

INDEPENDENT TRUST FINANCING FACILITY

APPLICATION

Name of Trust: Royal Brompton & Harefield NHS Foundation Trust

Amount Proposed: £30,000,000

Date of application: 17th January 2014

Former Strategic Health Authority: London

Main Commissioners: (£'000)	(2013)	South East Essex PCT	£48,766	15.39%
		Hampshire PCT	£27,885	8.80%
		West Kent PCT	£21,310	6.73%
		London Strategic Health Authority	£21,004	6.63%
		Kensington And Chelsea PCT	£16,743	5.28%
		Others	£181,150	57.17%
		Total Income	£316,858	100.00%

	Limit	Drawn	Maturity	Rate
Existing Loans (Finance Leases)	£109,000	£109,000	< 1 year	N/A
(Bank Overdraft)	£3,620,000	£3,620,000	< 1 year	N/A
(Other Loans)	£1,127,000	£1,127,000	< 1 year	N/A
Total Existing:	£4,856,000	£4,856,000		
Amounts Proposed:	£30,000,000			
Total:	£34,856,000		40.96% Tier 1	

Purpose of new loan(s): To support three year capital programme @ £10mn per annum.

Term of new loan(s): 15 years

Repayment programme: Equal instalments of principal

Interest rate: National Loan Fund Rate currently 2.66%

Fees: Nil

Security/Covenants Negative pledge

Estimated Debt Capacity:

Long Term (2.5x debt service:revenue)	Tier 1	£85,098,804	Beds:	354
Working Capital (30 days OpEx)		£25,197,370		

Date of Authorisation: 01/06/09 Trust Type: Acute and specialist trust

Monitor Published Rating: Finance 3
Governance Green

Care Quality Commission Rating Meets all standards

Reference Cost Index (2010/11) 118 (MFF adjusted) 136 (Non-adjusted)

Ratios:	Required (Tier 1)	Projected (max)
Minimum dividend cover	>1x	4.24
Minimum interest cover	>3x	33.97
Minimum debt service cover	>2x	9.69
Maximum debt service / net revenue	<2.5%	0.88%
Debt / net assets		14%

Royal Brompton and Harefield NHS Foundation Trust

Introduction

Royal Brompton has requested a loan of £30 million to support its capital expenditure programme over the next three years to be drawn down at £10 million per annum as a top up to existing depreciation funding.

Whilst the Trust has identified the capital spend in 2013/14 and 2014/15, the requirement is linked with plans to redevelop the site of the Royal Brompton site in Chelsea which will be a much larger investment funded in part by significant land sales. As such, the proposal here is to a certain extent an interim enabling programme for the larger development recognising that the Trust will need to access funding for the larger development from a number of different sources.

At the time the attached LTFM was prepared the Trust envisaged financing the early stages of the hospital redevelopment with debt. Subsequently the thinking has moved on and the Trust now anticipates using the proceeds of advance property sales (from an extensive Chelsea estate of both clinical and non-clinical properties) to pre-finance the early construction phases.

For the later phases the Trust will either seek bridging finance prior to selling the hospital buildings earmarked for disposal or, possibly, have them the subject of sale and leaseback transactions until clinical activities can be decanted into the new hospital.

This phased approach to the redevelopment means that the Trust will have better control over project finances and thereby minimise risk, an approach supported by Monitor. The amended strategy is not yet reflected in the LTFM which currently reflects debt servicing costs in the earlier years resulting in the modest financial deficits

The LTFM also does not yet reflect the more ambitious capex programme (excluding the redevelopment project) from 2014/15, nor the related medium-term funding which is the subject of this application.

Background

Royal Brompton & Harefield NHS Foundation Trust is the largest specialist heart and lung centre in the UK and among the largest in Europe. It is based on two sites, Royal Brompton Hospital in Chelsea, West London and Harefield Hospital near Uxbridge.

The Trust is a centre that provides a comprehensive range of tertiary and quaternary cardiac and respiratory services to treat paediatric and adult patients across a number of disease cohorts, the majority of whom are referred to the two hospitals from cardiac and respiratory

clinicians based in DGHs located not just in North West London, the North West Home Counties, London and the South-East of England, but also from many other regions of the UK. Included within this service portfolio are nationally commissioned services such as our adult Cardiothoracic Transplantation, Pulmonary Hypertension and ECMO programmes, and paediatric Primary Ciliary Dyskinesia and respiratory ECMO services.

TheTrust is a partnership of two specialist hospitals with a worldwide reputation for research and treatment of heart and lung disease. Its main partner is the National Heart and Lung Institute at Imperial College, London. It is Europe's top-ranked respiratory research centre and its cardiac, cardiovascular and critical care teams are rated in the top three most highly cited health research teams in Europe. Among other things:

- Specialists at the Trust perform over: 3,300 angiograms / cardiac catheterisations; 2,200 thoracic surgery operations; 2,400 coronary angioplasties; 1,400 treatments for respiratory failure; and 1,000 heart bypass operations on an annual basis.
- The Heart Attack Centre at Harefield has pioneered the use of primary angioplasty for the treatment of heart attacks and has one of the fastest arrival-to-treatment times in the UK (23 minutes compared to a national average of 56), a crucial factor in patients' survival.
- The on-site foetal cardiology service enables clinicians to begin caring for babies while still in the womb; some are scanned at just 12 weeks, when the heart measures just over a millimetre.
- Europe's largest unit for the treatment of cystic fibrosis is based at Royal Brompton Hospital treating over 730 adults and 360 children with this condition.
- The Trust has the country's largest centre for the treatment of adult congenital heart disease, staffed by a specialist team including four full-time specialist consultants.
- The Trust helps almost 11,000 adults who have breathing problems caused by diseases such as COPD (chronic obstructive pulmonary disease) and severe asthma.

Trust Financials

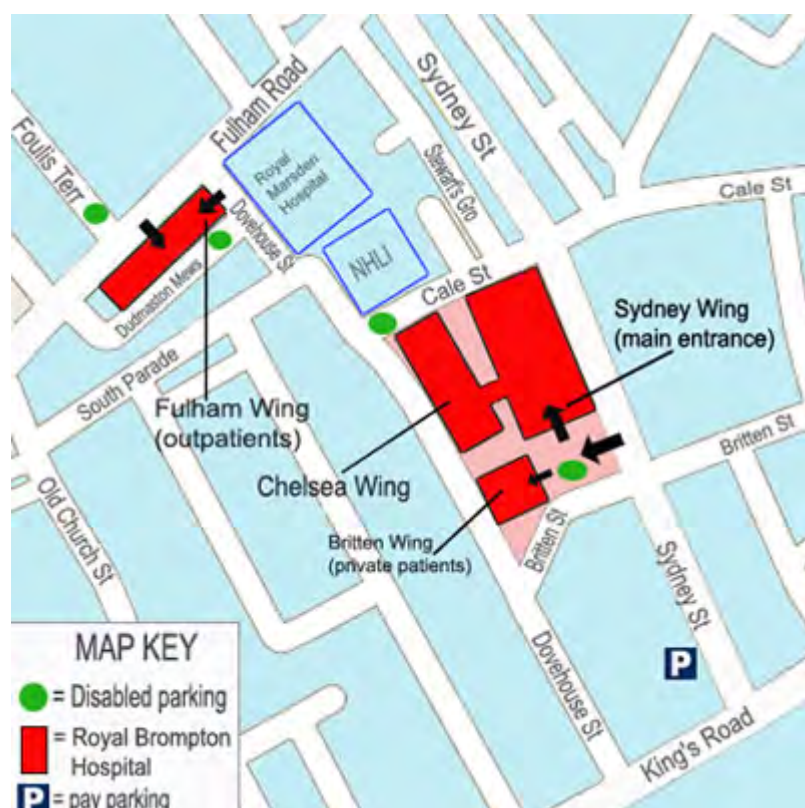
The Trust has delivered a year on year financial surplus for many years, including every year since it achieved FT status in 2009, and anticipates a surplus for 2013/14, having exceeded the planned full year surplus by Month 7. It expects to report a Continuity of Service Rating for 2013/14 of 4. The Trust's Q2 Monitor summary is included in the papers.

In November, the Trust announced the major planned investment in Royal Brompton Hospital in new and modern hospital facilities to bring all the hospital's services and clinical experts under one roof and provide patients with a state-of-the-art hospital that promotes faster recovery. This includes an increased number of single occupancy rooms, essential for those with chronic diseases like cystic fibrosis who are at greater risk of potentially life-threatening infections. Bringing all clinical services together on a single site also removes the current need to transport patients by ambulance between buildings, which can disrupt their care. Some of the current buildings are over 170 years old.

The cost of improvements to Royal Brompton Hospital will be met through the sale of land owned by the Hospital Trust and its Charity near to the existing hospital in Chelsea. All funds

generated from the sale of land will be reinvested in the new hospital to benefit patients. The sites intended for sale as part of the redevelopment proposals are:

- 1-11 Foulis Terrace
- The Fulham Road Wing
- Dudmaston Mews
- South Parade (the former Fire Station and Trafalgar Chambers)
- 117-125 Sydney Street (including Chelsea Farmers Market)
- 250 King's Road and 151 Sydney Street



Conclusion

Royal Brompton and Harefield is a successful specialist Trust generating a consistent cashflow and EBITDA of around 8% pa. The Trust is currently in process of planning a rebuild of its current site, largely funded by sale of existing adjacent land. Part of this planning process has been mitigation of the risk of the land sales. In order to do this the Trust has adopted a more phased approach, investing now in essential improvements in equipment, systems and discrete projects that can be integrated into the final specification at a later stage.

There is no question that the Trust can afford the £30 million loan proposed, and historically liquidity has been relatively tight, so this will not generate excess cash in the Trust. At the same time it will enable investments needed to support the longer term redevelopment. This loan is therefore recommended for approval.

NR/14.01.14



A lifetime of specialist care

Royal Brompton & Harefield **NHS**

NHS Foundation Trust

Royal Brompton Hospital

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5th December 2013

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Nick Rose, Esq
Foundation Trust Financing Facility
Department of Health – Finance, Performance
& Operations Directorate
4th Floor, Skipton House
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Dear Nick

Request for FTFF funding – 1 April 2014 to 31 March 2017

I refer to our meeting of 4 September in which we outlined our plans to redevelop Royal Brompton Hospital in Chelsea.

We are now fully engaged with RBKC in planning discussions and hope to obtain, in the second quarter of 2015, the permissions necessary to sell our surplus land portfolio at the best possible prices. However, the first proceeds of these sales are unlikely to be available before late 2016, some three years from now.

