



ANNUAL ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2012

NHS 24

ANNUAL ACCOUNTS and NOTES for the year ended 31 MARCH 2012

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NHS 24

ANNUAL ACCOUNTS and NOTES for the year ended 31 MARCH 2012

DIRECTORS' REPORT

A. DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2012.

1. Naming Convention

NHS 24 is the common name for NHS 24 Special Health Board.

2. Principal activities and review of the business and future developments

The information that fulfils the requirements of the business review, principal activities and future developments can be found in the Operating and Financial Review, which is incorporated in this report by reference.

3. Date of Issue

Financial statements were approved and authorised for issue by the Board on 28 June 2012.

4. Accounting Convention

The Annual Accounts and Notes have been prepared under the historical cost convention as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit and loss. The Accounts have been prepared under a direction issued by Scottish Ministers which should be included as an annex to the accounts.

The statement of the accounting policies, which have been adopted for 2011/12, is shown at Note 1.

5. Appointment of Auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed Scott-Moncrieff to undertake the audit of NHS 24. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Following a tendering exercise, PricewaterhouseCoopers became NHS 24's internal auditors on 1st July 2010 following the expiration of Deloitte's contract. This appointment was approved at the Board meeting of 25 March 2010.

6. Board Membership

Under the terms of the Scottish Health Plan, NHS 24 is a board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards are appointed on the basis of their position or the particular expertise which enables them to contribute to the decision-making process at strategic level.

The Board of NHS 24 has a collective responsibility for the performance of NHS 24.

The Board meets on a monthly basis, excluding July and December. The Meetings are held in public.

The **Members of the Board** during the year ended 31 March 2012 were as follows:

Chairman	Mr Allan Watson
Non-Executives	Mr Alexander Smith, Vice Chairman Mrs Emma Bell (to 30 April 2011) Mrs Kay Blair Mr Martin Hill Miss Anne Jarvie Mr Graham Revie, Employee Director Mr John Rogerson Mr Stuart Smith

Executive Directors appointed by the Minister as Board Members were:

Mr John Turner	Chief Executive
Prof George Crooks	Medical Director
Mr Robert Stewart	Director of Finance & Technology
Mrs Eunice Muir	Nurse Director

The responsibilities of the Members of the Board in relation to the Accounts are set out in a Statement following this Report.

7. Board members' and senior managers' interests

The Board holds a Register of Interests for Executive Directors, Non-Executive Members and Senior Managers. This Register is held at the NHS 24 Headquarters in Caledonia House, Fifty Pitches Road, Cardonald Park, Glasgow G51 4EB.

All interests are updated on a regular basis throughout the year, to ensure that an up to date register is available at the 31st of March.

Details of any interests of board members, senior managers and other senior staff in contracts or potential contractors with NHS 24 as required by IAS 24 are disclosed in note 29.

8. Pension Liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown in Note 24 and in the Remuneration Report.

9. Remuneration for non audit work

During 2011/12, PricewaterhouseCoopers were paid a total of £12,395 relating to advice in relation to the Strategic Frontline Applications programme for the NHS 24 Board. Scott-Moncrieff did not receive any remuneration for non-audit work for NHS 24 during 2011/12.

10. Related Party Transactions

Board members and Senior Staff are required to disclose any interests that they have in any organisations which may have material transactions with the Board. This is done through review of the annual Register of Interest returns. During 2011/12, NHS 24 did not carry out any transactions with any related parties.

11. Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose new duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year.

Information on public relations, overseas travel, hospitality and entertainment, external consultancy, payments with a value in excess of £25,000, members or employees who received remuneration in excess of £150,000, sustainable economic growth, and efficiency, effectiveness and economy can be found on the NHS 24 website at:
<http://www.nhs24.com/AboutUs/Expenditure>

12. Payment Policy

The Scottish Government is committed to supporting business in the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days, across all public bodies.

The target has been communicated to all non-departmental public bodies, who are working towards the accelerated payment target of 10 working days.

Prior to this, the Boards did endeavour to comply with the principles of The Better Payment Practice Code (<http://www.payontime.co.uk/>) by processing suppliers invoices for payment without unnecessary delay and by settling them in a timely manner.

- In 2011/12, average credit taken was 21 days (2010/11 - 29 days).
- In 2011/12, NHS 24 paid 83.2% of invoices by value (2010/11 – 59.4%) and 85% by volume (2010/11 – 74.0%) within 30 days.
- In 2011/12, NHS 24 paid 42.1% of invoices by value (2010/11 – 11.7%) and 22.3% by volume (2010/11 – 12.6%) within 10 days.

The figures relate only to non-NHS suppliers.

13. Corporate Governance

The Board meets regularly throughout the year to progress the business of NHS 24. During 2011/12, the Board met on a monthly basis, excluding July and December.

Board meetings are open to the public and include scrutiny of performance and patient experience issues (including service and corporate performance); finance and technology; strategy and corporate projects; clinical governance, patient safety and quality; and staff governance and human resources.

The Board has in place a Schedule of Retained Decisions encompassing such matters as approval of key corporate documents (including the NHS 24 Strategy, Annual Corporate Plan, Local Delivery Plan and Workforce Plan), financial and capital plans, and the Annual Report and Accounts. All powers not retained by the Board are delegated to the Chief Executive, who exercises these powers with the support of the NHS 24 Executive Team and in accordance with a Scheme of Delegation which has been approved by the Board.

The respective roles of the Chairman, to lead the Board, and of the Chief Executive, to lead the management of the organisation, are separate and are defined in the Board's Standing Orders that are included within the NHS 24 Corporate Governance Manual. The Board includes an appropriate balance of Executive Directors and Non Executive Board Members, and appointments to the Board are made by the Scottish Government in accordance with an open process.

An induction programme is in place for new Board members, tailored to individual requirements. Board members refresh their knowledge through participation in workshop sessions on relevant topics and attendance at appropriate external seminars and events. The Board takes steps on an ongoing basis to ensure that its performance, and that of its Committees, remains effective.

Committees

The Board meets during the year to progress the business of NHS 24. The Board is supported by the following standing committees that exist at NHS Board level:

- Audit
- Clinical Governance
- eHealth
- Equality, Diversity and Involvement of Patients and the Public (EQIPP)
- Remuneration
- Staff Governance.

For information with effect from 1 April 2012, the Board approved the establishment of a Future Service Committee to provide governance oversight of the major change programme to be conducted over the upcoming 18 months. The Board also approved the disbandment of the eHealth Committee with effect from the same date.

The purpose and membership of each of the Committees in place during the year is as outlined below.

13.1 The Audit Committee

The Committee provides assurance to the Board that appropriate audit and risk governance structures are in place, and that NHS 24's activities comply with the regulatory framework applicable to the NHS. The Committee seeks to ensure that an effective system of internal control is maintained, and provides oversight of financial systems and procedures. The Committee considers audit reports received regularly from the Internal Auditor and the External Auditor on audit work relating to the systems of internal control and corporate governance, as directed by the agreed annual audit plans.

The Committee met on four occasions during 2011/12. The Members of the Committee at the year end were: Mrs Kay Blair (Chairman from 1 July 2011); Miss Anne Jarvie (as Chairman of the Clinical Governance Committee from 1 May 2011); Mr Martin Hill; Mr Stuart Smith; and Mr Graham Revie. Mr Alexander Smith stood down as Chairman from 30 June 2011 and Mr Stuart Smith ceased his appointment as a Committee Member (as Chairman of the Clinical Governance Committee) from 1 May 2011 but continued thereafter as a Member appointed by the Board.

13.2 The Clinical Governance Committee

The Committee provides assurance to the Board that appropriate clinical governance mechanisms are in place and are effective throughout the organisation. It also ensures that the principles and standards of clinical governance are applied to the health improvement and health protection activities of the Board, and that appropriate mechanisms are in place for the effective engagement of representatives of patients and clinical staff.

The Committee met on three occasions during 2011/12. The Members of the Committee at the year end were: Miss Anne Jarvie (Chairman from 1 May 2011); Mrs Kay Blair (as Chairman of the Audit Committee from 1 July 2011); Mr Martin Hill (from 1 May 2011); Mr John Rogerson; Mr Graham Revie; Prof George Crooks and Mrs Eunice Muir. Mr Stuart Smith stood down as Chairman, Mr Alexander Smith stood down as a Member from 1 May 2011 and Prof Liz Wilson served as Clinical Advisory Group representative from 1 May 2011 until 29 February 2012.

13.3 The eHealth Committee

The Committee provides assurance to the Board on the effective governance of NHS 24's technology and eHealth activities, providing oversight of the application of best practice and the achievement of best value in the development, procurement and operation of NHS 24's technology systems. The Committee also seeks to ensure that NHS 24 builds awareness and takes advantage of innovation in IT and telephony.

The Committee met on four occasions during 2011/12. The Members of the Committee at the year end were: Mr Martin Hill (Chairman from 1 May 2011); Mr John Rogerson; Mr Alexander Smith; Mr Graham Revie; Mr John Turner; Mr Robert Stewart; Mr Kenny Woods (as nominated Partnership Forum Representative); and Dr Stella Clark (as external Clinical eHealth Lead). Mr John Rogerson stood down as Chairman from 1 May 2011 but continued thereafter as a Member appointed by the Board and Mrs Emma Bell stood down as a Member from 30 April 2011.

13.4 The Equality, Diversity and Involvement of Patients and the Public (EQIPP) Committee

The Committee provides assurance to the Board that appropriate structures and processes are in place to address issues of diversity and equality, human rights and the governance requirements of Patient Focus Public Involvement. It seeks to ensure that the NHS 24 service, the cultural capacity of its staff, and its continuous development, better understands and meets the particular needs of individuals and diverse communities across Scotland and is responsive to their views.

The Committee met on three occasions during 2011/12. The Members of the Committee at the year end were: Mr Stuart Smith (Chairman from 1 May 2011); Mrs Kay Blair; Mr Graham Revie; Mr John Turner; Mrs Eunice Muir; Mr Joseph Markey (as Partnership Forum Nominated Staff Representative from 1 November 2011); and Mr Billy Peacock (from 1 November 2011) and Mr Gordon Guthrie (as Public Partnership Forum Representatives). Mrs Kay Blair stood down as Chairman from 1 May 2011 but continued thereafter as a Member appointed by the Board. Miss Anne Jarvie ceased her appointment as a Committee Member (as Chairman of the Staff Governance Committee) from 1 May 2011 and Mrs Emma Bell stood down as a Member from 30 April 2011. Mr Jim Alexander stood down as Partnership Forum Nominated Staff Representative from 1 May 2011 and was replaced by Ms Cathy Sharp who served as a Member until 1 November 2011. Ms Margaret Donaldson stood down as Public Partnership Forum Representative from 1 November 2011.

13.5 The Remuneration Committee

The Committee provides assurance to the Board that appropriate arrangements are in place for NHS 24 to meet the statutory requirements laid out in the Staff Governance Standard in respect of the remuneration of the Executive Directors and Directors.

Meetings of the Committee are arranged as required and the Committee met on three occasions during 2011/12. The Members of the Committee at the year end were: Mr Allan Watson (Board and Committee Chairman); Mr Alexander Smith (as Vice Chairman); Mrs Kay Blair (as Chairman of the Audit Committee from 1 July 2011); Mr Martin Hill (as Chairman of the eHealth Committee from 1 May 2011); Miss Anne Jarvie (as Chairman of the Clinical Governance Committee from 1 May 2011); Mr John Rogerson (as Chairman of the Staff Governance Committee from 1 May 2011); and Mr Stuart Smith (as Chairman of the EQIPP Committee from 1 May 2011). The capacity in which the Members served on the Committee changed during the year to reflect their chairmanship of the respective Committees, but the only effect of this was that Mr Martin Hill became a Committee Member from 1 May 2011.

13.6 The Staff Governance Committee

The Committee provides assurance to the Board on the delivery of the highest possible standard of staff management built upon partnership and collaboration. The Committee seeks to ensure that robust arrangements are in place in relation to the implementation of the Staff Governance Standard so that staff are well informed, appropriately trained, involved in decisions which affect them, treated fairly and consistently and provided with an improved and safe working environment.

The Committee met on three occasions during 2011/12. The Members of the Committee at the year end were: Mr John Rogerson (Chairman from 1 May 2011); Mr Stuart Smith (as Chairman of the EQIPP Committee from 1 May 2011); Miss Anne Jarvie; Mr Alexander Smith (from 1 May 2011); Mr Graham Revie; Mr John Turner; Mrs Eunice Muir; and Mr Fred McCosh and Ms Cathy Sharp (both from 1 November 2011) (as Partnership Forum Nominated Staff Representatives). Miss Anne Jarvie stood down as Chairman from 1 May 2011 but continued thereafter as a Member appointed by the Board. Mrs Kay Blair ceased her appointment as a Committee Member (as Chairman of the EQIPP Committee) from 1 May 2011, and Mrs Emma Bell and Mr Martin Hill stood down as Members on 30 April 2011 and 1 May 2011 respectively. Mrs Mary Trivasse stood down as Partnership Forum Nominated Staff Representative on 1 May 2011 and was replaced by Mr Joseph Markey who served as a Member until 1 November 2011. Ms Gaynor Carey stood down as Partnership Forum Nominated Staff Representative on 1 November 2011.

The above Committees were supported by Executive Directors as required.

13.7 The Ethics Committee

NHS 24 has not established an Ethics Committee but appropriate advice is sought from other NHS organisations, including the Medical Research and Ethics Committee (MREC) as required.

13.8 Other Advisory Forums

In addition to the Committees noted above, the Board has a Clinical Advisory Group which operates as a reference group and includes representatives from clinicians and professional bodies from across the NHS in Scotland. The Clinical Advisory Group, which reports to the Clinical Governance Committee, met on four occasions during 2011/12.

A Dental Advisory Group has also been established to act as a reference group in relation to dental services. The Dental Advisory Group met on four occasions during 2011/12.

13.9 A Partnership Forum was established in September 2003 to ensure there is a regular opportunity for consultation and dialogue between staffside representatives and managers on key organisational issues. Meetings are generally held each month and are co-chaired by the Chief Executive and the Employee Director, with attendance from various staff representatives, senior managers and Executive Directors and Non-Executive Board Members.

14. Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware; and each Director has taken all the steps that he/she ought reasonably to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

15. Human Resources

As an equal opportunities employer, the NHS 24 welcomes applications for employment from disabled persons and actively seeks to provide an environment where they and any employees who become disabled can continue to contribute to the work of the board.

16. Events after the end of the reporting period

No significant events affecting the Board have occurred since the year end.

17. Financial Instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Board to price risk, credit risk, liquidity risk and cash flow risk is disclosed in note 27.

18. Approval and signing of the directors' report

The Accounting Officer authorised these financial statements for issue on 28th June 2012.

Signed
John Turner, Chief Executive

Date

B. OPERATING AND FINANCIAL REVIEW

NHS Health Boards are required to prepare an Operating and Financial Review as per the Financial Reporting Manual (FReM).

1. Principal Activities and review of the year

NHS 24 was established in April 2001, under the National Health Service (Scotland) Act 1974, and is responsible for the delivery of clinical assessment and triage, health advice and information by telephone and online services to the population of Scotland 24 hours a day, 365 days a year. NHS 24 is Scotland's national Telehealth and Telecare organisation, which develops, provides and facilitates Telehealth and Telecare services for patients, carers and citizens across Scotland. Specifically, the role of NHS 24 is to:

- triage calls, assess patients' symptoms and refer patients to the most appropriate healthcare professional within an appropriate timescale based on clinical need;
- work in partnership with local health services provided by NHS Boards, NHS staff organisations and local communities through integration with other parts of the NHS - in particular, the Primary Care Out-of-Hours Services provided by NHS Boards throughout Scotland, the Scottish Ambulance Service and the Acute Hospitals' Accident and Emergency Departments;
- support the health improvement agenda across Scotland by working in partnership with local Boards to provide added value services where and when required, utilising the IT telephony and infrastructure to benefit patients 24 hours a day;
- provide other telephone-based and on line Health Information and Advice Services e.g.:
 - NHS inform, a national health information service;
 - the Breathing Space Service, which provides support for people suffering low mood and depression.
 - Care Information Scotland, a service providing community care information for older people.
 - the NHSScotland Digital TV service
- lead and manage the activities of the Scottish Centre for Telehealth and Telecare

Service Provision

2011/12 was a year of strong performance by NHS 24 both in terms of the unscheduled care service, which answered almost 1.5 million calls and met all clinical service targets, and the expansion of other services provided by the organisation. Other key points to note are:

- the ongoing development and management of NHS inform, including the development of Musculoskeletal (MSK), Palliative Care, Mental Health & Well Being, and Detect Cancer Early zones;
- the launch and ongoing development of NHSScotland's Digital Television Channel, delivering a range of services including Health Information, interactive Anticipatory Care Plans, and GP appointments booking;
- the continued delivery of the Scottish Centre for Telehealth and Telecare national programmes including:
 - the expansion of the North telestroke network with NHS Grampian now supporting NHS Highland (from the Lorn and Islands Hospital in Oban and Caithness General Hospital), as well as NHS Western Isles (from the Western Isles Hospital) .

- the establishment of the South Telestroke Network (with NHS Lothian supporting NHS Fife, NHS Borders, NHS Dumfries and Galloway, and NHS Forth Valley).
- the development of a Scottish Prison Service forensic service within HMP Edinburgh and HMP Addiewell. Work is now underway to scope out the potential for a national service, and to provide healthcare services to people in Police Custody.
- the ongoing development of a Paediatric Unscheduled Care Service for the North Of Scotland Boards;
- the continued involvement in the provision of the Scottish Emergency Dental Service, with NHS 24 being the first point of contact for patients requiring emergency dental services in the out of hours period, providing assessment of symptoms and arranging face to face clinical treatment if needed. The service is available in all Health Board areas within Scotland;
- the continued delivery of a pilot telephone based Cognitive Behavioural Therapy service, in partnership with five Health Boards, for people referred by their GP for help with mild to moderate depression, which provides talking therapies to patients who may otherwise have difficulty accessing CBT services due to rural location or social deprivation, and the expansion of this service to provide a self-help option;
- the completed expansion of our local presence in all Health Board areas with the launch a remote centre NHS Western Isles, resulting in NHS 24 having a presence in every territorial health board area;
- the continued close working with the Scottish Ambulance Service in the delivery of unscheduled care services, through the establishment of a joint working group to further promote means of joint working between the organisations. Work undertaken during 2011/12 included the continuation of the project to develop a Common Triage Tool to be used by both organisations;
- the development of a Patient Reminder Service supporting territorial health boards reduce their "did not attend" at outpatient clinics. The service is now live in NHS Forth Valley and plans are in place to expand this to NHS Western Isles, NHS Greater Glasgow and Clyde and NHS Grampian during 2012.
- the continued management of the Life Begins @ 40 Healthcheck service
- ongoing management of the Care Information Scotland service;
- the management of the Scottish Assisted Living Programme Board, and the development of the Scottish "DALLAS" Bid;
- the implementation of the pilot British Sign Language (BSL) service;
- the development of an NHS 24 and NHS inform presence on various social media sites (including Facebook and Twitter).

Supporting Activities

During 2011/12 a number of key supporting activities were taken forward by the organisation. Key points to note are:

- The appointment of the new suppliers for the Strategic Frontline Applications (SFLA) programme which will replace the applications used by the frontline services, and the supporting infrastructure and telephony for the organisation, and the establishment of the Service Redesign Programme (now combined into the "Future Programme");
- The continued relationship building with our partners, including territorial Health Boards, the Scottish Government Health Directorates, and NHS Direct;

- NHS 24, in close partnership with Scottish Government, leading the development and implementation further partnership working in Europe;

Supporting and Developing our Staff

During 2011/12 a range of activities in relation to the support and development of our staff have been progressed these include:

- delivery of the outcomes associated with the 2010 Staff Survey and achievement of a positive response rate and results in the 2011 Staff Survey.
- the continuation of a stable workforce, with the LDP standard for attendance management figure exceeded during the year, ongoing progress on eKSF achievement;
- the continued development of our PFPI group, ensuring that patients and the public are involved in key service developments within the organisation;
- the achievement of an excellent Participation Standard Self-Assessment outcome;
- the recruitment of the first Healthcare Support Workers in line with new regulations;
- the implementation of year two of the Protecting Vulnerable Groups (PVG) Scheme;
- the development and delivery of recruitment and induction for the new role of Call Operator;
- the development and delivery of an in-house Occupational Health service;
- the implementation of a “Great Ideas” campaign;
- the completion and evaluation of an absence reporting line pilot which is now being rolled out across the organisation.

2 Financial Performance and Position

As with other Health Bodies, the finances of NHS 24 are subject to resource limit controls. The SGHD sets three annual budget limits. These limits are:

- a) Revenue Resource Limit - a resource budget for ongoing operations;
- b) Capital Resource Limit - a resource budget for net capital investment; and
- c) Cash Requirement - a financing requirement to fund the cash consequences of the ongoing operations and the net capital investment.

NHS 24 is expected to stay within these limits and report on any variations from the limits as set.

The performance against the targets is as follows:

	Limit as set by SGHD £'000	Actual outturn £'000	Variance (over)/under £'000	%
Revenue Resource Limit (RRL)	62,450	62,251	199	0.32
<i>Of which:</i>				
<i>Core Revenue Resource Limit</i>	<i>59,981</i>	<i>59,782</i>	<i>199</i>	<i>0.33</i>
<i>Non-Core Revenue Resource Limit</i>	<i>2,469</i>	<i>2,469</i>	<i>0</i>	<i>0.00</i>
Capital Resource Limit (CRL)	319	259	60	18.81
<i>Of which:</i>				
<i>Core Capital Resource Limit</i>	<i>319</i>	<i>259</i>	<i>60</i>	<i>18.81</i>
<i>Non-Core Capital resource Limit</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.00</i>
Cash Requirement	61,000	60,892	108	0.18

MEMORANDUM FOR IN-YEAR OUTTURN *

Brought forward deficit / (surplus) from previous financial year
Saving / (excess) against in-year Revenue Resource Limit

2012
£'000
(1,074)
(875)

Comment on the RRL

During 2011/12, NHS 24 reported an underspend of £0.199 million against the budgeted RRL of £62.450 million (£59.981m core and £2.469m non-core). Of the £62.450 million received in year, a total of £1.120 million related to earmarked recurrent funding.

Of the earmarked funding, significant allocations included funding for the Scottish Centre for Telehealth, and other earmarked projects such as NHS Inform, the Winter and Easter campaigns and Care Information Scotland.

NHS 24 wrote off £0.029 million of assets that were deemed to be impaired. SGHD provided an increase to the NHS 24's Annually Managed Expenditure from its central budget for impairments to cover this.

NHS 24 is anticipating a carry forward of the surplus for 2011/12 non-recurrently into 2012/13. This surplus will contribute towards the procurement and programme costs associated with NHS 24's Future Programme.

Management accounting information comparing actual expenditure against original budget is reported to the Board at each meeting by Directorate and by major type of expenditure. These reports include, from the third month of the year and after discussion with each Director, revised forecasts of the year-end position against the resources provided and the budget set at the start of the year. Any forecast slippage in revenue or capital expenditure through the year is reported to the SGHD in monthly returns.

Comment on the CRL

During 2011/12, the capital expenditure for NHS 24 was £0.259 million. This represents an underspend of £0.060 million against the Capital Resource Limit allocation given to NHS 24 for 2011/12 by SGHD.

The expenditure was against a number of small projects, namely Wireless LAN, the CC6 voice upgrade, the purchase of software for the Patient Reminder Service and IT equipment for the SFLA implementation team.

Financial Brokerage

Following detailed discussions and meetings with SGHD finance colleagues, the Director of Finance & Technology received confirmation that the Scottish Government Health & Social Care Directorates will provide brokerage support to NHS 24 to support implementation of the new contracts for the SFLA programme. The brokerage received in 2011/12 was £0.320 million.

Provision for bad and doubtful debts

A provision of £6k has been made in relation to debtors where it is deemed unlikely that NHS 24 will be able to recover these costs.

3. Performance against Key Non Financial Targets

In line with SGHD guidance, the Board developed a Local Delivery Plan for 2011/12 and received reports at each meeting on progress against the targets. Comments on progress against each of the targets for 2011/12 are provided below:

HEAT	SMART OBJECTIVE	PLANNED PERFORMANCE	ACTUAL PERFORMANCE
<i>Health</i>	100% of frontline staff trained to identify suicidal patients	100%	Target met
<i>Efficiency</i>	Operate within Revenue Resource Limit; operate within Capital Resource Limit; meet cash requirement	Meet financial targets	Target met
<i>Efficiency</i>	Meet cash efficiency target of 3% saving	Meet efficiency target	Target met
<i>Efficiency</i>	Increase use of teleconferencing and videoconferencing by 10% by March 2012	10%	Target met (24%)
<i>Access</i>	Increase mental health and wellbeing by at least 45% for those patients participating in the Living Life Service.	45%	Target met (74%)
<i>Access</i>	Annual average of 90% Calls to be answered within 30 seconds	90%	Target met (97%)
<i>Access</i>	Annual average of 90% GP priority calls responded to within 20mins	90%	Target met (99.98%)
<i>Access</i>	Annual average of 90% GP routine calls responded to within 60mins	90%	Target met (99.96%)
<i>Access</i>	Increase number of hits on the self care areas of the NHS 24 managed web sites	Increase hits by 20% by year-end.	Target not met (11.4%) However a number of additional channels were launched during 2011/12. If the visits to these channels were included, the total increase would be 22%
<i>Access</i>	3 additional zones to be added to NHS Inform website by end of 2011/12	3	Target met
<i>Access</i>	Patients identified with stroke transferred to SAS within 10 minutes	Quarterly average of 90%	Target met
<i>Access</i>	Commence 98% calls prioritised as P1 within 60 minutes	98%	Target met
<i>Access</i>	Commence 90% of calls prioritised as P2 within 120 minutes	90%	Target met
<i>Access</i>	Annual average of 80% calls to the Health Information Service answered within 60 seconds	80%	Target met (92%)
<i>Treatment</i>	Provide at least 30% of patients with self care advice	30%	Target met (33%)
<i>Treatment</i>	In partnership with SAS, NHS 24 will manage a 5% increase in the number of Category C calls transferred from SAS compared to 2010/11	<=5%	Target met (21%)
<i>Treatment</i>	Convert at least 75% of Category C calls transferred from SAS to	75%	Target met

	primary care or home care outcomes		
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4. Environmental and Sustainability Reporting

In accord with the Scottish Government's sustainable development strategy NHS 24's sustainability and environmental performance in 2011/12 is outlined as follows.

Building upon work reported in 2010/11 Annual Accounts policy development and strategy was undertaken which forms the basis of actions taken and to be taken.

Policy Development

An environmental management framework was developed and approved by the Executive Team. This included

- **The Environmental Policy Statement** based upon HDL (2006) 21 and more recently updated to reflect NHS 24's compliance with the mandatory requirements for the sustainable development policy as set out in CEL 2 (2012) "A Policy on Sustainable Development for NHSScotland 2012".
- **The Environmental Management Strategy** which is an overarching strategy and was developed in line with meeting the mandatory requirements set out in HDL (2006) 21 and now CEL 2 (2012).
- **The Sustainable Development Action Plan is a more specific action based plan which** was developed in line with guidance outlined in CEL 15 (2009) Sustainable Development Strategy for NHS Scotland and CEL 14 (2010) Good Corporate Citizenship Assessment Model, and actions from the workshop held amongst NHS 24 staff in 2010 form part of the plan. The plan includes actions in areas such as energy efficiency, sustainable procurement and greener travel.

