

FOREWORD TO THE ACCOUNTS

MAYDAY HEALTHCARE NHS TRUST

These accounts for the year ended 31 March 2010 have been prepared by Mayday Healthcare NHS Trust under Section 232, Schedule 15, of the National Health Service Act 2006 in the form which the Secretary of State has directed with the approval of the Treasury.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required, under the National Health Service Act 2006, to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

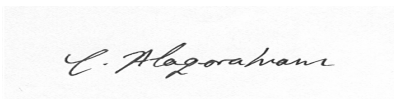
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board



Nick Hulme
Chief Executive
Date 4 June 2010



Chrisha Alagratnam
Director of Finance
Date 4 June 2010

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an accountable officer.



Nick Hulme
Chief Executive
Date 4 June 2010

Statement of Internal Control 2009/10

1. Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible, as set out in the Accountable Officer Memorandum.

As Chief Executive I have overall responsibility for the governance process across the Trust. This includes a responsibility for ensuring that processes are in place to enable identification and management of current risk and anticipation of future risk.

NHS London is responsible for the performance management of the Trust. A formal process is in place to report and discuss performance and achievements of Trust objectives, including reporting of serious untoward incidents.

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 organisational strategic objectives; it can therefore only provide a measure of reasonable and not absolute assurance of its effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives,
- evaluate the likelihood of those foreseeable risks and the impact should they materialise, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Mayday Healthcare NHS Trust for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

The Trust has in place an integrated governance framework, incorporating risk management, which is designed to assimilate the three separate strands of risks, i.e. financial, organisational and clinical with an approach to manage them in a seamless and holistic way.

The Risk Management Strategy further sets out the key roles and responsibilities of the Trust Board, its sub-committees, the Executive Directors, Managers and all employees within the organisation in respect of risk management. This Strategy was reviewed and approved by the Trust Board in February 2009 and October 2009.

Communication of risk management matters, including sharing good practice takes place in a wide variety of ways, both at corporate and directorate level. The Governance Team provides essential risk management support and training to all staff. Training is included as part of the staff induction and is included in the Trust's mandatory training schedule. The Board of Directors also undertook some Risk Management Training in 2009. All significant risks, identified through the local incident reporting system and risk assessments, are placed on the Trust Corporate Risk Register and reviewed appropriately.

The Director of Finance and Information has delegated authority to manage financial and information governance risk, and the Medical Director and the Director of Nursing have delegated authority to manage patient safety and clinical risk. The Trust Secretary manages corporate risk. They are supported by the Head of Patient Safety and Risk Management in implementing both organisational and clinical risk management programmes across the Trust. Adverse event reporting information is shared widely through local clinical governance forums and staff forums.

The Trust achieved NHSLA level one for acute services in December 2009 and CNST level two for maternity in February 2010.

4. The risk and control framework

All risks are identified, analysed, evaluated, and controlled through the Trust incident reporting and information system (IRIS), the risk assessment reviews, clinical audits and other clinical and non-clinical reviews.

All significant risks are subsequently populated into the directorate and corporate risk register which informs the business planning and care management process.

The Trust Assurance Framework 2009/10 clearly links risks with corporate objectives and the wider strategic business plan. It sets out the key objectives and the principal risks against achieving them. It details the key controls, sources of assurance and any gaps therein. Additionally, the Assurance Framework is cross-referenced with the Corporate Risk Register to ensure that all risks faced by the Trust are managed consistently and seamlessly.

The Trust Assurance Framework was reviewed by the Integrated Governance and Clinical Governance Committee and Trust Board during the course of the year. The Assurance Framework clearly identifies both gaps in control and assurance and there are clear, time based actions included to respond to these.

Section 11 of the Health and Social Care Act 2001 places a duty on the NHS to consult and involve patients and the public in the planning and development of health services and in making decisions affecting the way those services operate. The Trust has continued to strengthen closer working relationships with public stakeholders, and during the reporting period established a Patient Assembly to work alongside the many user groups already engaged with the Trust, with the aim of providing information about issues relating to service provision. This is undertaken through an environment of openness, transparency and accessibility in order to allow the public to engage with the Trust to make service improvements. The Trust also engages with its 4,700 foundation trust members through quarterly newsletters and health information events.

Statement of Internal Control 2009/10 (cont'd)

4. The risk and control framework (cont'd)

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

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's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

The trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The Trust has also reviewed its business continuity and emergency planning arrangements and appointed an Emergency Planning Officer.

There have been no significant lapses in meeting the core standards for better health. The Trust was reasonably assured and was able to declare itself fully compliant with the Care Quality Commission for the year 2009/10. The Trust submitted its registration with the CQC and as from 1st April is registered without condition for a number of regulated activities.

5. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with additional assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- Successful NHS Litigation Authority's Risk Management Standards General Level 1 and Maternity Level 2 Risk Management accreditation
- Care Quality Commission unannounced visit and report on for Hygiene inspection
- The findings from both Internal and External Audit's systems and other work, eg Auditor's Local Evaluation ; action on implementation of their recommendations is reported to both the Management Team and Audit Committee, with strong sanctions from myself as Chief Executive for non compliance;
- Data Quality Review by the Audit Commission
- Baseline assessment on the Information Governance Framework
- Internal Audit reviews of the Trust's Assurance Framework and systems of internal control
- Financial reviews by external consultants, eg financial due diligence review on Croydon Community Health Services,
- Registration with the Care Quality Commission and compliance with Core Standards for Better Health
- Assurance from Trust Board Sub Committees encompassing governance, finance, workforce, audit and risk and Directorate Quality Boards.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Head of Internal Audit Report, from the Integrated Governance and Clinical Governance Committee, Risk Management Committee and other formal committees of the Trust Board.

The Trust Board has continued to develop its Assurance Framework; and this has been regularly reviewed by the Board sub-committees. The Audit Committee reviews the overall approach to risk management and receives advice from Internal Audit as appropriate. The Integrated Governance Committee scrutinises and monitors all key activities of the operational sub-committees, which includes environmental and information governance and reports to the Board.

The Trust's risk management arrangements have identified that the main significant control issues faced by the Trust are:

- The Trust received two internal audit reports with limited assurance this year. The audits encompassing the Trust's clinical audit processes and structure, and its business continuity and disaster recovery plans, identified a number of weaknesses, which were and will be considered by both the Audit Committee and Trust Board. As a result, actions have been agreed and are being implemented to address the findings, and provide assurance that the clinical audit structure and disaster recovery plans are robust.
- The Trust continues to perform poorly in national patient surveys. This not only reflects quality of care but may be detrimental to future income if the future funding methodology is adjusted to encompass patient experience.
- Parts of the Trust estate are in poor condition and the validity of the original 6-Facet Survey does not adequately reflect the true condition of the estate.
- At the 31 March 2010, the Trust was subject to an enforcement notice with the London Fire Brigade. However, this notice has now been lifted, and arrangements for fire are continually under review
- The current economic climate will impact on the long term finance of the Trust and it is imperative that the Trust identifies and achieves cost improvement initiatives that are not detrimental to quality of care.
- The Trust is integrating with community services and as part of the contract stringent CIPs have been identified and will need to be delivered.

The Trust has action plans in place for all of the above risks.

On behalf of the Board



Nick Hulme
Chief Executive
Date 10 June 2010

Independent auditor's report to the Board of Directors of Mayday Healthcare NHS Trust

Opinion on the financial statements

I have audited the financial statements of Mayday Healthcare NHS Trust for the year ended 31 March 2010 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cashflows and the related notes. These financial statements have been prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service set out within them.

I have also audited the information in the Remuneration Report that is described as having been audited within the Annual Report.

This report is made solely to the Board of Directors of Mayday Healthcare NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies published by the Audit Commission in April 2008.

Respective responsibilities of Directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with directions made by the Secretary of State are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and 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 in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England. I report whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England. I also report to you whether, in my opinion, the information which comprises the commentary on the financial performance included within the Financial Review, included in the Annual Report, is consistent with the financial statements.