In the interim we have a continuing and, indeed, growing requirement to invest in new medical equipment, IT systems, and interventional and ward capacity, on both our hospital sites. Where relevant, these investments will be integrated into the redeveloped Royal Brompton Hospital so that we retain their benefit for the whole of their useful lives.

The scale of capital programme we intend to undertake in 2014/15 and the following two years (i.e. prior to receiving the proceeds from our intended property disposals) will by some margin exceed the combination of internally generated funds and any likely contributions from our linked Charity. We anticipate our annual funding shortfall in relation to our capital programme will be in the order of £10m.

The purpose of this letter, therefore, is to ask you in your capacity as head of the FTFF to consider a request from this Trust to provide £30m of funding to be drawn down over the three years from 1 April 2014, in tandem with the related capital expenditures

Although the detailed capital expenditure budgets for 2014/15 and 2015/16, together with estimated amounts for the following three years, will not be formally approved by the Trust

Board before next March, a paper was presented to the Board on 27 November setting out a preliminary analysis of our spending ambitions over that period: I reproduce this as the attachment to this letter. I would particularly draw your attention to section 2 and Appendix 2 which together address our Trust's capital expenditure requirements for financial years 2014/15 and beyond and the related funding implications.

The Board agreed and endorsed our approach, subject only to its formal approval of the detailed budgets in March 2014.

The Trust's current financial position

As you will be aware, Foundation Trusts are now subject to a new financial rating regime under the auspices of our regulator Monitor: this is the Continuity of Service (CoS) rating. Our Trust currently enjoys a CoS rating of 4 which is the best available.

The Trust's borrowings are minimal. We have a £10m working capital facility from a commercial lender but have not needed to draw down against this. Our cash position is satisfactory notwithstanding continuing delays in payments from NHS England and CCG debtors which, in some cases, have yet to establish proper payment mechanisms for work commissioned from this and other Trusts.

Liquidity also remains strong but, under the CoS rating formula, if we finance our proposed capex programme through working capital or short-term borrowings it will suffer: in time this will have a knock on effect on our CoS rating.

We expect to report an I&E surplus for 2013/14 in excess of plan.

Next steps

At our meeting in September you recommended that if we required FTFF funding we should put in an early indicative bid to position us in the 'queue'. This is what I am now seeking to do. Specifically, I would ask you to consider items falling into the following categories: medical equipment, IT hardware and software, and critical care facilities. Appendix 2 discloses that in 2014/15 our planned expenditures include:

- A new Patient Administration System (up to £5.0m) – the current system is not fit for purpose and will shortly be unsupported. An effective PAS is absolutely central to patient care
- Clinical data warehouse (£0.6m) – a new facility to replace numerous clinical operating and ad hoc systems of clinical information storage. This will introduce efficiencies and save time and money. For example, for research purposes it will enable us to search across cohorts of patients in two hours for data which currently requires literally months of painstaking manual search and analysis.

- CT scanner/ CMR replacement/ other equipment (total £4.0m) – these represent replacements to existing kit which is reaching the end of its useful life and form part of a rolling programme of medical equipment replacement/ upgrade.
- Replacing/ upgrading critical care facilities at both our hospital sites (combined £4.0m in 2014/15)

In subsequent years there will be similar programmes of spend: although the PAS is a 'one off' project for 2014/15, there will be an equivalent ramp up in spend on critical care facilities in subsequent years.

As mentioned, the detailed capital budgets for 2014/15, 2015/16 and beyond will be considered and, hopefully, approved next March, together with the Trust's broader strategic and financial plans.

I would be grateful for your guidance as to what further information you require from us at this stage to enable you to consider this request. In particular, I would be most grateful for an indication of whether funding of this scale will be available from FTFF. If not, we will have to look elsewhere, although the terms will undoubtedly be less attractive.

I look forward to hearing from you.

Yours sincerely



Richard O'D Paterson
Associate Chief Executive - Finance

CAPITAL INVESTMENT FORECAST

Summary

The purpose of this paper is twofold:

1. To set out a re-forecast of the capital programme for 2013/4; and
2. To provide a preliminary assessment of the scale of investment plans for 2014/5 and beyond.

Board members are asked to approve the re-forecast of the current year's programme; consider the current planning assumptions which will inform investment plans for the next five years; note the scale of investment requirements and possible sources of funding for that period; and endorse an approach to potential funders (particularly the Foundation Trust Financing Facility [FTFF]).

1. Re-forecast of 2013/4 capital programme

At its meeting in May 2013, the Board approved a capital programme of £24.9m for 2013/4, but applied a £6m contingency in view of uncertainties about the timing of a number of schemes in their development phase, and the historical challenge of delivering a programme of >£20m in any one year in working hospital buildings. The 'net' figure for investment in 2013/4, as submitted to the regulator with the Annual Plan, was therefore £18.9m.

By the end of Quarter 2, it had become clear that a re-forecast of the programme would be required and the 'net' figure revised upwards for three principal reasons:

- Approval by the Trust's Property Committee in September 2013 of approximately £8m of redevelopment planning fees for the RBH campus, of which £3.5m (exc VAT) will be spent in 2013/4, compared with the May 2013 estimate of £1.8m;
- Emergence of significant Information & Technology infrastructure costs not included in the original programme (e.g. migration to Windows 7 at a projected cost in 2013/4 of £0.4m);
- Limited deferral and/or slippage of approved schemes into 2014/5 – e.g. >90% of the planned Estates backlog expenditure of £4.6m will be incurred in 2013/4 (the balance subject to receipt of planning consent from respective local authorities).

In addition, further schemes have emerged for which prompt investment is required, e.g. electro-physiology mapping systems, paediatric HDU equipment, and the prospect of approximately £0.5m investment in new, off-site private outpatient facilities once the relevant lease is agreed.

As a result, the revised capital investment forecast for 2013/4 is £24.5m (appendix 1). This is approximately 98% of the original gross figure for the year. Although there is no residual 'general' contingency in this figure, individual schemes still include contingency sums. Subject to Board approval, we propose to notify Monitor of this re-forecast against which delivery in Quarters 3 and 4 will be measured. The revised figure will place additional pressure on the Trust's cash position over the coming months.

Board members are asked to consider and approve this revision to the capital investment programme for 2013/4.

2. Capital investment in 2014/5 and beyond

2.1 Planning assumptions

The Trust's Capital Working Group (CWG) has looked forward to investment plans for 2014/5 and beyond, taking account of:

- the emerging redevelopment timetable for RBH;
- 'enabling' investment requirements (e.g. in I&T); and
- strategic/service development opportunities.

The current planning assumptions made by CWG for the 5-year period to 2018 are as below:

RBH

- Redevelopment work will not start on-site before mid-2018 (planning and design costs will be incurred throughout the period)
- Fulham Wing will continue to accommodate services largely as now – with material implications for ongoing backlog and other infrastructure investments
- Paediatric inpatient capacity will be located in 'Chelsea Children's Hospital' (in a joint venture with Chelsea & Westminster NHSFT) from 2017
- Off-site outpatient (and inpatient) capacity will have been commissioned for private practice

HH

- Long-term redevelopment will be in the planning phase only
- There will be greater shared use of accommodation in Phases 1 and 2 of the Heart Science Centre between the Trust and Magdi Yacoub Institute from mid-2014 onwards
- Access to accommodation for private practice as above
- Accommodation in the former thoracic theatre suite will be brought into clinical use

Trust-wide

- The emerging I&T strategy will require investment of c£20-£25m
- The functional life (and replacement programme) of medical equipment to be optimised – c£1.5m pa
- 2 replacements/upgrades per annum of major imaging equipment (catheter labs, scanners etc) – c£2.5m pa
- Baseline estate backlog investment – c£2m pa

2.2 Preliminary assessment for 2014/5

Detailed plans and budget for 2014/5 and beyond have not yet been developed. A 2-year budget will be presented for Board approval by March 2014 as part of the annual budgeting process, in line with the regulator's revised requirements, but the preliminary assessment suggests an investment programme for 2014/5 of approximately £35m (summarised below and in appendix 2), which is 50% more than the revised out-turn forecast for the current year, and 75% more than has been delivered in recent years. This is undoubtedly ambitious, but note that it includes approximately £12m of investment in I&T, including up to £5m for replacing the Trust's PAS, which has to be procured in 2014/5.

Initial capital plan 2014/5	£m
Remedial investment/ 'Business as Usual'	13
Enabling investment	11
Transformational investment	11
Total	35

2.3 Beyond 2014/5

Initial projections further forward to 2018 also indicate capital investment of £35m to £40m in each of the three subsequent years – subject to the normal development, review and approval process for each proposed project.

2.4 Sources of funding

Funding such a programme will be challenging. Internally generated funding plus any contribution from the Charity will, by a substantial margin, be insufficient. As a result we will have to consider outside sources of funding. We have established contact with both Barclays' asset finance team (which enabled the development of Acorn Ward at Harefield) and the Foundation Trust Financing Facility (FTFF).

FTFF offers mid- to longer-term funding on beneficial terms and currently has capacity to lend substantial amounts. Our intention is therefore to approach FTFF, subject to Board approval of our projected capital investment plans. We will provide FTFF with a schedule of expected medical equipment and I&T spend over the next three years and request funding for these items. We would intend to draw down this funding from 1 April 2014 in line with the related capital spend.

Failure to obtain long-term finance would, if the proposed capital expenditure programme is undertaken, put substantial stress on our cash and liquidity which in turn will adversely affect our Monitor Continuity of Service Rating.

Board members are asked to note the scale and nature of capital investment envisaged for 2014/5 (subject to receipt of a detailed plan as part of the annual budget) and endorse the proposed approaches for external sources of funding.

