

# **NHS Foundation Trust FTC Completion Instructions Month 9 2015/16**

Updated: December 2015

A decorative graphic consisting of two thick, curved blue lines that overlap in the center. One line is a darker shade of blue and curves from the bottom left towards the top right. The other line is a lighter shade of blue and curves from the bottom right towards the top left. The background of the lower half of the page has a light blue grid pattern.

# Contents

|   |    |
|---|----|
| 1 Introduction .....  | 2  |
| 1.1 Purpose of this document.....   | 2  |
| 1.2 Purpose of the FTC template .....   | 2  |
| 1.3 Timetable and submission.....   | 3  |
| 1.4 Disclosure notes not required at month 9 .....  | 4  |
| 1.5 Supporting guidance .....   | 5  |
| 2 Changes for month 9 2015/16 since month 12 2014/15 .....  | 6  |
| 2.1 Summary of changes .....  | 6  |
| 2.2 Pre-population of comparatives .....  | 6  |
| 2.3 New data requirements .....   | 6  |
| 2.4 Optional accounts templates .....   | 7  |
| 2.5 Comparatives to revisit .....   | 7  |
| 2.6 Other key changes .....   | 8  |
| 2.7 2015/16 month 12 expected change.....   | 8  |
| 3 Information on specific tables.....   | 9  |
| 3.1 Operating expenditure .....   | 9  |
| 3.2 Employee expenses .....   | 10 |
| 3.3 Impairments .....   | 11 |
| 3.4 Asset valuations (not required at month 9) .....  | 11 |
| 3.5 Analysis of inventory and provisions charges to expenditure.....  | 12 |
| 3.6 Revenue costs of IFRS: Arrangements brought on SoFP under IFRIC12 (e.g PFI)<br>(Table 34C, sheet 29)..... | 12 |
| 4 How to record a transfer by absorption in the FTC file.....   | 13 |
| 5 Overview of approach to charitable funds .....  | 15 |
| 6 Consolidation of NHS charitable funds (unchanged from 2014/15) .....  | 17 |
| 6.1 Context.....  | 17 |
| 6.2 Monitor's objectives.....   | 17 |
| 6.3 How to complete the FTC.....  | 17 |
| Annex A: Full list of changes made to FTC .....   | 22 |
| Annex B: Monitor Portal Upload Instructions .....   | 28 |

# 1 Introduction

## 1.1 Purpose of this document

These FTC Completion Instructions have been updated with a focus on what you need to know to complete the month 9 FTCs for 2015/16. The emphasis in this document is on:

- standing guidance on completing specific tables within the FTC;
- providing guidance on consolidating a charity, and recording a transfer by absorption; and
- explaining changes made since the last version of the FTC template.

**Key changes to standing guidance in this document are highlighted in boxes.**

## 1.2 Purpose of the FTC template

Monitor is required by statute to prepare consolidated financial statements for the NHS Foundation Trust sector and a direction from the Department of Health requires Monitor to lay these before Parliament. Monitor collects the information necessary to complete these accounts via the Foundation Trust Consolidation (FTC) template.

Since 2011-12 under HM Treasury's 'Clear Line of Sight' initiative, the Department of Health has been required to consolidate all entities within its accounting boundary into the Department's resource accounts for the year. This includes NHS foundation trusts. Monitor provides a consolidation of information contained in FTC templates to the Department of Health.

The accounts of all NHS foundation trusts will also be consolidated into the Whole of Government Accounts (WGA) prepared by the HM Treasury. Monitor collects the information required for WGA purposes as part of the FTC template.

The purpose of the FTC is to collect the information necessary for the FT Consolidated Accounts, Department of Health resource accounts and Whole of Government accounts, and is not itself a set of pro-forma accounts. Paragraph 3.6 of the FT Annual Reporting Manual (FT ARM) states:

*"NHS foundation trusts must also include notes to the accounts corresponding to those notes included in the FTC forms, unless explicitly not required for example because these are nil or immaterial disclosures, as agreed with the NHS foundation trust's own auditors. The content of these notes, however, need not follow the format of the FTC forms, as long as the NHS foundation trust complies with IFRS and the additional requirements of this manual. The FTC forms must be consistent with the accounts. This means that they should be prepared using the same accounting policies and the same amounts should be disclosed in both the accounts and FTCs. The FTCs also collect additional information which is not expected to be replicated in an NHS foundation trust's accounts, but may be included at an NHS foundation trust's discretion if agreed with the NHS foundation trust's own auditors. These additional tables are given 'table' rather than 'note' numbers in the FTCs."*

Disclosures titled ‘**Note**’ in the FTC should be replicated in the FT’s accounts where applicable, although detail such as counterparty columns can be omitted. Disclosures titled ‘**Table**’ are collected for the purposes of the consolidated accounts or Departmental resource accounts only and are not required to be included in local accounts.

The FTC template is only supported by Excel 2010. This is in line Monitor policy (as communicated via the August 2012 FT Bulletin) and is consistent with other templates (e.g. In Year Financial Returns). Monitor has no current plans to migrate to Excel 2013.

### 1.3 Timetable and submission

#### **IMPORTANT – BREAKING LINKS**

**All links to other workbooks should be broken before the FTC is submitted to Monitor.**

The protection in the FTC means it is not possible to use the tools within Excel to break all the links. NHS foundation trusts should use the ‘break links’ button on the cover - this macro bypasses the security in the FTC and will break all the links in the document

As set out in our letter to NHS foundation trust finance directors on 15 October 2015 (available [here](#)<sup>1</sup>), month 9 submissions are required to be made in line with the table below. The letter provides a fuller list of the month 9 process.

| Date  | Detail  |
|---|---|
| Thursday 21 <sup>st</sup><br>January 2016<br>(noon) | <p><b>NHS foundation trusts submit month 9 FTCs to Monitor, with first submission of month 9 receivables and payables</b></p> <p>These FTCs should be prepared using the agreed receivables/payables position, but the NHS foundation trust’s own information on income and expenditure. This submission will be used for consolidating the FTCs, and <b>for receivables and payables AoB information</b>. The income and expenditure WGA tabs will not be used in this submission, but the NHS foundation trust should ensure there are no validation errors in the form<sup>2</sup>. The ‘Reconcile to Q3’ tab need not be completed at this stage.</p> <p>FTCs uploaded to Monitor Portal as ‘<b>Trust Return</b>’ and with activity name ‘<b>FTC 9 Months</b>’. File name should be “[MARS ID] 1516 FTC 9 Months.xlsm</p> |

<sup>1</sup> [https://whitehall-admin.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/469463/Monitor\\_Timetable\\_letter\\_Oct\\_2015.pdf](https://whitehall-admin.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/469463/Monitor_Timetable_letter_Oct_2015.pdf) ; linked from [www.gov.uk/monitor/accountsprocess](http://www.gov.uk/monitor/accountsprocess) .

<sup>2</sup> It is therefore a matter for the trust whether the WGA transactions (income and expenditure) tabs are completed with the foundation trust’s own information, or balancing figures are entered to clear the I&E WGA validations. The WGA transactions tabs are not used by Monitor in this first submission. However the WGA balances tabs and the accounts tabs must be properly completed – i.e. **there must be a full and proper analysis of income and expenditure on tabs 5, 6, and 7.**

| Date  | Detail  |
|---|---|
| Friday 5 <sup>th</sup><br>February 2016<br>(noon)     | <p><b>NHS foundation trusts submit first submission of month 9 income and expenditure AoB to Monitor</b></p> <p>This submission is made by resubmitting the month 9 FTC file. Only the WGA information will be utilised from this submission (a first submission of income and expenditure) together with the 'Reconcile to Q3' tab. The accounts information will not be used and need not be updated. Validation errors can be ignored in this submission, except for the specific agreement of balances validations referred to in the summary timetable on the Cover sheet of the FTC form.</p> <p><b>The 'Reconcile to Q3' tab should be completed in this submission.</b></p> <p>FTCs uploaded to Monitor Portal as '<b>Trust Return</b>' and with activity name '<b>FTC 9 Months Resubmission</b>'. File name should be "[MARS ID] 1516 FTC 9 Months Resubmission.xlsm</p> |
| Wednesday 24 <sup>th</sup><br>February 2016<br>(noon) | <p><b>NHS foundation trusts submit second submission of month 9 income/expenditure and second submission of receivables/payables to Monitor.</b></p> <p>All NHS foundation trusts are required to make the submission. WGA information should be updated. The accounts information will not be used and need not be updated. Validation errors can be ignored in this submission, except for the specific agreement of balances validations referred to in the summary timetable on the Cover sheet of the FTC form.</p> <p>FTCs uploaded to Monitor Portal as '<b>Trust Return</b>' and with activity name '<b>FTC 9 Months Resubmission</b>'. File name should be "[MARS ID] 1516 FTC 9 Months Resubmission.xlsm</p>  |

#### 1.4 Disclosure notes not required at month 9

Monitor has issued a full FTC form to aid NHS foundation trusts in their planning for the year end. Some disclosures are not required to be completed at month 9. Where this is the case, the tables are clearly marked as not applicable at the top right hand corner. In addition, any validation which relates to disclosures that are not required are excluded from the count of validation fails on the validation summary and on the cover sheet.

