2. Pooled budgets

The Trust has no pooled budget arrangements.

3. Operating segments

The Board as 'Chief Operating Decision Maker' has determined that the Trust operates in one material segment, which is the provision of healthcare services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The provision of healthcare (including medical treatment, research and education) is within one main geographical segment, the United Kingdom, and materially from Departments of HM Government in England.

Income from activities (medical treatment of patients) is analysed by customer type in note 5 below. Other operating income is analysed in note 6 on page 20 and materially consists of revenues from medical education and the provision of services to other NHS bodies. Total income by individual customers within the whole of HM Government and considered material, is disclosed in the related parties transactions in note 40 on page 40.

4. Income generation activities

The Trust undertakes income generation activities with an aim of achieving profit, which is then used in patient care. The Trust has no income generating activities whose full cost exceeded £1m.

5. Revenue from patient care activities	2010/11	2009/10
,	£000	£000
NHS trusts	807	1,302
Primary care trusts	228,060	210,199
Foundation trusts	122	103
NHS other	0	3,019
Non-NHS:		
Private patients	2,131	1,960
Overseas patients (non-reciprocal)	29	25
Injury costs recovery *	1,757	1,784
Other **	24,164	23,764
	257,070	242,156
	United States of the Control of the	

^{*}Injury cost recovery income is subject to a provision for impairment of receivables of 9.6% (2009/10: 7.8%) to reflect expected rates of collection.

^{**&#}x27;Non-NHS - Other' includes income of £24.0m from Welsh bodies (2009/10: £23.5m).

6. Other operating revenue	2010/11 £000	2009/10 £000
Education, training and research Transfers from donated asset reserve Non-patient care services to other bodies Income generation Other revenue	11,536 844 3,612 2,678 	11,121 743 3,461 2,742 2,659 20,726
7. Revenue	2010/11 £000	2009/10 £000
From rendering of services	277,980	262,882

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial.

8. Operating expenses	2010/11	2009/10
	£000	£000
Purchase of healthcare from non NHS bodies *	986	537
Trust chair and non executive directors **	57	61
Employee benefits **	186,489	177,172
Supplies and services - clinical *	46,001	42,789
Supplies and services - general	4,385	4,655
Consultancy services	972	444
Establishment	4,432	4,047
Transport	2,983	2,825
Premises	10,943	10,081
Provision for impairment of receivables	481	117
Inventories write down	78	94
Depreciation	8,274	8,370
Amortisation	110	43
Impairments and reversals of property, plant and equipment	351	12,364
Audit fees	213	201
Clinical negligence	5,244	4,132
Education and Training	699	666
Other	459	401
	273,157	268,999

 $^{^{*}}$ The 2009/10 comparative has been adjusted by £537,000 to identify purchase of healthcare from non-NHS bodies previously reported within Supplies and services-clinical.

^{**} The 2009/10 comparative has been adjusted to now only include Trust chair and non executive directors. £952,000 has been reclassified to Employee benefits.

9. Operating leases

9.1 As lessee

The Trust has two operating leases relating to investments in replacing the boiler plants. The term of the lease at the Princess Royal Hospital is 12 years and commenced 1 July 2003. The term of the lease at the Royal Shrewsbury Hospital is 15 years and commenced 1 April 2007.

The Trust has a contract for the provision of Biochemistry and Haematology service, comprising immunoassay, clinical chemistry, haematology, software and pre-analytics. The term of the contract is seven years and commenced 1 May 2007.

The Trust has two managed computerised digital imaging and archiving service contracts within Radiology. The term of the contract at the Royal Shrewsbury Hospital is six years and commenced 4 January 2006. The term of the contract at the Princess Royal Hospital is seven years and commenced 11 February 2003. This was extended to be coterminous with the RSH contract.

The Trust has a lease for printing services for both hospitals. The term of the lease is 5 years and commenced 1 September 2009.

The Trust has two property leases for off site office accommodation and an off site sterile services facility with lease terms of 3 years and 20 years respectively both commencing 1 April 2010.

The Trust has entered into a lease, commencing 1 April 2010, for the provision of staff residential accommodation facilities at the Royal Shrewsbury Hospital.

The Trust also leases cars and adhoc medical equipment.

Payments recognised as an expense			2010/11 £000	2009/10 £000
Minimum lease payments			3,974 3,974	3,331 3,331
		2010/11		2009/10
Total future minimum lease payments	Buildings £000	Other £000	Total £000	Total £000
Payable:				
Not later than one year	511	3,266	3,777	3,722
Between one and five years	1,200	7,773	8,973	10,482
After 5 years	2,901	7,804	10,705	8,847
Total	4,612	18,843	23,455	23,051

9.2 As lessor

The Trust does not have any leasing arrangements where it acts as a lessor.