Achievements

In 2011/12 NHS 24 has taken significant steps to understand its environmental impacts and create a pathway to achieve efficiencies. This has been achieved by the following:

- Undertaking energy surveys of Caledonia House, Norseman House and the Clyde Contact Centre which has identified opportunities to reduce carbon emissions by over 600 tonnes (about 18%) in the next 2 years. The implementation plan begins in 2012.
- Partnered with the Carbon Trust and joined the Small Organisation Carbon Management Programme. This has resulted in the development of an overarching Carbon Management Plan which has established a carbon emission baseline for NHS 24 and sets a 5 year target reduction of 20% over the next 5 years. This plan also sets a cost avoidance target of over £450,000. The plan includes actions to reduce energy consumption (from the energy survey), raising awareness of staff and reducing business travel.
- Measures energy outputs and reports performance in the Property and Asset Management Strategy annually to the Scottish Government Health Directorates
- The recently developed Efficiency and Productivity Group now monitors the impact of the Carbon Plan to ensure actions are implemented and efficiency targets will be achieved. Revised the Travel Policy to include statements which support and underline NHS 24's commitment to reducing business mileage
- In relation to wider environmental benefits the development of digital health services across Scotland means that people do not require to travel as much thus providing both an economic benefit in reducing fuel costs as well as reducing carbon emissions

Future Developments

The main focus for NHS 24 will be to implement the actions outlined in the Carbon Management Plan which is primarily focused on energy efficiency e.g. heating, lighting and ventilation systems and I.T, changing behaviours e.g. increase use of video conferencing, good housekeeping and more sustainable procurement.

In terms of sustainable procurement there are opportunities to understand how NHS 24 can use more sustainable products and services. NHS 24 receives reports from its office equipment supplier to identify ways in which the organisation can become more sustainable e.g. increased use of recyclable materials.

Consideration is being given currently to investing in a Green Insight Project which is a carbon footprint analysis system developed by an organisation in partnership with the NHS Sustainable Development Unit and Reading University. This analysis helps Health Boards to work out the environmental impact of every buying decision.

NHS 24 will continue to collaborate with Health partners to reduce energy costs and utilise Health Estates by the sharing of premises with NHS Grampian and the Scottish National Blood Transfusion Service in Aberdeen from mid 2013.

C. REMUNERATION REPORT

The terms of reference of the Remuneration Committee state its purpose as to provide assurance to the Board that appropriate arrangements are in place to ensure that NHS 24 meets the statutory requirements laid out in the Staff Governance Standard in respect of the remuneration of the Executive Directors (and any other staff employed under Executive or Senior Manager pay arrangements).

The Remuneration Committee membership comprises:

- the Board Chairman (Committee Chairman)
- the Board Vice Chairman
- the Chairman of the Audit Committee
- the Chairman of the Clinical Governance Committee
- the Chairman of the Staff Governance Committee
- the Chairman of the EQIPP Committee
- the Chairman of the eHealth Committee.

The committee meets as required, with at least three meetings per year.

The specific duties of the committee are to:

- review and approve all of the Terms and Conditions of Employment of the Executive Board Directors and Executive Directors, including job descriptions, terms of employment, basic pay, performance pay (if applicable) and all benefits associated with each post;
- review and approve annually the performance objectives for each Executive Board Directors and Executive Directors on a financial year basis, including overseeing the review of performance against these objectives at the mid-year point and agreeing any revisions to the objectives during the course of the year;
- consider the assessment of performance of the Executive Board Directors and Executive Directors, and any changes to the remuneration or the terms and conditions of employment for the Executive Directors and Directors, arising from this assessment of performance during the review period;
- approve Executive performance ratings, following the process set down by NHS Scotland, which is subject to annual CEL and National Performance Management Committee approval;
- maintain an overview of remuneration arrangements for staff employed under Executive Managers' or Consultants' pay arrangements or in posts graded Agenda for Change Band 8C or above; and
- comply with any Scottish Government Health Directorates' directions and take into consideration any relevant guidance supplied by NHSScotland on remuneration or terms and conditions of employment.

The duration, notice and termination of Executive Board Directors' and Executive Directors' contracts are as per the national contracts.

The remuneration arrangements and performance appraisal of Senior Managers is governed by the decisions of the Remuneration Committee. Such decisions have been made strictly in accordance with the provisions of directives issued by SGHD.

All performance methods and arrangements for remuneration matters within NHS 24 are consistent with guidance received from SGHD via national HDLs and CELs.

The Medical Director and all Medical staff are paid in accordance with Consultants' Conditions of Service, with eligibility for a further allowance as approved by Scottish Ministers.

NHS 24

BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION – CURRENT YEAR FOR THE YEAR ENDED 31st MARCH 2012

Name	Remuneration (Bands of £5,000) (Note 1)	Performance related bonus (Bands of £5,000)	Real increase in pension at pensionable age (bands of £2,500)	Total accrued pension at pensionable age at 31 March 2012 (bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31 March 2011 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2012 £'000	Real increase in CETV in year £'000	Benefits in kind £'000
BOARD EXECUTIVE DIRECTORS								
Mr John Turner, Chief Executive	125 to 130	-	-	30 – 35 Plus 100 – 105 lump sum	478	558	80	3.3
Dr George Crooks, Medical Director (Note 2)	205 to 210	-	0 – 2.5 Plus 5 – 7.5 lump sum	70 – 75 plus 215 – 220 lump sum	1,386	1,643	257	2.7
Mr Robert Stewart, Director of Finance and Technology	100 to 105	-	-	25 – 30 Plus 80 – 85 lump sum	705	628	(77)	4.2
Mrs Eunice Muir, Nurse Director	85 to 90	-	-	35 – 40 Plus 105 – 110 lump sum	711	730	19	-
EXECUTIVE DIRECTORS								
Mrs Jane McCartney, Director of Human Resources	85 to 90	-	0 – 2.5 Plus 0 – 2.5 lump sum	25 – 30 Plus 80 – 85 lump sum	550	578	28	5.5
Mrs Gillian Stillie, Chief Operating Officer	95 to 100	-	0 – 2.5 Plus 5 – 7.5 lump sum	15 – 20 Plus 50 – 55 lump sum	170	254	84	2.7
NON EXECUTIVE DIRECTORS								
Mr Allan Watson, Chairman	20 to 25	-	-	-	-	-	-	-
Mr Alexander Smith, Vice Chairman	5 to 10	-	-	-	-	-	-	-
Mrs Emma Bell	0 to 5	-	-	-	-	-	-	-
Mrs Kay Blair	5 to 10	-	-	-	-	-	-	-
Mr Martin Hill	5 to 10	-	-	-	-	-	-	-
Miss Anne Jarvie	5 to 10	-	-	-	-	-	-	-
Mr Graham Revie, Employee Director (Note 3)	60 to 65	-	0 – 2.5 Plus 0 – 2.5 lump sum	10 – 15 Plus 35 – 40 lump sum	161	201	40	-
Mr John Rogerson	5 to 10	-	-	-	-	-	-	-
Mr Stuart Smith	5 to 10	-	-	-	-	-	-	-
Total					4,161	4,592	431	18.4

Note 1 Remuneration is that earned in the year to 31st March 2012, including employer's pension contributions at 13.5%. Directors' remuneration takes account of salary adjustments approved by the Remuneration Committee where appropriate.

Note 2 Dr George Crooks provides a service to the Scottish Ambulance Service as their Medical Director one and a half days per week.

Note 3 The disclosure for Graham Revie includes his role as Employee Director and his substantive post as a Team Leader. His remuneration as Employee Director only was in the band £5k - £10k.

NHS 24

BOARD MEMBERS' AND SENIOR EMPLOYEES' REMUNERATION – PRIOR YEAR FOR THE YEAR ENDED 31ST MARCH 2011

Name	Remuneration (Bands of £5,000) (Note 1)	Performance related bonus (Bands of £5,000)	Real increase in pension at pensionable age (bands of £2,500)	Total accrued pension at pensionable age at 31 March 2011 (bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31 March 2010 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2011 £'000	Real increase in CETV in year £'000	Benefits in kind £'000
BOARD EXECUTIVE DIRECTORS								
Mr John Turner, Chief Executive	135 to 140	-	2.5 – 5 Plus 12.5 – 15 lump sum	30 – 35 Plus 100 – 105 lump sum	461	478	16	3.2
Dr George Crooks, Medical Director (Note 2)	205 to 210	-	12.5 – 15 Plus 40 – 42.5 lump sum	60 – 65 plus 185 – 190 lump sum	1,121	1,386	265	7.0
Mr Robert Stewart, Director of Finance and Technology (Note 3)	110 to 115	-	2.5 – 5 Plus 12.5 – 15 lump sum	25 – 30 Plus 85 – 90 lump sum	607	705	99	4.1
Mrs Eunice Muir, Nurse Director	90 to 95	-	2.5 – 5 Plus 7.5 – 10 lump sum	35 – 40 Plus 105 – 110 lump sum	681	711	29	-
EXECUTIVE DIRECTORS								
Dr Chris Stewart, Director of Clinical Development	55 to 60	-	-	20 – 25 Plus 65 – 70 lump sum	410	342	(68)	-
Mrs Jane McCartney, Director of Human Resources & Corporate Affairs	85 to 90	-	0 – 2.5 Plus 0 – 2.5 lump sum	25 – 30 Plus 80 – 85 lump sum	566	550	(16)	4.9
Mrs Gillian Stillie, Director of Service Delivery	90 to 95	-	0 – 2.5 Plus 0 – 2.5 lump sum	10 – 15 Plus 40 – 45 lump sum	188	170	(17)	2.8
NON EXECUTIVE DIRECTORS								
Mr Allan Watson, Chairman	20 to 25	-	-	-	-	-	-	-
Mr Alexander Smith, Vice Chairman	5 to 10	-	-	-	-	-	-	-
Mrs Emma Bell	5 to 10	-	-	-	-	-	-	-
Mrs Kay Blair	5 to 10	-	-	-	-	-	-	-
Mr Martin Hill	5 to 10	-	-	-	-	-	-	-
Miss Anne Jarvie	5 to 10	-	-	-	-	-	-	-
Mr Graham Revie, Employee Director (Note 5)	60 to 65	-	0 – 2.5 Plus 0 – 2.5 lump sum	10 – 15 Plus 30 – 35 lump sum	168	161	(7)	-
Mr John Rogerson	5 to 10	-	-	-	-	-	-	-
Mr Stuart Smith	5 to 10	-	-	-	-	-	-	-
Total					4,202	4,503	301	22.0

- Note 1** Remuneration is that earned in the year to 31st March 2012, including employer's pension contributions at 13.5%. Directors' remuneration takes account of salary adjustments approved by the Remuneration Committee where appropriate.
- Note 2** Dr George Crooks provides a service to the Scottish Ambulance Service as their Medical Director one and a half days per week.
- Note 3** The disclosure for Graham Revie includes his role as Employee Director and his substantive post as a Team Leader. His remuneration as Employee Director only was in the band £5k - £10k.

2011-12		2010-11	
Highest Earning Director's Total Remuneration (£000s)	170 - 175	Highest Earning Director's Total Remuneration (£000s)	190 - 195
Median Total Remuneration	26,556	Median Total Remuneration	26,871
Ratio	6.51	Ratio	7.16

Commentary

The highest earning director's pay is calculated in a different manner for the purposes of this ratio than is included in the remuneration report. This is due to the exclusion of pension costs.

Taking this into account, it should be noted that the highest earning director's pay has decreased from the 2010-11 level. This has resulted in a decrease in the ratio for the organisation.

Signed

John Turner, Chief Executive

Date

NHS 24

ANNUAL ACCOUNTS 2011/12

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF NHS 24

Under Section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of NHS 24.

This designation carries with it responsibility for:

- the propriety and regularity of financial transactions under my control;
- the economical, efficient and effective use of resources placed at the Board's disposal;
- safeguarding the assets of the Board.

In preparing the accounts, I am required to comply with the requirements of the government's Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the government Financial Reporting Manual have been followed and disclose and explain any material departures
- prepare the accounts on a going concern basis.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officer's letter to me of 4th September 2008.

Signed

John Turner, Chief Executive
28th June 2012

NHS 24

ANNUAL ACCOUNTS 2011/12

STATEMENT OF NHS 24 BOARD MEMBERS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Under the National Health Service (Scotland) Act 1978, NHS 24 is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of NHS 24 as at 31st March 2012 and of its operating costs for the year then ended. In preparing these accounts, the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for NHS Scotland by Scottish Ministers;
- Make judgements and estimates that are reasonable and prudent;
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that NHS 24 will continue to operate.

The NHS 24 Board Members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of NHS 24 and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of NHS 24 and hence taking reasonable steps for the prevention of fraud and other irregularities.

The Board Members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.

..... Director of Finance

..... Chairman

28th June 2012

ANNUAL ACCOUNTS 2011/12

GOVERNANCE STATEMENT

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to the organisation.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance, and has been in place for the year up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

Governance Framework

In order to ensure that sufficient assurance is provided in pursuit of the above, the following governance framework and accountability arrangements are in place:

- the NHS 24 Board meets regularly in public to consider the performance, plans and strategic direction of the organisation. The Board is comprised of the Chairman, seven non Executive Members (including the Employee Director) and four Executive Board Directors;
- NHS 24's strategic documents are developed through discussions with staff, partner Health Boards, local Out of Hours services, the voluntary sector, and the public across the country. This allows NHS 24 to communicate the Board's vision and intended outcomes effectively with its stakeholders to ensure clear accountability and encourage open consultation;
- a Corporate Performance Report is considered at each meeting of the NHS 24 Board. This looks at NHS 24's performance against national HEAT targets, Local Delivery Plan targets, Internal Standards and Quality measures. Key performance and risk indicators are also in place;
- NHS 24's Corporate Governance Manual defines and documents the roles and responsibilities of the Board. It states that it is expected that individual Board Members should contribute fully to Board deliberations and exercise a healthy challenge function;
- the guidance for reviewing and updating standing orders, standing financial instructions, scheme of delegation, contract/procurement regulations, and supporting procedures and manuals, is included in the Board's Corporate Governance Manual. Any amendment to previously agreed regulations are discussed and considered by the Audit Committee before being reported to the Board;
- a report from each meeting of the Clinical Governance Committee is given to the Board by the Chairman of the Clinical Governance Committee and an annual statement is provided confirming that it has fulfilled its remit regarding standards of care and that there are

- adequate and effective Clinical Governance (including Information Governance relating to clinical matters) arrangements in place;
- a report from each meeting of the Audit Committee is given to the Board by the Chairman of the Audit Committee and an annual statement is provided confirming that it has fulfilled its remit regarding the governance arrangements in place to ensure an effective system of internal control;
 - a report from each meeting of the Staff Governance Committee is given to the Board by the Chairman of the Staff Governance Committee and an annual statement is provided confirming that it has fulfilled its remit regarding terms and conditions of employment and that there are adequate and effective Staff Governance arrangements in place;
 - a report from each meeting of the eHealth Committee is given to the Board by the Chairman of the eHealth Committee and an annual statement is provided confirming that it has fulfilled its remit regarding the effective governance of all technology and eHealth activities (including broader information governance matters and information security issues) in support of NHS 24's operations;
 - as appropriate, the Committees consider reports prepared by the Internal Auditor, which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control, together with recommendations for improvement;
 - following discussion with Executive Directors, the Internal Auditor constructed an organisation wide assurance map to document the differing sources, level and focus of assurance being provided to NHS 24 to ensure compliance with relevant laws and regulations and internal policies and procedures. The production of this assurance map, which includes input from each of the governance committees, showed a wide coverage of assurance needs and sources of assurance across NHS 24's operations;
 - an organisation-wide risk register is maintained which is considered at each meeting of the Audit Committee and subsequently reported to the Board;
 - NHS 24 has a whistle blowing policy which is followed should any cases be raised by staff or a member of the public. Cases of whistle blowing are reported at each meeting of the Audit Committee;
 - partnership meetings take place on a regular monthly cycle and are structured to include a review of performance and strategic issues;
 - the UK Corporate Governance Code sets out a number of key components for effective board practice based on the principles of good governance. NHS 24 is able to show compliance with the principles of leadership, effectiveness, accountability, remuneration and relationship with stakeholders outlined in the UK Governance Code. Whilst no performance self-assessment was undertaken by the Board in the year, one will be arranged after the year end. A further review will take place during 2012/13 to ensure continued compliance with the Code.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- executive and senior managers who are responsible for developing, implementing and maintaining internal controls across their areas;
- the work of the internal auditors, who submit to the Audit Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement; and
- comments by the external auditors in their management letters and other reports.