The following disclosures are not required to be completed in the month 9 FTC file:

| Tab | Note         | Note name                           |
|-----|--------------|-------------------------------------|
| 8   | 4.3          | Early retirements due to ill health |
| 8   | Table 4A     | Staff sickness absence              |
| 8A  | Tables 4B:4D | Off-payroll disclosures             |
| 9   | 5.3          | Limitation of auditor liability     |

| Tab   | Note             | Note name  |
|-------|------------------|--|
| 9     | 5.4              | The late payments of commercial debt Act   |
| 10    | 7                | Corporation tax  |
| 13    | Table 11A        | Capitalisation threshold per category of intangible assets   |
| 14    | Table 12C        | Capitalisation threshold per category of PPE   |
| 15    | 13.1 & 13.2      | Useful economic lives  |
| 15    | Row 68 onwards   | The assets valuation tables  |
| 20    | 21.2             | Analysis of impaired/non-impaired receivables  |
| 20    | 22.2             | Finance lease details  |
| 21    | 23.3             | Third party assets   |
| 22    | 24.2             | Early retirements included in NHS payables   |
| 25    | Tables 29A & 29B | Contingent assets and liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes |
| 25    | 28.3             | Clinical negligence liabilities  |
| 25    | 29               | Contingent liabilities / assets  |
| 27    | 31.1 & 31.2      | Related parties  |
| 28    | 32.1             | Capital commitments  |
| 28    | Table 32A        | Other financial commitments  |
| 31    | 36               | Events after the reporting period  |
| 32/33 | 37.1 to 37.5     | Financial Instruments  |

## 1.5 Supporting guidance

This guidance accompanies the following documents:

- The [NHS Foundation Trust Annual Reporting Manual 2015/16](#) which provides mandatory guidance on the format of NHS foundation trusts' annual report and accounts in 2015/16.
- The [Supplementary Agreement of Balances Guidance](#)<sup>3</sup> which is applicable to all bodies in the Department of Health group.

Further details on the agreement of balances process for month 9 will be issued separately by the Department of Health. This will include, for example, updated contact lists.

These documents and subsequent updates are posted to [www.gov.uk/monitor/accountsprocess](http://www.gov.uk/monitor/accountsprocess).

If you have any queries please contact [ft.accounts@monitor.gov.uk](mailto:ft.accounts@monitor.gov.uk).

<sup>3</sup> At the time of issuing this document, the guidance had not yet been published. It should be available at this link shortly.

## 2 Changes for month 9 2015/16 since month 12 2014/15

### 2.1 Summary of changes

The following is a summary of the key changes in the month 9 FTC compared to month 12 2014/15.

| Area of change                          | Reference point for detail |
|---|----------------------------|
| New data requirements                   | Section 2.3 below          |
| Comparatives to revisit                 | Section 2.5 below          |
| Other key changes                       | Section 2.6 below          |
| Full list of changes at month 9 2015/16 | See Annex A                |

A full list of changes made to the FTC since month 12 2014/15 is provided in Annex A.

Please remember that your 'MARS ID' is the one word identifier used by Monitor for your Trust, as selected on the front of the FTC file. It is not your organisation's NHS code.

### 2.2 Pre-population of comparatives

Unless otherwise requested, your FTC templates has been pre-populated with your 2014/15 comparatives.

Where Monitor contacted your trust in the prior year in relation to an error identified in your FTC, the adjustments agreed with you have been reflected in your populated comparatives. **Any such changes are highlighted in the email sent to you from FT Accounts on 9 December to accompany the issuance of the FTC file. Please refer to this email before contacting Monitor about any changes.**

The accuracy of comparative information remains the responsibility of the trust and the cells remain open for editing if you believe the populated data to be incorrect.

### 2.3 New data requirements

Changes to the FTC template since prior year largely relate to functional improvements only but the following additional data requirements have been added which trusts will want to note:

- Sheet '7. Op exp': Internal audit cost rows have been added to this note (subcode 281).
- Sheet '8. Staff', Note 4.1: Internal audit costs have been added. (subcode 147A)
- Sheet '13. Intangibles': Table 11B: A new row has been added to enable impairments of intangible assets charged to revenue to be categorised as either DEL or AME.
- Sheet '14. PPE': Table 12F: A new row has been added to enable impairments of PPE assets charged to revenue to be categorised as either DEL or AME.

- Sheet '23. Borrowings', Table 25A : The Department of Health now require information on interest accruals for the Department of Health loans to be collected to simplify group eliminations.
- Sheet '29 PFI (on-SoFP), Note 34.2: new table to reflect the disclosure requirement in the FT ARM.

## 2.4 Optional accounts templates

As in the prior year, Monitor will issue an optional accounts template alongside the FTC template. This template does not form part of Monitor's accounts direction to FTs and use of the template is entirely down to local discretion. Monitor has no current plans to mandate the use of its accounts template in future years. The template has been developed in two forms: one to assist the preparers of consolidated financial statements and one to assist with trust only financial statements. At month 12, the templates will be issued with links to an FTC file and can be redirected easily to your locally completed FTC. As accounts are not required to be created at month 9, we have not linked the template to the FTC but we will provide the template to aid year end planning. **The illustrative template updated for month 9 2015/16 will be issued w/c 14 December. For the avoidance of doubt, there is no requirement to prepare/submit accounts at month 9.**

## 2.5 Comparatives to revisit

As in prior year, cells have been highlighted in bright green where new categories have been added to notes / tables which have the potential to affect the comparative year data. Where applicable FTs will need to revisit their comparative information and potentially reclassify comparative information. These new comparative cells are now highlighted in bright green.

- Sheet 4. CF, Statement of cash flows: receipt of cash donations to purchase capital assets has been added to this note (subcode 231). Previously in the cash flow statement there was a row deducting the donation of assets as a non-cash item. This has been revised so that now donations of cash and assets are both removed in the operating section (as non-operating items), and the receipt of donated cash to purchase an asset is added back in the investing section as a cash flow. The net result of this is that there is no change to the cash flow, other than a move between the operating and investing sections. The prior year cell is editable, with a reconciliation box in the current year, in case there is a timing difference in the income recognition to be adjusted for cash flow purposes. It is therefore expected to be rare that NHS foundation trusts would need to adjust this.
- Sheet '7. Op exp': Internal audit cost rows have been added to this note (subcode 281).
- Sheet '8. Staff', Note 4.1: Internal audit costs have been added. (subcode 147A)
- Sheet '11. Finance', Note 9: Historic ITFF/ FTFF interest expense has been mapped to 'Capital loans from Department of Health' interest expense. The previous ITFF/FTFF loans row has been locked. This change is to simplify the number of categories of DH loans. Further guidance on this change is provided on tab 23.



- Sheet '23. Borrowings', Note 25: Historic ITFF/ FTFF current and non-current loans have been mapped to 'Capital loans from Department of Health'. The previous ITFF/FTFF loans row has been locked. This change is to simplify the number of categories of DH loans. Please reallocate as required using the guidance provided on tab 23.
- Sheet '29. PFI (on-SoFP), Note 34.2: new table to reflect the disclosure requirement in the FT ARM.