RC/RP
Nov 13

CAPITAL INVESTMENT 2013/4 RE-FORECAST

RB&HFT Capital Investment Plan: Sept 2013	2013/14
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Demand	Estates Development		0.4
	Redevelopment	Outline Planning	3.5
	Project Management		0.8
	Estates Maintenance	Routine/ Backlog	4.6
	IT/IS	General/BAU	1.5
		Data Warehouse	1.1
		Windows 7/ PC Refresh	0.4
	Equipment	Replacement/ Refresh	2.7
	Service Development Prog	Genetics Lab	0.6
		Other	0.1
	Other Projects	PP inpatient facilities	2.2
		HH Pharmacy Robotics	0.3
		Paed Echo Facilities	0.2
		Other	0.6
	Major Projects	Fulham Road Safety	2.9
		Gamma Camera	0.8
		RBH - AICU (feasibility)	0.3
		RBH Hybrid theatre (feasibility)	0.3
		Off-site PP outpatient facilities	
		Other	0.2
	Finance	Finance	0.2
	Procurement	Procurement	0.1
	Contingency	General	0.0
		Emerging pressures (EP mapping system, paed HDU equipment, ITU lighting etc)	0.7
	TOTAL DEMAND FOR CAPITAL		24.5

CAPITAL INVESTMENT – PRELIMINARY ASSESSMENT 2014/5

CAPITAL INVESTMENT PROGRAMME 2014/5 - INITIAL VIEW (£m)		
Redevelopment fees		3.5
Project Management costs		0.8
Estates Maintenance (inc Fulham Rd safety works)		3.5
IT/IS	Other	0.8
	Data Warehouse	0.6
	PACS	0.1
	Network	1.0
	EPMA - Tech Fund	1.5
	ECDM - Tech Fund	2.2
	PAS (Max)	5.0
	Windows 7/ PC Refresh	3.0
Equipment replacement		1.5
Major Projects	Fulham Rd CT Scanner	1.5
	HH developments	2.5
	Cath Lab replacement	1.0
	RBH AICU development	0.5
	RBH Hybrid theatre	3.0
	Mobile CMR replacement	1.0
	Off-site PP o/p facilities	0.5
	Other	1.0
Finance		0.1
Procurement		0.1
Total (excluding contingency)		34.7

INCOME STATEMENT	2010/11 £'000	2011/12 £'000	2012/13 £'000
Operating Income from continuing operations	286,174	301,957	316,858
Operating Expenses of continuing operations	(276,794)	(295,057)	(306,568)
OPERATING SURPLUS / (DEFICIT)	9,380	6,900	10,290
FINANCE COSTS			
Finance income	4,060	33	45
Finance expense - financial liabilities	(45)	(46)	(35)
Finance expense - unwinding of discount on provisions	(20)	(20)	(17)
PDC Dividends payable	(6,509)	(6,387)	(6,192)
NET FINANCE COSTS	(2,514)	(6,420)	(6,199)
Share of Profit / (Loss) of Associates/Joint Ventures accounted for using the equity method	0	0	0
Gain/(loss) from transfer by absorption	0	0	0
Movement in fair value of investment property and other investments	0	1,327	0
Corporation tax expense	0	0	0
Surplus/(Deficit) from continuing operations	6,866	1,807	4,091
Surplus/(deficit) of discontinued operations and the gain/(loss) on disposal of discontinued operations	0	0	0
SURPLUS/(DEFICIT) FOR THE YEAR	6,866	1,807	4,091
Other comprehensive income			
Impairments	(5,892)	(1,356)	(3,069)
Revaluations	947	1,177	0
Transfer to retained earnings on disposal of assets	0	0	0
Movements arising from classifying non current assets as Assets Held for Sale	0	0	0
Other recognised gains and losses	0	0	0
Actuarial gains/(losses) on defined benefit pension schemes	0	0	0
Other reserve movements	0	3	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD	1,921	1,631	1,022
Prior period adjustments	0	0	0
Merger adjustments	0	0	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR	1,921	1,631	1,022

BALANCE SHEET	2010/11 £'000	2011/12 £'000	2012/13 £'000
Non-current assets			
Intangible assets	0	0	0
Property, plant and equipment	189,224	185,815	183,465
Investment Property	25,828	27,155	27,155
Investments in associates (and joined controlled operations)	0	0	0
Other Investments	0	0	0
Trade and other receivables	0	0	0
Other financial assets	0	0	0
Other assets	0	0	0
Total non-current assets	215,052	212,970	210,620
Current assets			
Inventories	10,843	9,974	11,279
Trade and other receivables	18,551	15,413	20,365
Other financial assets	0	0	0
Non-current assets for sale and assets in disposal groups	0	0	0
Cash and cash equivalents	16,679	22,598	22,416
Total current assets	46,073	47,985	54,060
Current liabilities			
Trade and other payables	(28,679)	(32,109)	(35,183)
Borrowings	(12,959)	(5,251)	(4,856)
Other financial liabilities	0	0	0
Provisions	(143)	(4,106)	(1,781)
Other liabilities	(4,087)	(2,811)	(3,761)
Liabilities in disposal groups	0	0	0
Total current liabilities	(45,868)	(44,277)	(45,581)
Total assets less current liabilities	215,257	216,678	219,099
Non-current liabilities			
Trade and other payables	0	0	0
Borrowings	(210)	(62)	0
Other financial liabilities	0	0	0
Provisions	(1,047)	(985)	(2,446)
Other liabilities	0	0	0
Total non-current liabilities	(1,257)	(1,047)	(2,446)
Total assets employed	214,000	215,631	216,653
Financed by			
Minority Interest	0	0	0
Public Dividend Capital	104,759	104,759	104,759
Revaluation reserve	56,966	56,787	53,718
Available for sale investments reserve	0	0	0
Other reserves	0	0	0
Merger reserve	0	0	0
Income and expenditure reserve	52,275	54,085	58,176
Total taxpayers' and others' equity	214,000	215,631	216,653

CASHFLOW STATEMENT	2010/11 £'000	2011/12 £'000	2012/13 £'000
Operating surplus/(deficit) from continuing operations	9,380	6,900	10,290
Operating surplus/(deficit) of discontinued operations	0	0	0
Operating surplus/(deficit)	9,380	6,900	10,290
Depreciation and amortisation	15,089	17,520	16,822
Impairments	0	0	0
Reversals of impairments	0	0	0
EBITDA	24,469	24,420	27,112
(Gain)/Loss on disposal	0	0	0
Non-cash donations/grants credited to income	0	0	0
Interest accrued and not paid	0	0	0
Dividends accrued and not paid or received	0	0	10
Amortisation of government grants	0	0	0
Amortisation of PFI credit	0	0	0
(Increase)/Decrease in Trade and Other Receivables	2,228	3,137	(4,952)
(Increase)/Decrease in Other Assets	0	0	0
(Increase)/Decrease in Inventories	(1,526)	869	(1,305)
Increase/(Decrease) in Trade and Other Payables	1,461	4,432	3,074
Increase/(Decrease) in Other Liabilities	(983)	(1,276)	950
Increase/(Decrease) in Provisions	(22)	2,327	(864)
Tax (paid) / received	0	0	0
Movements in operating cash flow of discontinued operations	0	0	0
Movements in operating cash flow in respect of Transforming Community Services transaction	0	0	0
Other movements in operating cash flows	9	3	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	25,636	33,912	24,025
Cash flows from investing activities			
Interest received	32	33	45
Purchase of financial assets	0	0	0
Sales of financial assets	0	0	0
Purchase of intangible assets	0	0	0
Sales of intangible assets	0	0	0
Purchase of Property, Plant and Equipment	(25,647)	(13,994)	(17,541)
Sales of Property, Plant and Equipment	0	464	0
Cash flows attributable to investing activities of discontinued operations	0	0	0
Cash from acquisitions of business units and subsidiaries	0	0	0
Cash from (disposals) of business units and subsidiaries	0	0	0
Net cash generated from/(used in) investing activities	(25,615)	(13,497)	(17,496)
Cash flows from financing activities			
Public dividend capital received	0	0	0
Public dividend capital repaid	0	0	0
Loans received from the Foundation Trust Financing Facility	0	0	0
Loans received from the Department of Health	0	0	0
Other loans received	0	0	1,849
Loans repaid to the Foundation Trust Financing Facility	0	0	0
Loans repaid to the Department of Health	0	0	0
Other loans repaid	0	0	(722)
Capital element of finance lease rental payments	(278)	(216)	(163)
Other capital receipts	0	0	0
Capital element of Private Finance Initiative Obligations	0	0	0
Interest paid	(7)	(23)	(41)
Interest element of finance lease	(38)	(23)	(11)
Interest element of Private Finance Initiative obligations	0	0	0
PDC Dividend paid	(6,481)	(6,594)	(6,202)
Cash flows from (used in) other financing activities	0	0	0
Net cash generated from/(used in) financing activities	(6,804)	(6,856)	(5,290)
Increase/(decrease) in cash and cash equivalents	(6,783)	13,559	1,239
Cash and Cash equivalents at 1 April	10,781	3,998	17,557
Cash and Cash equivalents at start of period for new FTs	0	0	0
Cash and Cash equivalents changes due to transfers by absorption	0	0	0
Cash and Cash equivalents at 31 March and 31 March	3,998	17,557	18,796

RATIOS	2010/11 £'000	2011/12 £'000	2012/13 £'000
EBITDA Margin	8.55%	8.09%	8.56%
Surplus Margin	2.40%	0.16%	1.29%
Average Return on Assets		0.22%	1.89%
Current Ratio	100%	108%	119%
Cashflow Ratio (Op Cash / Depreciation + Dividend)	113%	102%	118%
Capex Ratio (Capex / Depreciation)	170%	77%	104%
Gearing (LT Liabs / Net Assets)	1%	0%	1%
Liquidity (Days OpCosts)	(14)	(8)	(3)
Debt Coverage Ratio	3.60	3.56	3.80
Liquidity Rating	1	2	3
Debt Coverage Rating	4	4	4
Overall Rating	3	3	4