The effectiveness of the system is reviewed through the following processes:

- I have received Certificates of Assurance from the Executive Directors which confirm that they have considered the standard of internal control and risk management in their Directorates and that these have been working adequately and effectively. There has not been any significant matter raised in the Certificates of Assurance in relation to Standing Orders, Standing Financial Instructions or significant failures of internal control.

- The Board has also received Annual Reports from the Audit Committee, the Clinical Governance Committee, the eHealth Committee, the Staff Governance Committee, EQIPP Committee and the Remuneration Committee.
- In response to recommendations from the Internal and External Auditors in their reports, management has developed appropriate detailed action plans with agreed timescales. Implementation of the recommendations is monitored by Executive Directors and overseen by the Audit Committee and the process of progress monitoring forms an integral part of our commitment to the continual review and strengthening of our internal control environment.
- In relation to Best Value, a Strategic Best Value group and an Efficiency and Productivity Network group were established during 2011/12, which have responsibility for taking forward the Best Value agenda in the organisation.
- NHS 24 has a recognised process for assessing Risk in the organisation at an operational and strategic level, and communicating the latest position to the Audit Committee and the Board.

Best Value

In accordance with the principles of Best Value, the board aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual (SPFM).

Risk Assessment

NHS Scotland bodies are subject to the requirements of the SPFM and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

NHS 24's Risk Management Strategy for 2012/13 was approved by the Board at its meeting in March 2012, the previous Risk Management Strategy having been approved by the Board in March 2011. It is now part of the risk strategy to have the document reviewed annually to ensure continued relevance and development. Before the updated strategy was presented to the Board, it was presented at the Operational Risk Management Group (ORMG), the Risk Management Steering Group (RMSG), the Executive Management Team, and the Audit Committee all of which had recommended approval of the Strategy by the Board.

NHS 24's Risk Management Steering Group meets on a quarterly basis. This Group is chaired by the Director of Finance and Technology, and is attended by Executive Directors and the Head of Risk & Business Continuity. The Head of Risk & Business Continuity progresses work on regular risk assessments and reporting; provides training in risk awareness and risk management and embeds the process of risk management throughout NHS 24. Overall responsibility for implementation of the Risk Management Strategy lies with myself, as the Chief Executive Officer.

NHS 24 has a Strategic Risk Register and a Corporate Risk Register. Any risks with a score of ten and above, based on the international risk management standard BS ISO 31000:2009, are reported to the Audit Committee. Any risks with a score of fifteen and above are reported to the Board. NHS 24 currently has three risks with a score of fifteen and above. These are risks relating to resilience issues at seasonal periods, the size and scope of the SFLA programme, and the capacity of the organisation to deal with three large programmes.

Continuous Development and Improvement

More generally, the organisation is committed to a process of continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice. In particular, during the year to 31 March and up to the signing of the accounts, NHS 24 has undertaken the following key areas of work:

Future Programme

Work has continued throughout the year on the SFLA programme. The appropriateness of the governance arrangements for this programme has been confirmed by PricewaterhouseCoopers

who have undertaken two Key Stage Reviews as part of the Board's Internal Audit Plan. Both reviews complimented the strong governance demonstrated during the procurement process up to the date of contract signing on 2nd March 2012.

For 2012/13, the SFLA programme will be combined with the Service Redesign programme. The Service Redesign Programme is looking at the future service delivery model which will be implemented along with the SFLA programme. This joint development is known as the Future Programme. To ensure appropriate governance around this new workstream, Internal and External auditors have been engaged in support of the work.

Strategic Best Value Group

A new Strategic Best Value Group was formed during the course of the year. The Group is authorised by the Executive Team to investigate any activity in the operations of NHS 24 to ensure efficiency and best value. The purpose of the group is to seek to ensure that the organisation achieves best value in respect of the utilisation of all organisational resources. The group offers strategic direction to the Efficiency and Productivity Network to make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost.

Information Commissioner's Office (ICO) Report

The ICO conducted a further review in NHS 24 in November 2011 as a follow up to their original audit in August 2010. The outcome of this review was that NHS 24 received three "High Assurance" assessments relating to Governance, Information Security and Staff Records Processing scope areas and three "Reasonable Assurance" assessments, relating to Training and Awareness, Security Breaches and Clinical Records Processing scope areas. This shows a good level of overall improvement, and a marked improvement within the Information Security scope area.

Procurement Capability Assessment

The Procurement Capability Assessment (PCA) takes place annually in all Boards within NHS Scotland. The PCA sets out a mechanism for identifying areas where organisations can strengthen their approach to procurement via a detailed evaluation of their existing procurement capability. In 2011, NHS 24's performance improved and it was again classified as conforming, but with an improved score. The aim for next year is to improve performance again and be classified in the improved performance category.

National Fraud Initiative

The National Fraud Initiative Upload became available during February 2011. NHS 24 lowered the standard filter level and looked at cases at a lower monetary value than is normally required. Of the 143 matches highlighted for consideration, all have now been dealt with appropriately, and no further investigation work in relation to these matches is required.

Disclosures

During the previous financial year, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control.

The Chief Internal Auditor's annual report to the Audit Committee supports this position. This states that the programme of internal audit work for the year ended 31 March 2012 was completed in accordance with the NHS Internal Audit Standards and his overall opinion is that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weaknesses in the design and / or inconsistent application of controls, puts the achievement of particular objectives at risk. However, any high risk rated weaknesses found in individual assignments are isolated to specific systems or processes which have yet to be implemented. On this basis, they do not believe that this area requires specific disclosure in the 2011/12 Governance Statement.

Signed

.....
John Turner, Chief Executive Officer

Date 28th June 2012

Independent Auditors' Report

Independent auditors' report to the members of NHS 24 Special Health Board, the Auditor General for Scotland and the Scottish Parliament

We have audited the financial statements of NHS 24 Special Health Board for the year ended 31 March 2012 under the National Health Service (Scotland) Act 1978. The financial statements comprise specify the titles of the primary statements such as the Balance Sheet, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2011/12 Government Financial Reporting Manual (the 2011/12 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and income in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for my report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the board's affairs as at 31 March 2012 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2011/12 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Opinion on other prescribed matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and
- the information given in the Operating and Financial Review and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

.....

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh EH3 8BL

___ June 2012

NHS 24

STATEMENT OF COMPREHENSIVE NET EXPENDITURE AND SUMMARY OF RESOURCE OUTTURN

FOR THE YEAR ENDED 31st MARCH 2012

2011 £'000		Note	£'000	£'000
	Clinical Services Costs			
37,881	Hospital and Community	4	37,203	
222	Less: Hospital and Community Income	8	475	
<u>37,659</u>				<u>36,728</u>
0	Family Health	5	0	
0	Less: Family Health Income	8	0	
<u>0</u>				<u>0</u>
37,659	Total Clinical Services Costs			36,728
25,139	Administration Costs	6	25,884	
481	Less: Administration Income	8	398	
<u>24,658</u>				<u>25,486</u>
504	Other Non Clinical Services	7	184	
140	Less: Other Operating Income	8	147	
<u>364</u>				<u>37</u>
<u>62,681</u>	Net Operating Costs			<u>62,251</u>

OTHER COMPREHENSIVE NET EXPENDITURE

2011 £'000		£'000
0	Net (gain)/loss on revaluation of Property Plant and Equipment	0
0	Net (gain)/loss on revaluation of Intangibles	0
0	Net (gain)/loss on revaluation of available for sale financial assets	0
<u>0</u>	Other Comprehensive Expenditure	<u>0</u>
<u>62,681</u>	Total Comprehensive Expenditure	<u>62,251</u>

The Notes to the Accounts, numbered 1 to 32, form an integral part of these Accounts.

NHS 24

STATEMENT OF COMPREHENSIVE NET EXPENDITURE AND SUMMARY OF RESOURCE OUTTURN (Cont.)

FOR THE YEAR ENDED 31st MARCH 2012

SUMMARY OF CORE REVENUE RESOURCE OUTTURN	£'000
Net Operating Costs	62,251
Total Non Core Expenditure (see below)	(2,469)
FHS Non Discretionary Allocation	0
Total Core Expenditure	59,782
Core Revenue Resource Limit	59,981
Saving/(excess) against Core Revenue Resource Limit	199

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Capital Grants to / (from) Other Bodies		0
Depreciation/Amortisation	3	2,365
Annually Managed Expenditure - Impairments	3	28
Annually Managed Expenditure – Creation of Provisions		76
IFRS PFI Expenditure		0
Total Non Core Expenditure		2,469
Non Core Revenue Resource Limit		2,469
Saving/(excess) against Non Core Revenue Resource Limit		0

SUMMARY RESOURCE OUTTURN

	Resource	Expenditure	Saving/ (Excess)
	£'000	£'000	£'000
Core	59,981	59,782	199
Non Core	2,469	2,469	0
Total	62,450	62,251	199

NHS 24

BALANCE SHEET

AS AT 31st MARCH 2012

2011 £'000		Note	£'000	£'000
	Non-current assets:			
8,283	Property, plant & equipment	11	6,515	
1,072	Intangible assets	10	706	
	Financial assets:			
0	Trade and other receivables	13	0	
9,355	Total non-current assets			7,221
	Current Assets:			
0	Inventories	12	0	
	Financial Assets:			
1,264	Trade and other receivables	13	1,675	
755	Cash and cash equivalents	15	641	
2,019	Total current assets			2,316
11,374	Total assets			9,537
	Current liabilities:			
(255)	Provisions	17	(400)	
	Financial Liabilities:			
(5,460)	Trade and other payables	16	(4,699)	
(5,715)	Total current liabilities			(5,099)
5,659	Non-current assets plus/less net current assets/liabilities			4,438
	Non-current liabilities:			
(216)	Provisions	17	(241)	
	Financial liabilities:			
0	Trade and other payables	16	0	
(216)	Total non-current liabilities			(241)
5,443	Assets less liabilities			4,197
	Taxpayers' Equity			
5,429	General Fund	SOCTE		4,191
14	Revaluation reserve	SOCTE		6
0	Donated asset reserve	SOCTE		0
5,443	Total taxpayers' equity			4,197

Adopted by the Board on 28th June 2012

..... Director of Finance

..... Chief Executive

The Notes to the Accounts, numbered 1 to 32, form an integral part of these Accounts.

NHS 24

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH 2012

2011 £'000		Note	£'000	£'000
	Cash flows from operating activities			
(62,681)	Net operating cost	SOCNE	(62,251)	
2,771	Adjustments for non-cash transactions	3	2,393	
4	Add back: interest payable recognised in net operating cost	3	5	
(84)	(Increase) / decrease in trade and other receivables	18	(411)	
0	(Increase) / decrease in inventories	18	0	
(267)	Increase / (decrease) in trade and other payables	18	(613)	
101	Increase / (decrease) in provisions	18	170	
(60,156)	Net cash outflow from operating activities			(60,707)
	Cash flows from investing activities			
(1,120)	Purchase of property, plant and equipment		(294)	
(75)	Purchase of intangible assets		0	
0	Proceeds of disposal of property, plant and equipment		0	
0	Proceeds of disposal of intangible assets		0	
0	Interest received		0	
(1,195)	Net cash outflow from investing activities			(294)
	Cash flows from financing activities			
61,356	Funding		61,005	
260	Movement in general fund working capital	SOCTE	(113)	
61,616	Cash drawn down	SOCTE	60,892	
0	Capital element of payments in respect of finance leases and on-balance sheet PFI contracts		0	
(4)	Interest paid	3	(5)	
0	Interest element of finance leases and on-balance sheet PFI/PPP contracts		0	
61,612	Net Financing			60,887
261	Net Increase / (decrease) in cash and cash equivalents in the period	15		(114)
494	Cash and cash equivalents at the beginning of the period	15		755
755	Cash & cash equivalents at end of the period			641
	Reconciliation of net cash flow to movement in net debt/cash			
261	Increase / (decrease) in cash in year	15		(114)
494	Net debt/cash at 1 April	15		755
755	Net debt/cash at 31 March	15		641

The Notes to the Accounts, numbered 1 to 32, form an integral part of these Accounts.