## 2.6 Other key changes

Other changes made in the month 9 FTC include:

- Index tab – free text boxes have been added to this tab for NHS foundation trusts to make notes if they wish as part of their team's work to prepare the FTC. This was requested by a trust who tested the month 9 FTC for us. These are entirely optional for use and will not be used by Monitor.
- Tab 5, operating income: note 2.1 – the headings have been amended to emphasise that income should be classified according to the services it relates to rather than a historic single categorisation of the Trust type.
- Tab 7, operating expenses: note 3 – the row 'audit services- regulatory reporting' has been locked. Prior year balances will need to be reallocated as either audit services or non-audit services. New guidance has been added to the FT ARM regarding classification of fees relating to quality reports assurance. For the FTs this affected this is highlighted in the email accompanying the FTC file being issued. A validation has been added to ensure this prior year cell is nil on submission.
- Validation 159 which checks the consistency of 'other WGA' transactions data between the accounts and WGA tabs has been amended to include corporation tax expense recorded on the face of the SOCI.

A full list of changes made to the FTC since 2014/15 is provided in Annex A.

## 2.7 2015/16 month 12 expected change

In the month 12 template we will be adding a tab to collect the 'Single total figure table' data which forms part of the remuneration report in the annual report.

### 3 Information on specific tables

This section provides information on the completion of specific notes in the FTC template.

#### 3.1 Operating expenditure

##### Recording drugs spend and inventory consumption

*Note 3. Operating expenses* includes 3 lines relating to drug costs and consumption of inventories:

- *'Drugs inventories consumed'* is populated from the *'Drugs'* category of *Note 19.1 Inventory Movements*.
- *'Drug costs (non-inventory drugs only)'* is free entry and should be used to record drugs which are not passed through inventory (such as FP10s).
- Foundation trusts are encouraged to use *'Inventories consumed'* for the remaining inventories recognised in expenses in year however this remains free entry as it is understood that some NHS foundation trusts believe it to be more appropriate to recognise some items within *'Supplies and Services'*.

Where foundation trusts use other rows in operating expenditure for inventory movements, additional information is required as part of tab 19. This is explained under section 3.5 below.

This format assists Monitor in meeting the WGA and Departmental reporting requirements for the FT sector.

##### Counterparty analysis of inventories consumed

Where inventories consumed were purchased from other NHS bodies, the Department of Health considers the expense recognised to be an accounting adjustment as opposed to the initial expenditure incurred on purchasing the inventories. As such where inventories purchased from non-FTs are consumed in year, the expense should be recorded as external to government, and the notified expenditure in the AoB sheets adjusted back out through the adjustments column. The Department of Health recognises that this will result in mismatches in the AoB exercise.

For inventories purchased from other FTs however, the potential value of the mismatch is material to the consolidated NHS Foundation Trust Accounts. As such, FTs are permitted to record the consumption of inventories purchased from FTs against the relevant counterparty and this will allow Monitor to make the relevant eliminations from the inventories movement note.

##### Consultancy costs (within *Note 3. Operating expenses*)

Costs included within *Consultancy costs Note 3. Operating Expenses*, should meet the definition provided in the FT ARM. Counterparties for this line have therefore been restricted as it is not deemed that bodies within the Departmental Group would be providing such services outside of business-as-usual.

## 3.2 Employee expenses

### Interaction between *Note 4. Employee Expenses* and *Note 3. Operating Expenses*

Note 4 includes an analysis of net employee expenses between relevant operating expenditure lines. These then populate Note 3. Where lines may include an element of employee and non-employee expenditure these lines have been split in two.

This mechanism enables Monitor to meet the WGA and Departmental reporting requirements for the FT sector.

### Staff costs – counterparties and net accounting

The Department of Health requires separate counterparty analyses to be provided for permanent employees and other staff costs. Counterparty analysis for expenditure relating to permanent employees is restricted to Other WGA bodies (for employer NI and pension contributions) and external to government (gross salary and other payments) only. Expenditure relating to 'other' is unrestricted.

A counterparty analysis is not expected for this income. Both parties to the recharge arrangement should account for the income/expenditure as 'external to government' (as with an agency arrangement). More guidance on this is provided in the *Agreement of Balances Guidance*.

### Staff costs – permanently employed / other staff

Please note the following definitions when completing this table:

- *Permanently employed* – this relates to staff who are permanently employed by the FT and includes staff who are on outward secondment or loan to other organisations.
- *Others* – this relates to others engaged on the objectives of the FT and will include staff on inward secondment or loan from other organisations, agency/temporary staff and contract staff.
- *Agency / contract* - This line is intended to meet the FReM requirement for reporting temporary staff spend. This relates to non-payroll staff only such as agency workers, interim managers and specialist contractors. It should not include bank staff or staff borrowed or seconded from other NHS bodies. These should be recorded in salaries and wages. As such, this line has a restricted counterparty analysis. The 'Other WGA' counterparty column is unlocked to permit spend with NHS professionals to be recorded in the agency line.
- *Contract staff* – this means contractors engaged by the FT on a contract to undertake a project, task or interim role. It does not include amounts payable to contractors in respect of the provision of services (e.e. cleaning or security) which should not be recorded within staff costs.

### 3.3 Impairments

Impairments are entered into the FTC on sheet '12. Impairments'. They must be analysed by the nature of the impairment to permit the correct budgeting treatment in the group accounts.

Additional functionality is included in rows 51 & 52 and 64 & 65 of tab 12. *Impairments* to allow FTs to specify whether they wish to present their impairments through cost or accumulated depreciation. This is in response to the number of historic FTC to accounts inconsistencies arising from different presentation of impairments in PPE notes. Where FTs do not wish to differ from the presentation previously used in the FTCs, the default on this additional functionality remains in line with years prior to 2013/14.

**Table 10A Impairments workings** (excludes consolidated charitable funds - for impairments to charitable fund assets, enter these on tab 41X)  
For Alignment purposes only

This table facilitates the population of impairment figures throughout the FTC. This table should not be replicated within F

| Impairments for period ending 31 December 2013  | 12C      | 12D              | 12E                | 12F                 | 12H              | 12I                | 12J                 | 12L              |
|---|----------|------------------|--------------------|---------------------|------------------|--------------------|---------------------|------------------|
|   | Total    | PPE              |                    |                     | Intangibles      |                    |                     |                  |
|   |          | Operating income | Operating expenses | Revaluation Reserve | Operating income | Operating expenses | Revaluation Reserve | Operating income |
| <b>Impairments</b>  | £000     | £000             | £000               | £000                | £000             | £000               | £000                | £000             |
| Loss or damage from normal operations   | 0        |                  |                    |                     |                  |                    |                     |                  |
| Loss as a result of catastrophe   | 0        |                  |                    |                     |                  |                    |                     |                  |
| Abandonment of assets in course of construction   | 0        |                  |                    |                     |                  |                    |                     |                  |
| Unforeseen obsolescence   | 0        |                  |                    |                     |                  |                    |                     |                  |
| Over specification of assets  | 0        |                  |                    |                     |                  |                    |                     |                  |
| Other [complete free text below]  | 0        |                  |                    |                     |                  |                    |                     |                  |
| Changes in market price   | 0        |                  |                    |                     |                  |                    |                     |                  |
| <b>TOTAL GROSS IMPAIRMENT</b>   | <b>0</b> |                  | <b>0</b>           | <b>0</b>            |                  | <b>0</b>           | <b>0</b>            |                  |
| The following rows allow you to specify whether you wish to recognise your impairment within the cost or depreciation section of your PPE or intangibles note to aid consistence (impairments through cost and intangible impairments through depreciation) |          |                  |                    |                     |                  |                    |                     |                  |
| <b>To be disclosed within:</b>  |          |                  |                    |                     |                  |                    |                     |                  |
| Cost or Valuation   | 0        |                  |                    | 0                   |                  |                    | 0                   |                  |
| Depreciation / Amortisation   | 0        |                  | 0                  |                     |                  | 0                  |                     |                  |

### 3.4 Asset valuations (not required at month 9)

To facilitate the production of the accounting policies note in the FT Consolidated Accounts, Monitor needs to collect additional information about how foundation trusts determine the valuation of their assets. This information is collected in the *Asset Valuations table* in worksheet 15. *NCA Misc*. For non-property assets, the method for determining fair value (e.g. historic cost as proxy for fair value) should be entered in the relevant cells, with the net book value of assets valued using this method in columns C to D.

