

**PWYLLGOR ARCHWILIO A SICRWYDD RISG  
AUDIT AND RISK ASSURANCE COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	08 May 2025
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Draft Annual Accounts 2024/25
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Huw Thomas, Director of Finance

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Trafodaeth/For Discussion

**ADRODDIAD SCAA**

**SBAR REPORT**

**Sefyllfa / Situation**

The draft Statutory Annual Accounts have been prepared in accordance with the Welsh Government timetable and guidelines. The Audit and Risk Assurance Committee (ARAC) is asked to review and discuss the draft Accounts.

The draft Accounts were submitted to Welsh Government on 2 May 2025.

The Accounts are now being scrutinised by Audit Wales and the Final Accounts will be presented to ARAC on 24 June 2024 prior to sign off by the Board on 26 June 2025 in readiness to send to Welsh Government by 30 June 2025.

**Cefndir / Background**

Under the National Health Service Act (Wales) 2006 the Health Board is required to prepare accounts for each financial year.

The Accounts must comply with the accounting guidance of the Government Reporting Manual (FReM) which is in force for the financial year in which the accounts are prepared and has been applied by Welsh Government and detailed in the NHS Wales LHB Manual of Accounts.

In preparing the accounts the Directors are required to apply on a consistent basis the accounting principles laid down by Welsh Ministers, make judgements and estimates which are responsible and prudent and state whether applicable accounting standards have been followed.

**Asesiad / Assessment**

The Draft Annual Accounts are enclosed for discussion.

## Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to discuss the draft annual accounts for 2024/25.

### Amcanion: (rhaid cwblhau)

#### Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.25 The Committee shall review the Annual Accounts and Financial Statements before submission to the Board, focusing particularly on: 3.25.1 the ISA 260 report to those charged with governance; 3.25.2 changes in, and compliance with, accounting policies and practices; 3.25.3 unadjusted mis-statements in the financial statements; 3.25.4 major judgemental areas; 3.25.5 significant adjustments resulting from the audit; 3.25.6 other financial considerations include review of the Schedule of Losses and Compensation.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1199 - Risk of Health Board not meeting statutory requirement to break even on a three year rolling basis due to significant deficit position Score 25
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	10. Not Applicable

### Gwybodaeth Ychwanegol:

#### Further Information:

Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on the Health Board's financial reporting system. Activity recorded in the Accounts Receivable (AR) and
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	Accounts Payable (AP) modules of the Oracle business system; activity recorded in the procurement Bravo system.
Rhestr Termiau: Glossary of Terms:	Included within body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	UHB's Finance Team

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Financial implications are inherent within the report
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	Risk to our financial position affects our ability to discharge timely and effective care to patients
<b>Gweithlu:</b> <b>Workforce:</b>	Not Applicable
<b>Risg:</b> <b>Risk:</b>	Not Applicable
<b>Cyfreithiol:</b> <b>Legal:</b>	The UHB has a statutory duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year.
<b>Enw Da:</b> <b>Reputational:</b>	Adverse variance against the UHB's financial plan will affect our reputation with Welsh Government, Audit Wales and with external stakeholders
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not Applicable
<b>Cydraddoldeb:</b> <b>Equality:</b>	Not Applicable

## HYWEL DDA UNIVERSITY LOCAL HEALTH BOARD

### FOREWORD

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

#### **Statutory background**

The Local Health Board was established on 1 June 2009 and became operational on 1 October 2009 and comprises the former organisations of Hywel Dda NHS Trust and Carmarthenshire, Ceredigion and Pembrokeshire Local Health Boards.

#### **Performance Management and Financial Results**

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2024-25. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the primary statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the Local Health Board which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1st April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Expenditure on Primary Healthcare Services	3.1	231,506	223,827
Expenditure on healthcare from other providers	3.2	293,175	275,025
Expenditure on Hospital and Community Health Services	3.3	908,884	839,854
		<u>1,433,565</u>	<u>1,338,706</u>
Less: Miscellaneous Income	4	(78,260)	(74,323)
<b>LHB net operating costs before interest and other gains and losses</b>		<b>1,355,305</b>	<b>1,264,383</b>
Investment Revenue	5	(10)	(11)
Other (Gains) / Losses	6	(22)	(17)
Finance costs	7	217	183
<b>Net operating costs for the financial year</b>		<b><u>1,355,490</u></b>	<b><u>1,264,538</u></b>

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on page 27.

The notes on pages 8 to 76 form part of these accounts.

**Other Comprehensive Net Expenditure**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Net (gain) / loss on revaluation of property, plant and equipment	<b>(4,459)</b>	<b>(7,425)</b>
Net (gain)/loss on revaluation of right of use assets	<b>0</b>	0
Net (gain) / loss on revaluation of intangibles	<b>0</b>	0
(Gain) / loss on other reserves	<b>0</b>	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	<b>0</b>	0
Net (gain)/loss on revaluation of financial assets held for sale	<b>0</b>	0
Impairment and reversals	<b>0</b>	0
Transfers between reserves	<b>0</b>	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	<b>0</b>	0
Reclassification adjustment on disposal of available for sale financial assets	<b>0</b>	0
Other comprehensive net expenditure for the year	<b>(4,459)</b>	<b>(7,425)</b>
<b>Total comprehensive net expenditure for the year</b>	<b>1,351,031</b>	<b>1,257,113</b>

The notes on pages 8 to 76 form part of these accounts.

**Statement of Financial Position as at 31 March 2025**

		<b>31 March 2025</b>	31 March 2024
	<b>Notes</b>	<b>£000</b>	£000
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>366,882</b>	369,729
Right of Use Assets	11.3	<b>10,189</b>	8,967
Intangible assets	12	<b>1,952</b>	2,422
Trade and other receivables	15	<b>59,122</b>	54,664
Other financial assets	16	<b>826</b>	974
<b>Total non-current assets</b>		<b>438,971</b>	436,756
<b>Current assets</b>			
Inventories	14	<b>12,475</b>	11,616
Trade and other receivables	15	<b>68,508</b>	76,429
Other financial assets	16	<b>148</b>	147
Cash and cash equivalents	17	<b>3,943</b>	2,141
		<b>85,074</b>	90,333
Non-current assets classified as "Held for Sale"	11	<b>0</b>	0
<b>Total current assets</b>		<b>85,074</b>	90,333
<b>Total assets</b>		<b>524,045</b>	527,089
<b>Current liabilities</b>			
Trade and other payables	18	<b>(162,040)</b>	(180,188)
Other financial liabilities	19	<b>0</b>	0
Provisions	20	<b>(33,839)</b>	(27,370)
<b>Total current liabilities</b>		<b>(195,879)</b>	(207,558)
<b>Net current assets/ (liabilities)</b>		<b>(110,805)</b>	(117,225)
<b>Non-current liabilities</b>			
Trade and other payables	18	<b>(6,837)</b>	(7,798)
Other financial liabilities	19	<b>0</b>	0
Provisions	20	<b>(61,742)</b>	(53,014)
<b>Total non-current liabilities</b>		<b>(68,579)</b>	(60,812)
<b>Total assets employed</b>		<b>259,587</b>	258,719
<b>Financed by :</b>			
<b>Taxpayers' equity</b>			
General Fund		<b>198,951</b>	194,091
Revaluation reserve		<b>60,636</b>	64,628
<b>Total taxpayers' equity</b>		<b>259,587</b>	258,719

The financial statements on pages 2 to 7 were approved by the Board on xx xx 2025 and signed on its behalf by:

Chief Executive and Accountable Officer ..... Date: .....

The notes on pages 8 to 76 form part of these accounts.

## Statement of Changes in Taxpayers' Equity For the year ended 31 March 2025

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity for 2024-25</b>			
Balance as at 31 March 2024	194,091	64,628	258,719
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
<b>Balance at 1 April 2024</b>	<b>194,091</b>	<b>64,628</b>	<b>258,719</b>
Net operating cost for the year	(1,355,490)		(1,355,490)
Net gain/(loss) on revaluation of property, plant and equipment	0	4,459	4,459
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	8,451	(8,451)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
<b>Total recognised income and expense for 2024-25</b>	<b>(1,347,039)</b>	<b>(3,992)</b>	<b>(1,351,031)</b>
Net Welsh Government funding	1,311,572		1,311,572
Notional Welsh Government Funding	40,327		40,327
<b>Balance at 31 March 2025</b>	<b>198,951</b>	<b>60,636</b>	<b>259,587</b>

Notional Welsh Government funding line includes 9.4% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government. The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

### Notional Welsh Government funding split:

Notional 9.4% staff employer pension £40,322,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £5,000

The notes on pages 8 to 76 form part of these accounts.

## Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity for 2023-24</b>			
<b>Balance at 31 March 2023</b>	174,600	58,466	233,066
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
<b>Balance at 1 April 2023</b>	<u>174,600</u>	<u>58,466</u>	<u>233,066</u>
Net operating cost for the year	(1,264,538)		(1,264,538)
Net gain/(loss) on revaluation of property, plant and equipment	0	7,425	7,425
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	1,263	(1,263)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
<b>Total recognised income and expense for 2023-24</b>	<u>(1,263,275)</u>	<u>6,162</u>	<u>(1,257,113)</u>
Net Welsh Government funding	1,257,707		1,257,707
Notional Welsh Government Funding	25,059		25,059
<b>Balance at 31 March 2024</b>	<u>194,091</u>	<u>64,628</u>	<u>258,719</u>

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

### Notional Welsh Government funding split;

Notional 6.3% staff employer pension £25,057,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £2,000

The notes on pages 8 to 76 form part of these accounts.

**Statement of Cash Flows for year ended 31 March 2025**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
<b>Cash Flows from operating activities</b>		
Net operating cost for the financial year	(1,355,490)	(1,264,538)
Movements in Working Capital	27 (15,543)	(2,714)
Other cash flow adjustments	28 114,249	63,565
Provisions utilised	20 (9,450)	(8,331)
<b>Net cash outflow from operating activities</b>	<b>(1,266,234)</b>	<b>(1,212,018)</b>
<b>Cash Flows from investing activities</b>		
Purchase of property, plant and equipment	(40,060)	(45,092)
Proceeds from disposal of property, plant and equipment	54	78
Purchase of intangible assets	(1,176)	(327)
Proceeds from disposal of intangible assets	0	0
Payment for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Payment for other assets	0	0
Proceeds from disposal of other assets	0	0
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(41,182)</b>	<b>(45,341)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(1,307,416)</b>	<b>(1,257,359)</b>
<b>Cash Flows from financing activities</b>		
Welsh Government funding (including capital)	1,311,572	1,257,707
Capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes	0	0
Capital element of payments in respect of on-SoFP PFI	0	0
Capital element of payments in respect of Right of Use Assets	(2,354)	(2,151)
Cash transferred (to)/ from other NHS bodies	0	0
<b>Net financing</b>	<b>1,309,218</b>	<b>1,255,556</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,802</b>	<b>(1,803)</b>
<b>Cash and cash equivalents (and bank overdrafts) at 1 April 2024</b>	<b>2,141</b>	<b>3,944</b>
<b>Cash and cash equivalents (and bank overdrafts) at 31 March 2025</b>	<b>3,943</b>	<b>2,141</b>

The notes on pages 8 to 76 form part of these accounts.

## Notes to the Accounts

### 1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHBs) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2024-25 Manual for Accounts. The accounting policies contained in that manual follow the 2024-25 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB 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 LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB 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 and inventories.

#### 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. Income and funding

The main source of funding for the LHBs are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the LHB. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FREM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred. Only non-NHS income may be deferred.

Only non-NHS income may be deferred.

#### **1.4. Employee benefits**

##### **1.4.1. 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.

##### **1.4.2. 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 accounting period.

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency) from 6.3% to 9.4%.

However, NHS Wales' organisations are required to account for their staff employer contributions of 23.78% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see the Other Note within these accounts.

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 NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

### 1.4.3. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

### 1.5. Other expenses

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

### 1.6. Property, plant and equipment

#### 1.6.1. 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 NHS Wales organisation;
- 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.

#### 1.6.2. 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.

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) 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

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. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

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.

In 2022-23 a formal revaluation exercise was applied to land and properties. 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 that does not result from a loss of economic value or service potential 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. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure (SoCNE).

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However, IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

### **1.6.3. 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 carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated, for All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs identified are then charged to operating expenses.

## **1.7. Intangible assets**

### **1.7.1. Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the 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 NHS Wales organisation; 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 use the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### **1.7.2 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.

### **1.8. Depreciation, amortisation and impairments**

Freehold land, assets 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 NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation 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 the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation 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.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings. Right of use (ROU) asset impairments are reflected in ROU liability.

### **1.9. Research and Development**

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

### **1.10 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 SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

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 adjusted. The asset is derecognised when it is scrapped or demolished.

### 1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: Hywel Dda UHB has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application the LHB has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the LHB in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The LHB will not apply IFRS 16 to any new leases of intangible assets, applying the treatment described in section 1.7 instead.

The LHB is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the LHB has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The LHB is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

#### **1.11.1 Hywel Dda UHB as lessee**

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The LHB employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the LHB applies a revised rate to the remaining lease liability.

Where existing leases are modified the LHB must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the LHB.

#### **1.11.2 Hywel Dda UHB as lessor**

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

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

Income from operating leases is recognised on a straight-line or another systematic 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 as an expense on a straight-line basis over the lease term.

Where the LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the LHB has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

### **1.12. Inventories**

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

### **1.13. 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 three 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 (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

### **1.14. Provisions**

Provisions are recognised when the LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB 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 the discount rate supplied by HM Treasury.

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.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the LHB 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 LHB 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.

#### **1.14.1. Clinical negligence and personal injury costs**

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2023-24 and 2024-25. The WRPS is hosted by Velindre University NHS Trust.

### **1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)**

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre University NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1 April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

### **1.15. Financial Instruments**

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

### **1.16. Financial assets**

Financial assets are recognised on the SoFP when the LHB 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.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

#### **1.16.1. Financial assets are initially recognised at fair value**

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; '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.

#### **1.16.2. Financial assets at fair value through SoCNE**

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

### **1.16.3 Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

### **1.16.4. Available for sale financial assets**

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

### **1.16.5. 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.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the LHB 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.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

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 the SoCNE 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.

### **1.17. Financial liabilities**

Financial liabilities are recognised on the SOFP when the LHB 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.

#### **1.17.1. Financial liabilities are initially recognised at fair value**

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

#### **1.17.2. Financial liabilities at fair value through the SoCNE**

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

#### **1.17.3. Other financial liabilities**

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. 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.

#### **1.18. Value Added Tax (VAT)**

Most of the activities of the LHB 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.

#### **1.19. Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

#### **1.20. Third party assets**

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

#### **1.21. Losses and Special Payments**

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

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the LHB not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The LHB accounts for all losses and special payments gross (including assistance from the WRP).

The LHB accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

### **1.22. Pooled budgets**

The NHS Wales organisation has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by one NHS Wales's organisation. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

### **1.23. Critical Accounting Judgements and key sources of estimation uncertainty**

In the application of the 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. 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 the period of the revision and future periods if the revision affects both current and future periods.

### **1.24. Key sources of estimation uncertainty**

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

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

#### **1.24.1. Provisions**

The LHB provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the LHB, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

**1.24.2. Probable & Certain Cases – Accounting Treatment**

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

<b>Remote</b>	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability.
<b>Possible</b>	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision*
<b>Probable</b>	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
<b>Certain</b>	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

\* *Personal injury cases - Defence fee costs are provided for at 100%.*

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of 0.5%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

### 1.24.3 Primary Care Expenditure

There are a number of estimates due to the way practices are reimbursed for their services through claim forms sent to NWSSP. Therefore, primary care expenditure disclosed contains significant estimates where the value of the actual liabilities were not available prior to the date for accounts submission. Claims for a service could be paid a month or a quarter in arrears, therefore for these claims, accruals are based on a rolling three-month average. This is the case for General Medical Services (GMS) and Community Pharmacy, with the exceptions being:

- a) PADM's (Prescribing and Dispensing GPs) within the GMS contract - accruals were based on average monthly spend earlier in the year as the flu vaccination programme distorts a three month average, in the period October to December. This would not be a suitable enough period to base an accrual for February and March on.
- b) The Quality Access standards within the GMS contracts – this service is paid as an annual payment in June of the following financial year. In line with the previous two years where full achievement of the quality standard was met, it is also assumed that this will be case in 2024-25 (as advised by the service), the maximum achievable value has been accrued.
- c) The Quality and Outcome Framework within the GMS contracts – this service is paid at 70% throughout the year with the last 30% as an annual payment in June of the following financial year. In line with the previous two years where full achievement of the quality standard was met, it is also assumed that this will be case in 2024-25 (as advised by the service), the maximum achievable value has been accrued.