I review whether the directors' Statement on Internal Control reflects compliance with the Department of Health's requirements, set out in 'Guidance on Completing the Statement on Internal Control 2009/10' issued in February 2010. I report if it does not meet the requirements specified by the Department of Health or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the directors' Statement on Internal Control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust'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. This other information comprises the sections in the Annual Report other than the commentary on financial performance included within the Financial Review and the audited part of the Remuneration Report. 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 opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust'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 are free from material misstatement, whether caused by fraud or other irregularity or error; and
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared.

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.

Independent auditor's report to the Board of Directors of Mayday Healthcare NHS Trust (cont'd)

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England, of the state of the Trust's affairs as at 31 March 2010 and of its income and expenditure for the year then ended;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England; and
- information which comprises the commentary on the financial performance included within the Financial Review, included within the Annual Report, is consistent with the financial statements.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Directors' Responsibilities

The directors are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Trust for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to the criteria for NHS bodies specified by the Audit Commission. I report if significant matters have come to my attention which prevent me from concluding that the Trust has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for NHS bodies specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Mayday Healthcare NHS Trust made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Lindsey Mallors
Officer of the Audit Commission Audit Commission
1st Floor Millbank Tower
Millbank
London
SW1P 4HQ

10 June 2010

Mayday Healthcare NHS Trust - Annual Accounts 2009/10

ABOUT MAYDAY

Mayday Healthcare NHS Trust (the "Trust") was established in 1993 (Statutory Instrument 1993 No. 27) and provides a range of healthcare services to a population of around 360,000 centred on the London Borough of Croydon.

The Trust provides services from four main centres:

- Mayday University Hospital, a 638 bed acute hospital in Thornton Heath;
- Purley Hospital, a community facility that provides a range of diagnostic services;
- The Sickle Cell and Thalassaemia Centre located in Thornton Heath;
- A minor injuries unit in New Addington providing a nurse led walk in clinic.

Mayday is one of the largest employers in Croydon, employing approximately 2,400 permanent staff and with a turnover of circa £198 million per year.

The Trust is in the area for which London Strategic Health Authority (NHS London) is responsible, and its main source of income is from services commissioned by NHS Croydon. The Trust has smaller contracts with other neighbouring primary care trusts.

SUMMARY OF 2009/10 FINANCIAL PERFORMANCE

Key Financial Targets

The table below sets out Mayday Healthcare NHS Trust's Financial Targets, and its performance against these, in the 2009/10 Financial Year:

Target	Performance	Target met?
Breakeven on income and expenditure.	The Trust achieved a surplus of £1,098K.	Yes
Keep within the capital resource limit (CRL) of £6,996k.	The Trust remained within the CRL, and generated an underspend of £203K.	Yes
Remain within the external financing limit (EFL) of £2,497k.	The Trust remained within its EFL, and undershot this by £75k.	Yes
Keep within a Capital Cost Absorption rate (CCAR) of 3.5%.	The Trust kept within the 3.5% CCAR. This has resulted in dividend payments of £4,714k.	Yes

Department of Health Loan Repayment

In 2006/07, the Trust received a loan from the Department of Health of £11m, repayable over 3 years with interest.

The 2009/10 financial year was the final year of the repayment, with all obligations now discharged. From 2010/11 onwards, circa £4m additional cash will be released.

International Financial Reporting Standards (IFRS)

In order to increase consistency in financial reports in the global economy, and to facilitate comparability, the Department of Health announced that NHS accounts from 2009/10 should be prepared on an IFRS basis.

The Trust's accounts on the following pages have been prepared on an IFRS basis, and prior year comparators have also been restated where required.

The glossary found at the beginning to the Financial Statements explains some of the IFRS specific accounting terms.

Further copies of these accounts can be obtained from:

PA to the Director of Finance and Information
Mayday Healthcare NHS Trust
2nd Floor, Nightingale House
530 London Road
Croydon
CR7 7YE
Tel: 0208 401 3563

Glossary of Accounting Terms (and Changes to terminology under IFRS)

Term	Explanation
Statement of Comprehensive Income (SOI)	This statement shows the in year revenue (income) generated by the Trust for the healthcare and non-healthcare services it has provided to other organisations. The statement also shows "other" comprehensive income, which can include, for instance, increases and decreases in the value of its non current assets. These increases/decreases are "unrealised" because the Trust has not yet actually generated a profit or loss by selling these assets.
Finance Costs	This includes, for instance, interest the Trust has paid on its loans. It also includes the increase the Trust has made for the difference between this year's and last year's provisions (also known as the "Unwinding of Discount".)
Public Dividend Capital (Dividends)	The Trust has to pay to the Department of Health an annual charge that is calculated by taking 3.5% of its average net relevant assets as per the SOFP. This is also sometimes referred to as the "Cost of Capital". 3.5% is a percentage set by HM Treasury.
Statement of Financial Position (SOFP)	Formerly known as the "Balance Sheet", this is a snapshot at a particular date of the Trust's total assets and liabilities.
Non Current Assets	Items held for use by the Trust e.g. buildings, equipment, fixtures and fittings. These items have an economic life of at least 1 year. Also sometimes referred to as "capital assets".
Intangible Assets	Items as above, but which have no physical substance, e.g. computer software and licences. Also sometimes referred to as "capital assets".
Depreciation and Amortisation	Each year, for each of the non current and intangible assets shown on the SOFP, the Trust has to charge depreciation (non current assets) and amortisation (intangible assets) to its accounts. These charges represent the "using up" of the asset over its economic life. For example, for a piece of furniture originally costing £5,000 with a life of 5 years, £1,000 per annum will be charged to the Trust's expenses, such that at the end of 5 years the furniture will have nil value.
Inventories	Formerly known as "stock", these are items held in the short term for the carrying out of the Trust's business, e.g. stores of drugs and other consumables.
Receivables	Formerly known as "debtors", this is money that is owed to the Trust by our customers.
Payables	Formerly known as "creditors", this is money that the Trust owes other organisations or individuals.
Provisions	Money that the Trust has a liability to pay in the future, that can be reliably estimated now. These may be either current (due within 1 year) or non current (due after 1 year). Examples could include legal claims. The majority that are relevant to the Trust are amounts set aside for those former employees who have had to take early retirement.
Public Dividend Capital (Reserve)	The funding that was historically made available to the Trust from the Department of Health to pay for its assets, including all of its buildings. Movements on this reserve must be agreed with the Department of Health.
Retained Earnings (Reserve)	This is a reserve holding the surpluses and deficits built up by the Trust from previous years.
Revaluation Reserve	When a non current asset is revalued (i.e. when property is revalued each year) the movement in value is added to or deducted from this reserve.
Donated Asset Reserve	As above for the Revaluation Reserve, but relating to items which have been given to the Trust as a donation e.g. from a charity.
Statement of Changes in Taxpayer's Equity (SOCTIE)	This statement shows the movements in the year on the reserves described above.
Capital Resource Limit	A centrally set limit that controls the amount of money the Trust can spend in a year on non current assets (see above). The Trust must not go above this limit.
External Financing Limit (EFL)	This is a limit set by the Department of Health to control and manage the cash expenditure of the Trust. It covers all sources of finance available to the Trust: internal, external or from the Department of Health.
Impairment of Receivables	Formerly known as "Bad Debts", this is the amount the Trust sets aside to cover those monies it is owed by its customers, but from whom there is little chance of recovery.
Accruals	Amounts that are set aside for money the Trust is owed/owes, and for which there is no invoice as at the 31 March. However, there is a very high degree of certainty as to both the likelihood of the receipt/payment and the amount. These amounts are sometimes estimated, i.e. the final quarter's electricity bill.
Management Costs	The total cost of corporate administration i.e. the cost of the staff and other non pay costs that are not directly attributable to providing healthcare.
Impairment	Where an asset is reduced in value. For instance, when land is revalued during an economic downturn; or when we believe a debt is not recoverable because a customer has been declared bankrupt.
Undershoot	Achieve a level below the limit set, e.g. with EFL above. Trusts are permitted to undershoot against their EFL target as long as it is "not excessive".
Unwinding of Discount	A Financing charge relating to the increase the Trust has made for the difference between this year's and last year's provisions.
Contingent	Depending on something else in the future in order to happen.

