



NHS

*National Institute for
Health and Clinical Excellence*

Annual Report
and Accounts
2007/8

Volume 2

**National Institute for Health and
Clinical Excellence
(Special Health Authority)
Annual Report and Accounts 2007/8**

*Presented to Parliament pursuant to Paragraph 6 (3), Section 232,
Schedule 15 of the National Health Service Act 2006*

Volume 2

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Two volumes not to be sold separately

Management Commentary

Introduction

These accounts have been produced as a supplement to the Annual Report. Detailed information about the membership of the Board and about the performance of the organisation during 2007-08 is contained in the main body of the Annual Report. Further information about the Institute and its activities is available on our website: www.nice.org.uk

Overall position

The Institute continued to develop the new programmes and activities that it had initiated in the previous year including topic selection and short guidelines. During the year it consolidated the activity relating to the production of optimal practice guidance into the main programme budgets. A significant development during the year was the acquisition, fit-out and occupation of new office accommodation in Manchester plus associated works to the Institute's IT infrastructure and complementary refurbishment works at the London offices. These capital works were all completed on time and within the capital budget of £1.2m. These new facilities allow the Institute to further improve the value of its activities through being able to take advantage of the lower Manchester cost base.

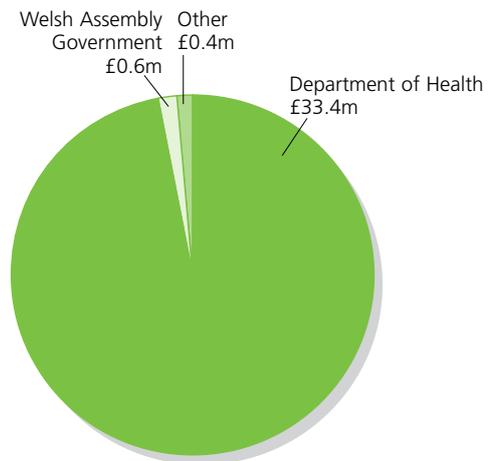
During the year there were a number of areas where there was programme slippage, particularly in public health topics where topic referral had been delayed. It was therefore agreed that the Institute could carry forward £0.8m of the 2007-08 revenue allocation into 2008-09 so that these activities can be completed.

The Institute has made provision for costs associated with legal action taken against it and the subsequent appeal. The Department of Health has provided some additional resource towards these costs and the Institute has been able to make provision within its 2007-08 resources to meet the likely full costs and to remain underspent overall on its revenue budget by £15,000.

How is NICE funded?

Most of the Institute's funding comes from the Department of Health. This year it received £33.4m (including £1.2m for capital) as shown in figure 1. It also received £0.6m from the Welsh Assembly Government and £0.4m from other sources.

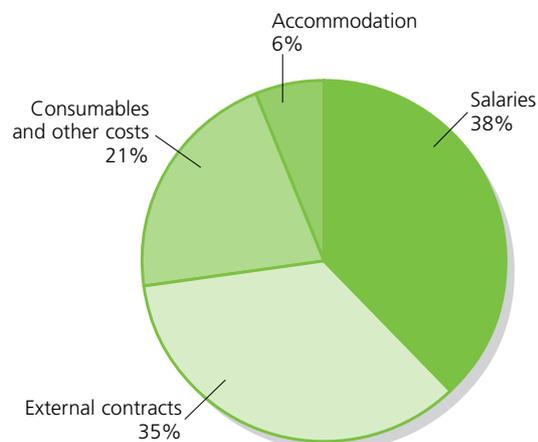
Figure 1



How the funding was used

Figure 2 shows what the money was spent on in 2007-08. The main areas of expenditure are external contracts and salaries. External contracts include the expenditure on collaborating centres which help us to produce clinical and public health guidance.

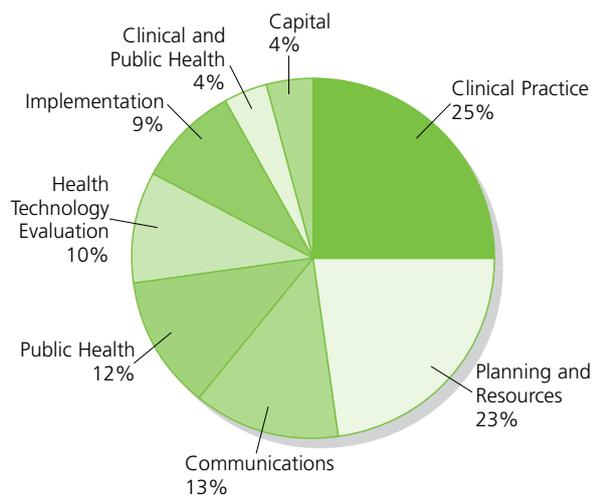
Figure 2



Programme costs

Figure 3 shows how the spending was split between the Institute's work programmes and the support functions.