In terms of prescribing cost for 2024-25, the Health Board has used the accrual methodology consistent with previous years.

The cost per item for all items excluding Vaccinations, Immunisations and Stoma (Net Prescribing Audit Reports – PARS) was derived by using the most recent published cost per item from the January 2025 PARS reports.

The number of items (growth) used to calculate net PARS items was derived using prescribing days. The resultant growth estimation rate for 2024-25 was 0.32% (2023-24 – 0%)

Vaccination and Immunisation costs were calculated by applying the prior year percentage of spend to January 2024 to the YTD spend to January 2025.

Stoma costs were calculated on a straight-line basis based on the YTD cost to January 2025.

### 1.25 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities to be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined to be included.

**1.26 Private Finance Initiative (PFI) transactions**

The Health Board has no PFI transactions.

**1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes as from 1 April 2023**

The Health Board has no PFI transactions.

### 1.27. 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 LHB, 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 LHB. 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. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

### 1.28. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

### 1.29. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

**IFRS14 Regulatory Deferral Accounts** - Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

**IFRS 17 Insurance Contracts**, Application required for accounting periods beginning on or after 1 January 2023, Standard is UK endorsed and adopted by the FReM. The date of initial application is the beginning of the annual reporting period in which IFRS 17 is first applied. In central government the date of initial application is 1 April 2025.

**IFRS 18 Presentation and Disclosure in Financial Statements** - Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures** - Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

### 1.30. Accounting standards issued that have been adopted early

During 2024-25 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

### **1.31. Charities**

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, Hywel Dda UHB has established that as it is the corporate trustee of Hywel Dda Health Charities, it is considered for accounting standards compliance to have control of Hywel Dda Health Charities as a subsidiary. The determination of control is an accounting standard test of control and there has been no change to the operation of Hywel Dda Health Charities or its independence in its management of charitable funds.

Whilst there is a requirement to consolidate the results of Hywel Dda Health Charities within the statutory accounts of the LHB, the LHB has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate.

Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts.

Details of the transactions with the charity are included in the related parties' notes.

## 2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1st April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1st April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years;
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

### 2.1 Revenue Resource Performance

	Annual financial performance			
	2022-23 £000	2023-24 £000	2024-25 £000	Total £000
<b>Net operating costs for the year</b>	1,154,992	1,264,538	1,355,490	<b>3,775,020</b>
Less general ophthalmic services expenditure and other non-cash limited expenditure	2,431	1,831	1,111	<b>5,373</b>
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	<b>0</b>
Less any non funded revenue consequences of IFRS 16	0	0	0	<b>0</b>
Total operating expenses	1,157,423	1,266,369	1,356,601	<b>3,780,393</b>
Revenue Resource Allocation	1,098,379	1,200,554	1,332,462	<b>3,631,395</b>
<b>Under / (over) spend against Allocation</b>	<b>(59,044)</b>	<b>(65,815)</b>	<b>(24,139)</b>	<b>(148,998)</b>

Hywel Dda University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2022-23 to 2024-25.

The Health Board received £24m cash-only support from Welsh Government during 2024-25 with the accumulated cash-only support as at 31 March 2025 being £360.2m. This support has been provided by Welsh Government to assist the Health Board with making payments to staff and suppliers; there is no requirement for this funding to be repaid.

### 2.2 Capital Resource Performance

	2022-23	2023-24	2024-25	Total
	£000	£000	£000	£000
<b>Gross capital expenditure</b>	34,256	47,760	47,606	<b>129,622</b>
Add: Losses on disposal of donated assets	0	0	0	<b>0</b>
Less NBV on disposal of property, plant and equipment, right of use and intangible assets	(196)	(61)	(34)	<b>(291)</b>
Adjustment for transfers (to)/from NHS Trusts	0	0	0	<b>0</b>
Less capital grants received	0	(8)	(4)	<b>(12)</b>
Less donations received	(476)	(805)	(2,754)	<b>(4,035)</b>
Less IFRS16 Peppercorn income	0	0	0	<b>0</b>
Less <b>initial recognition</b> of RoU Asset Dilapidations	0	0	(2,175)	<b>(2,175)</b>
Charge against Capital Resource Allocation	33,584	46,886	42,639	<b>123,109</b>
Capital Resource Allocation	33,653	46,919	42,725	<b>123,297</b>
<b>(Over) / Underspend against Capital Resource Allocation</b>	<b>69</b>	<b>33</b>	<b>86</b>	<b>188</b>

Hywel Dda University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2022-23 to 2024-25.

### 2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2024-2027 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium-Term Plans to the Welsh Government. The LHB did not submit an Integrated Medium-Term Plan for the period 2024-2027 in accordance with NHS Wales Planning Framework.

The LHB had been unable to produce a financially balanced plan for 2023-24 and this contributed to the escalation status of the Health Board being raised to entire organisation Targeted Intervention on the Welsh Government Joint Escalation and Intervention Arrangements in January 2024. Following agreement at the January 2024 Board meeting, HDdUHB wrote to the Welsh Government in February 2024 to provide formal notification through an accountability letter that unfortunately the Health Board would again not be able to submit a financially balanced IMTP by the end of March 2024 and instead would produce an Annual Plan for 2024-25.

The Annual Plan set out the key objectives and deliverables for the next 12 months and laid the foundations for further progress beyond that in achieving the Board's aim to firstly reverse the deteriorating trajectory of our financial position and secondly agree a clear and deliverable route map to the organisation's control total. In addition, whilst progress had been made in several areas, the Health Board continued to have significant performance issues that our plan simultaneously needed to address.

The LHB was allocated additional funding by Welsh Government (WG) in year. WG also set a revised Target Control Total of £31.55m. The Health Board has achieved the revised control total with a yearend deficit of £24.1m (subject to audit).

Having placed the entire Health Board in 'targeted intervention' in January 2024, WG has de-escalated three areas to enhanced monitoring due to the progress seen. The three de-escalated areas are Child and Adolescent Health and Mental Health (CAHMS), Planned Care, and Leadership and Governance. While this is a positive step forward, it is acknowledged that pressures remain across the organisation.

The Minister for Health and Social Services extant approval

**Status**  
**Date**

Not Approved

Hywel Dda University LHB has not therefore met its statutory duty to have an approved financial plan.

### 2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	2024-25	2023-24
Total number of non-NHS bills paid	236,022	274,883
Total number of non-NHS bills paid within target	228,149	263,334
Percentage of non-NHS bills paid within target	96.7%	95.8%

**The LHB has met the target.**

### 3. Analysis of gross operating costs

#### 3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2024-25 Total £000	2023-24 Total £000
General Medical Services	90,992		90,992	85,345
Pharmaceutical Services	23,544	(7,194)	16,350	16,404
General Dental Services	21,280		21,280	20,079
General Ophthalmic Services	3,058	6,083	9,141	6,445
Other Primary Health Care expenditure	6,043		6,043	6,956
Prescribed drugs and appliances	87,700		87,700	88,598
<b>Total</b>	<b>232,617</b>	<b>(1,111)</b>	<b>231,506</b>	<b>223,827</b>

Return of excess funds from primary care contractors are included in the figures above

#### Included within other notes to the accounts

Additional Primary Care Expenditure	Positive	0	0
Additional Primary Care Income	Negative	-1855	0
<b>Overall total</b>		<b>229,651</b>	<b>223,827</b>

Ophthalmic income of £1k  
Dental income of £1,854k

#### 3.2 Expenditure on healthcare from other providers

	2024-25 £000	2023-24 £000
Goods and services from other NHS Wales Health Boards	56,325	52,017
Goods and services from other NHS Wales Trusts	6,129	5,826
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	371	2,156
Goods and services from NWJCC /WHSSC and EASC	142,225	129,262
Local Authorities	17,020	19,143
Voluntary organisations	4,334	4,515
NHS Funded Nursing Care	3,269	3,410
Continuing Care	54,621	54,226
Private providers	8,870	4,381
Specific projects funded by the Welsh Government	0	0
Other	11	89
<b>Total</b>	<b>293,175</b>	<b>275,025</b>

