

SECTION 4: STATEMENT OF FINANCIAL POSITION M9

	November £m	December £m
NON CURRENT ASSETS:		
Property plant and equipment	112.6	115.0
Intangible assets	10.7	10.7
Other assets	0.7	0.7
TOTAL NON CURRENT ASSETS:	124.0	126.3
CURRENT ASSETS:		
Inventories	1.8	1.8
Trade and other receivables	24.5	23.4
Cash and cash equivalents	1.3	3.7
TOTAL CURRENT ASSETS	27.6	28.9
CURRENT LIABILITIES:		
Trade and other payables	(33.3)	(31.8)
Current Borrowings	(1.4)	(1.4)
Current Provisions	(0.2)	(0.2)
TOTAL CURRENT LIABILITIES	(34.9)	(33.4)
NET CURRENT ASSETS LESS CURRENT LIABILITIES	(7.3)	(4.5)
TOTAL ASSETS LESS CURRENT LIABILITIES	116.7	121.8
NON CURRENT LIABILITIES:		
Borrowings	(43.1)	(49.9)
Provisions	(1.0)	(1.0)
Other liabilities		
TOTAL ASSETS EMPLOYED	72.5	70.9
FINANCED BY		
TAXPAYERS EQUITY:		
Public Dividend Capital	60.0	60.0
Revaluation reserve	18.6	18.6
Income and Expenditure Reserve - Prior years	(2.4)	(2.4)
Income and Expenditure Reserve - Current Year	(3.8)	(5.3)
TOTAL TAXPAYERS EQUITY	72.5	70.9

COMMENTARY

Non - Current Assets

There was an overall increase of £2.3m in Non-Current Assets in December 2017 consisting a £2.9m increase in Property, Plant and Equipment offset by £0.6m depreciation charge.

Current Assets

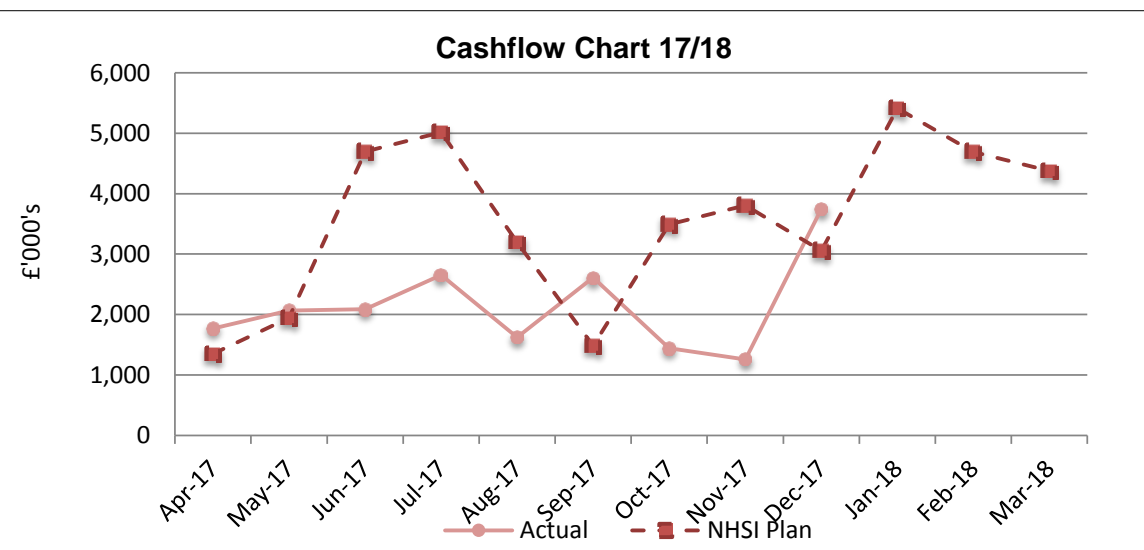
There was a £1.3m increase in Current Assets in December 2017 comprising: £1.1m decrease in Trade and Other Receivables; Debtors, a £2.4m increase in Cash and Cash Equivalents, as analysed in Section 5: Cash Flow Statement. Inventories remained at £1.8m.

Current Liabilities

The decrease of £1.5m in Current Liabilities in December 2017 was due to a £1.5m decrease in Trade and Other Payables. Current Borrowings and Current Provisions remained at £1.4m and £0.2m respectively.

SECTION 5: CASH FLOW STATEMENT

	December 2017 £m
Surplus/(deficit) after tax	(1.5)
Non-cash flows in operating surplus/(deficit)	
Depreciation and amortisation	0.6
PDC Dividend expense	0.2
Non-cash flows in operating surplus/(deficit)	0.8
Operating Cash flows before movements in working capital	(0.7)
Increase/(Decrease) in working capital	
Increase in Inventories	0.0
Increase in Trade and other receivables	1.1
Increase in Current Provisions	0.0
Decrease in Trade and Other payables	(1.5)
Increase/(Decrease) in working capital	(0.3)
Net cash (outflow) from operating activities	(1.0)
Net cash inflow/(outflow) from investing activities	
Property Plant and Equipment	(3.3)
Intangible assets	0.0
Other assets	0.0
Net cash inflow/(outflow) from investing activities	(3.3)
Net cash inflow/(outflow) from financing activities	
PDC Drawdowns	0.0
PDC Dividend paid	0.0
Borrowings	6.7
Net cash inflow/(outflow) from financing activities	6.7
Net increase in cash	2.4
Opening cash	1.3
Closing cash	3.7



COMMENTARY

The closing cash position for December was £3.7m which was £0.7m above forecast. The variance was largely attributable to partial payment of Q2 STF by NHS England at the end of the month (£1.1m).