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 March 2010**

	NOTE	2009/10 £000	2008/09 £000
Revenue			
Revenue from patient care activities	5	185,521	173,822
Other operating revenue	6	12,978	10,831
Operating expenses	8	(192,535)	(177,321)
Operating surplus (deficit)		5,964	7,332
Finance costs:			
Investment revenue	14	24	484
Other gains and (losses)	15	0	0
Finance costs	16	(176)	(347)
Surplus/(deficit) for the financial year		5,812	7,469
Public dividend capital dividends payable		(4,714)	(5,320)
Retained surplus/(deficit) for the year		1,098	2,149
Other comprehensive income			
Impairments and reversals		(19,062)	(19,781)
Gains on revaluations		22,567	0
Receipt of donated/government granted assets		1,956	186
Net gain/(loss) on other reserves (e.g. defined benefit pension scheme)		0	0
Net gains/(losses) on available for sale financial assets		0	0
Reclassification adjustments:			
- Transfers from donated and government grant reserves		(1,154)	(164)
- On disposal of available for sale financial assets		0	0
Total comprehensive income for the year		5,405	(17,610)

The notes on pages 1 to 24 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	NOTE	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Non-current assets				
Property, plant and equipment	17	153,261	148,380	168,638
Intangible assets	18	1,665	701	451
Investment property		0	0	0
Other financial assets	23	0	0	0
Trade and other receivables	22	0	0	0
Total non-current assets		154,926	149,081	169,089
Current assets				
Inventories	21	2,507	2,467	2,047
Trade and other receivables	22	9,853	5,413	7,665
Other financial assets	23	0	0	0
Other current assets	24	0	0	0
Cash and cash equivalents	25	1,009	2,103	3,961
		13,369	9,983	13,673
Non-current assets held for sale	26	0	0	0
Total current assets		13,369	9,983	13,673
Total assets		168,295	159,064	182,762
Current liabilities				
Trade and other payables	27	(22,516)	(14,947)	(16,559)
Other liabilities	29	0	(15)	0
DH Working capital loan		0	(3,668)	(3,666)
DH Capital loan		0	0	0
Borrowings	28	0	0	0
Other financial liabilities	34	0	0	0
Provisions	35	(1,155)	(1,381)	(1,694)
Total Current Liabilities		(23,671)	(20,011)	(21,919)
Net current assets/(liabilities)		(10,302)	(10,028)	(8,246)
Total assets less current liabilities		144,624	139,053	160,843
Non-current liabilities				
Borrowings	28	0	0	0
DH Working capital loan		0	0	(3,668)
DH Capital loan		0	0	0
Trade and other payables	27	0	0	0
Other financial liabilities	34	0	0	0
Provisions	35	(1,020)	(854)	(1,366)
Other liabilities	29	0	0	0
Total Non Current Liabilities		(1,020)	(854)	(5,034)
Total assets employed		143,604	138,199	155,809
Financed by taxpayers' equity:				
Public dividend capital		55,955	55,955	55,955
Retained earnings		23,008	20,897	17,078
Revaluation reserve		59,645	57,043	77,401
Donated asset reserve		4,996	4,304	5,375
Government grant reserve		0	0	0
Other reserves		0	0	0
Total Taxpayers' Equity		143,604	138,199	155,809

The financial statements on pages 1 to 24 were approved by the Audit Committee under the powers delegated to it by the Board on the 28th May 2010 and signed on its behalf by:



Signed: Nick Hulme, Chief Executive

Date 4 June 2010

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Public dividend capital (PDC) £000	Retained earnings £000	Revaln reserve £000	Donated asset reserve £000	Govt grant reserve £000	Other reserves £000	Total £000
Balance at 31 March 2008							
As previously stated	55,955	17,078	77,401	5,375	0	0	155,809
Prior Period Adjustment	0	0	0	0	0	0	0
Restated balance	55,955	17,078	77,401	5,375	0	0	155,809

Changes in taxpayers' equity for 2008/09

Total Comprehensive Income for the year:							
Retained surplus/(deficit) for the year	0	2,149	0	0	0	0	2,149
Transfers between reserves	0	1,670	(1,670)	0	0	0	0
Impairments and reversals	0	0	(18,688)	(1,093)	0	0	(19,781)
Net gain on revaluation of property, plant, equipment	0	0	0	0	0	0	0
Net gain on revaluation of intangible assets	0	0	0	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0	0	0	0
Net gain on revaluation of non current assets held for sale	0	0	0	0	0	0	0
Receipt of donated/government granted assets	0	0	0	186	0	0	186
Net gain/loss on other reserves (e.g. defined benefit pension scheme)	0	0	0	0	0	0	0
Movements in other reserves	0	0	0	0	0	0	0
Reclassification adjustments:							
- transfers from donated asset/government grant reserve	0	0	0	(164)	0	0	(164)
- on disposal of available for sale financial assets	0	0	0	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0	0	0	0
Originating capital for Trust establishment in year	0	0	0	0	0	0	0
New PDC received	0	0	0	0	0	0	0
PDC repaid in year	0	0	0	0	0	0	0
PDC written off	0	0	0	0	0	0	0
Other movements in PDC in year	0	0	0	0	0	0	0
Balance at 31 March 2009	55,955	20,897	57,043	4,304	0	0	138,199

	Public dividend capital (PDC) £000	Retained earnings £000	Revaln reserve £000	Donated asset reserve £000	Govt grant reserve £000	Other reserves £000	Total £000
Changes in taxpayers' equity for 2009/10							
Balance at 1 April 2009	55,955	20,897	57,043	4,304	0	0	138,199
Total Comprehensive Income for the year:							
Retained surplus/(deficit) for the year	0	1,098	0	0	0	0	1,098
Transfers between reserves	0	1,013	(1,013)	0	0	0	0
Impairments and reversals	0	0	(17,944)	(1,118)	0	0	(19,062)
Net gain on revaluation of property, plant, equipment	0	0	21,559	1,008	0	0	22,567
Net gain on revaluation of intangible assets	0	0	0	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0	0	0	0
Net gain on revaluation of non current assets held for sale	0	0	0	0	0	0	0
Receipt of donated/government granted assets	0	0	0	1,956	0	0	1,956
Net gain/loss on other reserves (e.g. defined benefit pension scheme)	0	0	0	0	0	0	0
Movements in other reserves	0	0	0	0	0	0	0
Reclassification adjustments:							
- transfers from donated asset/government grant reserve	0	0	0	(1,154)	0	0	(1,154)
- on disposal of available for sale financial assets	0	0	0	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0	0	0	0
Originating capital for Trust establishment in year	0	0	0	0	0	0	0
New PDC received	0	0	0	0	0	0	0
PDC repaid in year	0	0	0	0	0	0	0
PDC written off	0	0	0	0	0	0	0
Other movements in PDC in year	0	0	0	0	0	0	0
Balance at 31 March 2010	55,955	23,008	59,645	4,996	0	0	143,604

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

31 March 2010

	Note	2009/10 £000	2008/09 £000
Cash flows from operating activities			
Operating surplus/(deficit)		5,964	7,332
Depreciation and amortisation		5,369	7,503
Impairments and reversals		1,040	0
Net foreign exchange gains/(losses)		0	0
Transfer from donated asset reserve		(1,154)	(164)
Transfer from government grant reserve		0	0
Interest paid		(152)	(347)
Dividends paid		(4,744)	(5,320)
(Increase)/decrease in inventories		(40)	(420)
(Increase)/decrease in trade and other receivables		(4,440)	2,252
(Increase)/decrease in other current assets		0	15
Increase/(decrease) in trade and other payables		6,615	(1,604)
Increase/(decrease) in other current liabilities		(15)	0
Increase/(decrease) in provisions	35	(84)	(825)
Net cash inflow/(outflow) from operating activities		8,359	8,422
Cash flows from investing activities			
Interest received		24	484
(Payments) for property, plant and equipment	17	(5,575)	(6,680)
Proceeds from disposal of plant, property and equipment		0	0
(Payments) for intangible assets	18	(236)	(418)
Proceeds from disposal of intangible assets		0	0
(Payments) for investments with DH		0	0
(Payments) for other investments		0	0
Proceeds from disposal of investments with DH		0	0
Proceeds from disposal of other financial assets		0	0
Revenue rental income		0	0
Net cash inflow/(outflow) from investing activities		(5,787)	(6,614)
Net cash inflow/(outflow) before financing		2,572	1,808
Cash flows from financing activities			
Public dividend capital received		0	0
Public dividend capital repaid		0	0
Loans received from the DH		0	0
Other loans received		0	0
Loans repaid to the DH		(3,666)	(3,666)
Other loans repaid		0	0
Other capital receipts		0	0
Capital element of finance leases and PFI		0	0
Cash transferred to NHS Foundation Trusts		0	0
Net cash inflow/(outflow) from financing		(3,666)	(3,666)
Net increase/(decrease) in cash and cash equivalents		(1,094)	(1,858)
Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year		2,103	3,961
Effect of exchange rate changes on the balance of cash held in foreign currencies		0	0
Cash and cash equivalents at the end of the financial year	25	1,009	2,103

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS Trusts shall meet the accounting requirements of the NHS Trusts Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2009/10 NHS Trusts Manual for Accounts issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by Mayday Healthcare NHS Trust ("the Trust") are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on 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 public sector body to another.