Figure 3



Statutory framework

The accounts for the year ended 31 March 2008 have been prepared in accordance with the direction given by the Secretary of State in accordance with the National Health Service Act 2006 and in a format determined by the Department of Health with the approval of HM Treasury.

The Institute was established as the National Institute for Clinical Excellence on 26 February 1999 as a Special Health Authority to become operational on 1 April 1999. On 1 April 2005 the National Institute for Health and Clinical Excellence was established, which incorporated the functions of the Health Development Agency which had been disestablished on 31 March 2005. Founding legislation includes the National Health Services Act 1977 c49, S.I. 1999/220, S.I. 260 and S.I. 2005/497. It is required to produce an annual report on its activities and finances to the Secretary of State for Health and the Welsh Assembly Government.

Other information

The Institute's performance under the Better Payments Practice Code is detailed in note 2.3 on page 19.

Auditors

The accounts have been audited by the Comptroller and Auditor General in accordance with the National Health Service Act 2006. The Audit Certificate can be found on pages 8 to 9.

The Comptroller and Auditor General is TJ Burr. His address is:

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

Audit assurance

As far as I am aware, there is no relevant audit information of which NICE's auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NICE's auditors are aware of that information.

Signed
Andrew Dillon CBE
Chief Executive and Accounting Officer

Dated 16 June 2008

Remuneration Report

The remuneration of the Chairman and non executive directors is set by the Secretary of State.

The remuneration of the senior managers detailed in the table below is set by the Remuneration and Terms of Service Committee. However the salaries of the three consultant clinicians are subject to direction from the Secretary of State and the remuneration of the Chief Executive is subject to approval by the Department of Health.

The information contained in this Remuneration Report has been audited. Information on NICE's remuneration policy and the membership of the Remuneration and Terms of Service Committee can be found in Volume 1 of the Annual Report, and has not been audited.

Salaries and Allowances' – Senior Managers' Remuneration

Name	Title	2007/08			2006/07		
		Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in kind (Rounded to the nearest £00)	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in kind (Rounded to the nearest £00)
Prof Sir Michael Rawlins (2)	Chair	55 to 60	nil	nil	35 to 40	nil	nil
Mark Taylor	Vice Chair	5 to 10	nil	nil	5 to 10	nil	nil
Frederick George	Non Executive Director	5 to 10	nil	nil	5 to 10	nil	nil
Mercy Jeyasingham	Non Executive Director	5 to 10	nil	nil	5 to 10	nil	nil
Prof Helen Roberts	Non Executive Director	5 to 10	nil	nil	5 to 10	nil	nil
Prof Shah Ebrahim	Non Executive Director	5 to 10	nil	nil	5 to 10	nil	nil
Jenny Griffiths	Non Executive Director	5 to 10	nil	nil	5 to 10	nil	nil
Dr Margaret Helliwell (1)	Non Executive Director	5 to 10	nil	nil	0 to 5	nil	nil
Jonathan Tross CB (1)	Non Executive Director	10 to 15	nil	nil	0 to 5	nil	nil
Prof Rona McCandish (6)	Non Executive Director	5 to 10	nil	nil	0	nil	nil
Prof Patrick Morrison (7)	Non Executive Director	0 to 5	nil	nil	0	nil	nil
Andrew Dillon CBE	Chief Executive	185 to 190	nil	nil	165 to 170	nil	nil
Andrea Sutcliffe (3)	Deputy Chief Executive and Planning & Resources Director	80 to 85	nil	nil	110 to 115	nil	nil
Prof Peter Littlejohns	Clinical & Public Health Director	160 to 165	nil	nil	165 to 170	nil	nil
Dr Gillian Leng (5)	Implementation Director	70 to 75	nil	nil	105 to 110	nil	nil
Dr Gillian Leng (5)	Deputy Chief Executive and Implementation Director	45 to 50	nil	nil	0	nil	nil
Dr Carole Longson	Health Technology Evaluation Centre Director	100 to 105	nil	nil	100 to 105	nil	nil
Prof Michael Kelly	Public Health Excellence Director	95 to 100	nil	nil	85 to 90	nil	nil
Dr Mercia Page	Clinical Practice Centre Director	95 to 100	nil	nil	90 to 95	nil	nil
Louise Fish	Communications Director	95 to 100	nil	nil	80 to 85	nil	nil
Ben Bennett (4)	Business Planning and Resources Director	40 to 45	nil	nil	0	nil	nil

(1) Non Exec Director from 01/01/07

(2) On NICE payroll from 01/10/06, previously remuneration paid to Newcastle University