In the property valuations table, please enter the current NBV of those assets. For example, if buildings were revalued using Modern Equivalent Asset, without using the option for Alternative Site, and their current Net Book Value is £10m, enter £10,000k in the cell for Buildings excluding dwellings, Modern Equivalent Assets (no Alternative Site).

### 3.5 Analysis of inventory and provisions charges to expenditure

In reporting to the Department of Health, the Department requires that inventory charges and provisions charges be recorded on specific lines within operating expenditure, rather than allocated to detailed lines within that note as NHS foundation trusts are currently able to. NHS foundation trusts have fed back to Monitor that they would not want this change to be imposed on them.

Additional tables have been included on sheets 19 and 25 for NHS foundation trusts to analyse where 'inventories consumed' and 'provisions arising in year' have been charged within operating expenses. This analysis will enable Monitor to meet the Department's requirement within the consolidated accounts without imposing a mandated format on foundation trusts.

FTs should use this table to identify where inventories have been recognised in expenses

| Table 21A Breakdown of inventories recognised in expenses | 19P     | 19Q     | Maincode | Expected Sign |
|---|---------|---------|----------|---------------|
|   | 2013/14 | 2012/13 | Subcode  |               |
|   | £000    | £000    |          |               |
| <b>Total inventories consumed (per note 21.1)</b>         | 0       |         | 390      |               |
| Charged to:   |         |         |          |               |
| Drugs inventories consumed                                | 0       |         | 400      | +             |
| Inventories consumed (excluding drugs)                    | 0       |         | 410      | +             |
| Supplies and services - clinical                          | 0       |         | 420      | +             |
| Supplies and services - non clinical                      |         |         | 430      | +             |
| Other   |         |         | 440      | +             |
| <b>TOTAL</b>  | 0       |         | 450      | +             |

Figure drawn from 7.0p Exp  
Figure drawn from 7.0p Exp  
Balancing figure

### 3.6 Revenue costs of IFRS: Arrangements brought on SoFP under IFRIC12 (e.g PFI) (Table 34C, sheet 29)

This table is a comparison between PFI revenue costs on an IFRS basis and on a UKGAAP/ESA10 basis. This should be completed by all FTs who are disclosing a commitment at the balance sheet date. If the Trust's PFI scheme was accounted for on balance sheet under UK GAAP prior to the transition to IFRS, this note should be completed with equal costs under each basis.

The first part of the table collects the impact on the IFRS accounts of having the PFI scheme on balance sheet: i.e. charges for services, depreciation charges and so on. There is then a line for the UK GAAP / ESA 10 version of this (where usually the scheme is off balance sheet, so the charge to expenditure would equal the unitary payments). A further line then calculates the difference between the two.

Capital expenditure on a UKGAAP basis is expected to relate to the build up of a residual interest over the life of the scheme: additions to build up the residual interest were recognised under UK GAAP with an off-balance sheet PFI scheme. Capital expenditure under IFRS will be any additions recognised in the current IFRS accounts, for example capital lifecycle spend.

## **4 How to record a transfer by absorption in the FTC file**

This section has been drafted on the basis of an incoming absorption transfer, but the principles apply equally to an outgoing transfer.

### **Step 1: Determine the transferring balance sheet numbers**

The first step is for the FT to have working papers for the balances of the SoFP at the point of transfer. Please be reminded that as set out in the FT Annual Reporting Manual, the recipient of an absorption transfer should recognise assets and liabilities at their book value on transfer. If the FT needs to make any adjustments to the values or classifications either on the basis of available supporting information or accounting policy alignment, these adjustments should be made by the FT **after** recognising the transfer. The FT ARM sets out that these subsequent adjustments relating to harmonising accounting policies are made directly in taxpayers' equity (reserves). All numbers in the FTC recognised as 'transfer by absorption' (and covered by the steps below) must be the unadjusted numbers sent by the divesting body. This also allows eliminations across the DH group.

### **Step 2: Complete the tab 36 summary note 40.1 for details of the transfer(s)**

Note 40.1 on tab 36 should then be completed with summary details of the transfer(s). The gain/loss computed here then feeds into the Statement of Comprehensive Income, so it is important that this table is completed accurately.

### **Step 3: Complete the tab 36 analysis tables for details of the transfer(s)**

In order to complete eliminations across the DH group, Monitor and the Department of Health need to know which body is sending/receiving balances to/from which body.

The subsequent tables on tab 36 (tables 40A1 to 40A12) are used to record the assets and liabilities that are transferring. In these tables the five rows correspond to the five sections of the summary table in note 40.1: therefore please use the relevant row for the transfer.

These entries then feed into the summary of assets and liabilities in table 40A13. Total assets in cell S262 and total liabilities in cell AC262 should agree to the totals for the transfer(s) completed in note 40.1 on this tab, as covered in step 2 above.

### **Step 4: Record transfers between reserves**

Any revaluation reserve balances associated with transferred assets should be reinstated in the receiving body's revaluation reserve following transfer. This should be recorded on tab 36 table 40A14. This will flow through to the revaluation reserve note and into the analysis of reserves table where the corresponding entry will automatically be made in the I&E reserve.

PDC transferring from the predecessor body in accordance with the FT ARM should also be recognised as a transfer from the I&E reserve to the PDC reserve. This is recorded by entering the transferring amount in table 40A15 and the corresponding I&E reserve entry will automatically be recorded. These entries then feed through to the SOCIE.

### **Step 5: Double check that inter-company balances have been eliminated**

If the transfer relates to the FT taking over another provider and the two finance functions have not yet been merged, additional care should be taken to ensure that any internal balances between the predecessor organisations after the point of transfer have been eliminated prior to completion of the FTC. For example, if as an interim measure the FTC has been completed by adding together FTCs from the two former bodies, please ensure that any items such as loans between the bodies have been eliminated in the entity's closing balance sheet.

Income and expenditure transactions between the two entities before the point of transfer should not be eliminated.

### **Step 6: Check impact on cash flow statement**

The automation within the cash flow statement of the FTC file calculates gross balance sheet movements for receivables and payables. As such, any movements in receivables / payables that have resulted from the transfer by absorption must be removed from these calculations as they do not represent cash flows. These amounts should be adjusted from the movements in receivables / payables using cells D95 and D108. They should not be adjusted through cell D35.

The amounts adjusted out should relate to operating balances only (i.e. exclude items that do not relate operating cash flows such as capital payables, interest receivable etc) as these are already removed from the calculated movement.

## 5 Overview of approach to charitable funds

### Application of IFRS 10 to NHS charitable funds

As set out in the FT ARM, when NHS foundation trusts prepare their accounts, consideration should be made of the application of IFRS 10 to any linked charitable funds. If the charity meets the definition of a subsidiary under IFRS 10 the charity will be consolidated into the FT group accounts. This is explained more fully in the FT ARM.

The FTC file should be consistent with the FT's group accounts. If an NHS foundation trust does not consolidate its charity in its accounts, then it will not consolidate the charity in the FTCs.

### Department of Health consolidation under ONS definitions

Since 2012/13, a change in the definition of the consolidation boundary by ONS has meant that the Department of Health is required to consolidate all NHS charitable funds into the departmental accounts. This is regardless of any local control or otherwise under IFRS 10.

Therefore even where you do not consolidate your charity under IFRS 10, the Department of Health and Monitor request that you provide summarised information to assist the Department in performing their consolidation under the ONS definition.

### NHS charities with independent trustees

There are a small number of NHS charities whom are independent of their linked trust (with independent trustees) and where the Department of Health corresponds directly with the charity to obtain the information they need. In these cases you do not need to complete either of the FTC charity tabs as DH has alternative measures in place to collect the data.