1.3 Care Trust Designation

The Trust is not a Care Trust.

1.4 Pooled Budgets

The Trust has no pooled budget arrangements.

1.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.5.1 Critical judgements in applying accounting policies

There have been no critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

1.6 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the Trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

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

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

1.7 Employee Benefits

Short-term employee benefits

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

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. 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 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 expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

1. Accounting Policies (Continued)

1.8 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

**1.9 Property, plant and equipment
Recognition**

Property, plant and equipment is capitalised if:

- 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 will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a 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
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Valuation

All property, plant and equipment are measured initially at cost, representing the cost 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.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. HM Treasury has agreed that NHS trusts must apply these new valuation requirements by 1 April 2010 at the latest.

The Trust commissioned a valuation of its properties under this basis in October 2009, with an update exercise undertaken as at 31 March 2010 to refresh these values. The effect of these revaluations are reflected in the Trust's Financial Statements.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees, but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1. Accounting Policies (Continued)

1.10 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.11 Depreciation, amortisation and impairments

Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives

At each reporting period end, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.12 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to the donated asset reserve. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to offset the expenditure. On sale of donated assets, the net book value is transferred from the donated asset reserve to retained earnings.

1.13 Government grants

Government grants are grants from government bodies other than revenue from NHS bodies for the provision of services. Revenue grants are treated as deferred income initially and credited to income to match the expenditure to which they relate. Capital grants are credited to the government grant reserve and released to operating revenue over the life of the asset in a manner consistent with the depreciation and impairment charges for that asset. Assets purchased from government grants are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are taken to the government grant reserve and, each year, an amount equal to the depreciation charge on the asset is released from the government grant reserve to offset the expenditure.

1. Accounting Policies (Continued)

1.14 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings. For donated and government-granted assets, a transfer is made to or from the relevant reserve to the profit/loss on disposal account so that no profit or loss is recognised in income or expenses. The remaining surplus or deficit in the donated asset or government grant reserve is then transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.15 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.16 Private Finance Initiative (PFI) transactions

The Trust has no PFI transactions.

1.17 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.18 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

1.19 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

1. Accounting Policies (Continued)

1.19 (cont'd)

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.20 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 35.

1.21 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.22 EU Emissions Trading Scheme

The Trust is not part this scheme.

1.23 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.24 Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.25 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1. Accounting Policies (Continued)

1.26 Value Added Tax

Most of the activities of the Trust 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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.27 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.28 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 41 to the accounts.

1.29 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the NHS Trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets and cash balances with the Office of the Paymaster General. The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets. Prior to 2009/10 the PDC dividend was determined using forecast average relevant net assets and a note to the accounts discloses the rate that the dividend represents as a percentage of the actual average carrying amount of assets less liabilities in the year. From 1 April 2009, the dividend payable is based on the actual average relevant net assets for the year instead of forecast amounts.

1.30 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 that individual cases are handled.

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

1.31 Subsidiaries

For 2009/10, in accordance with the directed accounting policy from the Secretary of State, the Trust does not consolidate the NHS charitable funds for which it is the corporate trustee.

1.32 Associates

The Trust has no associates.

1.33 Joint ventures

The Trust has not entered into any joint ventures.

1.34 Joint operations

The Trust has not entered into any joint operations.

1.35 Accounting standards that have been issued but have not yet been adopted

The following standards and interpretations have been adopted by the European Union, but are not required to be followed until 2010/11. None of them are expected to impact upon the Trust financial statements.

IAS 27 (Revised) Consolidated and separate financial statements;

Amendment to IAS 32 Financial instruments: Presentation on classification or rights issues;

Amendment to IAS 39 Eligible hedged items;

IFRS 3 (Revised) Business combinations;

IFRIC 17 Distributions of Non-cash Assets to Owners;

IFRIC 18 Transfer of assets from customers.

1.36 Accounting standards issued that have been adopted early

The amendment to IFRS 8 Operating segments that was included in the April 2009 Improvements to IFRS has been adopted early. As a result, total assets are not reported by operating segment.

1.37 Research and Development

The Trust has no such expenditure.

Mayday Healthcare NHS Trust - Annual Accounts 2009/10

2. Pooled Budgets

The Trust had no pooled budget arrangements in 2009/10 (nil in 2008/09)

3. Operating Segments

Mayday Healthcare NHS Trust has one operating segment which is the provision of healthcare services. Revenue from patient and non patient care activities included in the Trust's surplus is 93.5% of total revenue for the year. This revenue is detailed below in Notes 5 and 6.

4. Income generation activities

The Trust has undertaken no income generation activities whose full cost exceeded £1m or was otherwise material.

5. Revenue from patient care activities	2009/10	2008/09
	£000	£000
Strategic health authorities	0	0
NHS trusts	335	654
Primary care trusts	183,091	146,374
Foundation trusts	92	137
Local authorities	35	0
Department of Health	0	25,359
NHS other	0	70
Non-NHS:		
Private patients	379	453
Overseas patients (non-reciprocal)	340	116
Injury costs recovery	1,086	659
Other	163	0
	185,521	173,822

Injury cost recovery income is subject to a provision for impairment of receivables of 7.8% to reflect expected rates of collection.

In 2008/09, the Department of Health paid Market Forces Factor direct to Trusts. In 2009/10, the routing of the funding was via Primary Care Trusts.

6. Other Operating Revenue	2009/10	2008/09
	£000	£000
Patient transport services	0	0
Education, training and research	8,297	8,617
Charitable and other contributions to expenditure	0	0
Transfers from Donated Asset Reserve	1,154	164
Transfers from Government Grant Reserve	0	0
Non-patient care services to other bodies	2,590	1,361
Income generation	519	677
Rental revenue	418	12
Other revenue	0	0
	12,978	10,831

The increase from 2008/09 on the transfer from the donated asset reserve relates to the impairment on a donated asset (Purley Hospital) in 2009/10 of £1,032k. The balance relates to depreciation on donated assets.

In 2009/10, "Non patient care services to other bodies" includes a number of items that were previously included in Note 5.