(3) Left 26/11/07

(4) Became Director 26/11/07

(5) Added responsibility of Deputy Chief Exec from 26/11/07

(6) Non Exec Director from 01/04/07

(7) Non Exec Director from 01/11/07

Pension Benefits – Senior Managers

Name	Title	Real Increase in Pension at 60 (bands of £2500) £000	Lump Sum at aged 60 related to real increase in pension (bands of £2500) £000	Total accrued pension at age 60 at 31 March 2008 (bands of £5000) £000	Lump Sum at aged 60 related to accrued pension at 31 March 2008 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2008 £000	Cash Equivalent Transfer Value at 31 March 2007 £000	Real Increase in Cash Equivalent Transfer Value	Employers contribution to growth in CETV	Employers contribution to Stakeholder Pension
Andrew Dillon CBE	Chief Executive	7.5 to 10	25 to 27.5	70 to 75	210 to 215	1200	1000	172,713	120,900	0
Andrea Sutcliffe (3)	Deputy Chief Executive and Planning & Resources Director	0 to 2.5	0 to 2.5	5 to 10	25 to 30	133	116	11,535	8,074	0
Prof Peter Littlejohns	Clinical & Public Health Director	(0 to 2.5)	(0 to 2.5)	55 to 60	170 to 175	952	907	22,139	15,497	0
Dr Gillian Leng (5)	Deputy Chief Executive and Implementation Director	2.5 to 5	7.5 to 10	25 to 30	85 to 90	424	360	55,050	38,355	0
Dr Carole Longson	Health Technology Evaluation Centre Director	0 to 2.5	2.5 to 5	5 to 10	25 to 30	131	107	21,394	14,976	0
Prof Michael Kelly	Public Health Excellence Director	2.5 to 5	7.5 to 10	35 to 40	110 to 115	658	579	64,324	45,027	0
Dr Mercia Page	Clinical Practice Centre Director	0 to 2.5	5 to 7.5	15 to 20	50 to 55	245	204	36,183	25,328	0
Louise Fish	Communications Director	0 to 2.5	5 to 7.5	5 to 10	20 to 25	77	53	23,391	16,374	0
Ben Bennett (4)	Business Planning and Resources Director	2.5 to 5	12.5 to 15	25 to 30	75 to 80	345	261	77,606	54,324	0

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in

the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed
Andrew Dillon CBE
Chief Executive and Accounting Officer

16 June 2008

Accounts 2007/8

Statement of the Board's and Chief Executive's responsibilities

Under the National Health Service Act 2006, the Secretary of State has directed the National Institute for Health and Clinical Excellence (NICE) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of NICE's state of affairs at the year end and of its net resource outturn, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the Secretary of State, 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 in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer for the Department of Health has appointed the Chief Executive of the National Institute for Health and Clinical Excellence as the Accounting Officer for NICE. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding NICE's assets, are set out in the *Government Financial Reporting Manual* published by HM Treasury.

Signed
Andrew Dillon CBE
Accounting Officer

Statement on Internal Control 2007/8

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Institute's policies, aims and objectives whilst safeguarding the public funds and the departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

The Institute works closely with its sponsor branch at the Department of Health and the Welsh Assembly Government and there are arrangements in place for regular performance monitoring and review.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Institute for the year ended 31 March 2008 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

3. Capacity to handle risk

The Audit Committee deals with risk management. It oversees the operation of the risk management processes and receives reports on specific risk issues as they arise. The Senior Management Team (SMT) acts as the risk management group and reviews the risk register. Managers are required to consider risk issues in the formal annual business planning processes and also in relation to any changes that arise during the year. They receive appropriate support and guidance in this from the compliance manager. When unforeseen adverse events occur the Institute has processes in place to carry out a retrospective review of the causes so that the underlying risks can be identified and reassessed, and appropriate management action taken.

4. The risk and control framework

Risk management assessment is carried out annually by the SMT as part of the business planning process. Key risks and handling strategies were included in a section of the business plan and reported to the Board. The business plan was also reviewed by the Partners Council. Resources required to enable implementation of the plan are fully considered by the SMT and assigned priority within the constraints of the resources available.

A separate risk assessment exercise was carried out to establish the Board's assurance framework and to identify areas of organisational risk. This included a review of the Institute's systems, equipment, policies, premises and information governance.

These assessment exercises resulted in a prioritised risk management register highlighting the key controls in place and assurances on those controls. This was reported to the Audit Committee. The minutes of the meetings of the Audit Committee are received by the Board at its public meetings.

The work that Government has done on best practice to ensure the security of personal data held by government departments and arms' length bodies has been reported to the Audit Committee and the Board.

The Institute does not handle sensitive personal data in patient records as part of its general functions and there are not any significant risks associated with the loss of this type of data. Where other sensitive personal data is held it is not usual for it to be transferred to portable media and it is closely controlled within the systems that process it.

The Institute will implement guidance from the Department of Health on information governance on a risk-assessed basis which will be reported to the Board. Board-level responsibility for the management of information risk has been given to a Senior Information Risk Officer who is a Board member.

Policies and procedures for managing the security of personal data are being reviewed in light of guidance from the Department of Health and these will underpin the standards for information governance. Staff have been reminded of what to be alert for in the handling of sensitive personal data as defined by the Department of Health

and training will be provided for key personnel as required.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer contributions and payments into the Scheme are in accordance with Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the regulations.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the managers who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The effectiveness of the system of internal control has been subject to review by our internal auditors who, in liaison with the external auditors, plan and carry out a programme of work that is approved by the Audit Committee, to review the design and operation of the systems of internal financial control. Where weaknesses have been identified these are reported to the Audit Committee and an action plan agreed with management to implement the recommendations agreed as part of this process.