**3.3 Expenditure on Hospital and Community Health Services**

	2024-25	2023-24
	£000	£000
Directors' costs	3,040	2,628
Operational Staff costs	646,179	610,185
Single lead employer Staff Trainee Cost	20,717	16,539
Collaborative Bank Staff Cost		0
Supplies and services - clinical	115,429	105,366
Supplies and services - general	12,647	10,925
Consultancy Services	72	410
Establishment	11,629	11,872
Transport	1,904	1,626
Premises	35,256	31,385
External Contractors	388	28
Depreciation	25,162	24,533
Depreciation Right of Use assets (RoU)	2,432	2,263
Amortisation	728	718
Fixed asset impairments and reversals (Property, plant & equipment)	25,762	16,390
Fixed asset impairments and reversals (RoU Assets)	0	0
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	415	418
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	2,274	1,790
Research and Development	0	0
Expense related to short-term leases	303	171
Expense related to low-value asset leases (excluding short-term leases)	346	493
Other operating expenses	4,201	2,114
<b>Total</b>	<b>908,884</b>	<b>839,854</b>

**3.4 Losses, special payments and irrecoverable debts: charges to operating expenses**

	2024-25	2023-24
	£000	£000
<b>Increase/(decrease) in provision for future payments:</b>		
Clinical negligence;		
Secondary care	14,803	(3,673)
Primary care	872	690
Redress Secondary Care	685	97
Redress Primary Care	0	0
Personal injury	411	(776)
All other losses and special payments	378	306
Defence legal fees and other administrative costs	1,704	958
Gross increase/(decrease) in provision for future payments	18,853	(2,398)
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	150	120
<b>Less: income received/due from Welsh Risk Pool</b>	<b>(16,729)</b>	4,068
<b>Total</b>	<b>2,274</b>	<b>1,790</b>

	2024-25	2023-24
	£	£
Permanent injury included within personal injury £:	363,888	32,538

#### 4. Miscellaneous Income

	2024-25	2023-24
	£000	£000
Local Health Boards	23,705	23,727
NWJCC/ WHSSC and EASC	3,470	3,391
NHS Wales trusts	8,771	9,682
Welsh Special Health Authorities	5,796	5,597
Foundation Trusts	0	0
Other NHS England bodies	4,140	3,688
Other NHS Bodies	73	36
Local authorities	6,090	6,197
Welsh Government	2,940	2,454
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	1	1
Dental fee income	1,854	1,674
Private patient income	31	27
Overseas patients (non-reciprocal)	238	292
Injury Costs Recovery (ICR) Scheme	718	748
Other income from activities	433	303
Patient transport services	0	0
Education, training and research	8,710	8,108
Charitable and other contributions to expenditure	1,114	1,304
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	2,755	805
Receipt of Government granted assets	4	8
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	686	707
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	1,220	1,042
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	459	345
Other income:		
Provision of laundry, pathology, payroll services	289	205
Accommodation and catering charges	1,407	1,412
Mortuary fees	181	184
Staff payments for use of cars	261	221
Business Unit	0	0
Scheme Pays Reimbursement Notional	79	31
Other	2,835	2,134
<b>Total</b>	<b>78,260</b>	<b>74,323</b>
<b>Other income Includes;</b>		
Creche Fees	95	166
Design Fees Recharge	628	481
Drugs Rebate	276	292
Contribution from Ty Bryngwyn Hospice	250	80
Werndale Recharge of CSSD packs	127	133
Energy performance contract	0	0
<b>Total</b>	<b>1,376</b>	<b>1,152</b>

Injury Cost Recovery (ICR) Scheme income	2024-25	2023-24
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	24.45	23.76

**5. Investment Revenue**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
<b>Rental revenue :</b>		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
<b>Interest revenue :</b>		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	10	11
<b>Total</b>	<b>10</b>	<b>11</b>

**6. Other gains and losses**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Gain/(loss) on disposal of property, plant and equipment	20	17
Gain/(loss) on disposal other than by sale of right of use assets	2	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
<b>Total</b>	<b>22</b>	<b>17</b>

**7. Finance costs**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	10	11
Interest on obligations under Right of Use Leases	156	124
Interest on obligations under PFI contracts;		
main finance cost	0	0
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
<b>Total interest expense</b>	<b>166</b>	<b>135</b>
Provisions unwinding of discount	51	48
Other finance costs	0	0
<b>Total</b>	<b>217</b>	<b>183</b>

8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

**LHB as lessee**

As at 31st March 2025 the Health Board had 764 leases agreements in place; 222 arrangements in respect of equipment and 542 in respect of vehicles.

The periods in which the remaining agreements will expire are shown below:

	2024-25	2024-25	2024-25	2023-24
	Low Value & Short Term	Other	Total	Total
	£000	£000	£000	£000
<b>Payments recognised as an expense</b>				
Minimum lease payments	649	1,299	1,948	3,709
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
<b>Total</b>	<b>649</b>	<b>1,299</b>	<b>1,948</b>	<b>3,709</b>
<b>Total future minimum lease payments</b>				
<b>Payable</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Not later than one year	83	2,859	2,942	2,345
Between one and five years	137	2,647	2,784	2,577
After 5 years	0	0	0	0
<b>Total</b>	<b>220</b>	<b>5,506</b>	<b>5,726</b>	<b>4,922</b>

**LHB as lessor**

	2024-25	2023-24
	£000	£000
<b>Rental revenue</b>		
Rent	292	292
Contingent rents	0	0
<b>Total revenue rental</b>	<b>292</b>	<b>292</b>
<b>Total future minimum lease payments</b>		
<b>Receivable</b>	<b>£000</b>	<b>£000</b>
Not later than one year	292	292
Between one and five years	1,168	1,461
After 5 years	268	268
<b>Total</b>	<b>1,728</b>	<b>2,021</b>

**9. Employee benefits and staff numbers**

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2023-24
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	497,860	4,092	12,320	16,391	0	6,210	536,873	518,829
Social security costs	49,593	0	0	1,957	0	533	52,083	48,967
Employer contributions to NHS Pension Scheme	99,937	0	0	2,368	0	0	102,305	82,246
Other pension costs	226	0	0	0	0	0	226	305
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
<b>Total</b>	<b>647,616</b>	<b>4,092</b>	<b>12,320</b>	<b>20,716</b>	<b>0</b>	<b>6,743</b>	<b>691,487</b>	<b>650,347</b>
Charged to capital							806	889
Charged to revenue							690,681	649,458
							<b>691,487</b>	<b>650,347</b>
Net movement in accrued employee benefits (untaken staff leave)							150	99

'Other' costs relate to Medacs - Medical & Dental and Additional Healthcare Professionals pay of £6,036k and PAACCS (Scheme Pays) of £7.07k.

**9.2 Average number of employees**

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2023-24
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,134	3	0	0	0	0	2,137	2,193
Medical and dental	688	2	2	233	0	20	945	945
Nursing, midwifery registered	3,351	1	146	0	0	0	3,498	3,547
Professional, Scientific, and technical staff	376	0	0	0	0	0	376	371
Additional Clinical Services	2,226	0	3	0	0	0	2,229	2,262
Allied Health Professions	736	0	8	0	0	14	758	731
Healthcare Scientists	198	0	2	0	0	0	200	201
Estates and Ancillary	807	0	0	0	0	0	807	853
Students	1	0	0	0	0	0	1	0
<b>Total</b>	<b>10,517</b>	<b>6</b>	<b>161</b>	<b>233</b>	<b>0</b>	<b>34</b>	<b>10,951</b>	<b>11,103</b>

**9.3. Retirements due to ill-health**

	2024-25	2023-24
Number	13	10
Estimated additional pension costs £	1,435,972	294,321

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. These additional pension costs have been calculated on an average basis and will be borne by the NHS Pension Scheme.

**9.4 Employee benefits**

The Health Board has no employee benefit schemes.

9.5 Reporting of other compensation schemes - exit packages

9.5.1 Exit Packages Costs and Numbers

	2024-25	2024-25	2024-25	2024-25	2023-24
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	1
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

	2024-25	2024-25	2024-25	2024-25	2023-24
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	4,000
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,000</b>

<b>Total Exit Costs Paid in Year</b>	<b>Total paid in year</b>	<b>Total paid in year</b>
	<b>2024-25</b>	<b>2023-24</b>
	£	£
Exit costs paid in year	0	4,000
<b>Total</b>	<b>0</b>	<b>4,000</b>

There were no exit packages agreed in 2024-25.