7. Revenue	2009/10	2008/09
	£000	£000
From rendering of services	188,687	184,653
From sale of goods	0	0

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

Mayday Healthcare NHS Trust - Annual Accounts 2009/10

8. Operating Expenses	2009/10 £000	2008/09 £000	
Services from other NHS Trusts	0	0	
Services from PCTs	0	0	
Services from other NHS bodies	0	0	
Services from Foundation Trusts	0	0	
Purchase of healthcare from non NHS bodies	0	0	
Directors' costs	1,196	1,038	
Other Employee Benefits	126,772	119,145	
Supplies and services - clinical	30,326	27,466	Note a
Supplies and services - general	9,346	8,683	Note b
Consultancy services	734	711	
Establishment	4,929	4,517	
Transport	1,335	1,260	
Premises	6,037	3,878	Note c
Provision for impairment of receivables	240	57	Note d
Inventories write offs	23	0	
Depreciation	5,114	7,335	Note e
Amortisation	255	168	
Impairments and reversals of property, plant and equipment	1,040	0	Note f
Impairments and reversals of intangible assets	0	0	
Impairments and reversals of financial assets	0	0	
Impairments and Reversals for Non Current Assets held for sale	0	0	
Audit fees	176	167	
Other auditor's remuneration	0	0	
Clinical negligence	4,457	2,410	Note g
Research and development	0	0	
Education and Training	555	486	
Other	0	0	
	192,535	177,321	

Overall, there has been an increase in expenditure of circa £15.2m, of which £7.8m relates to staffing costs. There has been an increase of £7.4m in other expenditure, net of the savings on depreciation charges. Some of the material variances from last year are explained below:

Notes - explanations for significant variances from 2008/09:

- a. Drug purchases have increased by circa £1m in 2009/10; and a new Pathology managed services contract was signed in 2009/10.
- b. In addition to the general uplift, there has been an increase in catering costs due to the new contract.
- c. There has been an increase of circa £0.7m in repairs and maintenance costs.
- d. The increase in Trade Receivables (see Note 22) has meant that the Trust's provision for impairment of receivables has also been increased to be prudent.
- e. The revaluations and the drop in the value of properties in 2009/10 has meant less depreciation, as the latter is calculated based on net book value.
- f. As above for e. The impairment relates mainly to the Purley Hospital site, for which a corresponding transfer from the donated asset reserve has been made, and shown in Note 5 - Other Revenue, and the Statement of Changes in Taxpayers Equity note.
- g. The NHS Litigation Authority sets the annual charge. The significant increase is because of a surge in the number of claims nationally being settled with damages in 2008/09, which needs to be apportioned to all trusts.

9. Operating leases

9.1 The Trust as lessee

Payments recognised as an expense	2009/10	2008/09
	£000	£000
Minimum lease payments	2,021	176
Contingent rents	0	0
Sub-lease payments	0	0
Total	<u>2,021</u>	<u>176</u>

The main material leases included in the above note relate to the Trust's arrangements for its Pathology Analyser and, an MRI services contract. The former lease terminates in 2016, and the latter is currently being renegotiated.

Total future minimum lease payments	2009/10	2008/09
	£000	£000
Payable:		
Not later than one year	1,336	147
Between one and five years	4,759	420
After 5 years	1,437	1,020
Total	<u>7,532</u>	<u>1,587</u>

Total future sublease payments expected to be received are nil.

9.2 The Trust as lessor

Rental Revenue	2009/10	2008/09
	£000	£000
Contingent rent	0	0
Other	418	12
Total rental revenue	<u>418</u>	<u>12</u>

The majority of the leasing revenue shown above relates to the Trust's letting arrangements of a block of the hospital to an external company.

Total future minimum lease revenue	2009/10	2008/09
	£000	£000
Receivable:		
Not later than one year	333	12
Between one and five years	382	60
After 5 years	502	270
Total	<u>1,217</u>	<u>342</u>

10. Employee costs and numbers

10.1 Employee costs

	2009/10			2008/09		
	Total £000	Permanently Employed £000	Other £000	Total £000	Permanently Employed £000	Other £000
Salaries and wages	107,910	88,042	19,868	100,775	91,370	9,405
Social Security Costs	8,859	8,330	529	8,536	8,030	506
Employer contributions to NHS Pension scheme	11,140	10,776	364	10,550	10,182	368
Other pension costs	27	27	0	25	25	0
Other post-employment benefits	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	297	297	0
Employee benefits expense	127,936	107,175	20,761	120,183	109,904	10,279

Of the total above:

Charged to capital	21	0
Employee benefits charged to revenue	127,915	120,183
	127,936	120,183

Prior year, agency staff expenditure was included in permanent staff costs.

10.2 Average number of people employed

	2009/10			2008/09		
	Total Number	Permanently Employed Number	Other Number	Total Number	Permanently Employed Number	Other Number
Medical and dental	452	405	47	417	390	27
Ambulance staff	0	0	0	0	0	0
Administration and estates	672	605	67	642	590	52
Healthcare assistants and other support staff	375	237	138	430	318	112
Nursing, midwifery and health visiting staff	960	749	211	905	725	180
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	405	370	35	319	272	47
Social care staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	2,864	2,366	498	2,713	2,295	418

Of the above:

Number of staff (WTE) engaged on capital projects	1	0
---	---	---

10.3 Staff sickness absence

	2009/10 Number
Total days lost	20,284
Total staff years	2,372
Average working days lost	8.6

The numbers above are based on the calendar year January 2009 to December 2009.

10.4 Management Costs

	2009/10 £000	2008/09 £000
Management costs	7,788	7,048
Income	198,499	184,653

11. Pension costs

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

The scheme is an unfunded, defined benefit scheme that covers NHS employers, 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, every five years) and an accounting valuation every year. An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

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

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

b) Accounting valuation

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

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

The valuation of the scheme liability as at 31 March 2010, is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2010 with summary global member and accounting data.

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

c) Scheme provisions

In 2008-09 the NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

Annual Pensions

The Scheme is a "final salary" scheme. Annual pensions are normally based on $1/80^{\text{th}}$ for the 1995 section and of the best of the last three years pensionable pay for each year of service, and $1/60^{\text{th}}$ for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Pensions Indexation

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.

Lump Sum Allowance

A lump sum is payable on retirement which is normally three times the annual pension payment.

Ill-Health Retirement

Early payment of a pension, with enhancement in certain circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties or regular employment effectively through illness or infirmity.

Death Benefits

A death gratuity of twice their final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

Additional Voluntary Contributions (AVCs)

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

Transfer between Funds

Scheme members have the option to transfer their pension between the NHS Pension Scheme and another scheme when they move into or out of NHS employment.

Preserved Benefits

Where a scheme member ceases NHS employment with more than two years service they can preserve their accrued NHS pension for payment when they reach retirement age.

Compensation for Early Retirement

Where a member of the Scheme is made redundant they may be entitled to early receipt of their pension plus enhancement, at the employer's cost.

12. Retirements due to ill-health

During 2009/10 there were 4 (2008/09: 2) early retirements from the NHS Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £179k (2008/09: £88k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

These retirements represented 1.32 per 1,000 active scheme members.

13. Better Payment Practice Code

13.1 Better Payment Practice Code - measure of compliance

	2009/10		2008/09	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	50,049	62,721	53,531	59,819
Total Non NHS trade invoices paid within target	25,809	38,326	45,469	53,325
Percentage of Non-NHS trade invoices paid within target	52%	61%	85%	89%
Total NHS trade invoices paid in the year	1,838	9,913	1,760	7,248
Total NHS trade invoices paid within target	683	6,632	1,112	6,483
Percentage of NHS trade invoices paid within target	37%	67%	63%	89%

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

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

	2009/10	2008/09
	£000	£000
Amounts included in finance costs from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

14. Investment revenue

	2009/10	2008/09
	£000	£000
Rental revenue:		
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	24	484
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	24	484

15. Other gains and losses

	2009/10	2008/09
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of financial assets	0	0
Gain/(loss) on foreign exchange	0	0
Change in fair value of financial assets carried at fair value through profit and loss	0	0
Change in fair value of financial liabilities carried at fair value through profit and loss	0	0
Change in fair value of investment property	0	0
Recycling of gain/(loss) from equity on disposal of financial assets available for sale	0	0
Total	0	0

16. Finance Costs

	2009/10	2008/09
	£000	£000
Interest on loans and overdrafts	152	347
Interest on obligations under finance leases	0	0
Interest on obligations under PFI contracts:		
- main finance cost	0	0
- contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	152	347
Other finance costs	24	0
Total	176	347

The interest payment above relates to interest on the final instalment of the Trust's Department of Health loan, which was fully repaid in 2009/10.

17. Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construct and poa	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2009/10:									
Cost or valuation at 1 April 2009	36,020	99,772	2,953	479	26,235	167	6,324	758	172,708
Additions purchased	0	3,201	4	362	1,529	0	408	70	5,574
Additions donated	0	1,047	0	0	871	0	8	30	1,956
Additions government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	468	0	(133)	(544)	0	143	66	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(12,984)	(161)	(1,952)	(230)	(15,327)
Revaluation/indexation gains	5,067	16,865	635	0	0	0	0	0	22,567
Impairments	(784)	(17,879)	(399)	0	0	0	0	0	(19,062)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Transfers to Foundation Trust	0	0	0	0	0	0	0	0	0
At 31 March 2010	40,303	103,474	3,193	708	15,107	6	4,931	694	168,416
Depreciation at 1 April 2009	0	0	0	0	20,193	165	3,545	425	24,328
Reclassifications	0	23	0	0	(92)	0	62	7	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(12,984)	(161)	(1,952)	(230)	(15,327)
Revaluation/indexation gains	0	0	0	0	0	0	0	0	0
Impairments	784	256	0	0	0	0	0	0	1,040
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	2,977	53	0	1,406	1	617	60	5,114
Transfer to Foundation Trust	0	0	0	0	0	0	0	0	0
Depreciation at 31 March 2010	784	3,256	53	0	8,523	5	2,272	262	15,155
Net book value									
Purchased	37,770	98,260	3,140	708	5,331	1	2,652	403	148,265
Donated	1,749	1,958	0	0	1,253	0	7	29	4,996
Government granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2010	39,519	100,218	3,140	708	6,584	1	2,659	432	153,261
Asset financing									
Owned	39,519	100,218	3,140	708	6,584	1	2,659	432	153,261
Finance Leased	0	0	0	0	0	0	0	0	0
Private finance initiative	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
Total 31 March 2010	39,519	100,218	3,140	708	6,584	1	2,659	432	153,261

17. Property, plant and equipment (cont'd)

Prior year:

	Land	Buildings excluding dwellings	Dwellings	Assets under construct and poa	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2008/09:									
Cost or valuation at 1 April 2008	50,727	105,004	3,255	707	24,169	167	5,644	751	190,424
Additions purchased	0	3,912	0	194	1,879	0	680	7	6,672
Additions donated	0	0	0	0	186	0	0	0	186
Additions government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	397	0	(398)	1	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Revaluation/indexation gains	0	0	0	0	0	0	0	0	0
Impairments	(14,707)	(5,020)	(30)	(24)	0	0	0	0	(19,781)
Reversal of impairments	0	0	0	0	0	0	0	0	0
At 31 March 2009	36,020	104,293	3,225	479	26,235	167	6,324	758	177,501
Depreciation at 1 April 2008	0	0	0	0	18,336	164	2,916	370	21,786
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Revaluation/indexation gains	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	4,521	272	0	1,857	1	629	55	7,335
Depreciation at 31 March 2009	0	4,521	272	0	20,193	165	3,545	425	29,121
Net book value									
Purchased	33,487	98,469	2,953	479	5,574	2	2,779	333	144,076
Donated	2,533	1,303	0	0	468	0	0	0	4,304
Government granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2009	36,020	99,772	2,953	479	6,042	2	2,779	333	148,380
Asset financing									
Owned	36,020	99,772	2,953	479	6,042	2	2,779	333	148,380
Finance Leased	0	0	0	0	0	0	0	0	0
Private finance initiative	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
Total 31 March 2009	36,020	99,772	2,953	479	6,042	2	2,779	333	148,380

17. Property, plant and equipment (cont.)

Non current assets to the value of £1.955m were donated to the Trust in 2009/10. These are shown below:

Donor	Asset	£000
Croydon Colorectal Cancer Charity	Endoscopy Unit	1,047
Datta Legacy	Equipment for Endoscopy Unit	323
Friends of Mayday	Miscellaneous	17
Mayday Hospital Charitable Funds	Medical Equipment	192
Searle Legacy	Medical Equipment	376
		1,955

The Trust commissioned a full revaluation of its non current property assets on two occasions during the 2009/10 financial year (as at 30th September 2009 and at 31 March 2010).

The valuations were carried out by an independent external valuer, on a Modern Equivalent Asset (MEA) basis. All NHS Trusts were required to have revalued its assets on this basis by the end of the 2009/10 financial year.

All property, plant and equipment are measured initially at cost, representing the cost 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.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

The estimated lives of the Trust's non current assets are as follows:

	Min	Max
Software Licences	5	10
Buildings including dwellings	13	100
Plant & Machinery	5	15
Information Technology	5	10
Furniture and Fittings	5	25

The Trust is the lessor of a parts of its premises to external organisations, for which it charges rental revenue.

The total closing net book value of the proportion of the site that is leased is shown below:

	Opening NBV at 1st April 2009	Additions 2009/10	Revaluation 2009/10	Impairment 2009/10	Depreciation 2009/10	Closing NBV 31st March 2010
	£000	£000	£000	£000	£000	£000
Queen's Hospital Site	2,117	0	622	-182	-32	2,525
Thornton Ward	850	0	34	-34	-56	794
Woodcote Ward	15	5	222	-11	-5	226
Purley Hospital	68	12	130	-18	-6	186
Total	3,050	17	1,008	-245	-99	3,731

Mayday Healthcare NHS Trust - Annual Accounts 2009/10
18. Intangible assets

	Computer software - purchased	Computer software - internally generated	Licences and trademarks	Patents	Development expenditure (internally generated)	Total
	£000	£000	£000	£000	£000	£000
2009/10:						
Gross cost at 1 April 2009	1,951	0	0	0	0	1,951
Additions purchased	1,219	0	0	0	0	1,219
Additions internally generated	0	0	0	0	0	0
Additions donated	0	0	0	0	0	0
Additions government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	(48)	0	0	0	0	(48)
Revaluation/indexation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0
Gross cost at 31 March 2010	3,122	0	0	0	0	3,122
Amortisation at 1 April 2009	1,250	0	0	0	0	1,250
Reclassifications	0	0	0	0	0	0
Reclassifications as held for sale	0	0	0	0	0	0
Disposals other than by sale	(48)	0	0	0	0	(48)
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Charged during the year	255	0	0	0	0	255
Amortisation at 31 March 2010	1,457	0	0	0	0	1,457
Net book value						
Purchased	1,665	0	0	0	0	1,665
Donated	0	0	0	0	0	0
Government granted	0	0	0	0	0	0
Total at 31 March 2010	1,665	0	0	0	0	1,665
Prior year:						
2008/09:						
	£000	£000	£000	£000	£000	£000
Gross cost at 1 April 2008	1,533	0	0	0	0	1,533
Additions purchased	418	0	0	0	0	418
Additions internally generated	0	0	0	0	0	0
Additions donated	0	0	0	0	0	0
Additions government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation / indexation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0
Gross cost at 31 March 2009	1,951	0	0	0	0	1,951
Amortisation at 1 April 2008	1,082	0	0	0	0	1,082
Reclassifications	0	0	0	0	0	0
Reclassifications as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Charged during the year	168	0	0	0	0	168
Amortisation at 31 March 2009	1,250	0	0	0	0	1,250
Net book value						
Purchased	701	0	0	0	0	701
Donated	0	0	0	0	0	0
Government granted	0	0	0	0	0	0
Total at 31 March 2009	701	0	0	0	0	701

The Trust does not carry any internally generated intangible assets. All intangible assets are held at cost and depreciated at rates calculated to write them down to nil net book value over the estimated useful life of the asset.

As software assets are not revalued, there is no corresponding revaluation reserve for intangible assets.

19. Impairments

The Trust commissioned a full revaluation of its assets both mid and at the end of the 2009/10 financial year. This identified that, in the current economic climate, components of the Trust's sites experienced a downward valuation.

Impairments are initially charged to the revaluation reserve (where there is a sufficient balance in the revaluation reserve relating to that particular asset) with the excess charged to expenditure.

The "Statement Of Changes In Taxpayers' Equity" primary note details the movements in the Trust's revaluation reserves.

Note 17 details the closing year end revaluation impact on the net book value of assets.

20. Capital commitments

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

	31 March 2010	31 March 2009
	£000	£000
Property, plant and equipment	0	1,800
Intangible assets	0	0
Total	<u>0</u>	<u>1,800</u>

The significant decrease from 2008/09 financial year of capital commitments is due to a number of large schemes that were outstanding at the end of the 2008/09 financial year, which have been completed in 2009/10. At the end of 2009/10, outstanding premises property projects were undertaken using Measured Term Contracts, for which there is no contractual obligation, resulting in no capital commitments in 2009/10.