These independent charities are currently:

- Above & Beyond (i.e. University Hospitals of Bristol NHS FT)
- Addenbrooke's Charitable Trust (i.e. Cambridge University Hospital NHS FT )
- Chelsea & Westminster Health Charity
- Guy's & St Thomas' Charity
- King's College Hospital Charity
- Newcastle Healthcare Charity
- Queen Elizabeth Hospital Birmingham Charity
- Royal Free Charity, The
- Sheffield Hospitals Charity
- St George's Hospital Charity
- University College London Hospitals Charities

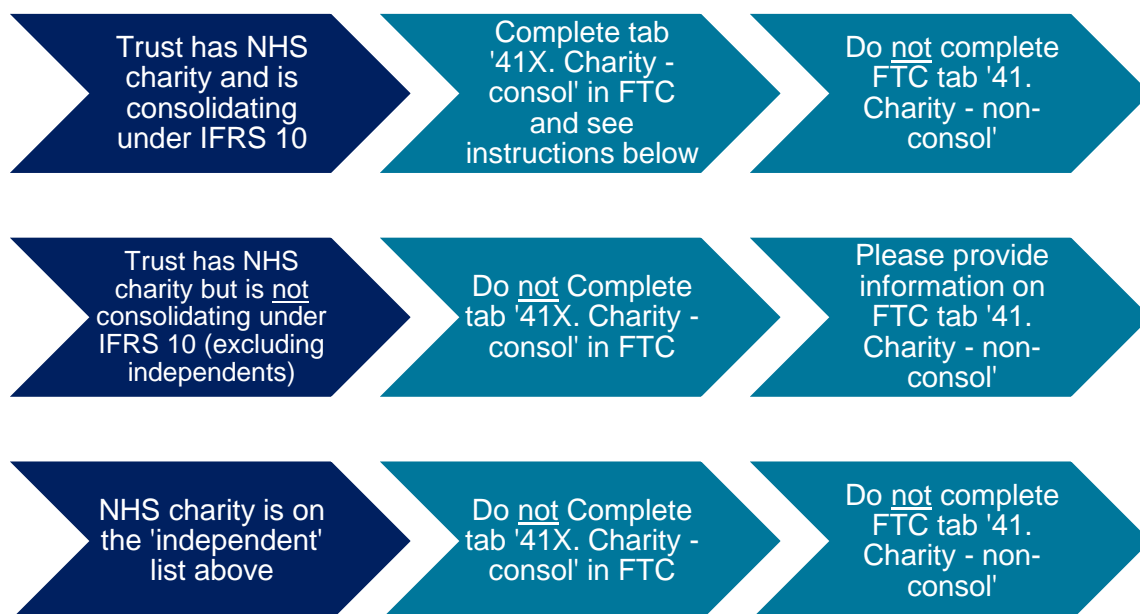
Separately, from 2015/16 there are six charities linked to NHS foundation trusts that are 'fully' independent and so will be entirely excluded from the DH consolidation and DH will not require any information from them:

- Brompton and Harefield NHS Foundation Trust,
- Birmingham Children's Hospital Charity
- Guys and St Thomas' Charity
- The Alder Hey Charity
- The Great Ormond Street Children's Charity
- Moorfields Eye Hospital Charity (from 31 December 2015)



## Charity tabs in FTC template

For the purposes of the FTC file there are therefore three approaches depending on the form of the NHS charity:



If you are not consolidating (either due to control tests or on materiality grounds), please provide information on tab '41. *Charity – non-consol*' wherever possible (except where the charity is on the 'independent' list above).

In the unlikely scenario that you have more than one NHS charity and are consolidating one/some but not others, then please complete both tabs 41X and 41 as appropriate. Please also advise Monitor by email to [FT.Accounts@monitor.gov.uk](mailto:FT.Accounts@monitor.gov.uk).

**Section 6 of this guidance below provides instruction on how to consolidate a charity on tab 41X in the FTC file.**

## **6 Consolidation of NHS charitable funds (unchanged from 2014/15)**

### **IMPORTANT**

NHS charitable funds are considered external to government and do not form part of agreement of balances. Therefore:

- any charitable funds numbers in accounts tabs are 'external to government';
- if you transact with another NHS body's charitable funds, you will exclude these amounts from the balance with that counterparty on the WGA tabs; and
- you will exclude charitable funds from any agreement of balances schedules you send.

### **6.1 Context**

This guidance applies to where the NHS foundation trust is locally consolidating a charity, as set out in section 5.

### **6.2 Monitor's objectives**

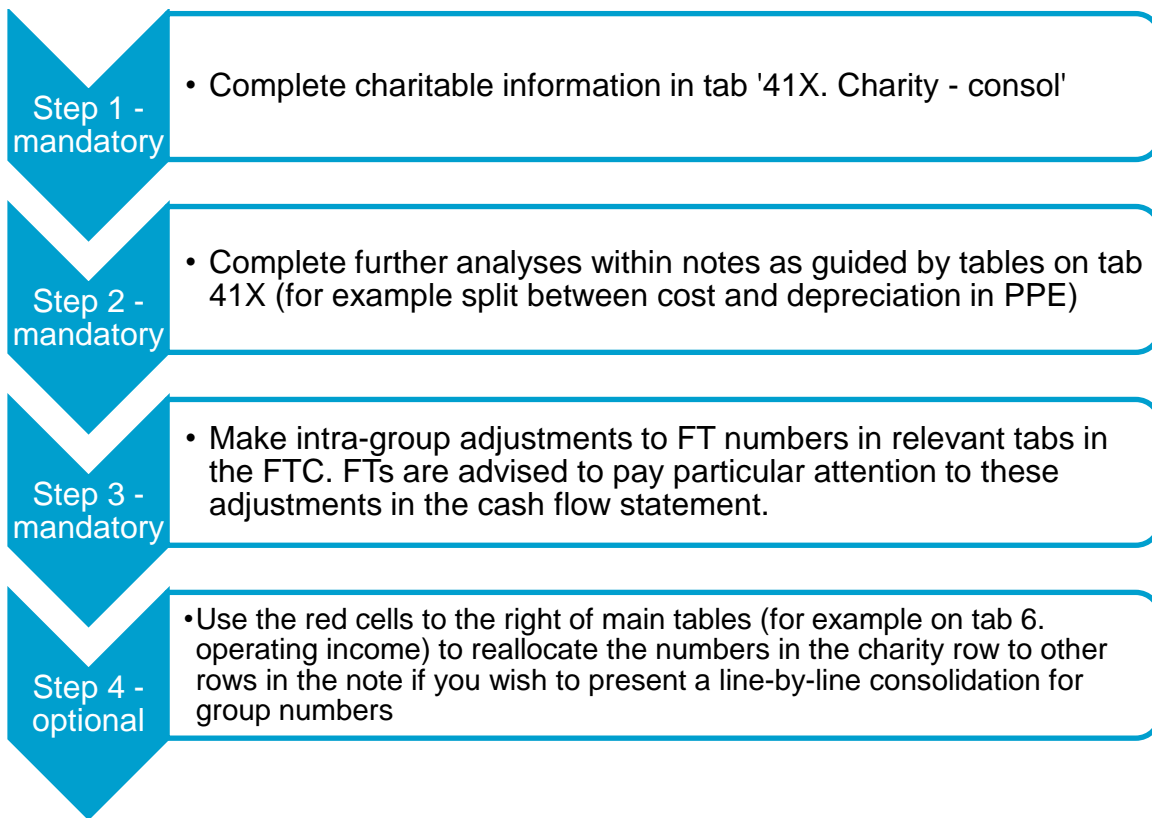
In preparing the Consolidated NHS Foundation Trust Accounts, Monitor will consolidate the accounts of NHS foundation trusts, including local consolidation of charitable funds where this is performed under IFRS 10. Some NHS foundation trusts already prepare group accounts, due to other subsidiaries they already have.