10. Employee costs and numbers

10.1 Employee costs		2010/11			2009/10	
	Total	Permanently	Other	Total	Permanently	Other
		employed	70000	14000	employed	2222
	£000	£000	£000	£000	£000	£000
Salaries and wages	158,596	142,318	16,278	151,263	134,386	16,877
Social security costs	11,276	11,276	0	10,371	10,371	0
Employer contributions to NHS Pension scheme	16,792	16,792	0	15,712	15,712	0
Other post-employment benefits	0	0	0	0	0	0
Employee benefits expense	186,664	170,386	16,278	177,346	160,469	16,877
Of the total above:						
Charged to capital	175			174		
Employee benefits charged to revenue	186,489			177,172		
Employee perionic dialiged to revenue	186,664			177,346		
10.2 Average number of people employed		2010/11			2009/10	
The second secon	Total	Permanently	Other	Total	Permanently employed	Other
	March	employed	Number	Number	Number	Number
	Number	Number	Number	Number	Number	number
Medical and dental	568	513	55	528	475	53
Administration and estates	970	905	65	904	842	62
Healthcare assistants and other support staff	1,018	895	123	904	823	81
Nursing, midwifery and health visiting staff	1,321	1,268	53	1,377	1,225	152
Scientific, therapeutic and technical staff	666	652	14	668	665	3
Total	4,543	4,233	310	4,381	4,030	351
Of the above:			-			
Number of whole time equivalent staff engaged on						
capital projects	5		-	5		
10.3 Staff sickness absence	004044	2020/42				
	2010/11	2009/10				
2 V 22 V 1	Number	Number				
Total days lost	42,706	37,113				
Total staff years	4,225	3,934				
Average working days lost	10.11	9.43				

These figures are calendar year figures (January 2010 - December 2010) not financial year figures.

10.4 Management Costs	2010/11	2009/10
	£000	£000
Management costs	12,442	12,358 *
Income	277,980	262,882

^{*} The 2009/10 management costs have been restated.

10.5 Exit Packages for staff leaving in 2010/11

There were no exit packages in this year or the prior year.

A restructurings provision (note 35) has been created relating to changes in the Trust's senior management team. This provision does not contain any elements that are within the definition of an exit package.

11. Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at 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 NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The scheme is subject to a full actuarial valuation every four years (until 2004, every five years) and an accounting valuation every year. An outline of these follows:

a) 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 to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

In order to defray the costs of benefits, employers pay contributions at 14% of pensionable pay and most employees had up to April 2008 paid 6%, with manual staff paying 5%.

Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, his Valuation report recommended that employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction of employee contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the scheme actuary. At this point the assumptions regarding the composition of the scheme membership are updated to allow the scheme liability to be valued.

The valuation of the scheme liability as at 31 March 2011, is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2011 with summary global member and accounting data.

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) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

c) Scheme provisions

The NHS Pension Scheme provided 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 HMRC 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.

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 statement of comprehensive income at the time the trust commits itself to the retirement, regardless of the method of payment.

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.

12. Retirements due to ill-health

The cost of ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

13. Better Payment Practice Code

13.1 Better Payment Practice Code - measure of	2010/1	1	2009-10		
compliance	Number	£000	Number	£000	
Total Non-NHS trade invoices paid in the year	79,843	77,157	75,587	72,097	
Total Non NHS trade invoices paid within target	28,605	33,104	49,629	46,040	
Percentage of Non-NHS trade invoices paid within target	36%	43%	66%	64%	
Total NHS trade invoices paid in the year	2,259	22,361	2,189	20,045	
Total NHS trade invoices paid within target	798	9,412	1,192	6,993	
Percentage of NHS trade invoices paid within target	35%	42%	54%	35%	

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

13.2 The Late Payment of Commercial Debts (Interest) Act 1998

There were immaterial amounts paid under this act during this year (2009/10: £nil).