21. Inventories

21.1. Inventories

	31 March 2010	31 March 2009
	£000	£000
Drugs	778	1,024
Work in progress	0	0
Consumables	1,673	1,443
Energy	56	0
Other	0	0
Total	<u>2,507</u>	<u>2,467</u>
Of which held at net realisable value:	<u>0</u>	<u>0</u>

21.2 Inventories recognised in expenses

	31 March 2010	31 March 2009
	£000	£000
Inventories recognised as an expense in the period	6,006	0
Write-down of inventories (including losses)	23	65
Reversal of write-downs that reduced the expense	0	0
Total	<u>6,029</u>	<u>65</u>

22. Trade and other receivables

22.1 Trade and other receivables

	Current	
	31 March 2010	31 March 2009
	£000	£000
NHS receivables-revenue	6,669	2,891
NHS receivables-capital	0	0
Non-NHS receivables-revenue	1,080	450
Non-NHS receivables-capital	0	0
Provision for the impairment of receivables	(1,134)	(938)
Prepayments and Accrued Income	421	704
Finance lease Receivables	0	0
Operating lease receivables	0	0
VAT	707	378
Other receivables	2,110	1,928
Total	<u>9,853</u>	<u>5,413</u>

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

Included in "other" receivables is the total amount due from the Compensation Recovery Unit, mainly relating to Road Traffic Accidents.

The Trust had nil **non current** trade and other receivables at 31 March 2010 (nil at 31 March 2009).

22.2 Receivables past their due date but not impaired	31 March 2010 £000	31 March 2009 £000
By up to three months	2,905	218
By three to six months	606	121
By more than six months	1,047	652
Total	4,558	991

22.3 Provision for impairment of receivables	31 March 2010 £000	31 March 2009 £000
Balance at 1 April	(938)	(881)
Amount written off during the year	44	0
Amount recovered during the year	0	0
(Increase)/decrease in receivables impaired	(240)	(57)
Balance at 31 March	(1,134)	(938)

23. Other financial assets

The Trust had nil other financial assets (both current and non current) at 31 March 2010 (nil at 31 March 2009).

24. Other current assets	31 March 2010 £000	31 March 2009 £000
EU Emissions trading scheme allowances	0	0
Other assets	0	0
Total	0	0

25. Cash and cash equivalents	31 March 2010 £000	31 March 2009 £000
Balance at 1 April	2,103	3,961
Net change in year	(1,094)	(1,858)
Balance at 31 March	1,009	2,103
Made up of		
Cash with Office of HM Paymaster General and Government Banking Services	976	2,134
Commercial banks and cash in hand	33	(31)
Current investments	0	0
Cash and cash equivalents as in statement of financial position	1,009	2,103
Bank overdraft - Office of HM Paymaster General	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	1,009	2,103

26. Non Current Assets held for Sale

The Trust had nil non current assets held for sale at the 31 March 2010 (nil at 31 March 2009).

27. Trade and other payables

	Current		Non-current	
	31 March 2010 £000	31 March 2009 £000	31 March 2010 £000	31 March 2009 £000
Interest payable	0	9		
NHS payables-revenue	1,467	1,131	0	0
NHS payables-capital	0	0	0	0
Non NHS trade payables - revenue	8,214	80	0	0
Non NHS trade payables - capital	1,853	195	0	0
Accruals and deferred income	6,768	11,547	0	0
Social security costs	1,252	68		
VAT	0	0	0	0
Tax	1,523	1,668		
Other	1,439	249	0	0
Total	22,516	14,947	0	0

Other payables include:

- £nil for payments due in future years under arrangements to buy out the liability for early retirements over 5 instalments (2008/09 £nil);
- £1,430k outstanding pensions contributions at 31 March 2010 (2008/09 £1,301k).

Non NHS trade payables has increased due to the reclassification of accruals and deferred income as payables, with a corresponding drop in the latter category.

Social Security costs have increased from 2008/09 due to an advance payment last year.

28. Borrowings

	Current		Non-current	
	31 March 2010 £000	31 March 2009 £000	31 March 2010 £000	31 March 2009 £000
Bank overdraft - Office of HM Paymaster General	0	0		
Bank overdraft - Commercial banks	0	0		
Loans from:				
Department of Health	0	3,668	0	0
Other entities	0	0	0	0
PFI liabilities	0	0	0	0
LIFT	0	0	0	0
Finance lease liabilities	0	0	0	0
Other	0	0	0	0
Total	0	3,668	0	0

In 2009/10, the Trust made a payment of £3,668k to the Department of Health, in final settlement of a loan taken out in 2007/08.

29. Other liabilities

	Current		Non-current	
	31 March 2010 £000	31 March 2009 £000	31 March 2010 £000	31 March 2009 £000
PFI asset – deferred credit	0	0	0	0
Lease incentives	0	0	0	0
Other	0	15	0	0
Total	0	15	0	0

30. Finance lease obligations

The Trust had no finance lease obligations in 2009/10. (Nil in 2008/09)

31. Finance lease receivables (i.e. as lessor)

The Trust had no finance lease obligations in 2009/10. (Nil in 2008/09)

32. Finance lease commitments

The Trust had no finance lease commitments in 2009/10. (Nil in 2008/09)

33. Private Finance Initiative contracts

The Trust had no Private Finance Initiative contracts in 2009/10. (Nil in 2008/09)

34. Other financial liabilities

	Current		Non-current	
	31 March 2010 £000	31 March 2009 £000	31 March 2010 £000	31 March 2009 £000
Financial liabilities carried at fair value through profit and loss:				
Embedded derivatives	0	0	0	0
Other financial liabilities	0	0	0	0
Amortised cost	0	0	0	0
Total	0	0	0	0

35. Provisions

	Current		Non-current	
	31 March 2010 £000	31 March 2009 £000	31 March 2010 £000	31 March 2009 £000
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	101	96	911	854
Legal claims	76	99	0	0
Restructurings	0	0	0	0
Continuing care	0	0	0	0
Equal pay	0	0	0	0
Agenda for change	0	0	0	0
Other (specify)	978	1,186	109	0
Total	1,155	1,381	1,020	854

	Pensions relating to former directors £000	Pensions relating to other staff £000	Legal claims £000	Restructurings £000	Continuing care £000	Equal pay £000	Agenda for change £000	Other £000	Total £000
At 1 April 2008	0	1,046	99	0	0	308	0	1,607	3,060
Arising during the year	0	0	0	0	0	0	0	1,011	1,011
Used during the year	0	-96	0	0	0	-308	0	-216	(620)
Reversed unused	0	0	0	0	0	0	0	-1,216	(1,216)
Unwinding of discount	0	0	0	0	0	0	0	0	0
Transfers in year	0	0	0	0	0	0	0	0	0
At 1 April 2009	0	950	99	0	0	0	0	1,186	2,235
Arising during the year	0	135	0	0	0	0	0	980	1,115
Used during the year	0	(99)	0	0	0	0	0	(674)	(773)
Reversed unused	0	(15)	(24)	0	0	0	0	(387)	(426)
Unwinding of discount	0	22	0	0	0	0	0	2	24
Transfers in year	0	19	1	0	0	0	0	(20)	0
At 31 March 2010	0	1,012	76	0	0	0	0	1,087	2,175

Expected timing of cash flows:

In the remainder of the spending review period to 31 March 2011	0	101	76	0	0	0	0	978	1,155
Between 1 April 2011 and 31 March 2016	0	535	0	0	0	0	0	48	583
Between 1 April 2016 and 31 March 2021	0	376	0	0	0	0	0	53	429
Thereafter	0	0	0	0	0	0	0	8	8

Pension provisions relate to pre-1995 early retirements. The Trust pays the NHS Pensions an amount each quarter for these former employees, and the provision balance represents the estimated costs of the continuing

Legal claims are the Liabilities to Third Parties Scheme (LTPS) cases which are being dealt with by the NHS Litigation Authority on behalf of the Trust.

Included in "other" liabilities are amounts relating to injury benefits and a pay provision for outstanding bank holidays, overtime, oncall and any night duty worked.