As set out in the FT Annual Reporting Manual, NHS foundation trusts preparing group accounts will have 'group' and 'trust' columns in their accounts. For some foundation trusts, the 'group' column will include other subsidiaries, alongside the charitable funds. The FTC template has always captured 'group' numbers and will continue to do so. In designing the form of the FTC template, capturing 'group without charities' was not feasible as this would not enable auditors to confirm consistency between accounts and FTCs for all bodies.

The Department of Health intends to consolidate all charities as a separate exercise for its compliance with the ONS definition of the departmental group. Monitor needs to be able to report consolidated FT sector numbers to the Department excluding charity numbers. Rather than require NHS foundation trusts to additionally provide 'group excluding charity' numbers throughout to Monitor, Monitor has designed the FTC template to enable Monitor to de-consolidate charities, while seeking to simplify the process for NHS foundation trusts as much as possible.

### **6.3 How to complete the FTC**

In summary, the approach to consolidating charities in the FTC is as follows:



Step 1 – complete charity information in tab ‘41X. Charity – consol’

Tab 41X has been designed to collect both charitable fund information (in a simplified format) on a gross (un-consolidated) basis as well as the elimination adjustments. Post-elimination charitable fund numbers then feed from this tab throughout the FTC in dedicated charitable fund columns / rows (identifiable by blue highlighting). This format enables deconsolidation by Monitor at a group level, as explained in section 6.2 above.

*Table A – Consolidated charitable funds information*

Provide the name and the registered charity number of all charities consolidated within the FT’s annual accounts.

Where multiple charities are consolidated, gross charity figures (pre-elimination adjustments) should be added together in the following tables.

*Table B – Statement of comprehensive income / Statement of financial activities*

- Charitable funds numbers should be initially entered gross (prior to elimination adjustments for business with the FT) but after restatement for alignment of accounting policies, in columns D and G.
- The elimination adjustments (only the charity side of these adjustments) should then be included in columns E and H.
- Net charity numbers (after elimination adjustments) are then calculated in columns F and I which are populated into dedicated rows and columns in the operating income and expenditure notes and SOCITE.
- Note the text to the right of the table – red text indicates some manual input is required within the related note. (Step 2 of the consolidation process)

- On tab 41X, resources expended on charitable activities should be classified by ultimate beneficiary. Therefore, where the charity purchases an asset and subsequently donates it to the FT (rather than donating cash for the FT to purchase an asset), this expenditure should be recorded as 'expended with the FT' rather than the asset supplier. This expenditure should be eliminated on consolidation.
- On tab 41X, where the FT recharges staff or other costs to the charity and uses net accounting for this in the trust only accounts (thus recognising no income or expenditure), the expenditure within the charity should be considered as incurred directly with the employee / external to the NHS. There will be no elimination of the expenditure upon group consolidation as the elimination has already been performed within the FT accounts through the net accounting being used.

*Table C – Statement of financial position / Balance sheet*

- Three years of charitable funds balance sheet should be provided to enable restatement under IAS 8. Gross charitable funds figures should be entered in columns D, G and J.
- Elimination adjustments should be entered in columns E, H and K.
- Calculated net charitable fund balances are populated into dedicated rows and columns of related notes.
- Refer to text to the right hand side of the table – red text indicates some manual input is required within the note. (Step 2 of the consolidation process)

*Table D – Movement in Charitable Funds reserve*

- This is a simplified SOCIE (current year only). Where possible, movements are populated from previous tables however FTs should review the split between restricted and unrestricted reserves and clear the check with validates closing reserves against the SOFP.

*Table E – Cash flow statement*

Monitor recognises that charitable funds meeting the definition of a 'small company' are not ordinarily required to produce a cash flow statement. This table has therefore been designed to facilitate the foundation trust in producing simplified cash flows which are then populated directly into the consolidated cash flow statement.

Cash flows should be entered based on gross charitable funds activities (prior to eliminations) in columns D and G, then adjusted for the impact of elimination adjustments (e.g. movement in payables) in columns E and H. Cash flows post elimination are then fed directly into the consolidated cash flow statement in dedicated charitable fund rows.

Trusts are reminded that cashflow adjustments for charitable funds should always be shown on tab 41X in the cashflow and not on tab 4.Cashflow.

*Table F – Analysis of charitable income received by the FT*

As explained in section 6.2 above, Monitor will de-consolidate charities for reporting to the Department of Health. Intra-group adjustments will be reversed using the information

provided on tab 41X. For intra-group income in the NHS foundation trust, Monitor needs to know where this income is recorded in the trust accounts, in order to allow these adjustments to be made. This table asks FTs to analyse the charity's expenditure with the FT into where this income is recorded.

#### *Table G - Transfers reconciliation*

Where an FT has gained control another NHS body's charitable funds during the year and this meets the definition of a subsidiary for the FT, this should be accounted for as an absorption transfer within the FT's group accounts. A gain on transfer may be recognised (within the group accounts only) and financial activity of the charitable fund should be consolidated for the current year only (i.e. no restatement of prior periods). By completing this note, assets and liabilities transferred will be automatically populated into movements note throughout the FTC.

This will not apply where the funds of a demising charity have transferred into the funds of the foundation trust's existing charity. This would be recorded as incoming resources in the underlying charity's accounts.

#### *Checks*

A number of checks have been included to ensure the internal consistency of charitable funds figures prior to elimination adjustments and also to ensure the consistency of movement notes with the information provided on Sheet 41X.

#### Step 2 – Complete further analyses within notes as guided by tables on tab 41X

The information provided on tab 41X is then fed automatically into dedicated charitable funds rows/columns throughout the rest of the FTC template. These are coloured blue for ease of identification.

Some information is entered in a summarised form in tab 41X and further analysis will be required in the corresponding group accounts note. For example, the net book value of PPE needs to be split into cost and accumulated depreciation in the PPE note. Narrative in column L/O on tab 41X identifies where this analysis is required.

#### Step 3 - Make intra-group adjustments to FT numbers in relevant tabs in the FTC

The completion of tab 41X allows charity numbers after intra-group eliminations to be fed to the rest of the FTC. Numbers in the remainder of the FTC for the FT therefore need to be adjusted to remove intra-group transactions. For example income from donations received by the FT from the charity will need to be eliminated. It is therefore very important that the analysis referred to above in Step 1 in Table F is completed so that Monitor can understand where this income arises for the FT.

Monitor advises FTs to not overlook the intra-group adjustments needed to be made to FT numbers in the cash flow statement, e.g. movements in working capital.

Step 4a – Optional - Use the red cells to the right of main tables to reallocate the numbers in the charity row in FTC notes

Monitor does not expect the overall consolidation of charitable funds in the NHS foundation trust sector to be material to the consolidated NHS foundation trust accounts. Monitor currently intends to use dedicated rows/columns for charitable fund balances, as shown in the FTCs. However Monitor is conscious that for some FTs, consolidated charitable funds may be material to the local group accounts being prepared. FTs may wish to prepare a full line-by-line consolidation within notes in their accounts.

During the testing of the FTC template in 2013/14, some FTs fed back to us that they like to link their accounts to the FTC template and would not welcome having to do this reallocation within their accounts spreadsheet. The red columns to the right of relevant notes (for example income, expenditure, receivables, payables) have been added to allow FTs to reallocate the charity number in that note to other rows. It then calculates a revised total that FTs can use for linking to their accounts. Completion is optional and will not be used by Monitor.

Step 4b – Optional – Use the blue cells to the right of main tables to create ‘Trust’ numbers

As explained throughout section 4 of this document, Monitor needs to collect Group numbers in the FTC. Monitor considered adding ‘Trust’ columns to the FTC throughout, but this would create additional burden for FTs in providing information that Monitor does not need. The FTC therefore does not contain ‘Trust’ numbers.

In testing the FTC file in 2013/14, some FTs fed back to us that they like to fully link their accounts template to the FTC and seek to minimise the adjustments made in their accounts spreadsheet file. Monitor has added additional optional columns (the blue columns) to the right of relevant notes to enable FTs to record ‘Trust’ numbers in the FTC. This is purely for the purpose of being able to link to these numbers from accounts spreadsheets. Completion is optional and will not be used by Monitor.