14. Investment revenue	2010/11 £000	2009/10 £000
Interest revenue:		2000
Bank accounts	18	14
Other loans and receivables	3	0
Total	21	14
15. Other gains and losses	2010/11	2009/10
10. Other game and 100000	£000	£000
Loss on disposal of property, plant and equipment	(131)	(51)
Total	(131)	(51)
16. Finance costs	2010/11	2009/10
To. T. Maniec cooks	£000	£000
Interest on loans and overdrafts	0	160
Total interest expense	0	160
Other finance costs - unwinding of discount	20	38
Total	20	198

17. Property, plant and equipment									
	Land	Buildings excluding dwellings	Dwellings	Assets under construction and poa	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
2010/11									
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2010	26,305	118,473	2,743	6,981	35,442	148	6,816	4,303	201,211
Additions purchased	0	4,224	1	112	2,577	129	853	163	8,059
Additions donated	0	6	0	0	669	0	4	8	687
Reclassifications	0	5,933	0	(6,593)	352	1	0	73	(234)
Disposals other than by sale	0	0	0	(131)	(3,267)	0	0	0	(3,398)
At 31 March 2011	26,305	128,636	2,744	369	35,773	278	7,673	4,547	206,325
Depreciation at 1 April 2010	0	17,112	102	0	21,356	63	4,739	1,472	44,844
Disposals other than by sale	0	0	0		(3,267)	0	0	0	(3,267)
Impairments	0	351	0	0	0	0	0	0	351
Charged during the year	0	4,508	111		2,686	9	629	331	8,274
Depreciation at 31 March 2011	0	21,971	213	0	20,775	72	5,368	1,803	50,202
Net book value									
Purchased	26,305	104,366	2,531	369	12,010	206	2,220	2,659	150,666
Donated	0	2,299	0	0	2,988	0	85	85	5,457
Total at 31 March 2011	26,305	106,665	2,531	369	14,998	206	2,305	2,744	156,123
Asset financing									
Owned	26,305	106,665	2,531	369	14,998	206	2,301	2,744	156,119
Finance leased	0	0	0	0	0	0	4	0	4
Total 31 March 2011	26,305	106,665	2,531	369	14,998	206	2,305	2,744	156,123
17.1 Revaluation reserve balance fo	r property, pl	ant & equip	ment	Carl C					
	Land	Buildings excluding dwellings	Dwellings	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	
At 1 April 2010	9,956	24,294	0	1,252	0	0	0	35,502	
At 31 March 2011	9,956	24,294	0	1,252	0	0	0	35,502	

17. Property, plant and equipment co	ontinued Land	Bulldings excluding	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
		dwellings		and poa					
2009/10									
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2009	37,532	114,013	2,555	2,336	39,017	87	5,929	4,431	205,900
Additions purchased	0	4,598	0	6,029	1,732	67	807	343	13,576
Additions donated	0	18	0	0	741	0	80	64	903
Reclassifications	(1)	1,196	188	(1,384)	0	(1)	0	2	0
Disposals other than by sale	0	0	0	0	(6,814)	(7)	0	(624)	(7,445)
Revaluation/indexation gains	0	0	0	0	766	2	0	87	855
Impairments	(11,226)	(1,352)	0	0	0	0	0	0	(12,578)
At 31 March 2010	26,305	118,473	2,743	6,981	35,442	148	6,816	4,303	201,211
Depreciation at 1 April 2009					25,137	66	4,024	1,748	30,975
Disposals other than by sale	0	0	0		(6,764)	(7)	0	(623)	(7,394)
Revaluation/indexation gains	0	0	0		494	1	0	34	529
Impairments	0	12,364	0	0	0	0	0	0	12,364
Charged during the year	0	4,748	102		2,489	3	715	313	8,370
Depreciation at 31 March 2010	0	17,112	102	0	21,356	63	4,739	1,472	44,844
Net book value									
Purchased	26,305	98,900	2,641	6,981	11,149	85	1,952	2,741	150,754
Donated	0	2,461	0	0	2,937		125	90	5,613
Total at 31 March 2010	26,305	101,361	2,641	6,981	14,086	85	2,077	2,831	156,367
Asset financing									
Owned	26,305	101,361	2,641	6,981	14,086	85	2,068	2,831	156,358
Finance leased	0	0	0	0	0	0	9	0	9
Total 31 March 2010	26,305	101,361	2,641	6,981	14,086	85	2,077	2,831	156,367

17. Property, plant and equipment (cont.)

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives:

Freehold buildings - over estimated useful life not exceeding 65 years. Leaseholds - over the primary lease term.

Furniture and fittings - 5 to 15 years.

Transport Equipment - 7 to 10 years.

IT equipment - 5 to 10 years.

Plant and machinery - 5 to 20 years.

The majority of donated assets have been donated by the Friends of the Royal Shrewsbury Hospital; Friends of The Princess Royal Hospital Telford and The Shrewsbury and Telford Hospital NHS Trust Charitable Funds.