Significant receipts in the month included the £6.8m capital loan in respect of the Fire Programme, £1.5m for 17/18 CCG over-performance (£1.0m from Kingston, £0.4m from Surrey Downs and £0.1m from NW Surrey), £0.6m HMRC VAT monthly reclaim and £0.4m from NHS England for Winter Support.

Capital payments of £3.2m were significantly higher than in previous months in the year, as work on the two A&E schemes progressed as anticipated. Overall payments to revenue creditors were in line with forecast and included a further £0.8m net payment to St Georges. The payment of trade suppliers continued to be managed closely during the month.

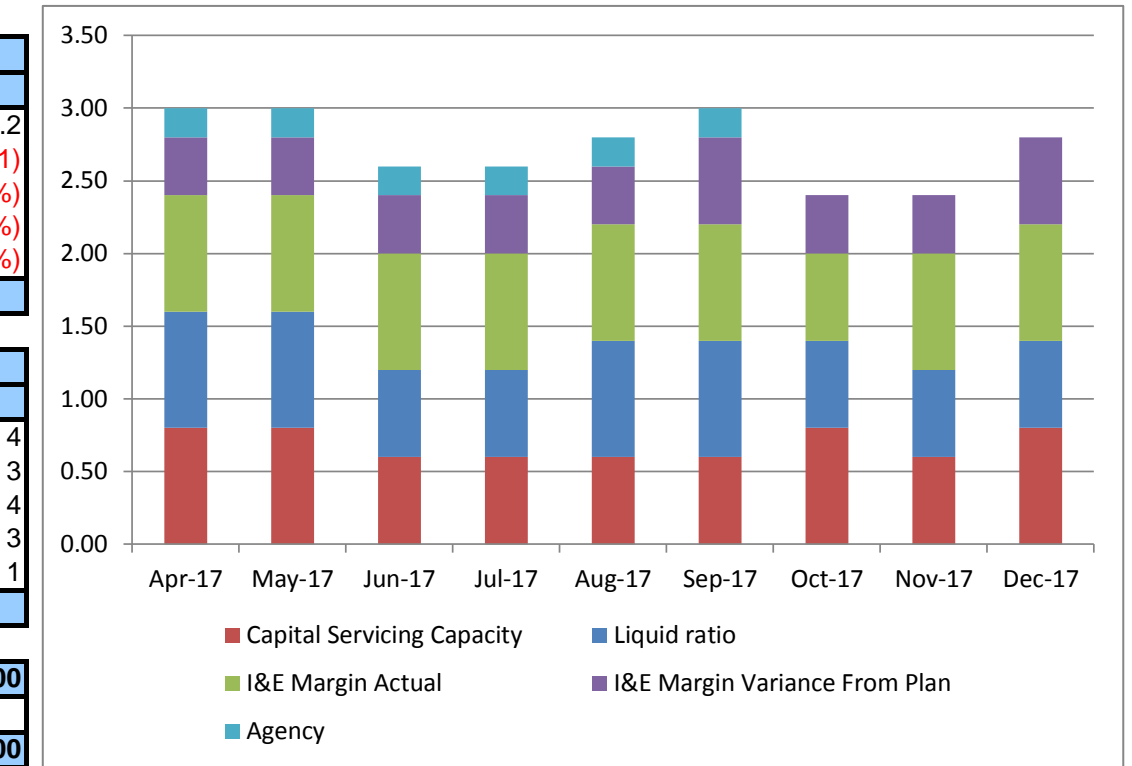
SECTION 6: FINANCE AND USE OF RESOURCES METRICS

	Weight	1	2	3	4
Capital Servicing Capacity	20%	2.50	1.75	1.25	<1.25
Liquidity	20%	-	7.00	14.00	<-14
I&E Margin - Underlying performance	20%	1%	0%	-1%	<=-1
I&E Margin - Variance from plan	20%	0%	-1%	-2%	<=-2
Agency	20%	0%	25%	50%	>50%
	100%				

	17/18	17/18	17/18	17/18	17/18	17/18	17/18	17/18	17/18
Heading	M1	M2	M3	M4	M5	M6	M7	M8	M9
Capital Servicing Capacity	(0.22)	0.9	1.3	1.5	1.4	1.4	0.7	1.5	1.2
Liquidity	(27.8)	(26.6)	(13.5)	(13.8)	(14.6)	(14.6)	(13.0)	(13.4)	(9.1)
I&E Margin - Underlying performance	(7%)	(2.9%)	(1.6%)	(1.2%)	(1.3%)	(1.4%)	(0.1%)	(1.2%)	(1.8%)
I&E Margin - Variance from plan	(1%)	(0.5%)	(0.7%)	(0.7%)	(1.0%)	(1.3%)	(0.5%)	(0.7%)	(1.4%)
Agency (new metric)	(3.3%)	(10.6%)	(4.9%)	(5.7%)	(20.4%)	(19.9%)	(16.9%)	(15.3%)	(12.8%)

	17/18	16/17	16/17	16/17	16/17	16/17	16/17	16/17	16/17
Heading	M1	M2	M3	M4	M5	M6	M7	M8	M9
Capital Service Cover	4	4	3	3	3	3	4	3	4
Liquidity	4	4	3	3	4	4	3	3	3
I&E Margin - Underlying performance	4	4	4	4	4	4	3	4	4
I&E Margin - Variance from plan	2	2	2	2	2	3	2	2	3
Agency (new metric)	1	1	1	1	1	1	1	1	1

Average	3.00	3.00	2.60	2.60	2.80	3.00	2.60	2.60	3.00
Rounded Score	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00



COMMENTARY

Our current risk rating is 3.0.