## Annex A: Full list of changes made to FTC

The following table lists all changes made in the month 9 FTC compared to month 12 2014/15. In order to assist FTs in assessing the impact of changes made since month 12 2014/15, these have been categorised by nature of change.

### 1. New or amended data requirements

The following table lists new data requirements (as summarised in section 2.3 above):

| Tab Affected                | Statement/ Note affected  | Change   | Reason                                  |
|-----------------------------|---------------------------|--|---|
| 4. CF                       | N/A                       | A check has been added to the bottom of the cash flow to ensure that closing CCE per the cash flow matches the closing CCE note position. This replicates a validation check for ease of reference.  | Improved data quality                   |
| 5. Op Inc (nature)          | Note 2.1 Operating income | Headings have been amended to emphasise that income should be classified according to the services it relates to rather than a historic single categorisation of the Trust type.   | DH requirement                          |
| 7. Op Exp/<br>8. Staff      | Note 3/ Note 4.1          | New lines have been added for 'internal audit costs'.  | New monitoring requirement              |
| 8. Staff                    | Note 4.2                  | A new row has been added for 'healthcare science staff', in line with the NHS Occupation Code guidance.  | Updated requirement                     |
| 8A. Off-payroll             | Table 4C                  | The check in row 32 has been updated to allow for the possibility that assurances may have been obtained where there is no contractual clause.   | FT requested/<br>Improved functionality |
| 11. Finance                 | Note 9                    | The 'Loans from the Independent Trust Financing Facility' interest expense row has been locked and the prior year comparative moved to the 'Capital loans from the Department of Health' interest expense row. This cell has been changed to bright green. Trusts are asked to consider whether the comparative year is correctly categorised, using the guidance box provided in the FTC. | Simplification                          |
| 13. Intangibles/<br>14. PPE | Table 11B/<br>12F         | The impairments lines have been split between DEL and AME for both intangible assets and PPE movement analyses.  | DH requirement                          |
| 14. PPE                     | Table 12C & 12D           | The old tables 12C & 12D requiring an analysis of asset ownership are no longer required so have been removed.   | Simplification                          |

| <b>Tab Affected</b> | <b>Statement/ Note affected</b> | <b>Change</b>  | <b>Reason</b>               |
|---------------------|---------------------------------|--|-----------------------------|
| 15. NCA misc.       | Asset valuations table          | Two new rows have been added to the asset valuations tables; 'Market value in existing use' and 'Fair value (surplus PPE land and buildings)'. This is to correspond with changes in the FT ARM 2015/16.   | Change in accounting policy |
| 23. Borrowings      | Note 25                         | The current and non-current 'Loans from Independent Trust Financing Facility' categories have been locked and the prior year comparative moved into the 'Capital loans from Department of Health'. Trusts are asked to consider whether the comparative year is correctly categorised, using the guidance box provided in the FTC. | Simplification              |
| 23. Borrowings      | Table 25A                       | A new table has been added to collect the value of any interest accruals on DH loans. This is to allow DH to eliminate intra-group interest accruals on DH loans.  | DH requirement              |
| 41X. Charity-consol | N/A                             | A new check has been added to ensure that where eliminated donations of physical assets have been recorded in the charity; eliminated donated (physical) asset addition income has been recorded in the Trust.   | Improved data quality       |
| 41X. Charity-consol | N/A                             | A new check has been added to ensure that post elimination charity numbers for income and asset are not negative and expenditure and liabilities are not positive.   | Improved data quality       |

The following table lists other structural changes or changed analyses:

| <b>Tab Affected</b> | <b>Statement/ Note affected</b> | <b>Change</b>   | <b>Reason</b>          |
|---------------------|---------------------------------|---|------------------------|
| 4. CF               | Statement of cash flows         | The formula for income recognised in respect of capital donations now picks up both cash and non-cash donations. Cash donated for purchasing assets is added back as investing activity- this has been added as a new row in the FTC. | Improved data quality  |
| 4. CF               | N/A                             | A new row has been added for capital debtors written off in year. This is because the write off is included in operating debtors, but capital debtors relate to investing cash flows, and is therefore added back here.               | Improved functionality |
| 28. C&O             | Table 32A                       | A comparative column has been added to the 'other financial commitments' table. In addition, a brief explanation is required in a text box if there is any commitment.  | Disclosure improvement |



| <b>Tab Affected</b>                    | <b>Statement/ Note affected</b> | <b>Change</b>   | <b>Reason</b>          |
|--|---------------------------------|---|------------------------|
| 29. PFI (on-SoFP) / 30. PFI (off-SoFP) | Various                         | The PFI tables have been updated to reflect the FT ARM requirements. The unitary payment table has been amended to a 'note' as it is now an accounts requirement. | FReM requirement       |
| 41X. Charity - consol                  | Table D                         | A new movements row has been added for absorption transfers; 'Transfers of charitable funds into the group'.  | Correction of omission |
| WGA tabs                               | Various                         | Changes in the DH group since month 6 and the most up to date WGA counterparty listing for local authorities and other WGA bodies have been reflected in the FTC. | Group restructuring    |

## 2. Formula changes / locked cells

| <b>Tab Affected</b> | <b>Statement/ Note affected</b> | <b>Change</b>   | <b>Reason</b>              |
|---------------------|---------------------------------|---|----------------------------|
| 7. Op Exp           | Note 3                          | The Business with local authorities column has been locked for Premises – business rates payable to local authorities. All should be external to government as this should be accounted for on an agency basis by local authorities.  | Correction                 |
| 7. Op Exp           | Note 3                          | The category 'audit services- regulatory reporting' has been locked. Prior year balances will need to be reallocated. New guidance has been added to the FT ARM regarding classification of fees relating to quality reports assurance For the FTs this affected this is highlighted in the email accompanying the FTC file being issued. | New monitoring requirement |
| 8. Staff            | Note 4.1                        | The counter party split for social security costs and pension costs have been amended so that only the 'Other WGA' column is editable.  | Improved data quality      |
| 17. AHFS            | Note 16.1 & 16.2                | The 'interest in joint ventures and associates' column has been unlocked. Where immaterial subsidiaries are not consolidated, any held for sale interests should be classified here.  | Correction                 |
| 20. Receivables     | Note 20                         | The counterparty split for NHS charitable fund receivables have been locked down as all should be external to government.   | Improved data quality      |

### 3. Validation and JOC changes (including some that are not relevant at month 9)

| Validation / JOC  | Change   | Reason                     |
|---|--|----------------------------|
| JOC 1   | New – this JOC checks that an explanation has been given if there is a manual adjustment to the change in other assets in the Statement of Cash Flows which is not reflected elsewhere in the notes to the accounts.                     | Improved data quality      |
| JOC 2   | New - this JOC checks that where there are manual 'other' adjustments in the cash flow, explanations have been provided.   | Improved data quality      |
| JOC 15  | Amended - A prior year element has been added to this JOC to ensure there is a split between permanent and other staff.  | Roll forward               |
| JOC 16  | Amended- The formulae have been corrected.   | Correction                 |
| JOC 21  | New- A new check has been added to ensure that the profit/loss of joint ventures and associates recorded in the SoCI is equal to the equivalent in the investments note.   | Improved data quality      |
| JOC 25  | New- A new JOC has been added to ensure that the NHSLA balance held for clinical negligence is non zero and also that NHSLA premium is not zero. This check is for both current and prior years.   | NAO findings               |
| JOC 27  | Amended – This check for PFI disclosures has been updated for the changes to the PFI notes.  | FReM requirement           |
| JOC 30 & 35   | Amended- These JOCs have been updated to introduce a reasonableness test to ensure that trade receivables/ payables per the financial instruments notes do not exceed the adjusted balances recorded in the receivables/ payables notes. | Improved data quality      |
| JOC 31  | Amended- This JOC has been updated to remove reference to joint ventures/ associates.  | Correction                 |
| Validation 8/ 13 /25/ 29/ 31/35/ 47/ 48/50/ 57/ 60/ 65/ 90/ 91/ 109 | Amended- These checks ensure that the new FT row has not been used for any FTs that existed before the start of the year. The updates expand the validation check to include the prior year rows.  | Improved data quality      |
| Validation 18   | New- The category 'audit services- regulatory reporting' has been removed from tab 7. Op Exp. Any balance recorded here in the prior year must be reallocated. A validation has been added to check this.                                | New monitoring requirement |
| Validation 22   | New – this validation checks that agency staff costs recorded in the staff note is not nil.  | Improved data quality      |
| Validation 66   | New – this validation ensures that any revaluation reserves balances are positive.   | Improved data quality      |