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

Redundancy and other departure costs are paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

**9.5 Reporting of other compensation schemes - exit packages continued**

**9.5.2 Analysis of other departures**

	<b>2024-25</b>	<b>2024-25</b>
	<b>Agreements</b>	<b>Total value of</b>
<b>Type of other departures</b>	<b>Number</b>	<b>agreements</b>
		<b>£</b>
Voluntary redundancies including early retirement contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring Welsh Government Approval	0	0
Other please specify	0	0
Other please specify	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

There were no exit packages agreed in 2024-25.

This disclosure provides detail for the number and value of exit packages agreed in the year.

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 9.5.1 which will be the number of individuals.

**9.6 Fair Pay disclosures**

**9.6.1 Remuneration Relationship**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

The Accountability Report shows that the full year equivalent salary for the Interim Medical Director was in the band £230 -235k. However, only £190-£195k of this related to the salary for the executive role of Interim Medical Director. Therefore the Chief Executive is

	2024-25 £000 Chief	2024-25 £000 Employee	2024-25 £000 Ratio	2023-24 £000 Chief	2023-24 £000 Employee	2023-24 £000 Ratio
<b>Total pay and benefits</b>						
25th percentile pay ratio	228	24	9.50:1	223	23	9.70:1
Median pay	228	32	7.13:1	223	29	7.69:1
75th percentile pay ratio	228	47	4.85:1	223	43	5.19:1
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	228	24		223	23	
Median pay	228	32		223	29	
75th percentile pay ratio	228	47		223	43	

In 2024-25, 39 (2023-24, 35) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £23,970 to £353,573 (2023-24, £22,123 to £451,381).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

**Financial Year Summary**

The median pay of the workforce reflects, in part, the consolidated 5.5% increase with effect from 1 April 2024 for all AfC staff and any change in the composition of the workforce.

**9.6.2 Percentage Changes**

	2023-24 to 2024-25 %	2022-23 to 2023-24 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	2	7
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	11	0
Performance pay and bonuses	0	0

## 9.7 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are 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, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

**c) National Employment Savings Trust (NEST)**

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2024-25 tax year (2023-24 £6,240 and £50,270).

Restrictions on the annual contribution limits were removed on 1st April 2017.

## 10. Public Sector Payment Policy - Measure of Compliance

### 10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	<b>2024-25</b>	<b>2024-25</b>	2023-24	2023-24
<b>NHS</b>	<b>Number</b>	<b>£000</b>	Number	£000
Total bills paid	3,603	369,876	3,667	340,738
Total bills paid within target	3,127	363,701	3,070	336,857
Percentage of bills paid within target	<b>86.8%</b>	<b>98.3%</b>	83.7%	98.9%
<b>Non-NHS</b>				
Total bills paid	236,022	504,712	274,883	665,346
Total bills paid within target	228,149	487,404	263,334	643,214
Percentage of bills paid within target	<b>96.7%</b>	<b>96.6%</b>	95.8%	96.7%
<b>Total</b>				
Total bills paid	<b>239,625</b>	<b>874,588</b>	278,550	1,006,084
Total bills paid within target	<b>231,276</b>	<b>851,105</b>	266,404	980,071
Percentage of bills paid within target	<b>96.5%</b>	<b>97.3%</b>	95.6%	97.4%

### 10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	<b>2024-25</b>	2023-24
	<b>£</b>	<b>£</b>
Amounts included within finance costs (note 7) from claims made under this legislation	<b>0</b>	0
Compensation paid to cover debt recovery costs under this legislation	<b>0</b>	0
<b>Total</b>	<b><u>0</u></b>	<b><u>0</u></b>

11.1 Property, plant and equipment

2024-25

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2024</b>	24,061	282,211	9,570	33,535	97,734	328	33,401	13,270	494,110
Indexation	114	3,564	172	0	0	0	0	0	3,850
Additions									
- purchased	0	2,315	0	23,999	9,062	0	4,288	1,229	40,893
- donated	0	0	0	2,126	629	0	0	0	2,755
- government granted	0	0	0	0	0	0	4	0	4
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	45,357	0	(45,357)	0	0	0	0	0
Revaluations	0	52	(210)	0	0	0	0	0	(158)
Reversal of impairments	143	2,488	0	0	0	0	0	0	2,631
Impairments	0	(34,107)	0	0	0	0	0	0	(34,107)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(3,175)	0	(5)	(2)	(3,182)
<b>At 31 March 2025</b>	<b>24,318</b>	<b>301,880</b>	<b>9,532</b>	<b>14,303</b>	<b>104,250</b>	<b>328</b>	<b>37,688</b>	<b>14,497</b>	<b>506,796</b>
<b>Depreciation at 1 April 2024</b>	<b>0</b>	<b>18,044</b>	<b>843</b>	<b>0</b>	<b>71,439</b>	<b>136</b>	<b>23,916</b>	<b>10,003</b>	<b>124,381</b>
Indexation	0	230	15	0	0	0	0	0	245
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(610)	(376)	0	(26)	0	0	0	(1,012)
Reversal of impairments	0	95	0	0	0	0	0	0	95
Impairments	0	(5,809)	0	0	0	0	0	0	(5,809)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(3,141)	0	(5)	(2)	(3,148)
Provided during the year	0	11,099	526	0	8,458	36	3,576	1,467	25,162
<b>At 31 March 2025</b>	<b>0</b>	<b>23,049</b>	<b>1,008</b>	<b>0</b>	<b>76,730</b>	<b>172</b>	<b>27,487</b>	<b>11,468</b>	<b>139,914</b>
<b>Net book value at 1 April 2024</b>	<b>24,061</b>	<b>264,167</b>	<b>8,727</b>	<b>33,535</b>	<b>26,295</b>	<b>192</b>	<b>9,485</b>	<b>3,267</b>	<b>369,729</b>
<b>Net book value at 31 March 2025</b>	<b>24,318</b>	<b>278,831</b>	<b>8,524</b>	<b>14,303</b>	<b>27,520</b>	<b>156</b>	<b>10,201</b>	<b>3,029</b>	<b>366,882</b>
<b>Net book value at 31 March 2025 comprises :</b>									
Purchased	24,109	274,016	8,524	12,177	25,544	156	10,180	3,003	357,709
Donated	209	4,815	0	2,126	1,472	0	8	26	8,656
Government Granted	0	0	0	0	504	0	13	0	517
<b>At 31 March 2025</b>	<b>24,318</b>	<b>278,831</b>	<b>8,524</b>	<b>14,303</b>	<b>27,520</b>	<b>156</b>	<b>10,201</b>	<b>3,029</b>	<b>366,882</b>
<b>Asset financing :</b>									
Owned	24,318	278,831	8,524	14,303	27,520	156	10,201	3,029	366,882
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2025</b>	<b>24,318</b>	<b>278,831</b>	<b>8,524</b>	<b>14,303</b>	<b>27,520</b>	<b>156</b>	<b>10,201</b>	<b>3,029</b>	<b>366,882</b>

The net book value of land, buildings and dwellings at 31 March 2025 comprises :

	£000
Freehold	307,590
Long Leasehold	4,083
Short Leasehold	0
	<b>311,673</b>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11.1 Property, plant and equipment