NHS 24

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31ST MARCH 2012

	Note	General Fund £'000	Revaltn Reserve £'000	Total Reserves £'000
Balance as at 1 April 2011		5,429	14	5,443
Changes in taxpayers' equity for 2011/12				
Net gain/(loss) on revaln/indexn of property, plant and equipment	11	0	0	0
Net gain/(loss) on revaln/indexn of intangible assets	10	0	0	0
Net gain/(loss) on revaln of available for sale financial assets	14	0	0	0
Impairment of property, plant and equipment	11	(28)	0	(28)
Impairment of intangible assets	10	0	0	0
Receipt of donated assets	11b	0	0	0
Revaluation and impairments taken to operating costs	3	28	0	28
Release of reserves to the statement of comprehensive net expenditure	11b	0	0	0
Transfers between reserves		8	(8)	0
Transfer of Fixed Assets from other bodies		0	0	0
Pension reserve movements		0	0	0
Other adjustments		0	0	0
Net operating cost for the year		(62,251)	0	(62,251)
Total recognised income and expense for 2011/12		(62,243)	(8)	(62,251)
Funding:				
Drawn down		60,892	0	60,892
Movement in General Fund (Creditor) / Debtor		113	0	113
Balance at 31 March 2012		4,191	6	4,197

The Notes to the Accounts, numbered 1 to 32, form an integral part of these Accounts.

NHS 24

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31ST MARCH 2011

	Note	General Fund £'000	Revaltn Reserve £'000	Total Reserves £'000
Balance as at 31 March 2010		6,746	22	6,768
Prior Year adjustments for changes in accounting policy and material errors		0	0	0
Restated balance at 1 April 2010		6,746	22	6,768
Changes in taxpayers' equity for 2010/11				
Net gain/(loss) on revaln/indexn of property, plant and equipment	11	0	0	0
Net gain/(loss) on revaln/indexn of intangible assets	10	0	0	0
Net gain/(loss) on revaln of available for sale financial assets	14	0	0	0
Impairment of property, plant and equipment	11	(288)	0	(288)
Impairment of intangible assets	10	0	0	0
Receipt of donated assets	11b	0	0	0
Revaluation and impairments taken to operating costs	3	288	0	288
Release of reserves to the statement of comprehensive net expenditure	11b	0	0	0
Transfers between reserves		8	(8)	0
Transfer of Fixed Assets from other bodies		0	0	0
Pension reserve movements		0	0	0
Other adjustments		0	0	0
Net operating cost for the year		(62,681)	0	(62,681)
Total recognised income and expense for 2010/11		(62,673)	(8)	(62,681)
Funding:				
Drawn down		61,616	0	61,616
Movement in General Fund (Creditor) / Debtor		(260)	0	(260)
Balance at 31 March 2011		5,429	14	5,443

The Notes to the Accounts, numbered 1 to 32, form an integral part of these Accounts.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

ACCOUNTING POLICIES

Note 1

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), International Financial Reporting Interpretations Committee (IFRIC) Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 27 below.

2. Going Concern

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

3. Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value.

4. Funding

Most of the expenditure of the Health Board as Commissioner is met from funds advanced by the Scottish Government within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

All other income receivable by the board that is not classed as funding is recognised in the year in which it is receivable.

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

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Non discretionary funding outwith the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Summary of Resource Outturn.

Funding for the acquisition of fixed assets received from the Scottish Government is credited to the general fund when cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised

in the statement of comprehensive net expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

5. Property, plant and equipment

The treatment of fixed assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with NHS Capital Accounting Manual. Title to properties included in the accounts is held by Scottish Ministers.

5.1 Recognition

Property, Plant and Equipment is capitalised where: it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

- 1) Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.
- 2) In cases where a new hospital would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
- 3) Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial costs of equipping a new development and total over £20,000.

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

5.2 Measurement

Valuation:

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

All assets are measured subsequently at fair value as follows:

Specialised NHS land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.

Non specialised land and buildings, such as offices, are stated at fair value.

Valuations of all land and building assets are reassessed by valuers under a 5-year programme of professional valuations and adjusted in intervening years to take account of movements in prices since the latest valuation. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government .

Non specialised equipment, installations and fittings are valued at fair value. Boards value such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).

Assets under construction are valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.

Subsequent expenditure:

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the statement of comprehensive net expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

Revaluations and Impairment:

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the statement of comprehensive net expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the statement of comprehensive net expenditure.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Other Comprehensive Expenditure.

5.3 Depreciation

Items of Property, Plant and Equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on each main class of tangible asset as follows:

- 1) Freehold land is considered to have an infinite life and is not depreciated.
- 2) Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Board, respectively.
- 3) Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.
- 4) Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
- 5) Equipment is depreciated over the estimated life of the asset.
- 6) Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight line basis.

The following asset lives have been used:

Computer Equipment	5 years
Telecommunications Equipment	10 years
Fit out costs	10 years
Consultancy (professional fees that result in a realisable project)	5 years

6. Intangible Assets

6.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Board's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Board and where the cost of the asset can be measured reliably.

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board's activities for more than one year and they have a cost of at least £5,000.

The main classes of intangible assets recognised are:

Internally generated intangible assets:

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Board intends to complete the asset and sell or use it;
- the Board has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Board to complete the development and sell or use the asset; and
- the Board can measure reliably the expenses attributable to the asset during development.

Expenditure so deferred is limited to the value of future benefits.

Software:

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Software licences:

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred.

Carbon Emissions (Intangible Assets):

A cap and trade scheme gives rise to an asset for allowances held, a government grant and a liability for the obligation to deliver allowances equal to emissions that have been made.

Intangible Assets, such as EU Greenhouse Gas Emission Allowances intended to be held for use on a continuing basis whether allocated by government or purchased are classified as intangible assets. Allowances that are issued for less than their fair value are measured initially at their fair value.

When allowances are issued for less than their fair value, the difference between the amount paid and fair value is revaluation and charged to the government grant reserve. The government grant reserve is charged with the same proportion of the amount of the revaluation, which the amount of the grant bears to the acquisition cost of the asset.

A provision is recognised for the obligation to deliver allowances equal to emissions that have been made. It is measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. This will usually be the present market price of the number of allowances required to cover emissions made up to the balance sheet date.

Websites

Websites are capitalised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Board; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

6.2 Measurement

Valuation:

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment:

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the statement of comprehensive net expenditure, in which case they are recognised in income.

Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the statement of comprehensive net expenditure.

Intangible assets held for sale are reclassified to 'non-current assets held for sale' measured at the lower of their carrying amount or 'fair value less costs to sell'.

6.3 Amortisation

Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the statement of comprehensive net expenditure on each main class of intangible asset as follows:

- 1) Internally generated intangible assets. Amortised on a systematic basis over the period expected to benefit from the project.
- 2) Software. Amortised over their expected useful life.
- 3) Software licences. Amortised over the shorter term of the licence and their useful economic lives.
- 4) Other intangible assets. Amortised over their expected useful life.
- 5) Intangible assets which have been reclassified as 'Held for Sale' cease to be amortised upon the reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Software	5 years
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7. Non-current assets held for sale

Non-current assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
 - management are committed to a plan to sell the asset;
 - an active programme has begun to find a buyer and complete the sale;
 - the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

8. Sale of Property, plant and equipment, intangible assets and non-current assets held for sale

Disposal of non-current assets is accounted for as a reduction to the value of assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recorded in the Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

9. Leasing

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to interest payable in the Statement of comprehensive net expenditure.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease unless title to the land is expected to transfer.

10. Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the SOCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

11. General Fund Receivables and Payables

Where the Health Board has a positive net cash book balance at the year end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHD. Where the Health Board has a net overdrawn cash position at the year end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHD.

12. Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

13. Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution

scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the statement of comprehensive net expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to Exchequer. The pension cost is assessed every five years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation took place in the year to 31 March 2004, details of which are published by the Scottish Public Pensions Agency.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the statement of comprehensive net expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

14. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this threshold are reimbursed to Boards from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

NHS 24 provide for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

15. Related Party Transactions

Material related party transactions are disclosed in the note 29 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

16. Value Added Tax

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

17. PFI Schemes

NHS 24 has not initiated any schemes under PFI.

18. Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

19. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 19 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 19, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

20. Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'Presentation of Financial Statements', requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

21. Financial Instruments

Financial assets

Classification

The Board classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise derivatives. Assets in this category are classified as current assets. The Board does not trade in derivatives and does not apply hedge accounting.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash at bank and in hand in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available for sale financial assets comprise investments.

Recognition and measurement

Financial assets are recognised when the Board becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

(a) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive net expenditure.

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the statement of comprehensive net expenditure.

(b) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive net expenditure. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive net expenditure.

(c) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised and subsequently carried at fair value. Changes in the fair value of financial assets classified as available for sale are recognised in equity in other reserves. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive net expenditure. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive net expenditure when the Board's right to receive payments is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment.

The Board assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive net expenditure. Impairment losses recognised in the statement of comprehensive net expenditure on equity instruments are not reversed through the income statement.

Financial Liabilities

Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. The NHS Board does not trade in derivatives and does not apply hedge accounting.

(b) Other financial liabilities

Other financial liabilities are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities. The NHS Board's other financial liabilities comprise trade and other payables in the balance sheet.

Recognition and measurement

Financial liabilities are recognised when the NHS Board becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the balance sheet when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the statement of comprehensive net expenditure.

(b) Other financial liabilities

Other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

22. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. Within NHS 24 it has been determined that the internal reporting mechanisms provided to the chief operating decision makers are clinical/frontline and corporate/non frontline.

23. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

24. Foreign exchange

The functional and presentational currencies of the Board are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Board has assets or liabilities denominated in a foreign currency at the balance sheet date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

25. Third party assets

Assets belonging to third parties are not recognised in the accounts since the Board has no beneficial interest in them.

However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

26. Key sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

The Board includes a provision in its annual accounts for the year ended 31st March 2012 for Clinical and Medical negligence costs, and dilapidations.

The method for calculating the Clinical and Medical negligence costs provision is outlined in accounting policy number 14.

The dilapidations provision is calculated on the basis that NHS 24 will have to return buildings that it leases from third parties to their original condition at the end of the lease period. NHS 24 has used the services of a valuer to calculate the cost of carrying out this work, and will create a provision for this value on a straight line basis for each year of the lease. NHS 24 will continue to monitor this area to ensure that the value, and in turn the amount provided to date, remain reasonable based on the latest valuation advice received.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

STAFF NUMBERS AND COSTS

Note 2a

2011		Exec Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other	Outward Secondees	Total
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
32,164	Salaries and Wages	616	82	33,014	0	0	(257)	33,455
2,439	Social Security Costs	72	3	2,464	0	0	(26)	2,513
3,585	NHS scheme employers' costs	100	0	3,672	0	0	(38)	3,734
0	Other employers' pension costs	0	0	0	0	0	0	0
3,385	Inward secondees	0	0	0	1,406	0	0	1,406
462	Agency Staff	0	0	0	0	624	0	624
<u>42,035</u>		<u>788</u>	<u>85</u>	<u>39,150</u>	<u>1,406</u>	<u>624</u>	<u>(321)</u>	<u>41,732</u>
433	Compensation for the loss of office	0	0	89	0	0	0	89
0	Pensions to former staff members	0	0	0	0	0	0	0
<u>42,468</u>	Total	<u>788</u>	<u>85</u>	<u>39,239</u>	<u>1,406</u>	<u>624</u>	<u>(321)</u>	<u>41,821</u>

Included in the total staff costs above were costs of staff directly engaged on capital projects, charged to capital expenditure of: £NIL.

NHS Scheme employers' costs include £NIL provision in respect of early retirement (2010/11 £NIL).

Staff pension benefits are provided through the NHS Superannuation Scheme for Scotland. Details of the Scheme are shown in Note 24.

2011	STAFF NUMBERS	ANNUAL
ANNUAL	(EMPLOYEES BY WHOLE TIME EQUIVALENT)	MEAN
MEAN		WTE
WTE		
109.9	Administration	106.2
791.9	Hospital and Community Services	833.3
0	Non Clinical Services	0
0	Local Health Councils	0
0	Other, including recharge Trading Accounts	0
58.4	Inward secondees	20.9
9.8	Agency staff	14.1
(4.0)	Outward secondees	(2.4)
<u>966.0</u>	Total Average Staff	<u>972.1</u>
<u>170.1</u>	Disabled Staff	<u>188.1</u>

The total number of staff engaged directly on capital projects, included in staff numbers above and charged to capital expenditure was: 0.