Royal Brompton and Harefield NHS Foundation Trust

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	
Operating Costs as % of Revenues							
Total Revenues	286,174	301,957	316,858				All FTs
Employee Expenses	163,635	169,378	176,189	57.18%	56.09%	55.61%	62.12%
Redundancy & Early Retirement	1,288	1,196	964	0.45%	0.40%	0.30%	0.31%
R & D	-	-	-	0.00%	0.00%	0.00%	0.53%
Pay Costs	164,923	170,574	177,153	57.63%	56.49%	55.91%	62.96%
Services from NHS Bodies	1,189	1,399	1,529	0.42%	0.46%	0.48%	1.62%
Purchase of healthcare from non NHS bodies	-	-	945	0.00%	0.00%	0.30%	0.78%
Purchase of External Services	1,189	1,399	2,474	0.42%	0.46%	0.78%	2.40%
Supplies and services - clinical (excluding drug costs)	48,864	51,678	53,013	17.07%	17.11%	16.73%	7.55%
Supplies and services - general	9,098	9,273	9,372	3.18%	3.07%	2.96%	1.75%
Inventories consumed (excluding drugs)	-	-	-	0.00%	0.00%	0.00%	0.71%
Drug Costs	19,653	21,305	24,286	6.87%	7.06%	7.66%	7.25%
Supplies and Services	77,615	82,256	86,671	27.12%	27.24%	27.35%	17.26%
Establishment	4,271	5,674	7,024	1.49%	1.88%	2.22%	1.38%
Premises	8,021	8,015	9,355	2.80%	2.65%	2.95%	4.58%
Rentals under operating leases	-	181	186	0.00%	0.06%	0.06%	0.80%
Loss on Disposal	-	-	-	0.00%	0.00%	0.00%	0.06%
Premises	12,292	13,870	16,565	4.30%	4.59%	5.23%	6.82%
Consultancy costs	858	1,054	1,363	0.30%	0.35%	0.43%	0.50%
Professional Fees	742	1,714	599	0.26%	0.57%	0.19%	0.18%
Clinical negligence	1,137	1,048	1,309	0.40%	0.35%	0.41%	1.27%
Professional Costs	2,737	3,816	3,271	0.96%	1.26%	1.03%	1.95%
Provisions & Write Downs	281	2786	1185	0.10%	0.92%	0.37%	0.11%
Other	2,668	2,836	2,427	0.93%	0.94%	0.77%	0.00%
Provisions and Other	2,949	5,622	3,612	1.03%	1.86%	1.14%	0.11%
Total Cash OpCosts	261,705	277,537	289,746	91.45%	91.91%	91.44%	93.74%
EBITDA	24,469	24,420	27,112	8.55%	8.09%	8.56%	6.26%
Total Revenues	286,174	301,957	316,858	100.00%	100.00%	100.00%	100.00%
Depreciation	15,089	17,520	16,822	5.27%	5.80%	5.31%	2.70%
Amortisation	-	-	-	0.00%	0.00%	0.00%	0.14%
Impairments	-	-	-	0.00%	0.00%	0.00%	1.78%
Net Non-Cash	15,089	17,520	16,822	5.27%	5.80%	5.31%	4.62%
Operating Surplus / Deficit before Financing Costs	9,380	6,900	10,290	3.28%	2.29%	3.25%	

Royal Brompton & Harefield NHS Foundation Trust

Units

Units

£m unless otherwise stated

All amounts shown here are nominal

Scenario: Base

I&E

	Actual	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	CAGR	CAGR
	Mar - 14	Mar - 15	Mar - 16	Mar - 17	Mar - 18	Mar - 19	Mar - 20	Mar - 21	Mar - 22	Mar - 23	Mar - 24	Mar - 25	Mar - 26	Mar - 10	Mar - 12
Protected/Mandatory Clinical Revenue															
Elective	65.6	64.0	71.6	81.9	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0	0%	0%
Non elective	31.8	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	0%	0%
Outpatient	16.3	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	0%	0%
A&E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Other clinical - Tariff	11.6	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	0%	0%
Other clinical - Non Tariff	120.2	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	0%	0%
Other block or Cost and Volume contract	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Other block or Cost and Volume contract	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Clinical Partnerships providing mandatory services (including S75 agreements)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Clinical income for the Secondary Commissioning of mandatory services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Other clinical income from mandatory services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Total	245.5	244.5	252.2	262.4	267.5	267.5	267.5	267.5	267.5	267.5	267.5	267.5	267.5	0%	0%
Non Protected/Non Mandatory Clinical Revenue															
Private patient revenue	34.7	37.4	38.4	39.3	40.3	41.3	42.4	43.4	44.5	45.6	46.8	47.9	49.1	0%	0%
Other non protected revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Total	34.8	37.5	38.4	39.3	40.3	41.3	42.4	43.4	44.5	45.6	46.8	47.9	49.1	0%	0%
Other Operating Revenue															
Education and Training	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	0%	0%
Research & Development	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	0%	0%
PFI Specific revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Other Operating Revenue	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	0%	0%
Other Operating revenue, Total	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	0%	0%
Operating Revenue and Income, Total	308.8	310.6	319.2	330.4	336.5	337.5	338.5	339.6	340.7	341.8	342.9	344.1	345.3	0%	0%
Operating Expenses															
Employee Benefit Expenses	(175.4)	(176.2)	(180.0)	(185.3)	(188.4)	(189.2)	(190.2)	(191.4)	(192.7)	(194.3)	(196.0)	(197.8)	(199.5)	0%	0%
Drug expenses	(21.2)	(21.6)	(22.0)	(22.7)	(23.0)	(23.1)	(23.1)	(23.2)	(23.3)	(23.4)	(23.5)	(23.6)	(23.7)	0%	0%
Clinical supplies and services expenses	(53.6)	(54.3)	(55.5)	(57.1)	(58.0)	(58.2)	(58.3)	(58.5)	(58.7)	(58.9)	(59.2)	(59.5)	(59.8)	0%	0%
Shared services expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
For non Ambulance Trusts only - Please specify	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Other expenses	(33.8)	(33.7)	(34.5)	(35.5)	(37.2)	(37.1)	(37.1)	(37.0)	(36.9)	(36.8)	(36.8)	(36.7)	(36.6)	0%	0%
Secondary Commissioning Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
PFI operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Operating Expenses, Total	(284.0)	(285.8)	(292.0)	(300.6)	(306.7)	(307.6)	(308.7)	(310.0)	(311.6)	(313.4)	(315.4)	(317.5)	(319.6)	0%	0%
Surplus/(Deficit) from operations	24.8	24.8	27.2	29.8	29.8	29.9	29.8	29.5	29.1	28.4	27.5	26.6	25.6	0%	0%
<i>Surplus/(Deficit) from operations margin</i>	<i>8%</i>	<i>8%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>		
Adjustment for donated asset income	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)		
EBITDA	21.1	21.0	23.4	26.0	26.0	26.1	26.1	25.8	25.3	24.6	23.7	22.8	21.9	0%	0%
<i>EBITDA margin</i>	<i>7%</i>	<i>7%</i>	<i>7%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>	<i>7%</i>	<i>7%</i>	<i>6%</i>		
Non-Operating revenue															
Gain/(loss) on asset disposals	0.0	0.0	0.0	59.5	0.0	0.0	0.0	0.0	0.0	0.0	93.3	0.0	0.0	0%	0%
Non-Operating revenue, Total	0.0	0.0	0.0	59.5	0.0	0.0	0.0	0.0	0.0	0.0	93.3	0.0	0.0	0%	0%
Non-Operating expenses															
Impairment Losses (Reversals) net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Total Depreciation & Amortisation	(15.2)	(15.2)	(16.2)	(17.1)	(17.7)	(19.0)	(19.0)	(19.0)	(19.0)	(19.0)	(19.0)	(19.0)	(19.0)	0%	0%
Interest expense on overdrafts and working capital facilities	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Total interest payable on Loans and leases	(0.7)	(2.3)	(2.6)	(2.6)	(2.8)	(2.8)	(3.9)	(5.5)	(7.0)	(8.8)	(3.7)	(4.9)	(5.8)	0%	0%
PDC Dividend	(6.4)	(6.4)	(6.4)	(7.8)	(10.1)	(10.2)	(10.3)	(10.3)	(10.2)	(10.1)	(11.6)	(13.2)	(13.0)	0%	0%
Non-Operating expenses, Total	(22.4)	(23.8)	(25.1)	(27.5)	(30.6)	(32.0)	(33.1)	(34.7)	(36.2)	(37.9)	(34.3)	(37.1)	(37.8)	0%	0%
Surplus (Deficit) before Tax	2.5	0.9	2.1	61.7	(0.9)	(2.1)	(3.3)	(5.2)	(7.1)	(9.5)	86.5	(10.5)	(12.1)	0%	0%
Tax expense/ (income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Net Surplus/(Deficit)	2.5	0.9	2.1	61.7	(0.9)	(2.1)	(3.3)	(5.2)	(7.1)	(9.5)	86.5	(10.5)	(12.1)	0%	0%
<i>Net margin</i>	<i>1%</i>	<i>0%</i>	<i>1%</i>	<i>19%</i>	<i>0%</i>	<i>-1%</i>	<i>-1%</i>	<i>-2%</i>	<i>-2%</i>	<i>-3%</i>	<i>25%</i>	<i>-3%</i>	<i>-4%</i>		

Royal Brompton & Harefield NHS Foundation Trust

Units

Actual	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Mar - 14	Mar - 15	Mar - 16	Mar - 17	Mar - 18	Mar - 19	Mar - 20	Mar - 21	Mar - 22	Mar - 23	Mar - 24	Mar - 25	Mar - 26	

CAGR CAGR
Mar - 10 Mar - 12
Mar - 11 Mar - 15

Units

£m unless otherwise stated

Balance Sheet

Balance sheet

ASSETS, NON CURRENT

Property, Plant and Equipment and intangible assets, Net	238.9	273.5	281.6	268.0	289.5	340.0	374.5	405.8	432.8	464.2	466.4	493.7	517.1
Property, plant & equipment (PFI)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PFI Other Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments, Non-Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade and Other Receivables, Net, Non-Current (including prepayments)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Assets, Non-Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets, Non-Current, Total	238.9	273.5	281.6	268.0	289.5	340.0	374.5	405.8	432.8	464.2	466.4	493.7	517.1

ASSETS, CURRENT

Inventories	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
NHS Trade Receivables, Current	5.1	5.1	5.1	5.1	5.1	5.1	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Non NHS Trade Receivables, Current	4.1	4.1	4.1	4.1	4.1	4.1	4.3	4.4	4.4	4.5	4.6	4.7	4.7
Other Receivables, Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Financial Assets, Current (e.g. accrued income)	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Prepayments, Current, non-PFI related	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Cash and Cash Equivalents	16.0	16.0	16.0	94.0	71.4	18.7	0.4	(4.3)	(8.9)	(189.7)	(31.6)	(48.2)	(67.2)
Other Assets, Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets, Current, Total	37.0	37.0	37.0	115.0	92.4	39.7	22.0	17.5	12.9	(167.9)	(9.7)	(26.1)	(45.1)

ASSETS, TOTAL

276.0	310.5	318.6	382.9	381.9	379.7	396.6	423.3	445.6	296.3	456.7	467.7	471.9
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LIABILITIES, CURRENT