2023-24

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	24,829	264,063	8,629	27,866	94,554	265	34,878	13,815	468,899
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
<b>Cost or valuation at 1 April 2023</b>	<b>24,829</b>	<b>264,063</b>	<b>8,629</b>	<b>27,866</b>	<b>94,554</b>	<b>265</b>	<b>34,878</b>	<b>13,815</b>	<b>468,899</b>
Indexation	(403)	6,985	515	0	0	0	0	0	7,097
<b>Additions</b>									
- purchased	0	1,058	0	34,204	4,775	63	3,385	479	43,964
- donated	0	0	0	110	675	0	3	11	799
- government granted	0	0	0	0	0	0	8	0	8
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	28,130	0	(28,645)	515	0	0	0	0
Revaluations	0	0	426	0	0	0	0	0	426
Reversal of impairments	0	8,794	0	0	0	0	0	0	8,794
Impairments	(365)	(26,819)	0	0	0	0	0	0	(27,184)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,785)	0	(4,873)	(1,035)	(8,693)
<b>At 31 March 2024</b>	<b>24,061</b>	<b>282,211</b>	<b>9,570</b>	<b>33,535</b>	<b>97,734</b>	<b>328</b>	<b>33,401</b>	<b>13,270</b>	<b>494,110</b>
Depreciation at 31 March bf	0	9,211	464	0	65,870	102	25,238	9,498	110,383
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April 2023</b>	<b>0</b>	<b>9,211</b>	<b>464</b>	<b>0</b>	<b>65,870</b>	<b>102</b>	<b>25,238</b>	<b>9,498</b>	<b>110,383</b>
Indexation	0	261	28	0	0	0	0	0	289
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	(143)	0	(48)	0	0	0	(191)
Reversal of impairments	0	289	0	0	0	0	0	0	289
Impairments	0	(2,289)	0	0	0	0	0	0	(2,289)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,734)	0	(4,873)	(1,026)	(8,633)
Provided during the year	0	10,572	494	0	8,351	34	3,551	1,531	24,533
<b>At 31 March 2024</b>	<b>0</b>	<b>18,044</b>	<b>843</b>	<b>0</b>	<b>71,439</b>	<b>136</b>	<b>23,916</b>	<b>10,003</b>	<b>124,381</b>
<b>Net book value at 1 April 2023</b>	<b>24,829</b>	<b>254,852</b>	<b>8,165</b>	<b>27,866</b>	<b>28,684</b>	<b>163</b>	<b>9,640</b>	<b>4,317</b>	<b>358,516</b>
<b>Net book value at 31 March 2024</b>	<b>24,061</b>	<b>264,167</b>	<b>8,727</b>	<b>33,535</b>	<b>26,295</b>	<b>192</b>	<b>9,485</b>	<b>3,267</b>	<b>369,729</b>
<b>Net book value at 31 March 2024 comprises :</b>									
Purchased	23,854	259,388	8,727	33,425	24,400	192	9,438	3,213	362,637
Donated	207	4,779	0	110	1,222	0	34	54	6,406
Government Granted	0	0	0	0	673	0	13	0	686
<b>At 31 March 2024</b>	<b>24,061</b>	<b>264,167</b>	<b>8,727</b>	<b>33,535</b>	<b>26,295</b>	<b>192</b>	<b>9,485</b>	<b>3,267</b>	<b>369,729</b>
<b>Asset financing :</b>									
Owned	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2024</b>	<b>24,061</b>	<b>264,167</b>	<b>8,727</b>	<b>33,535</b>	<b>26,295</b>	<b>192</b>	<b>9,485</b>	<b>3,267</b>	<b>369,729</b>

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	293,964
Long Leasehold	2,991
Short Leasehold	0
	<u>296,955</u>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

**11. Property, plant and equipment (continued)****Disclosures:****Disclosures:****i) Donated Assets**

Hywel Dda University LHB has received the following donated assets during the year:

Hywel Dda General Fund Charity (1147863) Plant and Machinery	£502,082
Hywel Dda General Fund Charity (1147863) AUC	£2,106,266
Other Contributions	£146,235

**ii) Valuations**

The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

The LHB is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

**iii) Asset Lives**

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

**iv) Compensation**

There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

**v) Write Downs**

There have not been write downs.

**vi)** The LHB does not hold any property where the value is materially different from its open market value.

**vii) Assets Held for Sale or sold in the period.**

There are not assets held for sale or sold in the period.

**viii) IFRS 13 Fair value measurement**

There are no assets requiring Fair Value measurement under IFRS 13.

**11. Property, plant and equipment****11.2 Non-current assets held for sale**

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
<b>Balance brought forward 1 April 2024</b>	0	0	0	0	0	<b>0</b>
Plus assets classified as held for sale in the year	0	0	0	0	0	<b>0</b>
Revaluation	0	0	0	0	0	<b>0</b>
Less assets sold in the year	0	0	0	0	0	<b>0</b>
Add reversal of impairment of assets held for sale	0	0	0	0	0	<b>0</b>
Less impairment of assets held for sale	0	0	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	<b>0</b>
<b>Balance carried forward 31 March 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance brought forward 1 April 2023</b>	0	0	0	0	0	<b>0</b>
Plus assets classified as held for sale in the year	0	0	0	0	0	<b>0</b>
Revaluation	0	0	0	0	0	<b>0</b>
Less assets sold in the year	0	0	0	0	0	<b>0</b>
Add reversal of impairment of assets held for sale	0	0	0	0	0	<b>0</b>
Less impairment of assets held for sale	0	0	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	<b>0</b>
<b>Balance carried forward 31 March 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. None are individually insignificant.

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>2024-25</b>									
<b>Cost or valuation at 1 April 2024</b>	223	7,998	0	0	2,765	1,111	894	0	12,991
Additions	0	2,955	0	0	510	231	0	0	3,696
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(72)	0	0	0	(66)	0	0	(138)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
<b>At 31 March 2025</b>	<b>223</b>	<b>10,881</b>	<b>0</b>	<b>0</b>	<b>3,275</b>	<b>1,276</b>	<b>894</b>	<b>0</b>	<b>16,549</b>
<b>Depreciation at 1 April 2024</b>	25	2,444	0	0	713	551	291	0	4,024
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(30)	0	0	0	(66)	0	0	(96)
Reclassifications	0	0	0	0	0	(171)	171	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	14	1,205	0	0	455	398	360	0	2,432
<b>At 31 March 2025</b>	<b>39</b>	<b>3,619</b>	<b>0</b>	<b>0</b>	<b>1,168</b>	<b>712</b>	<b>822</b>	<b>0</b>	<b>6,360</b>
<b>Net book value at 1 April 2024</b>	198	5,554	0	0	2,052	560	603	0	8,967
<b>Net book value at 31 March 2025</b>	<b>184</b>	<b>7,262</b>	<b>0</b>	<b>0</b>	<b>2,107</b>	<b>564</b>	<b>72</b>	<b>0</b>	<b>10,189</b>
<b>RoU Asset Total Value Split by Lessor</b>									
<b>Lessor</b>	<b>Land £000</b>	<b>Land &amp; buildings £000</b>	<b>Buildings £000</b>	<b>Dwellings £000</b>	<b>Plant and machinery £000</b>	<b>Transport equipment £000</b>	<b>Information technology £000</b>	<b>Furniture &amp; fittings £000</b>	<b>Total £000</b>
NHS Wales Peppercorn Leases	0	2	0	0	0	0	0	0	2
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	33	0	0	0	0	0	0	0	33
Other Public Sector Market Value Leases	0	2,688	0	0	0	0	0	0	2,688
Private Sector Peppercorn Leases	134	0	0	0	0	0	0	0	134
Private Sector Market Value Leases	17	4,572	0	0	2,107	564	72	0	7,332
<b>Total</b>	<b>184</b>	<b>7,262</b>	<b>0</b>	<b>0</b>	<b>2,107</b>	<b>564</b>	<b>72</b>	<b>0</b>	<b>10,189</b>

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. None are individually insignificant.

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>2023-24</b>									
<b>Cost or valuation at 31 March 2023</b>	223	7,704	0	0	2,249	545	496	0	11,217
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
<b>Cost or valuation at 1 April 2023</b>	<b>223</b>	<b>7,704</b>	<b>0</b>	<b>0</b>	<b>2,249</b>	<b>545</b>	<b>496</b>	<b>0</b>	<b>11,217</b>
Additions	0	294	0	0	516	737	398	0	1,945
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	-171	0	0	-171
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
<b>At 31 March 2024</b>	<b>223</b>	<b>7,998</b>	<b>0</b>	<b>0</b>	<b>2,765</b>	<b>1,111</b>	<b>894</b>	<b>0</b>	<b>12,991</b>
<b>Depreciation at 31 March 2023</b>	11	1,199	0	0	317	228	177	0	1,932
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April 2023</b>	<b>11</b>	<b>1,199</b>	<b>0</b>	<b>0</b>	<b>317</b>	<b>228</b>	<b>177</b>	<b>0</b>	<b>1,932</b>
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	-171	0	-171
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	14	1,245	0	0	396	323	285	0	2,263
<b>At 31 March 2024</b>	<b>25</b>	<b>2,444</b>	<b>0</b>	<b>0</b>	<b>713</b>	<b>551</b>	<b>291</b>	<b>0</b>	<b>4,024</b>
<b>Net book value at 1 April 2023</b>	<b>212</b>	<b>6,505</b>	<b>0</b>	<b>0</b>	<b>1,932</b>	<b>317</b>	<b>319</b>	<b>0</b>	<b>9,285</b>
<b>Net book value at 31 March 2024</b>	<b>198</b>	<b>5,554</b>	<b>0</b>	<b>0</b>	<b>2,052</b>	<b>560</b>	<b>603</b>	<b>0</b>	<b>8,967</b>
<b>RoU Asset Total Value Split by Lessor</b>									
	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	3	0	0	0	0	0	0	3
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	33	0	0	0	0	0	0	0	33
Other Public Sector Market Value Leases	0	636	0	0	0	0	0	0	636
Private Sector Peppercorn Leases	139	0	0	0	0	0	0	0	139
Private Sector Market Value Leases	26	4,915	0	0	2,052	731	432	0	8,156
<b>Total</b>	<b>198</b>	<b>5,554</b>	<b>0</b>	<b>0</b>	<b>2,052</b>	<b>731</b>	<b>432</b>	<b>0</b>	<b>8,967</b>