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

HIGHER PAID EMPLOYEES' REMUNERATION

Note 2b

2011 Number	Other employees whose remuneration fell within the following ranges	2012 Number
	Clinicians	
69	£ 50,000 to £ 60,000	70
23	£ 60,001 to £ 70,000	33
0	£ 70,001 to £ 80,000	2
2	£ 80,001 to £ 90,000	1
5	£ 90,001 to £100,000	4
1	£100,001 to £110,000	0
0	£110,001 to £120,000	0
2	£120,001 to £130,000	0
0	£130,001 to £140,000	1
0	£140,001 to £150,000	0
0	£150,001 to £160,000	0
0	£160,001 to £170,000	0
0	£170,001 to £180,000	0
0	£180,001 to £190,000	0
0	£190,001 to £200,000	0
1	£200,001 and above	1

2011 Number	Others	2012 Number
11	£ 50,000 to £ 60,000	10
9	£ 60,001 to £ 70,000	12
6	£ 70,001 to £ 80,000	5
2	£ 80,001 to £ 90,000	1
3	£ 90,001 to £100,000	2
0	£100,001 to £110,000	2
1	£110,001 to £120,000	0
0	£120,001 to £130,000	0
1	£130,001 to £140,000	1
0	£140,001 to £150,000	0
0	£150,001 to £160,000	0
0	£160,001 to £170,000	0
0	£170,001 to £180,000	0
0	£180,001 to £190,000	0
0	£190,001 to £200,000	0
0	£200,001 and above	0

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

OTHER OPERATING COSTS

Note 3

2011 £'000		Note	£'000	£'000
	Expenditure not paid in cash			
2,115	Depreciation	11	1,983	
368	Amortisation	10	382	
288	Impairments on property, plant & equipment charged to SOCNE	11	28	
0	Reversal of impairments on property, plant & equipment and on intangible assets charged to SOCNE	11	0	
0	Revaluation gains/loss on property, plant & equipment charged to SOCNE	11	0	
0	Impairments on intangible assets charged to SOCNE	10	0	
0	Revaluation gain/loss on intangible assets charged to SOCNE	10	0	
0	Loss of remeasurement of non-current assets held for sale	14	0	
0	Revaluation EC Carbon Emissions taken to Govt Grant	10	0	
0	Loss / (Profit) on disposal of intangible assets		0	
0	Loss / (Profit) on disposal of purchased fixed assets		0	
0	Impairment on available for sale financial assets charged to SOCNE		0	
0	Gain on remeasurement of non-current assets held for sale		0	
<u>2,771</u>	Total Expenditure not paid in cash	CFS		<u>2,393</u>
	Interest Payable			
0	Interest on late payment of commercial debt		0	
4	Bank and other interest payable		5	
0	Other finance lease charges allocated in the year		0	
0	Provisions – Unwinding of discount		0	
0	Other Interest		0	
<u>4</u>	Total			<u>5</u>
	Statutory Audit			
<u>59</u>	External Auditor's remuneration and expenses			<u>54</u>
	During the year the Board purchased the following non-audit services from its internal auditor:			
10	PricewaterhouseCoopers – Procurement function support			0
0	PricewaterhouseCoopers – advice in relation to the SFLA programme			12
<u>10</u>				<u>12</u>

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

HOSPITAL AND COMMUNITY HEALTH SERVICES

Note 4

2011 £'000	BY PROVIDER	£'000
32,586	Treatment in Board area of NHSScotland Patients	34,165
5,295	Other NHS Scotland Bodies	3,038
0	Health Bodies outside Scotland	0
0	Primary Care Bodies	0
0	Private Sector	0
0	Support Finance	0
0	Resource Transfer	0
0	Contributions to Voluntary Bodies and Charities	0
37,881	Total of NHSScotland Patients	37,203
0	Treatment of UK residents based outside Scotland	0
37,881	Total Hospital and Community Health Services	SOCNE 37,203

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

FAMILY HEALTH SERVICE EXPENDITURE

Note 5

2011 £'000		Note	Unified Budget £'000	Non Disc £'000	TOTAL £'000
0	Primary Medical Services		0	0	0
0	Pharmaceutical Services		0	0	0
0	General Dental Services		0	0	0
0	General Ophthalmic Services		0	0	0
<u>0</u>			<u>0</u>	<u>0</u>	<u>0</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

ADMINISTRATION COSTS

Note 6

2011 £'000		£'000
969	Board Members' Remuneration*	873
134	Administration of Board Meetings and Committees	160
145	Corporate Governance and Statutory Reporting	131
0	Health Planning, Commissioning and Performance Reporting	0
0	Treasury Management and Financial Planning	0
588	Public Relations**	545
23,303	Other***	24,175
25,139	Total administration costs	25,884
	SOCNE	

*Board Members' Remuneration includes salaries and other remuneration for all Executive and Non-Executive Directors as noted in the Remuneration Report in the Directors' Report, along with the employer's pension and NIC contributions as appropriate.

**The majority of the Public Relations spend was in relation to the Winter and Easter campaigns.

*** Others comprise the following:-

£'000		£'000
1,406	Earmarked SGHD-funded projects	1,019
7,128	Software Developments, Licences and Maintenance	7,062
4,926	Directorate Staff costs	5,314
1,851	Telecommunications	1,561
173	Training and Recruitment	153
2,771	Depreciation and Impairment charges	2,394
2,961	Property Running Costs	3,025
0	Marketing, Advertising and Media Buying**	0
1,013	Strategic Frontline Application Development	2,513
288	External Administration Services	230
786	Miscellaneous	904
23,303	Total Other	24,175

NHS 24 has a unique set up in NHS Board terms, in that it is a highly technological organisation. The classification of technology costs as an administration expense makes the organisation appear to be largely administrative in nature, however it should be noted that the vast majority of the technology costs are incurred supporting front line patient care.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

OTHER NON-CLINICAL SERVICES

Note 7

2011		£'000
0	Nurse Teaching	0
0	Occupational Health	0
0	Closed hospital charges	0
35	Compensation payments – Clinical	0
10	Compensation payments – Other	35
433	Pension enhancement and redundancy	89
0	Patients' Travel Attending Hospitals	0
0	Patients' Travel Highlands and Islands scheme	0
0	Health Promotion	0
0	Public Health	0
0	Public Health Medicine Trainees	0
0	Emergency Planning	0
0	Post Graduate Medical Education	0
0	Shared Services	0
0	Loss on disposal of fixed assets	0
26	Other	60
504	Total Other Non Clinical Services	184

SOCNE **184**

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

OPERATING INCOME

Note 8

2011 £'000		£'000
	HCH Income	
0	SGHD	64
187	NHS Scotland Bodies	227
0	NHS Non-Scottish Bodies	0
	Non-NHS	
0	Private Patients	0
0	Compensation Income	0
35	Other HCH Income	184
222	Total HCH Income	475
	SOCNE	475
481	Administration Income	398
	Other Operating Income	
0	NHSScotland Bodies	0
0	NHS Non-Scottish Bodies	0
0	SGHD	0
85	Contributions in respect of Clinical / Medical Negligence Claims	90
0	Profit on disposal of non current assets	0
0	Transfer from Donated Asset Reserve in respect of Depreciation	0
0	Transfer from Donated Asset Reserve in respect of Disposals	0
0	Transfer from Donated Asset Reserve in respect of Impairment	0
0	Interest Received	0
0	Shared Services	0
55	Other Income	57
140	Total Other Operating Income	147
	SOCNE	147
843	Total Income	1,020
511	Of the above, the amount derived from NHS bodies is	510

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

ANALYSIS OF CAPITAL EXPENDITURE

Note 9

2011 £'000		Note	£'000
	EXPENDITURE		
75	Acquisition of Intangible Assets	10	0
935	Acquisition of Property, plant and equipment	11	259
0	Donated Asset Additions	11b	0
0	Release from donated asset reserve	SOCTE	0
0	Capital Grants to / (from) Other Bodies		0
0	(Profit) / Loss on disposal of non-current assets		0
1,010	Gross Capital Expenditure		259
	INCOME		
0	Net book value of disposal of Intangible Assets	10	0
0	Net book value of disposal of Property, plant and equipment	11a	0
0	Capital income		0
1,010	Net Capital Expenditure		259
	SUMMARY OF CAPITAL RESOURCE OUTTURN		
	Core capital expenditure included above		259
	Core Capital Resource Limit		319
	Saving / (excess) against Core Capital Resource Limit		60
	Non Core capital expenditure included above		0
	Non Core Capital Resource Limit		0
	Saving / (excess) against Non Core Capital Resource Limit		0
1,010	Total capital expenditure		259
1,010	Total Capital Resource Limit		319
0	Saving / (excess) against Total Capital Resource Limit		60

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INTANGIBLE ASSETS

Note 10

FOR THE YEAR ENDED 31ST MARCH 2012

	Note	Software Licences £'000	Information Technology Software £'000	Other Intangible £'000	Total £'000
Cost or valuation – at 1 April 2011		302	1,605	0	1,907
Additions		0	0	0	0
Completions		0	0	0	0
Transfers		0	16	0	16
Disposals		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		0	0	0	0
Impairment Reversal		0	0	0	0
As at 31 March 2012		302	1,621	0	1,923
Amortisation					
As at 1 April 2011		129	706	0	835
Provided during the year		60	322	0	382
Transfers		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		0	0	0	0
Impairment Reversal		0	0	0	0
Disposals		0	0	0	0
As at 31 March 2012		189	1,028	0	1,217
Net Book Value at 1st April 2011		173	899	0	1,072
Net Book Value at 31st March 2012		113	593	0	706

Classification of Assets under Development

	Net Book Value
Information Technology Software	0
Website	0
	<u>0</u>

INTANGIBLE ASSETS, cont. - PRIOR YEAR

	Note	Software Licences £'000	Information Technology Software £'000	Other Intangible £'000	Total £'000
Cost or valuation – at 1 April 2010		294	1,495	0	1,789
Additions		8	67	0	75
Completions		0	0	0	0
Transfers		0	43	0	43
Disposals		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		0	0	0	0
Impairment Reversal		0	0	0	0
As at 31 March 2011		302	1,605	0	1,907
Amortisation					
As at 1 April 2010		70	397	0	467
Provided during the year		59	309	0	368
Transfers		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		0	0	0	0
Impairment Reversal		0	0	0	0
Disposals		0	0	0	0
As at 31 March 2011		129	706	0	835
Net Book Value at 1st April 2010		224	1,098	0	1,322
Net Book Value at 31st March 2011		173	899	0	1,072

Classification of Assets under Development

	Net Book Value
Information Technology Software	0
Website	0
	<u>0</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012

PROPERTY, PLANT & EQUIPMENT (PURCHASED ASSETS)

Note 11a

	Note	Information Technology £'000	Furniture & Fittings £'000	Assets Under Constructn £'000	Total £'000
Cost or valuation – at 1 April 2011		12,564	4,137	974	17,675
Addition		0	10	249	259
Completions		0	0	0	0
Transfers		354	3	(373)	(16)
Disposals		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		(2,183)	(30)	0	(2,213)
Impairment Reversal		0	0	0	0
As at 31 March 2012		10,735	4,120	850	15,705
Depreciation					
As at 1 April 2011		6,845	2,547	0	9,392
Provided during the year		1,588	395	0	1,983
Transfers		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		(2,160)	(25)	0	(2,185)
Impairment Reversal		0	0	0	0
Disposals		0	0	0	0
As at 31 March 2012		6,273	2,917	0	9,190
Net Book Value at 1st April 2011		5,719	1,590	974	8,283
Net Book Value at 31st March 2012		4,462	1,203	850	6,515
Asset Financing:					
Owned		4,462	1,203	850	6,515
Finance Leased		0	0	0	0
On Balance Sheet PFI contracts		0	0	0	0
Net Book Value at 31st March 2012		4,462	1,203	850	6,515

NHS 24 has no land and dwelling assets held at open market value.

NHS 24 has no assets held under finance leases, hire purchase or PFI/PPP contracts. NHS 24 has no assets which fall into the category of Land and Buildings (excluding dwellings), Dwellings, Transport Equipment or Plant and Machinery.

**PROPERTY, PLANT AND EQUIPMENT
(Purchased Assets) - PRIOR YEAR**

	Note	Information Technology £'000	Furniture & Fittings £'000	Assets Under Constructn £'000	Total £'000
Cost or valuation – at 1 April 2010		13,445	4,473	1,807	19,725
Addition		0	12	923	935
Completions		0	0	0	0
Transfers		1,713	0	(1,756)	(43)
Disposals		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		(2,594)	(348)	0	(2,942)
Impairment Reversal		0	0	0	0
As at 31 March 2011		12,564	4,137	974	17,675
Depreciation					
As at 1 April 2010		7,559	2,372	0	9,931
Provided during the year		1,700	415	0	2,115
Transfers		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		(2,414)	(240)	0	(2,654)
Impairment Reversal		0	0	0	0
Disposals		0	0	0	0
As at 31 March 2011		6,845	2,547	0	9,392
Net Book Value at 1st April 2010		5,886	2,101	1,807	9,794
Net Book Value at 31st March 2011		5,719	1,590	974	8,283
Asset Financing:					
Owned		5,719	1,590	974	8,283
Finance Leased		0	0	0	0
On Balance Sheet PFI contracts		0	0	0	0
Net Book Value at 31st March 2011		5,719	1,590	974	8,283

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PROPERTY, PLANT & EQUIPMENT (DONATED ASSETS)

Note 11b

	Note	Information Technology £'000	Furniture & Fittings £'000	Assets Under Constructn £'000	Total £'000
Cost or valuation – at 1 April 2011		0	0	0	0
Addition		0	0	0	0
Completions		0	0	0	0
Transfers		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		0	0	0	0
Impairment Reversal		0	0	0	0
Disposals		0	0	0	0
As at 31 March 2012		0	0	0	0
Depreciation					
As at 1 April 2011		0	0	0	0
Provided during the year		0	0	0	0
Transfers		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		0	0	0	0
Impairment Reversal		0	0	0	0
Disposals		0	0	0	0
As at 31 March 2012		0	0	0	0
Net Book Value at 1st April 2011		0	0	0	0
Net Book Value at 31st March 2012		0	0	0	0
Asset Financing:					
Owned		0	0	0	0
Finance Leased		0	0	0	0
On Balance Sheet PFI contracts		0	0	0	0
Net Book Value at 31st March 2012		0	0	0	0

**PROPERTY, PLANT AND EQUIPMENT
(Donated Assets) - PRIOR YEAR**

	Note	Information Technology £'000	Furniture & Fittings £'000	Assets Under Constructn £'000	Total £'000
Cost or valuation – at 1 April 2010		0	0	0	0
Addition		0	0	0	0
Completions		0	0	0	0
Transfers		0	0	0	0
Disposals		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		0	0	0	0
Impairment Reversal		0	0	0	0
As at 31 March 2011		0	0	0	0
Depreciation					
As at 1 April 2010		0	0	0	0
Provided during the year		0	0	0	0
Transfers		0	0	0	0
Revaluation		0	0	0	0
Transfers (to)/from non-current assets held for sale	11c	0	0	0	0
Impairment Charge		0	0	0	0
Impairment Reversal		0	0	0	0
Disposals		0	0	0	0
As at 31 March 2011		0	0	0	0
Net Book Value at 1st April 2010		0	0	0	0
Net Book Value at 31st March 2011		0	0	0	0
Asset Financing:					
Owned		0	0	0	0
Finance Leased		0	0	0	0
On Balance Sheet PFI contracts		0	0	0	0
Net Book Value at 31st March 2011		0	0	0	0

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012

ASSETS HELD FOR SALE

Note 11c

NHS 24 does not have any assets held for sale as at 31st March 2012.