Interest-Bearing Borrowings , Current (including accrued interest)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(139.8)	0.0	(3.0)	(3.9)	(4.7)
Deferred Income, Current	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)	(2.8)
Provisions, Current	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Trade Payables, Current	(9.0)	(9.0)	(9.0)	(9.0)	(8.8)	(8.7)	(9.5)	(9.5)	(9.5)	(9.4)	(9.5)	(9.5)	(9.5)
Other Payables, Current	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)	(5.7)
Capital Payables, Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accruals, Current	(18.5)	(19.2)	(18.5)	(18.5)	(18.5)	(18.5)	(18.5)	(18.5)	(18.5)	(18.5)	(18.5)	(18.5)	(18.5)
Payments on Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance Leases, Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PDC dividend payable, Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities, Current	0.0	0.0	0.0	(2.6)	(2.6)	(2.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities, Current, Total	(38.4)	(39.2)	(38.4)	(41.0)	(40.8)	(40.7)	(39.0)	(38.9)	(178.7)	(38.9)	(41.9)	(42.9)	(43.7)

NET CURRENT ASSETS (LIABILITIES)

(1.4)	(2.1)	(1.4)	73.9	51.5	(1.0)	(17.0)	(21.4)	(165.8)	(206.8)	(51.6)	(69.0)	(88.8)
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LIABILITIES, NON CURRENT

Interest-Bearing Borrowings, Non-Current	(15.2)	(48.5)	(56.5)	(56.5)	(56.5)	(56.5)	(78.4)	(110.4)	0.0	0.0	(70.9)	(91.4)	(106.9)
Deferred Income, Non-Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions, Non-Current	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Trade and Other Payables, Non-Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance Leases, Non-current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Liabilities, Non-Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities, Non-Current, Total	(16.2)	(49.5)	(57.5)	(57.5)	(57.5)	(57.5)	(79.4)	(111.4)	(1.0)	(1.0)	(72.0)	(92.4)	(107.9)

TOTAL ASSETS EMPLOYED

221.3	221.9	222.7	284.4	283.6	281.5	278.2	273.0	265.9	256.4	342.9	332.4	320.3
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TAXPAYERS' EQUITY

Public dividend capital	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8	104.8
Retained Earnings (Accumulated Losses)	59.8	60.3	61.1	122.8	122.0	119.9	116.6	111.4	104.3	94.8	181.3	170.8	158.7
Charitable Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Donated asset reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8	56.8
Miscellaneous Other Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL TAXPAYERS EQUITY	221.3	221.9	222.7	284.4	283.5	281.5	278.1	272.9	265.9	256.3	342.8	332.4	320.2

Balance sheet check

FALSE

TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	FALSE	FALSE	TRUE	FALSE	FALSE	TRUE	FALSE
------	------	------	------	-------	------	-------	-------	------	-------	-------	------	-------

KPIs

NHS Trade receivable Days	7.5	7.3	7.0	6.9	6.9	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Non NHS Trade receivable Days	41.0	40.4	39.8	39.2	38.6	39.0	39.0	38.0	38.0	38.0	38.0	37.5	37.5
Trade payable Days	29.5	28.8	28.0	26.7	26.4	29.0	28.7	28.7	28.5	28.5	28.5	28.5	28.5

WC Facility level

22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
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Royal Brompton & Harefield NHS Foundation Trust

Units

Actual	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Mar - 14	Mar - 15	Mar - 16	Mar - 17	Mar - 18	Mar - 19	Mar - 20	Mar - 21	Mar - 22	Mar - 23	Mar - 24	Mar - 25	Mar - 26	

CAGR CAGR
Mar - 10 Mar - 12
Mar - 11 Mar - 15

Units

£m unless otherwise stated

Cash flow

Surplus/(Deficit) from operations	24.8	27.2	29.8	29.8	29.9	29.8	29.5	29.1	28.4	27.5	26.6	25.6
Non cash adjustments	0.1	0.0	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)
Operating cash flows before movements in working capital	24.8	27.2	26.0	26.0	26.1	26.1	25.8	25.3	24.6	23.7	22.8	21.9
Movement in working capital:												
(Increase)/decrease in inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in NHS Trade Receivables	0.0	0.0	0.0	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in Non NHS Trade Receivables	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.1)	0.1	(0.1)	(0.1)	(0.1)	(0.0)
(Increase)/decrease in other receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in Other financial assets (e.g. accrued income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in prepayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in Deferred Income & Payments on account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in Trade payables	0.0	0.0	0.0	(0.2)	(0.1)	0.9	(0.1)	0.0	(0.0)	0.0	0.0	0.0
Increase/(decrease) in Other payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in PDC Dividend payable												
Increase/(decrease) in accruals	0.7	(0.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in Other liabilities												
Increase/(decrease) in working capital	0.7	(0.7)	0.0	(0.2)	(0.1)	0.2	(0.2)	0.1	(0.2)	(0.1)	(0.1)	0.0
Increase/(decrease) in Non Current Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash inflow/(outflow) from operating activities	25.6	26.5	26.0	25.8	26.0	26.3	25.6	25.4	24.4	23.6	22.7	21.9
Cash flow from investing activities												
Property, plant and equipment and intangible asset expenditure (including investment property)	(48.8)	(25.6)	(20.7)	(35.5)	(65.6)	(49.8)	(46.4)	(42.2)	(46.6)	(49.4)	(42.6)	(38.5)
Proceeds on disposal of property, plant and equipment and intangible assets (including investm	0.0	0.0	79.8	0.0	0.0	0.0	0.0	0.0	0.0	125.2	0.0	0.0
Net cash inflow/(outflow) from investing activities	(48.8)	(25.6)	59.1	(35.5)	(65.6)	(49.8)	(46.4)	(42.2)	(46.6)	75.9	(42.6)	(38.5)
CF before Financing	(23.3)	0.8	85.1	(9.7)	(39.6)	(23.5)	(20.9)	(16.8)	(22.2)	99.5	(19.8)	(16.6)
Cash flow from financing activities												
Public Dividend Capital received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Dividend Capital repaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	(6.4)	(6.4)	(7.2)	(10.1)	(10.2)	(10.3)	(10.3)	(10.2)	(10.1)	(11.6)	(13.2)	(13.0)
Interest (paid) on loans and leases	(2.5)	(2.8)	0.0	(2.8)	(2.8)	(6.5)	(5.5)	(7.0)	(8.8)	(3.7)	(4.9)	(5.8)
Interest received on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Drawdown of loans and leases	33.3	8.0	0.0	0.0	0.0	21.9	32.0	29.4	36.7	73.9	24.4	20.3
Repayment of loans and leases	(1.0)	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	(176.5)	0.0	(3.0)	(3.9)
Net cash inflow/(outflow) from financing	23.4	(2.1)	(7.2)	(12.9)	(13.0)	5.1	16.2	12.2	(158.7)	58.6	3.3	(2.5)
Taxes paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash outflow/inflow	0.1	(1.3)	78.0	(22.6)	(52.6)	(18.4)	(4.6)	(4.6)	(180.8)	158.1	(16.5)	(19.1)

Royal Brompton & Harefield NHS Foundation Trust

Units

Actual	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Mar - 14	Mar - 15	Mar - 16	Mar - 17	Mar - 18	Mar - 19	Mar - 20	Mar - 21	Mar - 22	Mar - 23	Mar - 24	Mar - 25	Mar - 26	

CAGR CAGR
Mar - 10 Mar - 12
Mar - 11 Mar - 15

Units

£m unless otherwise stated

Key Ratios

Data

Revenue			326.6	332.7	333.7	334.8	335.8	336.9	338.0	339.2	340.3	341.5
Revenue available for debt service			26.0	26.0	26.1	26.1	25.8	25.3	24.6	23.7	22.8	21.9
Annual dividend payable			7.8	10.1	10.2	10.3	10.3	10.2	10.1	11.6	13.2	13.0
Annual Debt Service			2.6	2.8	2.8	3.9	5.5	7.0	185.3	3.7	7.9	9.7
Annual Interest payable			2.6	2.8	2.8	3.9	5.5	7.0	8.8	3.7	4.9	5.8
Debt			56.5	56.5	56.5	78.4	110.4	139.8	(0.0)	73.9	95.3	111.7

PBC Ratios

Dividend Cover			3.0x	2.3x	2.3x	2.2x	2.0x	1.8x	1.6x	1.7x	1.4x	1.2x
Interest Cover			10.1x	9.2x	9.3x	6.7x	4.7x	3.6x	2.8x	6.4x	4.6x	3.8x
Debt Service Cover			10.1x	9.2x	9.3x	6.7x	4.7x	3.6x	.1x	6.4x	2.9x	2.3x
Debt Service to Revenue			0.8%	0.8%	0.8%	1.2%	1.6%	2.1%	54.8%	1.1%	2.3%	2.8%

Tier 1 Test

Limits

Minimum Dividend Cover	1.0x	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Minimum Interest Cover	3.0x	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	TRUE	TRUE
Minimum Debt Service Cover	2.0x	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	TRUE	TRUE
Maximum Debt Service to Revenue	2.5%	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	TRUE	FALSE

Tier 1 PBC ratio test passed

FALSE

TRUE TRUE TRUE TRUE TRUE TRUE FALSE TRUE TRUE TRUE FALSE

Tier 2 Test

Limits

Minimum Dividend Cover	1.0x	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Minimum Interest Cover	2.0x	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Minimum Debt Service Cover	1.5x	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	TRUE	TRUE
Maximum Debt Service to Revenue	10.0%	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	TRUE	TRUE

Tier 2 PBC ratio test passed

FALSE

TRUE TRUE TRUE TRUE TRUE TRUE FALSE TRUE TRUE TRUE TRUE TRUE

Private patient cap

Calculation

FY	
Mar - 14	12.4%
Mar - 03	
Private patient cap	
Private patient cap	0.0%

Test

Private patient cap	13.0%	13.1%	13.4%	13.7%	14.0%	14.3%	14.6%	14.9%	15.2%	15.5%	
Breach of cap	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE

Risk rating

Metric

EBITDA margin	8.0%	7.8%	7.8%	7.8%	7.7%	7.5%	7.3%	7.0%	6.7%	6.4%	
EBITDA, % achieved	108.3%	108.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
NRAAF (Net return after financing)	-0.5%	-1.3%	-1.7%	-2.0%	-2.4%	-2.7%	-4.0%	-3.1%	-3.4%	-3.7%	
I&E surplus margin	0.7%	-0.3%	-0.6%	-1.0%	-1.5%	-2.1%	-2.8%	-2.0%	-3.0%	-3.5%	
Liquid ratio	14.1	102.3	75.8	14.3	(4.4)	(9.5)	(175.3)	(220.9)	(43.5)	(62.8)	

Capex program

Capital programme (Cash paid)