Andrew Dillon CBE
Chief Executive

16 June 2008

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the National Institute for Health and Clinical Excellence for the year ended 31 March 2008 under the National Health Service Act 2006. These comprise the Operating Cost Statement, Statement of Recognised Gains and Losses, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

The Chief Executive as Accounting Officer is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the National Health Service Act 2006 and directions made thereunder by the Secretary of State with the approval of HM Treasury and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Health Service Act 2006 and directions made thereunder by the Secretary of State with the approval of HM Treasury. I report to you whether, in my opinion, the information which comprises the Management Commentary, and unaudited part of the Remuneration Report, included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the National Institute for Health and Clinical Excellence has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury

regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the National Institute for Health and Clinical Excellence's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the National Institute for Health and Clinical Excellence's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the National Institute for Health and Clinical Excellence's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the National Health Service Act 2006 and directions made thereunder by the Secretary of State with the approval of HM Treasury, of the state of the National Institute for Health and Clinical Excellence's affairs as at 31 March 2008 and of its net resource outturn, recognised gains and losses and cashflows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Health Service Act 2006 and directions made thereunder by the Secretary of State with the approval of HM Treasury; and
- information which comprises the Management Commentary and unaudited part of the Remuneration Report included within the Annual Report, is consistent with the financial statements.

Audit Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

T J Burr
Comptroller and
Auditor General

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

18 June 2008

Financial Statements 2007/8

Operating Cost Statement for the year ended 31 March 2008

Continuing operations

	Notes	2007-08 £000	2006-07 £000
Programme costs	2.1	33,603	28,657
Operating income	4	(1,025)	(978)
Net operating cost before interest		32,578	27,679
Interest payable		(0)	0
Net operating cost		32,578	27,679
Net resource outturn	3.1	32,578	27,679

Statement of recognised gains and losses for the year ended 31 March 2008

		2007-08 £000	2006-07 £000
Unrealised surplus/(deficit) on the revaluation of fixed assets	11.2	(47)	(15)
Unrealised surplus/(deficit) on the indexation of fixed assets	11.2	17	23
Fixed asset impairment losses	11.2	0	0
Recognised gains and (losses) for the financial year		(30)	8

The notes at pages 13 to 30 form part of these accounts.

Balance Sheet as at 31 March 2008

	Notes	31 March 2008 £000	31 March 2007 £000
Fixed assets			
Intangible assets	5.1	19	77
Tangible assets	5.2	1,629	646
		1,648	723
Current assets			
Stocks		0	0
Debtors	6.1	3,220	3,059
Cash at bank and in hand	7	599	0
		3,819	3,059
Creditors: amounts falling due within one year	8.1	(2,249)	(2,321)
Net current assets/liabilities		1,570	738
Total assets less current liabilities		3,218	1,461
Creditors: amounts falling due after more than one year	8.2	0	0
Provisions for liabilities and charges	9	(1,063)	(200)
		2,155	1,261
Taxpayers' equity			
General Fund	11.1	2,042	1,118
Revaluation reserve	11.2	113	143
		2,155	1,261

The financial statements on pages 10-12 were approved by the Board on 11 June 2008 and signed by

Signed:
Andrew Dillon CBE
Accounting Officer

Date: 16 June 2008

Cash flow statement for the year ended 31 March 2008

	Notes	2007-08 £000	2006-07 £000
Net cash (outflow) from operating activities	12	(31,594)	(26,708)
Servicing of finance			
Interest paid		0	0
Interest element of finance leases		0	0
Net cash (outflow) from servicing finance		<u>0</u>	<u>0</u>
Capital expenditure and financial investment			
(Payments) to acquire intangible fixed assets	5.1	0	(14)
(Payments) to acquire tangible fixed assets	5.2	(1,212)	(32)
Receipts from disposal of intangible fixed assets		0	0
Receipts from disposal of tangible fixed assets		0	0
Net cash outflow from investing activities		<u>(1,212)</u>	<u>(46)</u>
Net cash outflow before financing		<u>(32,806)</u>	<u>(26,754)</u>
Financing			
Net Parliamentary funding		33,405	26,753
(Decrease)/increase in cash in the period	7	<u>599</u>	<u>(1)</u>

The notes at pages 13 to 30 form part of this account.

Notes to the accounts

1 Accounting policies

The financial statements have been prepared in accordance with the *Government Financial Reporting Manual* issued by HM Treasury. The particular accounting policies adopted by the Institute are described below. They have been consistently applied in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

This account is prepared under the historical cost convention, modified to account for the revaluation of fixed assets at their value to the business by reference to their current cost. This is in accordance with directions issued by the Secretary of State for Health and approved by HM Treasury.