## 11.3 Right of Use Assets continued

## Quantitative disclosures

	2024-25			2023-24	
	Land £000	Buildings £000	Other £000	Total £000	Total £000
<b>Maturity analysis</b>					
<b>Contractual undiscounted cash flows relating to lease liabilities</b>					
Less than 1 year	9	1,382	1,106	2,497	2,379
2-5 years	8	3,272	2,074	5,354	6,002
> 5 years	0	1,944	16	1,960	2,047
Less finance charges allocated to future periods	0	-489	-147	-636	-377
<b>Total</b>	<b>17</b>	<b>6,109</b>	<b>3,049</b>	<b>9,175</b>	<b>10,051</b>
<b>Lease Liabilities (net of irrecoverable VAT)</b>				<b>2024-25</b>	<b>2023-24</b>
Current				2,338	2,253
Non-Current				6,837	7,798
<b>Total</b>				<b>9,175</b>	<b>10,051</b>
<b>Amounts Recognised in Statement of Comprehensive Net Expenditure</b>				<b>2024-25</b>	<b>2023-24</b>
Depreciation				2,432	2,263
Impairment				0	0
Variable lease payments not included in lease liabilities - Interest expense				156	124
Sub-leasing income				0	0
Expense related to short-term leases				303	171
Expense related to low-value asset leases (excluding short-term leases)				346	493
<b>Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT )</b>					
Interest expense				(156)	(124)
Repayments of principal on leases				(2,354)	(2,151)
<b>Total</b>				<b>(2,510)</b>	<b>(2,275)</b>

## 12. Intangible non-current assets 2024-25

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2024	7,053	0	77	0	0	0	7,130
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	258	0	0	0	0	0	258
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Gross cost at 31 March 2025</b>	<b>7,311</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,388</b>
Amortisation at 1 April 2024	4,631	0	77	0	0	0	4,708
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	728	0	0	0	0	0	728
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Amortisation at 31 March 2025</b>	<b>5,359</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,436</b>
<b>Net book value at 1 April 2024</b>	<b>2,422</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,422</b>
<b>Net book value at 31 March 2025</b>	<b>1,952</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,952</b>
<b>NBV at 31 March 2025</b>							
Purchased	1,945	0	0	0	0	0	1,945
Donated	4	0	0	0	0	0	4
Government Granted	3	0	0	0	0	0	3
Internally generated	0	0	0	0	0	0	0
<b>Total at 31 March 2025</b>	<b>1,952</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,952</b>

## 12. Intangible non-current assets 2023-24

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2023</b>	<b>6,009</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,086</b>
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	1,038	0	0	0	0	0	1,038
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	6	0	0	0	0	0	6
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Gross cost at 31 March 2024</b>	<b>7,053</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,130</b>
<b>Amortisation at 1 April 2023</b>	<b>3,913</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,990</b>
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	718	0	0	0	0	0	718
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Amortisation at 31 March 2024</b>	<b>4,631</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,708</b>
<b>Net book value at 1 April 2023</b>	<b>2,096</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,096</b>
<b>Net book value at 31 March 2024</b>	<b>2,422</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,422</b>
<b>NBV at 31 March 2024</b>							
Purchased	2,410	0	0	0	0	0	2,410
Donated	6	0	0	0	0	0	6
Government Granted	6	0	0	0	0	0	6
Internally generated	0	0	0	0	0	0	0
<b>Total at 31 March 2024</b>	<b>2,422</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,422</b>

## Additional Disclosures re Intangible Assets

### Disclosures:

#### i) Donated Assets

Hywel Dda University LHB has not received any donated intangible assets during the year.

#### ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

#### iii) Asset Lives

The useful economic life of Intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of LHB professionals and Finance staff.

#### iv) Additions during the period

There were £258,000 of software additions in the period.

#### v) Disposals during the period

There were no disposals in the period.

#### vi) Transfers into other NHS Bodies

Hywel Dda LHB has not received any intangible assets transferred from another NHS body.  
The gross carrying amount of fully amortised intangible assets still in use at 31 March 2025 was £3,771,807.

### 13 . Impairments

	2024-25 Property, plant & equipment £000	2024-25 Right of Use Assets £000	2024-25 Intangible assets £000	2024-25 Held for sale assets £000	2024-25 Financial Assets £000	2024-25 Total Asset Impairment £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	0	0	0
Others (specify)	28,298	0	0	0	0	28,298
Reversal of Impairments	(2,536)	0	0	0	0	(2,536)
<b>Total of all impairments</b>	<b>25,762</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,762</b>

#### Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	25,762	0	0	0	0	25,762
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	0	0	0	0	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
<b>Total</b>	<b>25,762</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,762</b>

	2023-24 Property, plant & equipment £000	2023-24 Right of Use Assets £000	2023-24 Intangible assets £000	2023-24 Held for sale assets £000	2023-24 Financial Assets £000	2023-24 Total Asset Impairment £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	0	0	0
Others (specify)	25,298	0	0	0	0	25,298
Reversal of Impairments	(8,506)	0	0	0	0	(8,506)
<b>Total of all impairments</b>	<b>16,792</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,792</b>

#### Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	16,389	0	0	0	0	16,389
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	403	0	0	0	0	403
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
<b>Total</b>	<b>16,792</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,792</b>

**14.1 Inventories**

	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Drugs	<b>6,171</b>	6,040
Consumables	<b>6,130</b>	5,378
Energy	<b>174</b>	198
Work in progress	<b>0</b>	0
Other	<b>0</b>	0
<b>Total</b>	<b>12,475</b>	11,616
Of which held at realisable value	<b>0</b>	0

**14.2 Inventories recognised in expenses**

	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Inventories recognised as an expense in the period	<b>0</b>	0
Write-down of inventories (including losses)	<b>0</b>	0
Reversal of write-downs that reduced the expense	<b>0</b>	0
<b>Total</b>	<b>0</b>	0

**15. Trade and other Receivables**

<b>Current</b>	<b>31 March 2025 £000</b>	31 March 2024 £000
Welsh Government	1,777	737
NWJCC/ WHSSC and EASC	108	362
Welsh Health Boards	1,420	1,714
Welsh NHS Trusts	1,873	3,096
Welsh Special Health Authorities	723	1,139
Non - Welsh Trusts	0	0
Other NHS	438	516
2019-20 Scheme Pays - Welsh Government Reimbursement	707	633
<b>Welsh Risk Pool Claim reimbursement</b>		
NHS Wales Secondary Health Sector	33,867	41,097
NHS Wales Primary Sector FLS Reimbursement	1,631	910
NHS Wales Redress	2,016	1,347
Other	0	0
Local Authorities	852	3,452
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	14,426	15,141
Provision for irrecoverable debts	(1,201)	(1,050)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	9,871	7,335
Other accrued income	0	0
<b>Sub total</b>	<b>68,508</b>	<b>76,429</b>
<b>Non-current</b>		
Welsh Government	0	0
NWJCC/WHSSC and EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
<b>Welsh Risk Pool Claim reimbursement;</b>		
NHS Wales Secondary Health Sector	59,117	54,652
NHS Wales Primary Sector FLS Reimbursement	3	12
NHS Wales Redress	2	0
Other	0	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
<b>Sub total</b>	<b>59,122</b>	<b>54,664</b>
<b>Total</b>	<b>127,630</b>	<b>131,093</b>

The great majority of trade is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

The value of trade receivables that are past their payment date but not impaired is £0.49m 2023-24: (£1.68m).