The Shrewsbury and Telford Hospital NHS Trust - Annual Accounts 2010/11 $\Tilde{\gamma}$

18. Intangible as:	sets
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2010/11	Computer software - internally generated	Computer software - purchased	Licences and trademarks	Patents	Development expenditure (internally generated)	Total
	000£	£000	£000	£000	£000	£000
Gross cost at 1 April 2010	0	536	0	0	0	536
Additions purchased	0	446	0	0	0	446
Additions donated	0	7	0	0	0	7
Reclassifications	0	234	0	0	0	234
Gross cost at 31 March 2011	0	1,223	0	0	0	1,223
Amortisation at 1 April 2010	0	43	0	0	0	43
Charged during the year	0	110	0	0	0	110
Amortisation at 31 March 2011	0	153	0	0	0	153
Net book value						
Purchased	0	1,064	0	0	0	1,064
Donated	0	6	0	0	0	6
Total at 31 March 2011	0	1,070	0	0	0	1,070

18. Intangible assets continued

2009/10	Computer software - internally generated	Computer software - purchased	Licences and trademarks	Patents	Development expenditure (internally generated)	Total
	£000	£000	£000	£000	£000	£000
Gross cost at 1 April 2009	0	124	0	0	0	124
Additions purchased	0	412	0	0	0	412
Gross cost at 31 March 2010	0	536	0	0	0	536
Amortisation at 1 April 2009	0	0	0	0	0	0
Charged during the year	0	43	0	0	0	43
Amortisation at 31 March 2010	0	43	0	0	0	43
Net book value						
Purchased	0	493	0	0	0	493
Donated	0	0	0	0	0	0
Total at 31 March 2010	0	493	0	0	0	493

18. Intangible assets (cont.)

The intangible assets held by the Trust relate to the purchase of software licenses and are written down over a useful economic life of 5 years.

18.2 Revaluation reserve balance for intangible assets

There are no revaluation reserve balances for intangible assets.

19. Impairments

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. 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. HM Treasury has agreed that NHS trusts must apply these new valuation requirements by 1 April 2010 at the latest. The Trust applied these new valuation requirements on 1 July 2009.

In 2009/10 the effect of this change was to recognise an impairment of the Trust's asset values by £24,942,000 of which £12,364,000 was charged directly to operating expenses (note 8) within the Statement of Comprehensive Income and £12,578,000 was charged directly to reserves within the Statement of Changes in Taxpayers' Equity.

In 2010/11 the Trust recognised an impairment of £351,000 relating to the 'brought in to use' valuation of a new paediatric outpatient department. This valuation was completed in September 2010 by the District Valuer and was charged directly to operating expenses (note 8) within the Statement of Comprehensive Income.

20. Capital Commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2011 £000	31 March 2010 £000		
Property, plant and equipment Intangible assets Total	423 0 423	2,742 244 2,986		
21. Inventories				
21.1 Inventories	31 March 2011 £000	31 March 2010 £000		
Drugs Consumables Energy Total	1,844 2,615 193 4,652	1,588 2,540 125 4,253		
Of which held at net realisable value:	4,652	4,253		
21.2 Inventories recognised in expenses	31 March 2011 £000	31 March 2010 £000		
Write-down of inventories (including losses)	78	94		
22. Trade and other receivables				
22.1 Trade and other receivables	Current 31 March 2011 £000	Non-current 31 March 2011 £000	Current 31 March 2010 £000	Non-current 31 March 2010 £000
NHS receivables-revenue Non-NHS receivables-revenue Provision for the impairment of receivables Prepayments and accrued income VAT Total	7,478 2,583 (426) 2,902 220 12,757	632 1,757 0 0 0 	8,962 2,946 (333) 3,045 354 14,974	608 1,784 0 0 0

The great majority of trade is with Primary Care Trusts, as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

22.2 Receivables past their due date but not impaired	31 March 2011	31 March 2010
	£000	£000
By up to three months	6,235	2,443
By three to six months	79	174
By more than six months	31	341
Total	6,345	2,958

At 31 March 2011 £4,238,000 relates to March 2011 invoicing raised to Telford and Wrekin PCT and is shown within the 'up to three months' category. The equivalent figure for 2009/10 was £479,000.

22.3 Provision for impairment of receivables	31 March 2011	31 March 2010
	£000	£000
Balance at 1 April	(333)	(316)
Amount written off during the year	388	100
Amount recovered during the year	(4)	4
Increase in receivables impaired	(477)	(121)
Balance at 31 March	(426)	(333)

Injury cost recovery income is subject to a provision for impairment of receivables of 9.6% (2009/10: 7.8%) to reflect expected rates of collection.