Capex	(48.8)	(25.6)	(20.7)	(35.5)	(65.6)	(49.8)	(46.4)	(42.2)	(46.6)	(49.4)	(42.6)	(38.5)
Funded by												
Operating Cashflow	25.6	26.5	26.0	25.8	26.0	26.3	25.6	25.4	24.4	23.6	22.7	21.9
PDC received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans and Leases	33.3	8.0	0.0	0.0	0.0	21.9	32.0	29.4	36.7	73.9	24.4	20.3
Cash receipt from asset sales	0.0	0.0	79.8	0.0	0.0	0.0	0.0	0.0	0.0	125.2	0.0	0.0

Royal Brompton & Harefield NHS Foundation Trust

Units	Actual	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	CAGR	CAGR
	Mar - 14	Mar - 15	Mar - 16	Mar - 17	Mar - 18	Mar - 19	Mar - 20	Mar - 21	Mar - 22	Mar - 23	Mar - 24	Mar - 25	Mar - 26	Mar - 05 Mar - 07	Mar - 08 Mar - 13
%		0.6%	2.8%	3.5%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
%		0.5%	2.2%	2.9%	-0.8%	-2.0%	-1.9%	-1.8%	-1.7%	-1.7%	-1.6%	-1.6%	-1.6%		
%		1.9%	2.1%	3.0%	-1.0%	-2.2%	-2.2%	-2.2%	-2.1%	-1.9%	-2.0%	-2.0%	-2.0%		
%		1.4%	2.1%	3.0%	-0.9%	-2.2%	-2.2%	-2.1%	-2.1%	-2.1%	-2.0%	-2.0%	-1.9%		
%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
%		-0.5%	2.3%	3.1%	2.2%	-2.7%	-2.7%	-2.6%	-2.6%	-2.6%	-2.6%	-2.6%	-2.6%		
%		0.6%	2.2%	3.0%	-0.5%	-2.2%	-2.1%	-2.0%	-1.9%	-1.9%	-1.8%	-1.8%	-1.8%		
£'000s	0	0	0	1,937	10,410	18,932	27,491	36,091	44,737	53,431	62,177	71,163	80,392		
%	0.0%	0.0%	0.0%	0.6%	3.1%	5.6%	8.1%	10.6%	13.1%	15.6%	18.1%	20.7%	23.3%		
%	0.0%	0.0%	0.0%	0.6%	3.3%	6.0%	8.7%	11.3%	14.0%	16.6%	19.2%	21.8%	24.4%		
%	0.0%	0.0%	0.0%	0.0%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.8%	2.8%		
£'000s	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
£'000s	1.2	1.2	1.2	1.4	2.2	3.7	2.8	2.6	2.4	2.7	2.8	2.4	2.2		

Royal Brompton and Harefield NHS Foundation Trust

Units

Actual	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	CAGR	CAGR
Mar - 14	Mar - 15	Mar - 16	Mar - 17	Mar - 18	Mar - 19	Mar - 20	Mar - 21	Mar - 22	Mar - 23	Mar - 24	Mar - 25	Mar - 26	Mar - 10	Mar - 12

Units

£m unless otherwise stated

Scenario:

Base

Income Statement - Summary Normalised Financials

Revenue															
Protected/Mandatory Clinical Revenue (Tariff)	125.3	127.1	134.8	145.0	150.2	150.2	150.2	150.2	150.2	150.2	150.2	150.2	150.2	0%	0%
Protected/Mandatory Clinical Revenue (Non Tariff)	120.2	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	117.4	0%	0%
Protected/Mandatory Clinical Income (Other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Other revenue	63.4	66.1	67.0	68.0	69.0	70.0	71.0	72.1	73.1	74.3	75.4	76.6	77.8	0%	0%
Non recurring revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Total revenue	308.8	310.6	319.2	330.4	336.5	337.5	338.5	339.6	340.7	341.8	342.9	344.1	345.3	0%	0%
Expenses															
Employee Benefit Expenses	(175.4)	(176.2)	(180.0)	(185.3)	(188.4)	(189.2)	(190.2)	(191.4)	(192.7)	(194.3)	(196.0)	(197.8)	(199.5)	0%	0%
Non-Employee Benefit Expenses	(108.6)	(109.5)	(111.9)	(115.3)	(118.3)	(118.4)	(118.5)	(118.6)	(118.8)	(119.1)	(119.4)	(119.8)	(120.1)	0%	0%
Non recurring expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%	0%
Total Expenses	(284.0)	(285.8)	(292.0)	(300.6)	(306.7)	(307.6)	(308.7)	(310.0)	(311.6)	(313.4)	(315.4)	(317.5)	(319.6)	0%	0%
Normalised net surplus / (deficit) from operations	24.8	24.8	27.2	29.8	29.8	29.9	29.8	29.5	29.1	28.4	27.5	26.6	25.6	0%	0%
<i>Net surplus/(deficit) from operations margin (%)</i>	<i>8.0%</i>	<i>8.0%</i>	<i>8.5%</i>	<i>9.0%</i>	<i>8.9%</i>	<i>8.9%</i>	<i>8.8%</i>	<i>8.7%</i>	<i>8.5%</i>	<i>8.3%</i>	<i>8.0%</i>	<i>7.7%</i>	<i>7.4%</i>		
Normalised Net Surplus/(Deficit)	2.5	0.9	2.1	2.2	(0.9)	(2.1)	(3.3)	(5.2)	(7.1)	(9.5)	(6.8)	(10.5)	(12.1)	0%	0%
<i>Reported net surplus margin (%)</i>		<i>0.3%</i>	<i>0.6%</i>	<i>0.7%</i>	<i>-0.3%</i>	<i>-0.6%</i>	<i>-1.0%</i>	<i>-1.5%</i>	<i>-2.1%</i>	<i>-2.8%</i>	<i>-2.0%</i>	<i>-3.0%</i>	<i>-3.5%</i>		
Cashflow from Operations		25.6	26.5	26.0	25.8	26.0	26.3	25.6	25.4	24.4	23.6	22.7	21.9		
Capex		(48.8)	(25.6)	(20.7)	(35.5)	(65.6)	(49.8)	(46.4)	(42.2)	(46.6)	(49.4)	(42.6)	(38.5)		
Cashflow before Financing		(23.3)	0.8	85.1	(9.7)	(39.6)	(23.5)	(20.9)	(16.8)	(22.2)	99.5	(19.8)	(16.6)		
Net Cash Inflow / (Outflow)		0.1	(1.3)	78.0	(22.6)	(52.6)	(18.4)	(4.6)	(4.6)	(180.8)	158.1	(16.5)	(19.1)		
Year End Balance Sheet cash position		16.0	16.0	94.0	71.4	18.7	0.4	(4.3)	(8.9)	(189.7)	(31.6)	(48.2)	(67.2)		
Net current assets / (liabilities)		(2.1)	(1.4)	73.9	51.5	(1.0)	(17.0)	(21.4)	(165.8)	(206.8)	(51.6)	(69.0)	(88.8)		
Overall Risk Rating (before investment and technical adjustments)				3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0		
Overall Risk Rating (after investment and technical adjustments)				3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0		

Royal Brompton and Harefield NHS Foundation Trust

Outturn	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Mar - 17	Mar - 17	Mar - 18	Mar - 18	Mar - 19	Mar - 19	Mar - 20	Mar - 20	Mar - 21	Mar - 21	Mar - 22	Mar - 22	Mar - 23	Mar - 23	Mar - 24	Mar - 24	Mar - 25	Mar - 25	Mar - 26	Mar - 26

Units
£m unless otherwise stated

Scenario:

Risk Rating

Financial Risk Rating

Metric																				
EBITDA margin	8.0%	3	7.8%	3	7.8%	3	7.8%	3	7.7%	3	7.5%	3	7.3%	3	7.0%	3	6.7%	3	6.4%	3
EBITDA, % achieved	108.3%	5	108.3%	5	100.0%	5	100.0%	5	100.0%	5	100.0%	5	100.0%	5	100.0%	5	100.0%	5	100.0%	5
NRAF (Net return after financing)	-0.5%	3	-1.3%	2	-1.7%	2	-2.0%	2	-2.4%	2	-2.7%	2	-4.0%	2	-3.1%	2	-3.4%	2	-3.7%	2
I&E surplus margin	0.7%	2	-0.3%	2	-0.6%	2	-1.0%	2	-1.5%	2	-2.1%	1	-2.8%	1	-2.0%	2	-3.0%	1	-3.5%	1
Liquid ratio	14.1	2	102.3	5	75.8	5	14.3	2	(4.4)	1	(9.5)	1	(175.3)	1	(220.9)	1	(43.5)	1	(62.8)	1
Weighted Average		2.8		3.3		3.3		2.6		2.3		2.1		2.1		2.3		2.1		2.1
Financial Criteria																				
Underlying Performance		3		3		3		3		3		3		3		3		3		3
Achievement of Plan		5		5		5		5		5		5		5		5		5		5
Financial Efficiency		3		2		2		2		2		2		2		2		2		2
Liquidity		2		5		5		2		1		1		1		1		1		1
Overriding rules																				
One financial criterion scored at '1'	NO		NO		NO		NO		YES	2	YES	2	YES	2	YES	2	YES	2	YES	2
One financial criterion scored at '2'	YES	3	YES	3	YES	3	NO		YES	3	YES	3	YES	3	YES	3	YES	3	YES	3
Two or more financial criteria scored at '2'	NO		NO		NO		YES	2	NO		NO		NO		NO		NO		NO	
Two or more financial criteria at '1'	NO		NO		NO		NO		NO		NO		NO		NO		NO		NO	
PBC breached	1.0		1.0		1.0		1.0		1.0		1.0		0.0	2	1.0		1.0		1.0	
Less than 1 year as an Foundation Trust	NO		NO		NO		NO		NO		NO		NO		NO		NO		NO	
Overriding rules rating		3		3		3		2		2		2		2		2		2		2
Overall Rating		3		3		3		2		2		2		2		2		2		2
Risk Rating to calculate maximum debt to assets ratio		3		3		3		2		2		2		2		2		2		2
Maximum Debt/ Assets Ratio		15%		15%		15%		10%		10%		10%		10%		10%		10%		10%

Royal Brompton & Harefield

NHS Foundation Trust

TRUST FINANCIAL OUTCOMES

1.1 SUMMARY INCOME & EXPENDITURE

The Trust made a surplus of £0.75m in Q2 (Q1 £0.6m) and has a YTD surplus of £1.4m at Q2 which is £1.1m ahead of budget and delivers an FRR of 3, in line with plan. EBITDA at £12.5m (7.4%) is £1.3m above YTD budget.