Acquisitions and Discontinued Operations

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

1.2 Income

Income is accounted for applying the accruals convention. The main source of funding for the Institute is Parliamentary grant from the Department of Health from Request for Resources within an approved cash limit, which is credited to the general fund. Parliamentary funding is recognised in the financial period in which the cash is received.

Operating income is income which relates directly to the operating activities of the Institute. It principally comprises fees and charges for services provided on a full-cost basis to external customers, but it also includes other income such as that from the Department of Health, NHS Quality Improvement Scotland and the Welsh Assembly. It includes both income appropriated-in-aid and income to the Consolidated Fund which HM Treasury has agreed should be treated as miscellaneous income. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

1.3 Taxation

The Institute is not liable to pay corporation tax. Expenditure is shown net of recoverable VAT. Irrecoverable VAT is charged to the most appropriate expenditure heading or capitalised if it relates to an asset.

1.4 Capital charges

The treatment of fixed assets in the account is in accordance with the principal capital charges objective to ensure that such charges are fully reflected in the cost of capital. The interest rate applied to capital charges in the financial year 2007-08 was 3.5% (2006-07 3.5%) on all assets less liabilities, except for cash balances with the Office of the Paymaster General (OPG), where the charge is nil.

1.5 Fixed assets

a. Capitalisation

All assets falling into the following categories are capitalised:

- i Intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £5,000.
- ii Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred.
- iii Tangible assets which are capable of being used for more than one year, and they:
 - individually have a cost equal to or greater than £5,000
 - collectively have a cost of at least £5,000, and an individual cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control, or
 - form part of the initial setting-up cost of a new building, irrespective of their individual or collective cost.

b. Valuation

Intangible fixed assets

Intangible fixed assets held for operational use are valued at historical cost. Surplus intangible assets are valued at the net recoverable amount.

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

i Land, buildings, installations and fittings

Valuations are carried out by the District Valuer of the Inland Revenue Government Department at five-yearly intervals in accordance with FRS 15. Between valuations price indices appropriate to the category of asset are applied to arrive at the current value. The buildings indexation is based on the All in Tender Price Index published by the Building Cost Information Service (BCIS). The land index is based on the residential building land values reported in the Property Market Report published by the Valuation Office. The valuations were carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury. In accordance with the requirements of the Department of Health, the asset valuations were undertaken in 2004 as at the prospective valuation date of 1 April 2005.

The valuations have been carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing

Use Value for non-specialised operational property. In respect of non-operational properties, including surplus land, the valuations have been carried out at Open Market Value. The value of land for existing use purposes is assessed to Existing Use Value. The valuations do not include notional directly attributable acquisition costs nor have selling costs been deducted, since they are regarded as not material.

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

- specialised operational assets have been valued on a replacement rather than modern substitute basis;
 - no adjustment has been made to the cost figures of operational assets in respect of dilapidations; and
 - additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.
- ii Operational equipment is valued at net current replacement costs through annual uplift by the change in the value of the GDP deflator. Equipment surplus to requirements is valued at net recoverable amount.
- iii Assets in the course of construction are valued at current cost, using the index as for land and buildings. These assets include any existing land or buildings under the control of a contractor.
- iv All adjustments arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All impairments resulting from price changes are charged to the Statement of Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

c. Depreciation and amortisation

Depreciation is charged on each individual fixed asset as follows:

- i Intangible assets are amortised, on a straight line basis, over the estimated lives of the assets
- ii Purchased computer software licences are amortised over the shorter of the term of the licence and their useful economic lives
- iii Land and assets under construction are not depreciated
- iv Buildings are depreciated on their revalued amount over the assessed remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term
- v Each equipment asset is depreciated evenly over the expected useful life:

	Years
Furniture	10
Office, information technology, and other equipment	3-5

1.6 Stocks and work in progress

The net realisable value of publication stocks is nil. The Institute has no other stocks or work in progress.

1.7 Losses and special payments

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

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

1.8 Pension costs

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

The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General

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

The Scheme is subject to a full actuarial valuation every four years (until 2004, based on a five-year valuation cycle), and a FRS17 accounting valuation every year. An outline of these follows:

a. Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the Scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and Scheme members. The last such valuation, which determined current contribution rates, was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the Scheme actuary, Scheme contributions may be varied from time to time to reflect changes in the Scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees' contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

b. FRS17 Accounting valuation

In accordance with FRS17, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the balance sheet date by updating the results of the full actuarial valuation.

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

The valuation of the Scheme liability as at 31 March 2008, is based on detailed membership data as at 31 March 2006 (the latest midpoint) updated to 31 March 2008 with summary global member and accounting data.

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

Scheme provisions as at 31 March 2008

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse or partner.

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member's final year's pensionable pay less their retirement lump sum for those who die after retirement, is payable.

