFI (On-SoFP) / 30. PFI (Off-SoFP)	Table 37B Table 38A (old references)	The analysis of schemes by expiry date has been removed.	Simplification of FTC
30. PFI (Off-SoFP)	Note 38.3	The analysis of PFI scheme details has been removed.	Simplification of FTC
31. Misc	Note 39	Events after the reporting period note has been expanded to include income, expenditure, assets and liabilities and narrative disclosure.	Improve data quality
32. FI 1	Note 40.1 Note 40.2	NHS and non-NHS receivables / payables have been merged.	Simplification of FTC

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34. Pensions	Note 41.1 Note 41.2 Note 41.3	The assets and liabilities movements notes have been updated to reflected the changes in IAS 19 (revised).  The amounts recognised in the SOCI are now formula driven from the movements notes.	Change in accounting policy  Improve internal consistency
35. Losses + Special Payments	Note 42.1	Severance payments has been split out as a separate category (previously a sub-category of ex-gratia payments).  Damage to buildings / property now includes a sub-category for 'stores losses'.	Improve transparency
36. Transfers	Note 43.1 Table 43A	This tab now permits input for 5 separate absorption transfer transactions. The reconciliation table is now performed for individual transactions rather than total for each sub-sector. Separate reconciliations are performed on modified and normal absorption transfers. FTs must pass all checks on the summary table.	Change in accounting policy / improve internal consistency
41X. Charity – consol	All	A new tab has been included to facilitate the consolidation of charitable funds. Charitable funds information should be entered into this sheet along with the relevant intra-group eliminations. Balances are then populated throughout the FTC into new dedicated charitable funds rows and columns.  Please refer to FTC Completion Instructions for comprehensive details of this functionality.	Change in accounting policy
41. Charity	All	This sheet has been updated to be aligned with the DH preferred format for collecting non-consolidated charitable fund information.  Please refer to the FTC completion instructions for further details about this tab.	Departmental reporting requirement
JOCs	N/A	JOCs sheet has been moved to the end of the workbook	FT feedback
WGA sheets	N/A	All WGA sheets now contain an additional column for 'Accrued' which should now be split out from 'Notified'.	AoB requirement

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WGA sheets	N/A	All counterparties have been fully refreshed. This reflects restructuring within the Departmental Group as well as alignment of the Local Authorities and Other WGA bodies to the current Treasury counterparty list (with OSCAR codes).	Group Reorganisation

## 2. Changes to formulae / text

<b>Tab affected</b>	<b>Statement/ Note affected</b>	<b>Change</b>	<b>Reason</b>
12. Impairments	Note 10	The formulae generating the AME/DEL split for impairments have been amended.	Correction of error
24. Other liabilities	Note 29	The row for pension liabilities (current) no longer allows entry.  The pension liabilities rows have also been renamed to 'Net Pension Scheme Liability (on SoFP pension-schemes only)'.  	Improve internal consistency
13. Intangibles / 14. PPE	Note 11.3 Note 12.3	The asset financing default has been changed from 'Donated' to 'Purchased'.	Improve data quality
Validations	N/A	The total count of failed checks at the top of the summary, now counts #N/A and #Ref! as fails to flag broken links and non-numeric values in numeric cells.	Improve data quality
23. Borrowings	Note 27	The PFI, LIFT and other service concession liabilities are now populated directly from the PFI disclosure note on tab 29.	Improve internal consistency
13. Intangibles	Note 11.3	Assets funded by donations now also includes assets funded by government grant.	Clarification
4. CF	CF	The formula in subcode 420 has been corrected.	Correction of error
35. Losses + Special Payments	Note 42.1	Individual cases over £250k are now required to be disclosed (previously £100k).  Clarified that fruitless payments should also include constructive losses.	Alignment with Departmental reporting requirements
1. SOCI	SOCI	Gains/(losses) on transfers by absorption are now formula driven directly onto the face of the SOCI.	Improve internal consistency

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32. FI 1	Note 40.1 Note 40.2	A number of cells no longer allow input where categorisation of the asset/liability has been restricted.	Improve data quality

### 3. Validation changes

<b>Statement/Note affected</b>	<b>Change</b>	<b>Reason</b>
Confirmations	A new confirmation has been included in relation to the consolidation of charitable funds.  Confirmation 15 has been updated to also collect the status of the FT's audit certificate.	Improved data quality
JOCs	New JOCs have been added to enforce expectations in relation to financial instruments disclosures.  Obsolete JOCs have been removed. This includes donated assets and staff costs.	Improved internal consistency
Validations	25% of validation checks have been removed from the FTCs following simplification of the form and a review of obsolete checks.  New/amended validation checks are identified in column B of the validations sheet.	Simplification of FTC / Improved internal consistency