The main drivers of the position continue to be:

- inpatient spell income and critical care income are currently over-performing by £1.4m and £0.3m respectively
- private patient income has continued strongly from the previous financial year and is over-performing by £1.5m
- nursing pay costs are above budget by £1.2m - partly to deliver high activity volumes, and there is a £0.8m overspend in junior doctor costs as vacancies are filled with locums.

The financial position for Q2 YTD is outlined below:

	Annual Plan (£000s)	YTD Plan (£000s)	YTD Actual (£000s)	YTD Variance (£000s)
NHS Clinical Income	263,460	131,487	130,579	(908)
Project Diamond	8,200	4,100	4,100	0
Non NHS Income	30,738	15,462	16,916	1,454
Non Clinical Income	26,197	13,163	13,520	357
Income Total	328,595	164,212	165,115	903
Pay	(179,861)	(90,104)	(92,008)	(1,905)
Drugs	(35,147)	(17,557)	(15,594)	1,963
Clinical Supplies	(54,172)	(27,078)	(26,557)	522
Non Clinical Supplies	(36,423)	(18,286)	(18,511)	(226)
Expenditure Total	(305,603)	(153,024)	(152,670)	354
EBITDA	22,992	11,188	12,445	1,257
Central Costs	(20,699)	(10,868)	(11,048)	(180)
Other Total	(20,699)	(10,868)	(11,048)	(180)
Surplus/ (Deficit)	2,293	320	1,397	1,077

As stated above the FRR for Q2 is a 3 (and CoS risk rating is a 4) with all metrics in line with plan. The Board has also confirmed that it expects the Trust to continue to maintain a CoS risk rating of at least 3 over the next 12 months as shown within the financial template.

FRR Actual 2013/14	2013/14			
	Q1	Q2	Q3	Q4
EBITDA Margin metric	7.4%	7.5%		
EBITDA Margin rating	3	3		
EBITDA % of plan achieved metric	132.3%	111.2%		
EBITDA % of plan achieved rating	5	5		
Net return after Financing metric	0.8%	1.1%		
Net return after financing rating	3	3		
IS Surplus margin metric	0.8%	0.9%		
IS Surplus margin rating	2	2		
Liquidity days metric (WCF limited to 30 days)	24.8	26.3		
Liquidity rating	3	4		
FRR	3.0	3.3	0.0	0.0

CoS Risk Rating Actual 2013/14	2013/14			
	Q1	Q2	Q3	Q4
Debt Service Cover metric	3.22x	3.30x		
Debt Service Cover rating	4	4		
Liquidity metric	-1.3	0.4		
Liquidity rating	3	4		
CoS Risk Rating	4	4		

1.2 I&E REVIEW

NHS Income at Q2 is £1.6m ahead of budget (excluding the variance on PbR-exclusions) and the material items within that include:

- inpatient spell income £1.4m above plan
- critical care income £0.3m above plan
- outpatient income £0.4m above plan
- transplant/ VAD income £0.1m above plan
- PbR-exclusion income £2.5m below plan (with corresponding non-pay underspend)
- “other” £0.6m below plan

Private Patient income is £1.5m above budget at Q2. The favourable variance is all within RBH Heart where above budget income has been generated in cardiology, cardiac surgery and paediatrics, continuing the recent high trend.

Pay costs are £3m above budget without the budgeted contingency of £1.1m (net overspend of £1.9m, 2.1%). The most material overspends are nursing budgets (£1.2m) in both Heart divisions, because of high activity and bed-day volumes in ITU and PICU (which is adversely affecting reported pay-CIP performance); and junior doctor locums (£0.8m) also in both Heart divisions. There are also overspends on consultant pay (£0.2m within Brompton Heart), scientific, technical and therapeutic staff (£0.3m within Harefield Heart) and non-clinical staff (£0.4m within corporate directorates).

Non-pay costs remain £1.8m below budget without the budgeted contingency of £0.5m (overall underspend of £2.3m, 3.6%). 'PbR-excluded' (i.e. separately funded within the income position) drugs and devices, including VADs, are currently £2.5m underspent. There are no other material variances to report.

EBITDA is 7.5% against plan of 6.8% and at £12.4m is £1.3m (11%) above the YTD budget. Costs below EBITDA are largely on budget.

1.3 BALANCE SHEET COMMENTS

Cash at Q2 is £8.4m below plan at Q1. The principal factors in this outcome are debtor-related.

NHS England continues to make monthly SLA payments however there has been no payment of over-performance invoices (for which £2.3m in respect of Q1 is overdue plus a further £0.8m for M04 to be invoiced shortly). The Trust has been informed, and awaits formal notification, that a process to agree and pay over-performance is only now being set up with first payments not scheduled before 1st December.

There remains even less clarity over cash flows from CCGs. Unpaid CCG debt at M06 is £6.2m (£5.7m at M05). NWL CCG's comprise £2.3m of this balance following initial escalation £0.8m was received in early October. The position remains unacceptable and has been further escalated at senior levels. Payment behaviour of other CCG's is very variable reflecting the fact that many CCGs have not yet agreed what the Trust believes to be an appropriate monthly 'payment on account' figure, based on last year's performance, and others are deciding to pay on a 'non-contract' basis. All of these payment issues are being exacerbated by discontinuity (and shortages) of staff and processes at many CCG's.

The outstanding prior year balances from PCTs are now just £132k.

At Q2 capital expenditure at £7.5m is 107% of plan and therefore within Monitor's target monitoring range (+/- 15%). The Trust is currently reviewing its capital programme for the rest of this financial year and future years until the planned redevelopment commences.

Royal Brompton and Harefield NHS Foundation Trust
High level summary of financial plan of ROYALBROMPTON

QUARTER 2

Financial Summary £m	Previous YE	Current Quarter			YTD			FY
	Actual	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Operating Revenue for EBITDA	310.3	82.7	83.1	0.4	163.9	165.1	1.2	328.1
Employee Expenses	(176.2)	(44.8)	(46.4)	(1.6)	(90.1)	(92.0)	(1.9)	(179.9)
Drugs	(24.3)	(8.8)	(8.1)	0.7	(17.6)	(15.6)	2.0	(35.1)
PFI operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other costs	(88.3)	(22.5)	(22.3)	0.3	(45.1)	(45.1)	0.0	(90.1)
Clinical supplies	(52.2)	(13.4)	(12.9)	0.5	(26.8)	(26.6)	0.2	(53.6)
Decrease (increase) in inventories of finished goods & WIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vehicle Fuel costs (ambulance trusts)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-clinical supplies	(36.1)	(9.1)	(9.4)	(0.2)	(18.3)	(18.5)	(0.2)	(36.4)
Cost of Secondary Commissioning of mandatory services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Research & Development expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education and training expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc. other Operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	21.5	6.6	6.4	(0.2)	11.2	12.4	1.3	23.0
Donations of PPE & intangible assets	6.6	0.2	0.0	(0.2)	0.4	0.2	(0.1)	1.8
Depreciation and amortisation	(16.8)	(4.1)	(4.1)	(0.0)	(8.2)	(8.2)	(0.0)	(16.3)
Impairment Losses (Reversals) net (on non-PFI assets)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment Losses (Reversals) net on PFI assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restructuring Costs	(1.0)	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.1)	0.0
Operating Surplus	10.3	2.7	2.3	(0.4)	3.4	4.5	1.1	8.5
Net interest	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense on Overdrafts and Working Capital Facilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense on Bridging loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense on Non-commercial borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense on Commercial borrowings	(0.1)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)
Interest Expense on Finance leases (non-PFI)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense on PFI leases & liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Operating items	(6.2)	(1.5)	(1.5)	0.0	(3.1)	(3.1)	0.0	(6.2)
Gain (Loss) on Financial Instruments Designated as Cash Flow Hedges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gain (Loss) on Derecognition of Available-for-Sale Financial Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gain (Loss) on Derecognition of Non-Current Assets Not Held for Sale, Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gain (Loss) from investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of profit (loss) from equity accounted Associates, Joint Ventures, Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Operating income, Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Finance Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PDC dividend expense	(6.2)	(1.5)	(1.5)	0.0	(3.1)	(3.1)	0.0	(6.2)
PFI Contingent Rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Operating expenses (incl. Misc)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax (expense)/ income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Surplus / (Deficit)	4.1	1.2	0.8	(0.4)	0.3	1.4	1.1	2.3
 EBITDA % Income	6.9%	8.0%	7.7%	-0.3%	6.8%	7.5%	0.7%	7.0%
CIP% of Op.Exp. less PFI Exp.	1.8%	2.6%	1.0%	-1.6%	2.1%	1.1%	-1.0%	2.3%
Pay CIPs as % Pay Costs	-1.3%	-3.4%	-0.6%	2.8%	-2.6%	-1.0%	1.7%	-3.0%
 Net Surplus / (Deficit)	4.1	1.2	0.8	(0.4)	0.3	1.4	1.1	2.3
Change in working capital	(3.1)	(1.4)	(2.9)	(1.5)	(3.5)	(10.5)	(6.9)	3.4
(Increase)/decrease in inventories	(1.3)	1.3	1.2	(0.1)	(0.9)	0.4	1.3	0.0
(Increase)/decrease in tax receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in NHS Trade Receivables	4.3	0.0	(1.0)	(1.0)	0.0	(9.9)	(9.9)	0.0
(Increase)/decrease in Non NHS Trade Receivables	(1.0)	0.3	(1.7)	(2.0)	0.5	(2.8)	(3.3)	1.0
(Increase)/decrease in other related party receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in other receivables	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in accrued income	(7.8)	0.0	(4.3)	(4.3)	0.0	1.3	1.3	0.0
(Increase)/decrease in other financial assets	(1.3)	0.0	0.2	0.2	0.8	0.9	0.1	1.1
(Increase)/decrease in prepayments	(1.1)	0.0	0.0	0.0	0.0	(1.3)	(1.3)	0.0
(Increase)/decrease in Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in Deferred Income (excl. Donated Assets)	1.0	0.9	0.6	(0.3)	1.8	0.1	(1.7)	0.0
Increase/(decrease) in Deferred Income (Donated Assets)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in Current provisions	(1.0)	0.0	0.1	0.1	0.0	0.2	0.2	0.0
Increase/(decrease) in post-employment benefit obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in tax payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in Trade Creditors	0.1	0.3	(0.6)	(1.0)	0.7	0.2	(0.5)	1.3
Increase/(decrease) in Other Creditors	0.4	0.0	0.2	0.2	0.0	0.3	0.3	0.0
Increase/(decrease) in accruals	3.3	(4.2)	1.7	5.9	(6.4)	0.1	6.6	(0.0)
Increase/(decrease) in other Financial liabilities	0.4	0.0	0.7	0.7	0.0	(0.1)	(0.1)	0.0
Increase/(decrease) in Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/(decrease) in Non Current provisions	0.0	(0.0)	0.0	0.0	(0.1)	(0.1)	0.0	(0.2)
Non cash I&E items	23.0	5.6	5.6	(0.0)	11.2	11.2	(0.0)	22.5
Tax expense/(refund)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance (income)/charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of (profit)/loss from equity accounted investments net of cash distributions received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Donations & Grants received of PPE & intangible assets (non cash)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating non-cash (revenues)/expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortisation, total	16.8	4.1	4.1	0.0	8.2	8.2	0.0	16.3
Impairment losses/(reversals)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unrealised (gains)/losses on foreign currency exchange	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Gain)/loss on disposal of property plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Gain)/loss on disposal of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of (profit)/loss loss from investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PDC dividend expense	6.2	1.5	1.5	(0.0)	3.1	3.1	0.0	6.2
Other increases/(decreases) to reconcile to profit/(loss) from operations	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Cashflow from operations	24.0	5.4	3.5	(1.9)	7.9	2.0	(5.8)	28.0
Cashflow from investing activities	(17.5)	(1.8)	(4.3)	(2.5)	(5.0)	(7.5)	(2.5)	(16.9)
Property, plant and equipment - maintenance expenditure	(10.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment - non-maintenance expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plant and equipment - Information Technology	(2.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plant and equipment - Other	(5.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment - other expenditure	1.0	(3.8)	(4.3)	(0.5)	(7.0)	(7.5)	(0.5)	(18.9)
Proceeds on disposal of property, plant and equipment	0.0	2.0	0.0	(2.0)	2.0	0.0	(2.0)	2.0
Government grants received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits and investments made	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits and investments liquidated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other cash flows from investing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cashflow before financing	6.5	3.6	(0.8)	(4.4)	2.9	(5.4)	(8.3)	11.1
Cashflow from financing activities	(5.2)	(3.3)	(3.3)	(0.1)	(3.6)	(3.7)	(0.0)	(7.3)
Public Dividend Capital received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Dividend Capital repaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PDC Dividends paid	(6.2)	(2.9)	(3.0)	(0.1)	(2.9)	(3.0)	(0.1)	(6.0)
Interest (paid) on bridging loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest (paid) on commercial loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest (paid) on non-commercial loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest (paid) on overdraft and working capital facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest element of finance lease rental payments - other	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)
Interest element of finance lease rental payments - On-balance sheet PFI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital element of finance lease rental payments - other	(0.2)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	0.0	(0.1)
Capital element of finance lease rental payments - On-balance sheet PFI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest received on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase/(decrease) in cash	1.2	0.3	(4.1)	(4.4)	(0.7)	(9.1)	(8.4)	3.8
 Cash at period end	18.8	18.1	9.7	(8.4)	18.1	9.7	(8.4)	22.6
Cash and Cash equivalents at period end	18.8	18.1	9.7	(8.4)	18.1	9.7	(8.4)	22.6