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

The Scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

Scheme provisions from 1 April 2008

From 1 April 2008 changes have been made to the NHS Pension Scheme contribution rates and benefits. Further details of these changes can be found on the NHS Pensions website www.pensions.nhsbsa.nhs.uk

1.9 Research and development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the operating cost statement on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation charge is calculated on the same basis as used for depreciation, i.e. on a quarterly basis.

1.10 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used.

1.11 Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or primary lease term. Rentals under operating leases are charged on a straight line basis over the terms of the lease.

1.12 Provisions

The Institute 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 risk-adjusted cash flows are discounted using the Treasury's discount rate of 2.2% in real terms. This is a change from the rate of 3.5% applied from 2003-04. The effect of the change is to increase the carrying value of the provision, which is shown in Note 9.

General operating costs

2.1 Programme costs

	Notes	£000	2007-08 £000	2006-07 £000
Non-executive members' remuneration			153	96
Staff costs	2.2		12,681	10,686
Capital: Depreciation and amortisation	5.1, 5.2	292		231
Impairments	5.1, 5.2	0		0
Capital charges interest		50		59
(Profit)/loss on disposal	5.3	12		0
			354	290
Premises and fixed plant			2,873	2,366
Transport and moveable plant			28	20
External contractors			13,304	11,385
Publications and conferences			1,036	1,040
Establishment expenses			2,869	2,603
Auditor's remuneration: audit fees*			45	45
Supplies and services – general			260	126
			33,603	28,657

*No non-audit fees were charged

2.2 Staff numbers and related costs

	2007-08	Permanently	Other	2006-07
	Total	Employed Staff	£000	£000
	£000	£000	£000	
Salaries and wages	10,449	9,506	943	8,808
Social security costs	918	918		758
Employer contributions to NHSPA	1,268	1,268		1,096
Other pension costs	0	0		7
Redundancies	47	47		17
	<u>12,681</u>	<u>11,738</u>	<u>943</u>	<u>10,686</u>

The average number of employees during the year was:

	2007-08	Permanently	Other	2006-07
	Total	Employed Staff	Number	Number
	Number	Number	Number	Number
	261	241	20	221

Expenditure on staff benefits

The amount spent on staff benefits during the year totalled £9,231 (2006-07: £20,445).

Retirements due to ill health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. There was no retirement during 2007-08.

Provision for redundancies

The salaries and wages figures include a provision in respect of redundancy costs associated with restructuring.

2.3 Better Payment Practice Code – measure of compliance

	Number	£000
Total non NHS bills paid 2007-08	7,112	22,790
Total non NHS bills paid within target	6,337	21,024
Percentage of non NHS bills paid within target	89.1%	92.3%
Total NHS bills paid 2007-08	75	1,614
Total NHS bills paid within target	59	£1,121
Percentage of NHS bills paid within target	78.7%	69.4%

The Late Payment of Commercial Debts (Interest) Act 1998

	2007-08	2006-07
	£000	£000
Amounts included within interest payable arising from claims made by small businesses under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

3.1 Reconciliation of net operating cost to net resource outturn

	2007-08	2006-07
	£000	£000
Net operating cost	32,578	27,679
Prior period adjustment	0	0
Net resource outturn	32,578	27,679
Revenue resource limit	32,593	27,708
(Over)/underspend against limit	15	29

3.2 Reconciliation of Gross Capital Expenditure to Capital Resource Limit

	£000	£000
Gross capital expenditure	1,212	46
NBV of assets disposed	12	0
Less loss on disposal of donated assets	0	0
Capital grants	0	0
Net capital resource outturn	1,200	46
Capital resource limit	1,225	50
(Over)/underspend against limit	25	4

4 Operating income analysed by classification and activity, is as follows:

	Appropriated In Aid 2007-08 Total £000	2006-07 £000
Programme income:		
Fees & charges to external customers	72	87
Income received from Scottish Parliament	115	115
Income received from National Assembly for Wales	600	600
Income received from Northern Ireland Assembly	173	170
Income received from Department of Health	0	0
Income received from other Government Departments	60	0
Other	5	6
Total	1,025	978

5.1 Intangible fixed assets

	Software licences £000
Gross cost at 31 March 2007	200
Indexation	0
Impairments	0
Other revaluations	0
Additions – purchased	0
Additions – donated	0
Reclassification	0
Disposals	(124)
Gross cost at 31 March 2008	76
Accumulated amortisation at 31 March 2007	123
Indexation	0
Impairments	0
Other revaluations	0
Provided during the year	47
Reclassification	0
Disposals	(113)
Accumulated amortisation at 31 March 2008	57
Net book value:	
Purchased at 31 March 2007	77
Donated at 31 March 2007	0
Total at 31 March 2007	77
Net book value:	
Purchased at 31 March 2008	19
Donated at 31 March 2008	0
Total at 31 March 2008	19