Invoices raised to overseas visitors are provided for immediately as a high number of these invoices are not collected.

Specific provisions are made against any invoices that are outstanding and deemed to be non-collectable including those that have been sent to the Trust's debt collection agency.

23. Other financial assets

There were no other financial assets in this year or the prior year.

24. Other current assets

There were no other current assets in this year or the prior year.

25. Cash and cash equivalents	31 March 2011	31 March 2010
**************************************	£000	£000
Balance at 1 April	441	441
Net change in year	(208)	0
Balance at 31 March	233	441
Made up of		
Cash with Government banking services	222	431
Commercial banks and cash in hand	11	10
Cash and cash equivalents as in statement of financial position	233	441
Bank overdraft - Government banking services	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	233	441

26. Non-current assets held for sale
The Trust had no non-current assets held for sale at 31 March 2011.

27. Trade and other payables	Current 31 March 2011 £000	Non-current 31 March 2011 £000	Current 31 March 2010 £000	Non-current 31 March 2010 £000
NHS payables-revenue	1,463	0	4,040	0
Non NHS trade payables - revenue	9,527	0	10,725	0
Non NHS trade payables - capital	2,167	0	5,744	0
Accruals and deferred income	9,669	0	4,749	0
Social security costs	1,688	0	1,629	0
Tax	2,156	0	2,107	0
Total	26,670	0	28,994	0

Non-NHS trade payables - revenue includes:

Outstanding pensions contributions of £2,084,000 at 31 March 2011 (31 March 2010: £1,983,000).

At the end of March 2011 the Trust had paid all approved invoices within the suppliers terms and conditions.

28. Borrowings	Current	Non-current	Current	Non-current
	31 March 2011	31 March 2011	31 March 2010	31 March 2010
	£000	£000	£000	£000
Finance lease liabilities	4	0	5	4
Total	4	0	5	4

29. Other liabilities

There were no other liabilities in this year or the prior year.

30. Finance lease obligations

The Trust has a finance lease for IT hardware for the Oracle finance system within the Shropshire Healthcare Finance Consortium. The hardware cost for the whole consortium was £87,300 and has a life expectancy of 5 years. The Shrewsbury and Telford Hospital NHS Trust element is 33.46% of the consortium.

Amounts payable under finance leases:

	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	
	31 March 2011 £000	31 March 2011 £000	31 March 2010 £000	31 March 2010 £000	
Within one year	4	4	5	5	
Between one and five years	0	0	4	4	
After five years	0	0	0	0	
Less future finance charges	0		0		
Present value of minimum lease payments	4	4	9	9	
Included in:					
Current borrowings		4		5	
Non-current borrowings		0		9	

31. Finance lease receivables (as lessor)

The Trust does not have any leasing arrangements where it acts as a lessor.

32. Finance lease commitments

The Trust has not entered into any finance lease agreements other than those disclosed in Note 30.

33. Private Finance Initiative contracts

The Trust has no Private Finance Initiative contracts.

34. Other financial liabilities

There were no other financial liabilities in this year or the prior year.

35. Provisions	Current 31 March 2011 3	Non-current 1 March 2011	Current 31 March 2010 3	Non-current 1 March 2010	
	£000	£000	£000	£000	
Pensions relating to other staff	39	161	38	185	
Legal claims	164	0	103	0	
Restructurings	574	21	0	0	
Injury Benefits relating to former staff	55	296	50	326	
Total	832	478	191	511	
	Pensions relating to	Legal claims	Restructurings	Injury Benefits	Total
	other staff			relating to	
	2000	0000	conn	former staff	cooo
	£000	£000	£000	£000	£000
At 1 April 2010	223	103	0	376	702
Arising during the year	8	158	595	15	776
Used during the year	(38)	(72)	0	(53)	(163)
Reversed unused	0	(25)	0	0	(25)
Unwinding of discount	7	0	0	13	20
At 31 March 2011	200	164	595	351	1,310
Expected timing of cash flows:					
Within one year	39	164	574	55	832
Between one and five years	124	0	21	203	348
After five years	37	0	0	93	130

Pensions relating to other staff is a provision for future payments payable to the NHS Pensions Agency in respect of former employees who took early retirement.

Legal claims relate to non clinical cases with employees and members of the general public.

Restructurings provision contains an amount of £543,000 relating to changes within the Trust's senior management team. The relevant individuals have been consulted with and the provision represents the expected direct expenditure arising from this change. The remaining £52,000 relates to a restructure of the Trust's procurement function. The relevant individuals have been consulted with and the provision represents the minimum direct expenditure arising from this change.