		Property, Plant & Equipment £'000	Intangible Assets £'000	Total £'000
At 1st April 2011		0	0	0
Transfers (to)/from Property, Plant & Equipment	11a	0	0	0
Transfers (to)/from Intangible Assets	10	0	0	0
Gains or losses recognised on remeasurement of non-current assets held for sale		0	0	0
Disposals of non-current assets held for sale		0	0	0
As at 31st March 2012	BS	0	0	0

		Property, Plant & Equipment £'000	Intangible Assets £'000	Total £'000
At 1st April 2010		0	0	0
Transfers (to)/from Property, Plant & Equipment	11a	0	0	0
Transfers (to)/from Intangible Assets	10	0	0	0
Gains or losses recognised on remeasurement of non-current assets held for sale		0	0	0
Disposals of non-current assets held for sale		0	0	0
As at 31st March 2011	BS	0	0	0

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

PROPERTY, PLANT & EQUIPMENT DISCLOSURES

Note 11d

2011 £'000		Note	£'000
	Net book value of tangible fixed assets at 31 March		
8,283	Purchased	11a	6,515
<u>0</u>	Donated	11b	<u>0</u>
<u>8,283</u>	Total	BS	<u>6,515</u>
0	Net book value related to land valued at open market value at 31 March		0
<u>0</u>	Net book value related to buildings valued at open market value at 31 March		<u>0</u>
	Total value of assets held under:		
0	Finance Leases and Hire Purchase Contracts		0
<u>0</u>	PFI / PPP contracts		<u>0</u>
<u>0</u>			<u>0</u>
	Total depreciation charged in respect of assets held under:		
0	Finance Leases and hire purchase contracts		0
<u>0</u>	PFI and PPP contracts		<u>0</u>
<u>0</u>			<u>0</u>

NHS 24 has no assets held under finance leases, hire purchase or PFI/PPP contracts. NHS 24 has no assets which fall in to the category of Land and Buildings.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

INVENTORIES

Note 12

FOR THE YEAR ENDED 31ST MARCH 2012

NHS 24 has no inventory at 31ST March 2012 (2011 - £NIL).

TRADE AND OTHER RECEIVABLES

Note 13

2011 £'000		Note	£'000
	Receivables due within one year		
	NHS Scotland		
23	- SGHD		0
114	- Boards		353
<u>137</u>	Total NHS Scotland Receivables		<u>353</u>
1	NHS Non-Scottish Bodies		0
0	General Fund Receivable		0
547	VAT Recoverable		625
305	Prepayments		308
89	Other Receivables		114
185	Reimbursement of Provisions		275
0	Other Public Sector Bodies		0
0	Other Significant Receivables		0
<u>1,264</u>	Total Receivables due within one year	BS	<u>1,675</u>
	Receivables due after more than one year		
	NHS Scotland		
0	- SGHD		0
0	- Boards		0
0	Other Public Sector Bodies		0
0	Prepayments		0
0	Other Receivables		0
0	Reimbursement of Provisions		0
<u>0</u>	Total Receivables due after more than one year	BS	<u>0</u>
<u>1,264</u>	TOTAL RECEIVABLES		<u>1,675</u>
23	The total receivables figure above includes a provision for bad debts of :		6
	WGA Classification		
114	NHSScotland		353
570	Central Government Bodies		625
0	Whole of Government Bodies		0
1	Balances with NHS bodies in England and Wales		0
579	Balances with bodies external to Government		697
<u>1,264</u>	Total		<u>1,675</u>

2011		£'000
	Movements on the provision for impairment of receivables are as follows:	
10	At 1 April	23
14	Provision for debtors impairment	1
0	Receivables written off during the year as uncollectible	(18)
(1)	Unused amounts reversed	0
<u>23</u>	At 31 March	<u>6</u>

As of 31 March 2012, receivables with a carrying value of £6k (2011: £23k) were impaired and provided for. The amount of the provision was £6k (2011:£23k). The aging of these receivables is as follows:

2011		£'000
0	3 to 6 months past due	0
<u>23</u>	Over 6 months past due	<u>6</u>
<u>23</u>		<u>6</u>

The receivables assessed as individually impaired were mainly staff who have left the organisation owing money.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2012, receivables of carrying value of NIL (2011:£13k) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

2011		£'000
13	Up to 3 months past due	0
0	3 to 6 months past due	0
0	Over 6 months past due	0
<u>13</u>		<u>0</u>

The receivables assessed as past due but not impaired were mainly Health Boards and there is no history of default from these customers recently.

Concentration of credit risk is limited due to NHS 24's receivables mainly being Health Boards and Government bodies.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

Receivables that are neither past due nor impaired are shown by their credit risk below;

2011		£'000
	Counterparties with external credit ratings	
0	A	0
0	BB	0
0	BBB	0
	Counterparties with no external credit rating:	
0	New customers	0
43	Existing customers with no defaults in the past	63
0	Existing customers with some defaults in the past	0
<u>43</u>	Total neither past due or impaired	<u>63</u>

The maximum exposure to credit risk is the fair value of each class of receivable. The NHS Board does not hold any collateral as security.

2011		£'000
	The carrying amount of receivables are denominated in the following currencies:	
1,264	Pounds	1,675
0	Euros	0
0	US Dollars	0
<u>1,264</u>		<u>1,675</u>

The carrying amount of short term receivables approximates to their fair value.

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

AVAILABLE FOR SALE FINANCIAL ASSETS

Note 14

2011 £'000			£'000
0	Government Securities		0
0	Other		0
<u>0</u>	Total	BS	<u>0</u>
£'000			£'000
	At 1 April 2011		
0	Additions		0
0	Disposals		0
0	Impairment recognised in SOCNE		0
0	Revaluation surplus / (deficit) transfer to equity		0
<u>0</u>	At 31 March 2012		<u>0</u>
0	Current	BS	0
0	Non-current	BS	0
<u>0</u>	At 31 March 2012		<u>0</u>

CASH AND CASH EQUIVALENTS

Note 15

	Note	At 01/04/11 £'000	Cash Flow £'000	At 31/03/12 £'000
Government Banking Service Account Balance		726	(125)	601
Cash at Bank and in Hand		29	11	40
Total Cash and Cash Equivalents – Balance Sheet	BS	755	(114)	641
Overdrafts	16	0	0	0
Total Cash – Cash Flow Statement		755	(114)	641
	Note	At 01/04/10 £'000	Cash Flow £'000	At 31/03/11 £'000
PGO Account Balance		481	245	726
Cash at Bank and in Hand		13	16	29
Total Cash and Cash Equivalents – Balance Sheet	BS	494	261	755
Overdrafts	16	0	0	0
Total Cash – Cash Flow Statement		494	261	755

Cash at bank is with major UK banks. The credit risk associated with cash at bank is considered to be low.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2012

TRADE AND OTHER PAYABLES

Note 16

2011 £'000		Note	£'000
	Payables due within one year		
	NHSScotland		
0	SGHD		0
921	Boards		710
<u>921</u>	Total NHSScotland Payables		<u>710</u>
0	NHS Non-Scottish Bodies		0
754	General Fund Payable		641
0	FHS Practitioners		0
0	Trade Payables		0
2,244	Accruals		1,782
0	Deferred income		0
0	Payments received on account		0
0	Interest payable		0
0	Net obligations under Finance Leases	22	0
0	Net obligations under PPP/PFI Contracts	23	0
0	Bank overdrafts	15	0
795	Income tax and social security		810
440	Superannuation		486
139	Holiday Pay Accrual		146
0	VAT		0
0	Other Public Sector Bodies		0
0	EC Carbon Emissions Grant		0
167	Other payables		124
<u>5,460</u>	Total Payables due within one year	BS	<u>4,699</u>
	Payables due after more than one year		
	NHSScotland		
0	- SGHD		0
0	- Boards		0
0	Other Public Sector Bodies		0
0	Net obligations under Finance Leases due within 5 years	22	0
0	Net obligations under Finance Leases due after 5 years	22	0
0	Net obligations under PPP/PFI Contracts due within 5 years	23	0
0	Net obligations under PPP/PFI Contracts due after 5 years	23	0
0	EC Carbon Emissions Grant		0
0	Accruals		0
0	Other		0
<u>0</u>	Total Payables due after more than one year	BS	<u>0</u>
<u>5,460</u>	TOTAL PAYABLES		<u>4,699</u>
	WGA Classification		
921	NHSScotland		710
1,235	Central Government Bodies		1,296
0	Whole of Government Bodies		0
0	Balances with NHS Bodies in England and Wales		0
3,304	Balances with bodies external to Government		2,693
<u>5,460</u>	Total		<u>4,699</u>

TRADE AND OTHER PAYABLES, cont.

2011		
£'000	Borrowings included above comprise:	£'000
0	Bank overdrafts	0
0	Finance Leases	0
0	PFI Contracts	0
<u>0</u>	Total	<u>0</u>

2011	The carrying amount and fair value of the non-current borrowings are as follows	
£'000	Carrying amount	£'000
0	Finance Leases	0
0	PFI Contracts	0
<u>0</u>	Total	<u>0</u>

2011	The carrying amount and fair value of the non-current borrowings are as follows	
Fair Value	Fair value	Fair Value
£'000		£'000
0	Finance Leases	0
0	PFI Contracts	0
<u>0</u>	Total	<u>0</u>

The carrying amount of short term payables approximates their fair value.

2011	The carrying amount of payables are denominated in the following currencies	
£'000		£'000
5,460	Pounds	4,699
0	Euros	0
0	US Dollars	0
<u>5,460</u>	Total	<u>4,699</u>

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

PROVISIONS

Note 17

	Pensions & Similar obligations £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
At 1 April 2011	0	255	0	216	471
Arising during the year	0	150	0	25	175
Utilised during the year	0	0	0	0	0
Unwinding of discount	0	0	0	0	0
Reversed unutilised	0	(5)	0	0	(5)
At 31 March 2012	0	400	0	241	641

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 13.

Analysis of expected timing of discounted flows

	Pensions & Similar obligations £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
Current	0	400	0	0	400
Non-current	0	0	0	241	241
At 31 March 2012	0	400	0	241	641

Provisions – Prior Year

	Pensions & Similar obligations £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
At 1 April 2010	0	159	0	211	370
Arising during the year	0	125	0	25	150
Utilised during the year	0	(29)	0	(20)	(49)
Unwinding of discount	0	0	0	0	0
Reversed unutilised	0	0	0	0	0
At 31 March 2011	0	255	0	216	471

The amounts shown above are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 13.

Analysis of expected timing of discounted flows

	Pensions & Similar obligations £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
Current	0	255	0	0	255
Non-current	0	0	0	216	216
At 31 March 2011	0	255	0	216	471

	Pensions & Similar obligations	Clinical & Medical	EC Carbon Emissions	Other	Total
	£'000	£'000	£'000	£'000	£'000
Current	0	159	0	20	179
Non-current	0	0	0	191	191
At 31 March 2010	0	159	0	211	370

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.8% in real terms. NHS 24 currently has no such cases.

Clinical & Medical

The Board holds a provision to meet costs of all outstanding and potential clinical and medical negligence claims. All legal claims notified to the Board are processed by the Scottish NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provision for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts.

The Clinical and Medical provision is based on a review of all outstanding and potential claims for which NHS 24 may be liable. Provision is made for all claims assessed by CLO as "Category 3" plus a view on the likely outcome of "Category 2" claims. All Category 2 and 3 claims that are not provided for are disclosed as contingent liabilities in Note 19.

EC Carbon Emissions

NHS 24 does not participate in the EC Carbon Emissions scheme.

Other

Dilapidations - This is a provision to re-instate the properties that NHS 24 leases to their original condition in line with the terms of the lease agreements. NHS 24 has contacted the local valuer for both sites to calculate the level of investment that would be required. The provision will increase equally in each year of the lease to reach the level of investment required at the end of the lease agreement.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

MOVEMENT ON WORKING CAPITAL BALANCES

Note 18

2011 Net Movement £'000		Note	Opening Balances £'000	Closing Balances £'000	Net Movement £'000
INVENTORIES					
0	Balance Sheet	12	0	0	
0	Net Decrease/(Increase)				0
TRADE AND OTHER RECEIVABLES					
(84)	Due within one year	13	1,264	1,675	
0	Due after more than one year	13	0	0	
0	Less: Capital included in above		0	0	
0	Less: General Fund Debtor included in above		0	0	
			1,264	1,675	
(84)	Net Decrease/(Increase)				(411)
TRADE AND OTHER PAYABLES					
(192)	Due within one year	16	5,460	4,699	
0	Due after more than one year	16	0	0	
185	Less: Capital included in above		(122)	(87)	
0	Less: Bank Overdraft	16	0	0	
(260)	Less: General Fund Creditor included in above	16	(754)	(641)	
0	Less: Lease and PFI Creditors included in above	16	0	0	
0	Less: Interest payable included in above	16	0	0	
			4,584	3,971	
(267)	Net (Decrease)/Increase				(613)
PROVISIONS					
101	Balance Sheet	17	471	641	
0	Transfer from Provision to General Fund		0	0	
101	Net (Decrease)/Increase				170
(250)	NET MOVEMENT (Decrease)/Increase				(854)

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

CONTINGENT LIABILITIES

Note 19

The following contingent liabilities have not been provided for in the Accounts:

2011 £'000		Value £'000
271	Clinical and medical compensation payments	310
0	Employer's liability	0
0	Third party liability	0
0	Doubtful debts	0
0	Legal Claims for Equal Pay Disputes	0
0	Other	0
271	TOTAL CONTINGENT LIABILITIES	310

CONTINGENT ASSETS

2010 £'000		Value £'000
250	Clinical and medical compensation payments	300
0	Employer's liability	0
250	TOTAL CONTINGENT ASSETS	300

Clinical and medical compensation payments

In the normal course of business, incidents which result in claims have occurred that cannot be quantified with a sufficient degree of certainty to allow an assessment to be made on whether a provision is required.

As a consequence, a contingent liability for £310,000 has been recognised in respect of these claims.

A contingent asset of £300,000 has also been recognised representing the monies that are recoverable from CNORIS in respect of the claims.

Equal Pay

NHS 24 has received 4 claims under the Equal Pay Act 1970 mainly from women seeking compensation for past inequalities with male colleagues, under their pay arrangements.

The basis of claims is as follows:

- The Claimant's job has been rated as being of equivalent to that of their comparator using a valid Job Evaluation Study and/or is of equal value to that of their comparator.
- Their comparator is currently paid or has been paid more than them.
- They claim equal pay, back pay and interest (back pay is claimed for the statutory maximum of five years.)