5.2 Tangible fixed assets

	Buildings	Plant and machinery	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000
Cost or valuation at 31 March 2007	97	246	231	723	1,297
Indexation	10	6	0	19	35
Impairments	0				0
Other in year revaluations	0				0
Additions – purchased	721	142	225	124	1,212
Additions – donated	0				0
Reclassification	0				0
Disposals	(73)	0	0	(1)	(74)
Gross cost at 31 March 2008	755	394	456	865	2,470
Accumulated depreciation at 31 March 2007		205	176	270	651
Indexation	6	5	0	7	18
Impairments					0
Other in year revaluation					0
Provided during the year	75	31	62	77	245
Additions – purchased					0
Additions – donated					0
Reclassification					0
Disposals	(73)	0	0	(0)	(73)
Accumulated depreciation at 31 March 2008	8	241	238	354	841
Net book value:					
Purchased at 31 March 2007	97	41	55	453	646
Donated at 31 March 2007	0	0	0	0	0
Total at 31 March 2007	97	41	55	453	646
Net book value:					
Purchased at 31 March 2008	747	153	218	511	1,629
Donated at 31 March 2008	0	0	0	0	0
Total at 31 March 2008	747	153	218	511	1,629

There were no assets held under finance leases or hire purchase contracts at the balance sheet date.

The Institute undertook refurbishment work to create additional office space. As a result, the existing refurbishment in that area underwent accelerated depreciation and has been shown as having been disposed of.

5.3 Profit/(loss) on disposal of fixed assets

	2007-08	2006-07
	£000	£000
Profit/(Loss) on disposal of intangible fixed assets	(11)	0
Profit/(Loss) on disposal of plant and equipment	(1)	0
	<u>(12)</u>	<u>0</u>

6 Debtors

	£000	£000
6.1 Amounts falling due within one year		
NHS debtors	319	240
Provision for irrecoverable debts	(11)	(0)
Prepayments	1,719	1,087
Other debtors	1,193	1,732
Accrued income	0	0
	<u>3,220</u>	<u>3,059</u>
6.2 Amounts falling due after more than one year	0	0
Total debtors	<u>3,220</u>	<u>3,059</u>

7 Analysis of changes in cash

	At 31 March 2007 £000	Change during the year £000	At 31 March 2008 £000
Cash at OPG	0	599	599
Cash at commercial banks and in hand	0	0	0
	<u>0</u>	<u>599</u>	<u>599</u>

8 Creditors

8.1 Creditors: Amounts falling due within one year

	2007-08 £000	2006-07 £000
Overdrafts	0	0
NHS creditors	(103)	(78)
Capital creditors	(54)	0
Tax and social security	(288)	0
Other creditors	(993)	(1,322)
Accruals	(806)	(921)
Deferred income	(5)	0
	<u>(2,249)</u>	<u>(2,321)</u>

8.2 Amounts falling due after one year

	0	0
Total creditors	<u>(2,249)</u>	<u>(2,321)</u>

9 Provision for liabilities and charges

	Pensions for former staff £000	Other £000	Total £000
At 31 March 2007	0	200	200
Arising during the year		1,063	1,063
Utilised during the year		(200)	(200)
Reversed unused		0	0
At 31 March 2008	<u>0</u>	<u>1,063</u>	<u>1,063</u>
Expected timing of cash flows:			
Within 1 year	0	1,063	1,063
1-5 years			
Over 5 years			

As at 31 March 2008 the Institute has made a provision in respect of potential legal costs associated with a Judicial Review. A provision has also been made in respect of redundancies.

10 Movements in working capital other than cash

	2007-08 £000	2006-07 £000
Increase/(decrease) in stocks	0	0
Increase/(decrease) in debtors	161	(381)
(Increase)/decrease in creditors	72	(344)
	<u>233</u>	<u>(725)</u>

11 Reserves

11.1 The movement on the general fund in the year comprised:

	2007-08 £000	2006-07 £000
Balance at 31 March 2007	1,118	1,970
Prior period adjustment	0	0
Net operating costs for the year	(32,578)	(27,679)
Net Parliamentary funding	33,405	26,753
Transfer of realised profits/losses from revaluation reserve	47	15
Non-cash items	0	0
Capital charge interest	50	59
Balance at 31 March 2008	<u>2,042</u>	<u>1,118</u>

11.2 The movement on the revaluation reserve in the year comprised:

	2007-08 £000	2006-07 £000
Balance at 31 March 2007	143	135
Impairments	0	0
Indexation of fixed assets	17	23
Revaluation of fixed assets	0	0
Transfer to general fund: realised revaluation	(47)	(15)
Balance at 31 March 2008	<u>113</u>	<u>143</u>

12 Reconciliation of operating cost to operating cash flows

	Notes	2007-08 £000	2006-07 £000
Net operating cost before interest for the year		32,578	27,679
Adjust for non-cash transactions	2	(354)	(290)
Adjust for movements in working capital other than cash	10	233	(725)
(Increase)/decrease in provisions	9	(863)	44
Net cash outflow from operating activities		<u>31,594</u>	<u>26,708</u>

13 Contingent liabilities

The Institute has no known contingent liabilities at 31 March 2008.