Injury Benefits relating to former staff contains provisions payable to former employees forced to retire due to injury suffered in the workplace.

£38,366,614 is included in the provisions of the NHS Litigation Authority at 31/3/2011 in respect of clinical negligence liabilities of the Trust (31/03/2010: £25,245,099).

36. Contingencies

36.1 Contingent liabilities	2010/11	2009/10
	£000	£000
Contingent liabilities	(86)	(64)
Total	(86)	(64)

The contingent liabilities represent the difference between the expected values of provisions for legal claims carried at note 35 and the maximum potential liability that could arise from these claims.

36.2 Contingent assets

The Trust does not have any contingent assets.

37. Financial instruments

Embedded derivatives 0 632 632 632 632 632 632 632 632 632 632 632 632 233 233 233 Other Informacial assets 0	37.1 Financial assets	At fair value through profit and loss £000	Loans and receivables	Total
Receivables 632 632 632 Cash at bank and in hand 233 233 233 233 233 233 233 233 204 0 0 0 0 0 0 0 0 0 0 605 862 868 808 808 <t< td=""><td></td><td>2000</td><td></td><td></td></t<>		2000		
Cash at bank and in hand 233 233 Other financial assets 0 0 0 Total at 31 March 2011 0 865 865 Embedded derivatives 0 0 0 Receivables 608 608 608 Cash at bank and in hand 441 441 441 Other financial assets 0 0 0 0 Total at 31 March 2010 0 1049 1049 37.2 Financial liabilities At fair value through profit and loss Concept through profit and loss 0 0 0 Embedded derivatives 0 0 0 0 0 0 Payables 164 <td>Embedded derivatives</td> <td>0</td> <td></td> <td></td>	Embedded derivatives	0		
Other financial assets 0 0 0 Total at 31 March 2011 0 865 865 Embedded derivatives 0 0 0 Receivables 608 608 608 Cash at bank and in hand 441 441 441 Other financial assets 0 0 0 0 Total at 31 March 2010 0 1049 1049 37.2 Financial liabilities At fair value through profit and loss 108 108 Embedded derivatives 0 0 0 0 Payables 164 164 164 PFI and finance lease obligations 0 0 0 Other financial liabilities 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 PFI and finance lease obligations 0 0 0 Other borrowings 0 0 0	Receivables			2222
Total at 31 March 2011 0 865 865 Embedded derivatives 0 </td <td></td> <td>112</td> <td></td> <td></td>		112		
Embedded derivatives 0 0 Receivables 608 608 Cash at bank and in hand 441 441 Other financial assets 0 0 0 Total at 31 March 2010 0 1049 1049 37.2 Financial liabilities At fair value through profit and loss 2000 £000 £000 Embedded derivatives 0 0 0 0 Payables 164 164 164 PFI and finance lease obligations 4 4 4 Other borrowings 0 0 0 Other financial liabilities 0 0 0 Embedded derivatives 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 0 Other financial liabilities 0 <td>승규나가 가장 하는 아이들이 아이들이 되었다면 하는데 하는데 하는데 하는데 하는데 하는데 하는데 하는데 하는데 하는데</td> <td></td> <td></td> <td></td>	승규나가 가장 하는 아이들이 아이들이 되었다면 하는데			
Receivables	Total at 31 March 2011	0	865	865
Receivables 608 608 Cash at bank and in hand 441 441 Other financial assets 0 0 0 Total at 31 March 2010 0 1049 1049 37.2 Financial liabilities At fair value through profit and loss Company of the company	Embedded derivatives	0		0
Cash at bank and in hand Other financial assets 0 0 0 Total at 31 March 2010 At fair value through profit and loss Other financial liabilities At fair value through profit and loss £000 £000 Embedded derivatives 0 0 0 0 Payables 164 164 164 PFI and finance lease obligations 4 4 4 Other borrowings 0 0 0 Other financial liabilities 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 0 Other borrowings 0 0 0 Other financial liabilities 0 0 0			608	608
Total at 31 March 2010 0 1049 1049 37.2 Financial liabilities At fair value through profit and loss £000 Composition for the factor of the			441	441
37.2 Financial liabilities At fair value through profit and loss Other Total £000 £000 £000 £000 Embedded derivatives 0 0 0 Payables 164 164 164 PFI and finance lease obligations 4 4 4 Other borrowings 0 0 0 Other financial liabilities 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 0 Other financial liabilities 0 0 0	Other financial assets	0		
Embedded derivatives 0 £000 £000 Payables 164 164 PFI and finance lease obligations 4 4 Other borrowings 0 0 Other financial liabilities 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 Other financial liabilities 0 0 0	Total at 31 March 2010	0	1049	1049
Embedded derivatives 0 £000 Payables 164 164 PFI and finance lease obligations 4 4 Other borrowings 0 0 Other financial liabilities 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 103 PFI and finance lease obligations 9 9 9 Other borrowings 0 0 0 Other financial liabilities 0 0 0	37.2 Financial liabilities	through profit and	Other	Total
Payables 164 164 PFI and finance lease obligations 4 4 Other borrowings 0 0 0 Other financial liabilities 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 103 PFI and finance lease obligations 9 9 9 Other borrowings 0 0 0 Other financial liabilities 0 0 0			£000	£000
Payables 164 164 PFI and finance lease obligations 4 4 Other borrowings 0 0 0 Other financial liabilities 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 103 PFI and finance lease obligations 9 9 9 Other borrowings 0 0 0 Other financial liabilities 0 0 0	Embedded derivatives	0		0
PFI and finance lease obligations 4 4 Other borrowings 0 0 Other financial liabilities 0 0 Total at 31 March 2011 0 168 Embedded derivatives 0 0 Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 Other financial liabilities 0 0 0			164	164
Other financial liabilities 0 0 0 Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 Other financial liabilities 0 0			4	4
Total at 31 March 2011 0 168 168 Embedded derivatives 0 0 0 Payables 103 103 103 PFI and finance lease obligations 9 9 9 Other borrowings 0 0 0 Other financial liabilities 0 0 0	Other borrowings		100	657
Embedded derivatives 0 0 Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 Other financial liabilities 0 0				
Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 Other financial liabilities 0 0	Total at 31 March 2011	0	168	168
Payables 103 103 PFI and finance lease obligations 9 9 Other borrowings 0 0 Other financial liabilities 0 0 0	Embedded derivatives	0		0
PFI and finance lease obligations 9 9 Other borrowings 0 0 Other financial liabilities 0 0			103	103
Other borrowings 0 0 Other financial liabilities 0 0 0				
Other infantier admired			A379	9.5
Total at 31 March 2010 0 112 112				
	Total at 31 March 2010	0	112	112