| <b>Validation / JOC</b> | <b>Change</b>   | <b>Reason</b>         |
|-------------------------|---|-----------------------|
| Validation 77 & 78      | New – these validations check that the total future payments committed on on-SoFP PFI schemes in the current year/prior year are more than the equivalent element of the finance lease liability.                         | FReM requirement      |
| Validation 79           | Amended- where future payments are committed, an imputed finance lease obligation has also been disclosed. Prior year checks have been added.   | Improved data quality |
| Validation 80           | Amended-if there is a current year PFI/LIFT/Other scheme obligation then both an IFRS and UK GAAP expenditure must have been declared. This check has been updated to ensure the expense is not zero.                     | Correction of error   |
| Validation 83           | Amended- Depreciation and net impairments charged on PFI assets should be consistent between table 12F and table 34D. This validation has been updated to split between AME and DEL.                                      | DH requirement        |
| Validation 89           | Amended- PFI schemes with total commitments over £500m have not been disclosed erroneously when total PFI commitments are less than £500m. This validation has been updated to make use of the new PFI Note 34.2.         | Improved data quality |
| Validation 90           | New- a validation has been added to ensure that where receivables/payables have been recorded in tab 20. Receivables/ 22. Trade payables, then financial assets/ financial liabilities should be recorded in tab 32. FI 1 | Improved data quality |
| Validation 104          | New- A check has been added to ensure that where a transfer has been recorded, a counterparty type has been selected in the transfers table.  | Improved data quality |
| Validation 159          | Amended – this validation has been amended to check that the corporation tax expense/income has been included in the expenditure column of the WGA tab.   | Improved data quality |

#### 4. Other changes

| <b>Tab affected</b> | <b>Statement/ Note affected</b> | <b>Change</b>  | <b>Reason</b>         |
|---------------------|---------------------------------|--|-----------------------|
| Cover               | N/A                             | We have added an information box to clarify that the purpose of the 'completed by' box is not meant as an approvals line, but a place to put the contact details for the person at the trust whom questions should be addressed. | Improved data quality |
| Index               | N/A                             | Free text boxes have been added to this tab for use by FTs if they wish. Monitor will not use these notes.   | FT requested          |
| 6. Op Inc (source)  | Note 2.4 – Overseas visitors    | Wording updated to make it clear that the table should be populated by all trusts for whom this is relevant, regardless of value.  | Clarity               |

| Tab affected   | Statement/<br>Note<br>affected | Change  | Reason          |
|--|--------------------------------|---|-----------------|
| Various  | Various                        | Where possible, free text boxes have been changed so that the height of the row adjusts dependent on the amount of text in the box.   | FT requested    |
| 6. Operating income, 7, Operating expenses, 20 Receivables | Various                        | Memorandum lines have been added to the bottom of the main notes, pulling through the totals from the WGA tabs. This enables individuals to quickly see if the note reconciles to the WGA tab without needing to refer to the validations tab. This hasn't been added to Payables as the validation to the WGA data here refers to multiple tabs. | FT requested    |
| WGA sheets   | N/A                            | The transactions tabs have been made a different colour from the balances tabs for clarity.   | FT requested    |
| Validations  | N/A                            | <p>Validations requiring passes in all submissions (including AoB only) have been highlighted in blue in the summary.</p> <p>Validations relating to disclosures not required at month 9 have been highlighted pink and are not included in the count of unresolved errors.</p>   | For information |

## Annex B: Monitor Portal Upload Instructions

Following the instructions below will ensure that all files are submitted to Monitor correctly and submissions are not classed as late due to errors in the Monitor Portal upload process.

You are advised to check your Monitor Portal log in works as planned several days prior to the submission deadline. Due to the high volume of queries Monitor receives around submission day, it may prove difficult to contact a member of Monitor staff who can help you with any log in problems.

1. Open the Internet Browser (Internet Explorer 7 and higher is recommended as the system is not supported on Firefox and Chrome as well as earlier versions of Internet Explorer)
2. Browse to [https://portal.monitor-nhsft.gov.uk/trusts/\[MARSID\]](https://portal.monitor-nhsft.gov.uk/trusts/[MARSID]) with MARS being the ID as communicated to you by monitor.
3. Enter your username and password into the dialog box which appears. These will have been emailed to the person whose name the account is in. All usernames begin with IRNHSFT\ and there is a full stop in between the first and last name. You will then see the screen below

Monitor  
Independent Regulator  
of NHS Foundation Trusts

Foundation Trust Home

Robin Thakur's password will expire in 4 days [Change password](#)

**Foundation Trust Resources**

- How to use this site
- Monitor web site
- Contact us (email)
- Annual reporting manual
- Amendments to the Guide July 2010
- Compliance framework
- Prudential borrowing code
- FT Bulletin

**Trust Submissions**

- Inbox (from Monitor)
- Outbox (to send to Monitor)
- Archive

**Key contacts**

Chair: [dropdown]  
Chief Executive: [dropdown]  
Finance Director: [dropdown]  
Nursing Director: [dropdown]

Please let us know if any of the above information is incorrect or incomplete

© Monitor 2011

4. Click on Outbox (to send to Monitor) and you will see the screen below.

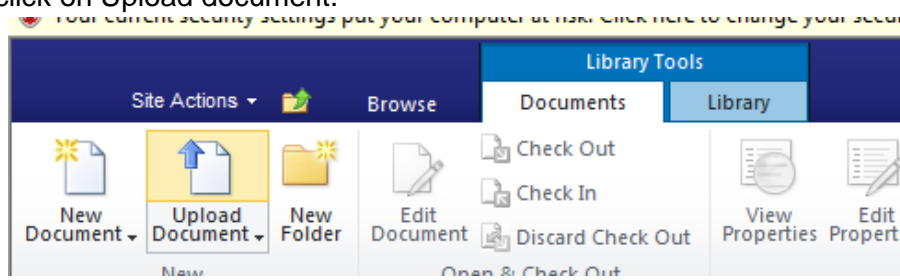
Monitor  
Independent Regulator  
of NHS Foundation Trusts

FT Submissions > Outbox (to send to Monitor) > All Documents

| Type   | Name   | Activity      | Modified            | Modified By | Notes      |
|--------|--|---------------|---------------------|-------------|------------|
| [icon] | 110722 [redacted] pack MASTER [HEW]  |               | 26/03/2012 05:17 PM | [redacted]  | [redacted] |
| [icon] | M07 Financial Report for Monitor   | Other         | 02/12/2011 12:52 PM | [redacted]  | [redacted] |
| [icon] | [redacted] 1213 Initial (capex) plan return template v1  | Return for DH | 13/01/2012 05:33 PM | [redacted]  | [redacted] |
| [icon] | [redacted] 11-12_FTC_for_9_months_data revised after fixer and further change for revaluation Feb 03 Final | FTC 9 Months  | 10/02/2012 04:17 PM | [redacted]  | [redacted] |

+ Add new item

5. Click on the documents tab at the top of the screen, (see below tab in white) then click on Upload document.



6. Click on browse and find the file which you wish to upload then click on OK.
7. Once the file has uploaded, you need to tell the system what kind of file it is. Choose **Trust Return under Content Type** for all your FTC and accounts submissions.
8. Choose the Activity for what you are returning. This activity should have been communicated to you by Monitor prior to the returns process. If you are unsure, refer to Monitor.
9. **Important Note: The 2 fields above MUST be filled out correctly otherwise Monitor's automated systems cannot recognise the files. There will be a delay in analysing your data and your return might be considered late by Monitor.**