14 Commitments under operating leases

Expenses of the Institute include the following in respect of hire and operating lease rentals:

	2007-08	2006-07
	£000	£000
Land and buildings	1,200	932
Hire of plant and machinery	43	26
Other operating leases	8	3
	<u>1,251</u>	<u>961</u>

Commitments under non-cancellable operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires:

Land and buildings	£000	£000
Operating leases which expire:		
within 1 year	0	0
between 1 and 5 years	1,125	932
after 5 years	326	0
	<u>1,451</u>	<u>932</u>
Other leases		
within 1 year	7	0
between 1 and 5 years	29	15
after 5 years	0	0
	<u>36</u>	<u>15</u>

15 Losses and Special Payments

There were 537 cases, totalling £12k, of losses and special payments during 2007-08 (2006-07 – 35 cases totalling £66k)

16 Related parties

The Institute is a body corporate established by order of the Secretary of State for Health.

The Department of Health is regarded as a controlling related party. During the year the Institute has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department, i.e.:

- The Institute receives part funding from the Welsh Assembly Government. This amounted to £600,000 in 2007-08.
- The Institute receives part funding from Quality Improvement Scotland. This amounted to £115,000 in 2007-08.
- The Institute receives part funding from the Northern Ireland Assembly. This amounted to £173,230 in 2007-08.
- The Institute has been charged £938,808 by the Velindre NHS Trust relating to the Collaborating Centre for Cancer which is hosted by the Trust.
- Liverpool Primary Care Trust hosts the National Prescribing Centre which has charged the Institute £385,000 for the provision of national information.
- Payroll and Financial Services are provided to the Institute by NHS Shared Business Services and charges of £68,736 have been made for this service. (Payroll services from 1 August 2007.)

17 Post Balance Sheet Events

The Institute's process for developing guidance on the use of certain drugs was the subject of a Judicial Review during the year. Subsequently an appeal was heard and upheld. The Institute has made appropriate provision for the legal costs associated with these actions.

This Annual Report and Accounts has been authorised for issue on 18 June 2008 by the Chief Executive and Accounting Officer. The financial statements do not reflect events after this date.

18 Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the way special health authorities are financed, the Institute is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Institute has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Institute in undertaking its activities.

As allowed by FRS 13, debtors and creditors that are due to mature or become payable within 12 months from the balance sheet date have been omitted from the currency profile.

Liquidity risk

The Institute's net operating costs are financed from resources voted annually by Parliament. The Institute largely finances its capital expenditure from funds made available from Government under an agreed capital resource limit. The Institute is not, therefore, exposed to significant liquidity risks.

Interest rate risk

The Institute's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. The Institute is not, therefore, exposed to significant interest rate risk. The following table show the interest rate profile of the Institute's financial liabilities:

Financial assets

Currency	Total £000	Floating rate £000	Fixed rate £000	Non-interest bearing £000
At 31 March 2008				
Sterling	599	0	599	0
Other	0	0	0	0
Gross financial assets	599	0	599	0
At 31 March 2007				
Sterling	0	0	0	0
Other	0	0	0	0
Gross financial assets	0	0	0	0

Financial liabilities

There were no financial liabilities.

Foreign currency risk

The Institute has negligible foreign currency income or expenditure.

Fair values

A comparison, by category, of book values and fair values of the Institute's financial assets and liabilities as at 31 March 2008 is as follows:

	Book value	Fair value	Basis of fair valuation
	£000	£000	
Financial assets:			
Cash	599	599	Cash basis
Debtors over 1 year	12	12	
Investments	0	0	
Total	<u>611</u>	<u>611</u>	
Financial liabilities:			
Overdraft	0	0	
Creditors over 1 year			
Early retirements	0	0	Note a
Finance leases	0	0	Note b
Provisions under contract	0	0	Note c
Loans	0	0	
Total	<u>0</u>	<u>0</u>	

Notes:

(a) Fair value is not significantly different from book value since interest at 9% is paid on early retirement creditors.

(b) To obtain fair value, cash flows have been discounted at prevailing market rates for finance leases for a similar term.

(c) Fair value is not significantly different from book value since, in the calculation of book value, the expected cash flows have been discounted by the Treasury discount rate of 2.2% (2006-07 2.2%) in "real terms".

19 Intra-government

	Debtors: Amounts falling due within one year £000	Creditors: Amounts falling due within one year £000
Balances with other central government bodies	1,408	46
Balances with local authorities	0	0
Balances with NHS bodies	1	103
Balances with public corporations and trading funds	0	48
Balances with bodies external to government	105	1,288
At 31 March 2008	<u>1,514</u>	<u>1,485</u>
Balances with other central government bodies	1,755	50
Balances with local authorities	26	0
Balances with NHS bodies	8	23
Balances with public corporations and trading funds	0	21
Balances with bodies external to government	183	1,306
At 31 March 2007	<u>1972</u>	<u>1400</u>

There were no debtors or creditors falling due after more than one year.



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