Claims still do not provide sufficient detail about the comparator jobs to allow an estimate to be made of the likelihood of the success of the claims or of any financial impact that they may have. The NHS Scotland Central Legal Office and Equal Pay Unit are continuing to monitor the progress of all equal pay claims in NHS Scotland as well as developments relating to NHS equal pay claims elsewhere that may further inform the position. They continue to advise that it is not possible to provide any financial quantification at this stage because of the lack of information available. On the basis of their view the appropriate accounting treatment is to disclose the claims as a contingent liability that it is not possible to quantify.

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

POST BALANCE SHEET EVENTS

Note 20

There are no post balance sheet events.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

COMMITMENTS

Note 21

2011 £'000	Capital Commitments The Board has the following Capital Commitments which have not been provided for in the accounts	Property, plant and equipment £'000	Intangible assets £'000	Total £'000
	Contracted			
61	Voice upgrade	55	0	55
0	Citrix upgrade	3	0	3
61	Total	58	0	58
	Authorised but not Contracted			
0	None	0	0	0
0	Total	0	0	0

Other financial commitments

The Board has entered into no other non-cancellable contracts (which are not leases or PFI contracts).

2011 £'000	The payments to which the Board is committed during 2010/11, analysed by the period during which the commitments expire are as follows:	£'000		
0	Expiry within 1 year	0	0	0
0	Expiry within 2 to 5 years	0	0	0
0	Expiry after 5 years	0	0	0
0	Total	0	0	0

Financial Guarantees, Indemnities and Letter of Comfort

The Board has entered into the following quantifiable guarantees, indemnities or provided letters of comfort. None of these is a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote. They therefore fall to be measured following the requirements of IAS 39.

Managing public money requires that the full potential costs of such contracts be reported. These costs are reproduced in the table below.

2011 £'000		At 1 April 2011 £'000	Increase in year £'000	Liabilities crystallised in year £'000	Obligation expired in year £'000	At 31 March 2012 £'000
0	Guarantees					
0	None	0	0	0	0	0
0	Indemnities					
0	None	0	0	0	0	0
0	Letter of comfort					
0	None	0	0	0	0	0
0	Amount reported to Parliament by departmental Minute	0	0	0	0	0

NHS 24 entered into SFLA Agreements during 2011/12 which were executed on 2 March 2012. The SFLA Agreements (between NHS 24 and Capgemini UK plc in respect of Lot 1, and NHS 24 and British Telecommunications plc in respect of Lot 2) are for a duration of 10 years from the services commencement date. The monetary values included in these agreements are not disclosed on the basis of commercial sensitivity.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

COMMITMENTS UNDER LEASES

Note 22

2011 £'000	Operating Leases	£'000
	Total future minimum lease payments under operating leases are given in the table below for the each of the following periods.	
	Obligations under operating leases comprise:	
	Land	
0	Not later than one year	0
0	Later than one year, not later than five years	0
0	Later than five years	0
	Buildings	
1,325	Not later than one year	1,308
5,192	Later than one year, not later than five years	5,185
4,492	Later than five years	3,600
	Other	
90	Not later than one year	95
88	Later than one year, not later than five years	56
0	Later than five years	0
<hr/>		
	Amounts charged to Operating Costs in the year were:	
172	Hire of equipment (including vehicles)	179
1,331	Other operating leases	1,344
<u>1,503</u>	Total	<u>1,523</u>
	Contingent rents recognised as an expense in the period were:	
0	Contingent rents	0
	Finance Leases	
£'000	Total future minimum lease payments under finance leases are given in the table below for each of the following periods.	£'000
	Obligations under Finance leases comprise:	
	Buildings	
0	Rentals due within one year	0
0	Rentals due between two and five years (inclusive)	0
<u>0</u>	Rentals due after five years	<u>0</u>
<u>0</u>	Less interest element	<u>0</u>
<u>0</u>		<u>0</u>
	Other	
0	Rentals due within one year	0
0	Rentals due between two and five years (inclusive)	0
<u>0</u>	Rentals due after five years	<u>0</u>
<u>0</u>	Less interest element	<u>0</u>
<u>0</u>		<u>0</u>
	This total net obligation under finance leases is analysed in Note 16 (Creditors)	
	Aggregate Rentals Receivable in the year	
<u>0</u>	Total of finance & operating leases	<u>0</u>

COMMITMENTS UNDER PFI CONTRACTS

Note 23

FOR THE YEAR ENDED 31st MARCH 2012

NHS 24 has no commitments under PFI Contracts.

NHS 24

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2012

PENSION COSTS

Note 24

NHS 24 participates in the National Health Service Superannuation Scheme for Scotland which is a notional defined benefit scheme where contributions are credited to the Exchequer and the balance in the account is deemed to be invested in a portfolio of Government securities. The pension cost is assessed every five years by the Government Actuary; details of the most recent actuarial valuation can be found in the separate statement of the Scottish Public Pensions Agency (SPPA).

The NHS Superannuation Scheme for Scotland is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. NHS 24 will therefore account for its pension costs on a defined contribution basis as permitted by IAS 19.

For 2011/12, normal employer contributions of £3,772k were payable to SPPA (2010/11 - £3,594k) at the rate of 13.5% (2010/11: 13.5%) of total pensionable salaries. In addition, during the accounting period, NHS 24 incurred additional costs of £NIL (2010/11 - £NIL) arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £370 million to be met by future contributions from employing authorities (in NHS Scotland).

Provisions / Liabilities / Pre-payments amounting to £NIL are included in the Balance Sheet and reflect the difference between the amounts charged to the SOCNE and the amounts paid directly.

Changes to the scheme were implemented from 1 April 2008. Existing staff, and those joining the scheme up to 31 March 2008, will keep the benefits of the existing scheme but will be given the choice to transfer to the new scheme.

Existing Scheme

The Scheme provides benefits on a "final salary" basis at a normal retirement age of 60. Annual benefits are normally based on 1/80th of the best of the last three years' pensionable pay for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay tiered contribution rates ranging from 5% to 8.5% of pensionable earnings. Pensions are increased in line with the Consumer Prices Index.

On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the Scheme pays a lump-sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Child allowances are payable according to the number of dependant children and whether there is a surviving parent who will get a Scheme widow/widower's pension. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately where the member has more than two years service. Where service exceeds 5 years, the pension is calculated using specially enhanced service, with a maximum enhancement of 10 years.

Members aged 50 or above may take voluntary early retirement and receive a reduced pension. Alternatively, if the employer agrees to this, the member will be able to retire on the full pension and lump sum they have earned.

New 2008 arrangements:

The scheme provides benefits on a "final salary" basis at a normal retirement age of 65. Pensions will have an accrual rate of 1/60th and be calculated on the basis of the average of the best consecutive three years pensionable pay in the ten years before retirement. There is an option to exchange part of Pension benefits for a cash lump sum at retirement, up to 25% of overall Pension Value. Members pay tiered contribution rates from 5% to 8.5% of pensionable earnings. Pension and allowances are index linked to protect their value.

Members aged 55 or above may take voluntary early retirement and receive a reduced pension. Alternatively, if the employer agrees to this the member will be able to retire on the full pension and lump sum which they have earned.

	2011/12	2010/11
	£'000	£'000
Pension cost charge for the year	3,772	3,594
Additional costs arising from early retirement	0	0
Provisions/ Pre-payments included in the Balance Sheet	0	0

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012

EXCEPTIONAL ITEMS AND PRIOR YEAR ADJUSTMENTS

Note 25

NHS 24 has no exceptional items or prior year adjustments for the year ended 31st March 2012.

RESTATED SOCNE

Note 26

RESTATED BALANCE SHEET

RESTATED CASH FLOW STATEMENT

NHS 24 has not restated any of its financial statements.

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

FINANCIAL INSTRUMENTS

Note 27

27a Financial Instruments by Category

Financial Assets

	Note	Loans and Receivables £'000	Assets at Fair Value through profit and loss £'000	Available for sale £'000	Total £'000
At 31 March 2012					
Assets per balance sheet					
Investments	14	0	0	0	0
Derivative financial instruments	28	0	0	0	0
Trade and other receivables excluding VAT, prepayments, reimbursements of provisions	13	114	0	0	114
Cash and cash equivalents	15	641	0	0	641
		755	0	0	755

	Note	Loans and Receivables £'000	Assets at Fair Value through profit and loss £'000	Available for sale £'000	Total £'000
At 31 March 2011					
Assets per balance sheet					
Investments	14	0	0	0	0
Derivative financial instruments	28	0	0	0	0
Trade and other receivables excluding VAT, prepayments, reimbursements of provisions	13	90	0	0	90
Cash and cash equivalents	15	755	0	0	755
		845	0	0	845

Financial Liabilities

	Note	Liabilities at Fair Value through profit and loss £'000	Other Financial Liabilities £'000	Total £'000
At 31 March 2012				
Liabilities per balance sheet				
Finance lease liabilities	16	0	0	0
PFI Liabilities	16	0	0	0
Derivative financial instruments	28	0	0	0
Trade and other payables excluding statutory liabilities and superannuation	16	0	2,693	2,693
		0	2,693	2,693

At 31 March 2011	Note	Liabilities at Fair Value through profit and loss £'000	Other Financial Liabilities £'000	Total £'000
Liabilities per balance sheet				
Finance lease liabilities	16	0	0	0
PFI Liabilities	16	0	0	0
Derivative financial instruments	28	0	0	0
Trade and other payables excluding statutory liabilities and superannuation	16	0	3,304	3,304
		0	3,304	3,304

27b FINANCIAL RISK FACTORS

Exposure to Risk

The NHS Board's activities expose it to a variety of financial risks:

Credit risk - the possibility that other parties might fail to pay amounts due

Liquidity risk - the possibility that the NHS Board might not have funds available to meet its commitments to make payments

Market risk - the possibility that financial loss might arise as a result of changes in such measures as interest rates, stock market movements or foreign exchange rates.

Because of the largely non-trading nature of its activities and the way in which government departments are financed, the NHS Board is not exposed to the degree of financial risk faced by business entities.

The Board provides written principles for overall risk management, as well as written policies such as Standing Financial Instructions covering good practice in financial management.

a) Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with an minimum rating of 'A' are accepted.

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS Board.

The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period and no losses are expected from non-performance by any counterparties in relation to deposits.

b) Liquidity Risk

The Scottish Parliament makes provision for the use of resources by the NHS Board for revenue and capital purposes in a Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the Budget Act. The Act also specifies an overall cash authorisation to operate for the financial year. The NHS Board is not therefore exposed to significant liquidity risks.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 March 2012				
PFI Liabilities	0	0	0	0
Finance lease liabilities	0	0	0	0
Derivative financial instruments	0	0	0	0
Trade and other payables excluding statutory liabilities	3,179	0	0	0
	<u>3,179</u>	<u>0</u>	<u>0</u>	<u>0</u>

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 March 2011				
PFI Liabilities	0	0	0	0
Finance lease liabilities	0	0	0	0
Derivative financial instruments	0	0	0	0
Trade and other payables excluding statutory liabilities	3,744	0	0	0
	<u>3,744</u>	<u>0</u>	<u>0</u>	<u>0</u>

c) Market Risk

The NHS Board has no powers to borrow and invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NHS Board in undertaking its activities.

i) Cash flow and fair value interest rate risk

The NHS Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

ii) Foreign Currency Risk

The NHS Board is not exposed to foreign exchange rates.

iii) Price risk

The NHS Board is not exposed to equity security price risk.

27c FAIR VALUE ESTIMATION

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

DERIVATIVE FINANCIAL INSTRUMENTS

Note 28

2011	Assets	
£'000	Forward foreign currency contract	£'000
0	Balance at 1 April	0
0	Additions	0
0	Repayments and disposals	0
0	Revaluation	0
<u>0</u>	Balance at 31 March	<u>0</u>
2011	Liabilities	
£'000	Forward foreign currency contract	£'000
0	Balance at 1 April	0
0	Additions	0
0	Repayments and disposals	0
0	Revaluation	0
<u>0</u>	Balance at 31 March	<u>0</u>
<u>0</u>	Gain / loss recognised in SOCNE	<u>0</u>
<u>0</u>	The notional principal amounts of the outstanding forward exchange contracts at 31 March were:	<u>0</u>

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012

RELATED PARTY TRANSACTIONS

Note 29

The Board had a small number of transactions with other government departments and other central government bodies.

No board member, key manager or other related party has undertaken any material transactions with the Board during the year.

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

SEGMENTAL INFORMATION

Note 30

	Segment 1 Clinical £'000	Segment 2 Corporate £'000	2012 £'000
Net operating cost	40,027	22,224	62,251

SEGMENTAL INFORMATION – PRIOR YEAR

	Segment 1 Clinical £'000	Segment 2 Corporate £'000	2011 £'000
Net operating cost	40,921	21,760	62,681

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

THIRD PARTY ASSETS

Note 31

NHS 24 does not have any third party assets.

NHS 24

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

EXIT PACKAGES

Note 32

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	0	1	1
£10,000 - £25,000	0	3	3
£25,000 - £50,000	0	1	1
£50,000 - £100,000	0	0	0
£100,000 - £150,000	0	0	0
£150,000 - £200,000	0	0	0
> £200,000	0	0	0
Total cost of exit packages by type		5	5
Total resource cost	0	89,331	89,331

£89,331 represents the cost of 5 departures, all cases of voluntary redundancy, which occurred in NHS 24 during 2011/12. These costs are disclosed in Note 7 to the accounts.

EXIT PACKAGES – PRIOR YEAR

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	0	2	2
£10,000 - £25,000	0	1	1
£25,000 - £50,000	0	4	4
£50,000 - £100,000	0	3	3
£100,000 - £150,000	0	0	0
£150,000 - £200,000	0	0	0
> £200,000	0	0	0
Total cost of exit packages by type		10	10
Total resource cost	0	433,719	433,719



NHS 24

DIRECTION BY THE SCOTTISH MINISTERS

1. **The Scottish Ministers, in exercise of the powers conferred by sections 86(1), (1B) and (3) of the National Health Service (Scotland) Act 1978, as read with article 5(1) of and the Schedule to the NHS 24 (Scotland) Order 2001, (S.S.I. 2001/137), and all powers enabling them in that behalf, hereby give the following direction.**
2. **The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.**
3. **Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.**
4. **The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.**
5. **This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 December 2002 is hereby revoked.**

A handwritten signature in black ink, appearing to be 'M. B.', written over a horizontal line.

Signed by the authority of the Scottish Ministers

Dated: 10/02/06