The following are included in the provisions of the NHS Litigation Authority as at 31 March 2010 in respect of liabilities of the Trust:

	2009/10 £000	2008/09 £000
CNST	29,723	20,976
Employer's Liability Scheme	241	268
	29,964	21,244

36. Contingencies

36.1 Contingent liabilities

	2009/10 £000	2008/09 £000
Equal pay cases	0	0
Other (see below)	(30)	0
Amounts recoverable against contingent liabilities	0	0
Total	(30)	0
Contingent assets	0	0

The "other" contingent liabilities shown in the note relate to Liabilities to Third Parties Scheme (LTPS) cases, which are being dealt with by the NHS Litigation Authority on behalf of the Trust.

37. Financial Instruments

37.1 Financial assets

	At fair value through profit and loss £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
Receivables	0	7,492	0	7,492
Cash at bank and in hand	0	1,009	0	1,009
Other financial assets	0	0	0	0
Total at 31 March 2010	0	8,501	0	8,501
Embedded derivatives	0	0	0	0
Receivables	0	5,413	0	5,413
Cash at bank and in hand	0	2,103	0	2,103
Other financial assets	0	0	0	0
Total at 31 March 2009	0	7,516	0	7,516

37.2 Financial liabilities

	At fair value through profit and loss £000	Other £000	Total £000
Embedded derivatives	0	0	0
Payables	0	18,311	18,311
Other borrowings	0	0	0
PFI and finance lease obligations	0	0	0
Other financial liabilities	0	0	0
Total at 31 March 2010	0	18,311	18,311
Embedded derivatives	0	0	0
Payables	0	14,962	14,962
Other borrowings	0	3,668	3,668
PFI and finance lease obligations	0	0	0
Other financial liabilities	0	0	0
Total at 31 March 2009	0	18,630	18,630

The Trust is not able to restate the 2008/2009 comparators above to the same basis as the 2009/10 figures, due to technical reasons. However, to ensure full comparability between the financial years, the 2008/2009 comparators should be:

Financial Assets - Receivables	3,882
Financial Liabilities - Payables	13,237

37.3 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Primary Care Trusts, and the way those Primary Care Trusts are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

Currency risk

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

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the Strategic Health Authority. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2010 are in receivables from customers, as disclosed in the Trade and other receivables note (Note 22).

Liquidity risk

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

38. Events after the reporting period

None (2008/2009 - none)

39. Financial performance targets

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

39.1 Breakeven Performance

	2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000
Turnover	161,102	166,030	177,771	184,653	198,499
Retained surplus/(deficit) for the year	(5,847)	122	5,044	2,149	1,098
Adjustment for:					
Timing/non-cash impacting distortions:					
Use of pre - 1.4.97 surpluses [FDL(97)24 Agreements]	0	0	0	0	0
Adjustments for Impairments	0	0	0	0	8
Consolidated Budgetary Guidance - Adjustment for Dual Accounting under IFRIC12*	0	0	0	0	0
Other agreed adjustments	0	0	0	0	0
Break-even in-year position	<u>(5,847)</u>	<u>122</u>	<u>5,044</u>	<u>2,149</u>	<u>1,106</u>
Break-even cumulative position	<u>(5,912)</u>	<u>(5,790)</u>	<u>(746)</u>	<u>1,403</u>	<u>2,509</u>

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

	2005/06 %	2006/07 %	2007/08 %	2008/09 %	2009/10 %
Materiality test (I.e. is it equal to or less than 0.5%):					
Break-even in-year position as a percentage of turnover	-3.6%	0.1%	2.8%	1.2%	0.6%
Break-even cumulative position as a percentage of turnover	-3.7%	-3.5%	-0.4%	0.8%	1.3%

The 2009/10 surplus has arisen as a result of a favourable position on income, depreciation and dividends against plan, offset by operating expenditure above plan.

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

39.2 Capital cost absorption rate

For 2008/09 the Trust was required to absorb the cost of capital at a rate of 3.5% of forecast average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital, totalling £5,320k, bears to the actual average relevant net assets of £139,023k, that is 3.8% (2007/08 3.1%).

From 2009/10 the dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%. This has resulted in a dividend of £4,714k being charged to expenditure in the year.

39.3 External financing

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

	2009/10 £000	2008/09 £000
External financing limit	(2,497)	(1,405)
Cash flow financing	(2,572)	(1,808)
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	(2,572)	(1,808)
Undershoot/(overshoot)	<u>75</u>	<u>403</u>

39.4 Capital Resource Limit

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

	2009/10 £000	2008/09 £000
Gross capital expenditure	8,749	7,276
Less: book value of assets disposed of	0	0
Plus: loss on disposal of donated assets	0	0
Less: capital grants	0	0
Less: donations towards the acquisition of non-current assets	(1,956)	(186)
Charge against the capital resource limit	6,793	7,090
Capital resource limit	6,996	7,500
(Over)/Underspend against the capital resource limit	<u>203</u>	<u>410</u>

40. Related party transactions

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

The Department of Health is regarded as a related party. During the year Mayday Healthcare NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000s	£000s	£000s	£000s
Department of Health	3,818	0	0	0
Croydon PCT	498	164,733	217	4,817
Bromley PCT	0	3,878	0	327
Lambeth PCT	0	3,819	32	0
Surrey PCT	0	3,302	0	11
Sutton and Merton PCT	0	4,596	0	468
NHS London	4	7,737	0	228
NHS Blood and Transplant	1,216	0	42	0
NHS Litigation Authority	4,463	0	0	0
NHS Purchasing and Supply Agency	1,229	0	300	0

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with the London Borough of Croydon and HM Revenue and Customs.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the trustees for which are also members of the Trust board.

Prior Year 2008/09 Comparators:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000s	£000s	£000s	£000s
Department of Health	4,013	25,136	0	13
Croydon PCT	325	131,522	70	1,870
Bromley PCT	0	2,840	0	214
Lambeth PCT	0	3,488	0	109
Surrey PCT	0	2,715	0	189
Sutton and Merton PCT	0	3,422	50	0
NHS London	15	8,393	0	128
NHS Blood and Transplant	1,112	0	0	8
NHS Litigation Authority;	2,423	0	2	0
NHS Purchasing and Supply Agency	1,343	0	2	0

41. Third Party Assets

The Trust held £9k cash and cash equivalents at 31 March 2010 (£1k - at 31 March 2009) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

42. Intra-Government and Other Balances

	Current receivables	Non-current receivables	Current payables	Non-current payables
	£000	£000	£000	£000
Balances with other Central Government Bodies	6,381	0	867	0
Balances with Local Authorities	59	0	96	0
Balances with NHS Trusts and Foundation Trusts	288	0	558	0
Balances with Public Corporations and Trading Funds	0	0	89	0
Intra Government balances	6,728	0	1,610	0
Balances with bodies external to Government	3,125	0	20,906	0
At 31 March 2010	9,853	0	22,516	0
Balances with other Central Government Bodies	2,632	0	518	0
Balances with Local Authorities	32	0	0	0
Balances with NHS Trusts and Foundation Trusts	259	0	614	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Intra Government balances	2,923	0	1,132	0
Balances with bodies external to Government	2,490	0	13,815	0
At 31 March 2009	5,413	0	14,947	0

43. Losses and Special Payments

There were 188 cases of losses and special payments (2008/09: 26 cases) totalling £265,498 (2008/09: £15,473) accrued during 2009/10.

44. Transition to IFRS

	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Donated asset reserve £000	Govt grant reserve £000	Total £000
Taxpayers' equity at 31 March 2009 under UK GAAP:	55,955	20,897	57,043	4,304	0	138,199
Adjustments for IFRS changes:	0	0	0	0	0	0
Private finance initiative	0	0	0	0	0	0
Leases	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0
Adjustments for:	0	0	0	0	0	0
Impairments recognised on transition	0	0	0	0	0	0
UK GAAP errors	0	0	0	0	0	0
Taxpayers' equity at 1 April 2009 under IFRS:	55,955	20,897	57,043	4,304	0	138,199

	£000
Surplus/(deficit) for 2008/09 under UK GAAP	2,149
Adjustments for:	
Private finance initiative	0
Leases	0
Others (specify)	0
Surplus/(deficit) for 2008/09 under IFRS	2,149