The fair value of financial assets and financial liabilities are equal to the carrying amount.

37.3 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 of the continuing service provider relationship that the NHS trust has with primary care trusts and the way those primary care trusts are financed, the NHS trust 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 NHS trust 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 NHS trust in undertaking its activities.

The trust's treasury management operations are carried out by the finance department, within parameters defined formally within the trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the trust's internal auditors.

Currency risk

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

Interest rate risk

The trust borrows from government for capital expenditure, subject to affordability as confirmed by the strategic health authority. The borrowings are for 1-25 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 trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the trust's income comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2011 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The trust's operating costs are incurred under contracts with primary care trusts, which are financed from resources voted annually by Parliament . The trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The trust is not, therefore, exposed to significant liquidity risks.

38. Events after the reporting period

There are no material events after the reporting period that require adjusting or disclosing within these financial statements.

39. Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

39.1 Breakeven performance	2005-06 £000	2006-07 £000	2007-08 £000	2008-09 £000	2009-10 £000	2010-11 £000
Turnover	189,152 (12,142)	205,748 (2,840)	227,241 4,102	247,233 4,127	262,882 (11,652)	277,980 (325)
Retained (deficit)/surplus for the year Adjustment for:	(12,142)	(2,040)	4,102	4,127	(11,002)	(020)
Timing/non-cash impacting distortions: Use of pre - 1.4.97 surpluses [FDL(97)24 Agreements]	0	0	0	0	0	0
2006/07 PPA (relating to 1997/98 to 2005/06) 2007/08 PPA (relating to 1997/98 to 2006/07)	0	0				
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	(5,635)	30	12,364	351
Adjustments for Impairments Consolidated Budgetary Guidance - Adjustment for Dual Accounting under IFRIC12*				50	0	0
Other agreed adjustments	0	0	0	0	0	0
Break-even in-year position	(12,142)	(2,840)	(1,533)	4,157	712	26
Break-even cumulative position	(22,675)	(25,515)	(27,048)	(22,891)	(22,179)	(22,153)

^{*} Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009/10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance

In line with the Trust's Long Term Financial Model the Trust aims to achieve cumulative break-even in 2016.