Royal Brompton and Harefield NHS Foundation Trust

High level summary of financial plan of ROYALBROMPTON

QUARTER 2

Detailed Financial Summary £m	Previous YE	Current Quarter			YTD			FY
	Actual	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Acute								
Ac Elective revenue	65.4	16.0	16.8	0.8	31.0	32.7	1.7	62.4
Ac Non-Elective revenue	29.9	7.5	7.2	(0.3)	15.0	14.6	(0.4)	30.0
Ac Outpatient revenue	17.0	4.0	3.9	(0.1)	7.7	7.9	0.2	15.5
Ac A&E revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ac other revenue	142.9	40.8	39.9	(1.0)	81.7	79.5	(2.1)	163.1
Private patient revenue	28.8	7.8	8.6	0.8	15.5	16.9	1.5	30.7
Grants and donations in cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating revenues	26.2	6.6	6.7	0.1	13.2	13.5	0.3	26.2
Total operating revenue for EBITDA	310.3	82.7	83.1	0.4	163.9	165.1	1.2	328.1
Grants and donations of PPE and intangible assets	6.6	0.2	0.0	(0.2)	0.4	0.2	(0.1)	1.8
Total operating revenue	316.9	82.9	83.2	0.2	164.3	165.4	1.0	329.9
Employee Expenses	(176.2)	(44.8)	(46.4)	(1.6)	(90.1)	(92.0)	(1.9)	(179.9)
Drugs expense	(24.3)	(8.8)	(8.1)	0.7	(17.6)	(15.6)	2.0	(35.1)
Supplies (clinical & non-clinical)	(88.3)	(22.5)	(22.3)	0.3	(45.1)	(45.1)	0.0	(90.1)
PFI expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses within EBITDA	(288.8)	(76.1)	(76.8)	(0.6)	(152.8)	(152.7)	0.1	(305.1)
EBITDA	21.5	6.6	6.4	(0.2)	11.2	12.4	1.3	23.0
Depreciation and amortisation	(16.8)	(4.1)	(4.1)	(0.0)	(8.2)	(8.2)	(0.0)	(16.3)
Impairments & Restructuring	(1.0)	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.1)	0.0
Total operating expenses	(306.6)	(80.2)	(80.9)	(0.7)	(160.9)	(160.9)	0.0	(321.4)
Operating Surplus (Deficit)	10.3	2.7	2.3	(0.4)	3.4	4.5	1.1	8.5
Profit (loss) on asset disposal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net interest	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PDC dividend	(6.2)	(1.5)	(1.5)	0.0	(3.1)	(3.1)	0.0	(6.2)
Other non-operating items	6.6	0.2	0.0	(0.2)	0.4	0.2	(0.1)	1.8
Net Surplus / (Deficit)	4.1	1.2	0.8	(0.4)	0.3	1.4	1.1	2.3
EBITDA % of Op. revenue	6.9%	8.0%	7.7%	-0.3%	6.8%	7.5%	0.7%	7.0%
EBITDA	21.5	6.6	6.4	(0.2)	11.2	12.4	1.3	23.0
Change in Current Receivables	4.3	0.3	(2.6)	(2.9)	0.5	(12.6)	(13.1)	1.0
Change in Current Payables	0.4	0.3	(0.5)	(0.8)	0.7	0.5	(0.2)	1.3
Other changes in WC	(7.8)	(2.0)	0.2	2.2	(4.7)	1.7	6.4	1.0
Change in Non Current Provisions	0.0	(0.0)	0.0	0.0	(0.1)	(0.1)	0.0	(0.2)
Other non-cash items	5.6	0.2	(0.0)	(0.2)	0.4	0.2	(0.2)	1.8
Cashflow from operating activities	24.0	5.4	3.5	(1.9)	7.9	2.0	(5.8)	28.0
Capital expenditure (accruals basis)	0.0	(3.8)	(4.3)	(0.5)	(7.0)	(7.5)	(0.5)	(18.9)
Asset sale proceeds	0.0	2.0	0.0	(2.0)	2.0	0.0	(2.0)	2.0
other Investing cash flows	(17.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cashflow before financing	6.5	3.6	(0.8)	(4.4)	2.9	(5.4)	(8.3)	11.1
Net interest	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)
PDC dividends (paid)	(6.2)	(2.9)	(3.0)	(0.1)	(2.9)	(3.0)	(0.1)	(6.0)
Movement in loans	1.1	(0.3)	(0.3)	(0.0)	(0.6)	(0.6)	(0.0)	(1.1)
PDC received/(repaid)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Donations received in cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
other financing cashflows	(0.1)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.1)
Net cash inflow (outflow)	1.2	0.3	(4.1)	(4.4)	(0.7)	(9.1)	(8.4)	3.8
Cash at period end	18.8	18.1	9.7	(8.4)	18.1	9.7	(8.4)	22.6
Cash and Cash equivalents at period end	18.8	18.1	9.7	(8.4)	18.1	9.7	(8.4)	22.6
Non Safe Harbour Investments at period end	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Name of Trust	Royal Brompton and Harefield NHS Foundation Trust						Based on year ending				31/03/2013
Assumptions											
Total Revenues	£316,858,000										
Surplus/(Deficit) before Interest	£10,290,000						<div></div>	Complies with Prudential Borrowing Code			
Depreciation	£16,822,000										
Revenues available for Debt Service	£27,112,000						<div></div>	Current Required Covenant Ratio			
Dividends Paid	(£6,202,000)						<div></div>	Fails Prudential Borrowing Code			
Total Assets Employed	£216,653,000										
Estimated Prudential Borrowing Limit - Tier 1	£85,098,804										
Estimated Prudential Borrowing Cap - Tier 2	£194,252,055										
Proposed Debt	£30,000,000										
Interest Rate	2.66%										
Term of Borrowing	15.0						Debt sustainable under individual covenant tests				
Current Risk Rating	3	Estimated PBL Tier 1	Proposed Debt	TIER 1				TIER 2			
Debt to Capital Ratio		39%	14%	39%	67%	157%	363%	90%	157%	235%	363%
Prudential Borrowing Limit		£85,098,804	£30,000,000	£85,098,804	£145,045,261	£340,252,663	£786,950,356	£194,252,055	£339,715,044	£508,910,076	£786,951,032
Annual Interest payable (year 1)		£2,263,628	£798,000	£2,263,628	£3,858,204	£9,050,721	£20,932,879	£5,167,105	£9,036,420	£13,537,008	£20,932,897
Annual Principal repayments		£5,673,254	£2,000,000	£5,673,254	£9,669,684	£22,683,511	£52,463,357	£12,950,137	£22,647,670	£33,927,338	£52,463,402
Max Annual Debt Service		£7,936,882	£2,798,000	£7,936,882	£13,527,888	£31,734,232	£73,396,237	£18,117,242	£31,684,090	£47,464,346	£73,396,300
Minimum Dividend Cover (min)	Tier 1 1	4.01	4.24	4.01	3.75	2.91	1.00	3.54	2.91	2.19	1.00
Minimum Interest Cover (min)	3	11.98	33.97	11.98	7.03	3.00	1.30	5.25	3.00	2.00	1.30
Minimum Debt Service Cover (min)	2	3.42	9.69	3.42	2.00	0.85	0.37	1.50	0.86	0.57	0.37
Maximum Debt Service to Revenue (max)	2.5%	2.50%	0.88%	2.50%	4.30%	10.00%	23.20%	5.70%	10.00%	15.00%	23.20%