	2005-06 %	2006-07	2007-08 %	2008-09 %	2009-10 %	2010-11 %
Materiality test (I.e. is it equal to or less than 0.5%):						
Break-even in-year position as a percentage of turnover	-6.4%	-1.4%	-0.7%	1.7%	0.3%	0.0%
Break-even cumulative position as a percentage of turnover	-12.0%	-12.4%	-11.9%	-9.3%	-8.4%	-8.0%

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have **not** been restated to IFRS and remain on a UK GAAP basis.

39.2 Capital cost absorption rate

Until 2008/09 the trust was required to absorb the cost of capital at a rate of 3.5% of forecast average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital bears to the actual average relevant net assets.

From 2009/10 the dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

39.3 External financing

The trust is given an external financing limit which it is permitted to undershoot.

	2010/11 £000	2009/10 £000
External financing limit	736	901
Cash flow financing Other capital receipts External financing requirement	1,902 (1,199) 703	895 0 895
Undershoot	33	6

39.4 Capital resource limit

The trust is given a capital resource limit which it is not permitted to exceed.

	2010/11	2009/10
	£000	£000
Gross capital expenditure	9,199	14,891
Less: book value of assets disposed of	(131)	(51)
Less: donations towards the acquisition of non-current assets	(694)	(903)
Charge against the capital resource limit	8,374	13,937
Capital resource limit	8,505	13,937
Under spend against the capital resource limit	131	0

40. Related party transactions

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the Shrewsbury and Telford Hospital NHS Trust.

The Department of Health is regarded as a related party. During the year the Trust 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. These entities are:

	Payments to	Receipts from	Amounts owed	Amounts due
	Related Party	Related Party	to Related Party	from Related
				Party
	£000	£000	£000	£000
Shropshire County PCT;	455	129,022	28	1,472
Telford and Wrekin PCT;	175	90,119	72	5,355
NHS Litigation Authority;	5,406	0	0	0
NHS Business Services Authority;	7,833	0	243	0
NHS Blood and Transplant;	1,951	0	25	0
West Midlands Strategic Health Authority;	36	10,876	15	13
Birmingham East and North PCT;	0	9,265	0	22
South Staffordshire PCT;	0	1,251	0	0
North Staffordshire PCT;	0	847	0	16
Robert Jones and Agnes Hunt Orthopaedic and District Hospital NHS Trust;	1,180	2,286	29	76
Mid Cheshire Hospitals NHS Foundation Trust;	876	0	142	0
University Hospital of North Staffordshire NHS Trust;	800	136	380	168

In addition, the Trust had a number of material transactions with central and local Government bodies. Most of these transactions have been with Shropshire Council and Telford and Wrekin Council for business rates.

The Trust had a number of material transactions with Welsh bodies for healthcare: Powys Local Health Board, Betsi Cadwaladr University Health Board and the Health Commission of Wales.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the Trustees for which are also members of the NHS Trust Board. The audited accounts/the Summary Financial Statements of the Funds Held on Trust will be published separately.

41. Third party assets

The Trust held £1,126 cash and cash equivalents at 31 March 2011 (£2,451 at 31 March 2010) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

Current receivables	Non-current receivables	Current payables	Non-current payables
£000	£000	£000	£000
7,312	632	6.345	0
53	0	5	0
386	0	1,046	0
0	0	0	0
7,751	632	7,396	0
5,006	1,757	19,274	0
12,757	2,389	26,670	0
9,360	608	8,459	0
0	0	17	0
564	0	1,164	0
0	0	0	0
9,924	608	9,640	0
5,050	1,784	19,354	0
14,974	2,392	28,994	0
	#2000 7,312 53 386 0 7,751 5,006 12,757 9,360 0 564 0 9,924 5,050	£000 £000 7,312 632 53 0 386 0 0 0 7,751 632 5,006 1,757 12,757 2,389 9,360 608 0 0 564 0 0 0 9,924 608 5,050 1,784	£000 £000 £000 7,312 632 6,345 53 0 5 386 0 1,046 0 0 0 7,751 632 7,396 5,006 1,757 19,274 12,757 2,389 26,670 9,360 608 8,459 0 0 1,764 0 0 0 9,924 608 9,640 5,050 1,784 19,354

43. Losses and special payments

There were 257 cases of losses and special payments (2009/10: 193 cases) totalling £647,105 (2009/10: £365,506)

There were no cases where the net payment exceeded £250,000 in either this current period or the previous year.

The Shrewsbury and Telford Hospital NHS Trust

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Royal Shrewsbury Hospital Mytton Oak Road Shrewsbury SY3 8XQ

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