**15. Trade and other Receivables (continued)****Receivables past their due date but not impaired**

	<b>31 March 2025 £000</b>	<b>31 March 2024 £000</b>
By up to three months	<b>370</b>	1,072
By three to six months	<b>21</b>	484
By more than six months	<b>100</b>	129
	<b>491</b>	<b>1,685</b>

**Expected Credit Losses (ECL) / Provision for impairment of receivables**

Balance at 1 April	<b>(1,050)</b>	<b>(930)</b>
Transfer to other NHS Wales body	<b>0</b>	0
Amount written off during the year	<b>100</b>	51
Amount recovered during the year	<b>0</b>	0
(Increase) / decrease in receivables impaired	<b>(251)</b>	<b>(171)</b>
Bad debts recovered during year	<b>0</b>	0
Balance at 31 March	<b>(1,201)</b>	<b>(1,050)</b>

In determining whether a debt should be impaired, consideration is given to the age of the debt, historic collectability rates and the results of actions already taken including referral to the Health Board's credit agencies.

**Receivables VAT**

Trade receivables	<b>1,307</b>	1,969
Other	<b>0</b>	0
Total	<b>1,307</b>	<b>1,969</b>

**16. Other Financial Assets**

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	£000	£000	£000	£000
<b>Financial assets</b>				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	148	147	826	974
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
<b>Total</b>	<b>148</b>	<b>147</b>	<b>826</b>	<b>974</b>

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure	2024-25	2023-24
RoU Sub-leasing income	0	0

**17. Cash and cash equivalents**

	2024-25	2023-24
	£000	£000
Balance at 1 April	2,141	3,944
Net change in cash and cash equivalent balances	1,802	(1,803)
Balance at 31 March	<b>3,943</b>	<b>2,141</b>
Made up of:		
Cash held at GBS	2,378	923
Commercial banks	1,546	1,200
Cash in hand	19	18
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>3,943</b>	<b>2,141</b>
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>3,943</b>	<b>2,141</b>

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

[Lease Liabilities \(ROUA\) £0.174m](#)

The movement relates to cash, no comparative information is required by IAS 7 in 2024-25.

**18. Trade and other payables**

Current	31 March	31 March
	2025	2024
	£000	£000
Welsh Government	7	1
NWJCC/WHSSC and EASC	2,505	2,316
Welsh Health Boards	4,317	2,599
Welsh NHS Trusts	2,583	2,937
Welsh Special Health Authorities	20	1,318
Other NHS	11,526	9,969
Taxation and social security payable / refunds	6,703	6,100
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	6,260	6,210
Non-NHS payables - Revenue	35,782	34,891
Local Authorities	11,205	18,884
Capital payables- Tangible	13,735	12,902
Capital payables- Intangible	20	938
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	2,338	2,253
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	55,843	65,374
Deferred Income:		
Deferred Income brought forward	1,212	1,031
Deferred Income Additions	881	1,223
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(1,220)	(1,042)
Other creditors	8,323	12,284
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Sub Total</b>	<b>162,040</b>	<b>180,188</b>
<b>Non-current</b>		
Welsh Government	0	0
NWJCC/WHSSC and EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	6,837	7,798
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Sub Total</b>	<b>6,837</b>	<b>7,798</b>
<b>Total</b>	<b>168,877</b>	<b>187,986</b>

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

**18. Trade and other payables (continued).**

<b>Amounts falling due more than one year are expected to be settled as follows:</b>	<b>31 March</b>	<b>31 March</b>
	<b>2025</b>	2024
	<b>£000</b>	£000
Between one and two years	<b>1,965</b>	2,140
Between two and five years	<b>3,089</b>	3,651
In five years or more	<b>1,783</b>	2,007
Sub-total	<b>6,837</b>	7,798

**19. Other financial liabilities**

<b>Financial liabilities</b>	<b>Current</b>		<b>Non-current</b>	
	<b>31 March</b>	31 March	<b>31 March</b>	31 March
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>£000</b>	£000	<b>£000</b>	£000
Financial Guarantees:				
At amortised cost	<b>0</b>	0	<b>0</b>	0
At fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
Derivatives at fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
Other:				
At amortised cost	<b>0</b>	0	<b>0</b>	0
At fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
<b>Total</b>	<b>0</b>	0	<b>0</b>	0

20. Provisions

	At 1 April 2024	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence-									
Secondary care	22,263	0	(890)	100	9,994	(5,439)	(3,522)	0	22,506
Primary care	771	0	0	0	892	(93)	(20)	0	1,550
Redress Secondary care	954	0	(81)	0	932	(218)	(247)	0	1,340
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,155	0	0	13	437	(366)	(26)	51	2,264
All other losses and special payments	0	0	0	0	378	(378)	0	0	0
Defence legal fees and other administration	1,067	0	0	61	1,761	(816)	(279)		1,794
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	11			32	0	(6)	0	0	37
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	149		0	0	4,596	(304)	(93)		4,348
<b>Total</b>	<b>27,370</b>	<b>0</b>	<b>(971)</b>	<b>206</b>	<b>18,990</b>	<b>(7,620)</b>	<b>(4,187)</b>	<b>51</b>	<b>33,839</b>
<b>Non Current</b>									
Clinical negligence-									
Secondary care	51,210	0	0	(100)	22,624	(1,710)	(14,293)	0	57,731
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	13	0	0	(13)	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	618	0	0	(61)	317	(120)	(95)		659
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	622			(32)	79	0	0	0	669
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	2,175	0	0	0	2,175
Other Capital Provisions	0			0	0	0	0	0	0
Other	551		0	0	0	0	(43)		508
<b>Total</b>	<b>53,014</b>	<b>0</b>	<b>0</b>	<b>(206)</b>	<b>25,195</b>	<b>(1,830)</b>	<b>(14,431)</b>	<b>0</b>	<b>61,742</b>
<b>TOTAL</b>									
Clinical negligence-									
Secondary care	73,473	0	(890)	0	32,618	(7,149)	(17,815)	0	80,237
Primary care	771	0	0	0	892	(93)	(20)	0	1,550
Redress Secondary care	954	0	(81)	0	932	(218)	(247)	0	1,340
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,168	0	0	0	437	(366)	(26)	51	2,264
All other losses and special payments	0	0	0	0	378	(378)	0	0	0
Defence legal fees and other administration	1,685	0	0	0	2,078	(936)	(374)		2,453
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	633			0	79	(6)	0	0	706
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	2,175	0	0	0	2,175
Other Capital Provisions	0			0	0	0	0	0	0
Other	700		0	0	4,596	(304)	(136)		4,856
<b>Total</b>	<b>80,384</b>	<b>0</b>	<b>(971)</b>	<b>0</b>	<b>44,185</b>	<b>(9,450)</b>	<b>(18,618)</b>	<b>51</b>	<b>95,581</b>

Expected timing of cash flows:

	In year to 31 March 2026	Between 1 April 2026 and 31 March 2030	Thereafter	Total
				£000
Clinical negligence-				
Secondary care	22,506	57,731	0	80,237
Primary care	1,550	0	0	1,550
Redress Secondary care	1,340	0	0	1,340
Redress Primary care	0	0	0	0
Personal injury	2,264	0	0	2,264
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,794	659	0	2,453
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	37	62	607	706
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	72	2,103	2,175
Other Capital Provisions	0	0	0	0
Other	4,348	508	0	4,856
<b>Total</b>	<b>33,839</b>	<b>59,032</b>	<b>2,710</b>	<b>95,581</b>

20. Provisions (continued)

	At 1 April 2023	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence:-									
Secondary care	8,956	(13,309)	(2,932)	25,293	9,789	(4,918)	(616)	0	22,263
Primary care	161	0	0	0	815	(80)	(125)	0	771
Redress Secondary care	1,013	0	(43)	0	485	(113)	(388)	0	954
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,801	0	0	0	176	(905)	(965)	48	2,155
All other losses and special payments	0	0	0	0	306	(306)	0	0	0
Defence legal fees and other administration	835	0	0	299	1,025	(794)	(298)		1,067
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	6			0	9	(15)	0	0	0
2019-20 Scheme Pays - Reimbursement	9			4	0	(2)	0	0	11
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	142		0	0	272	(160)	(105)		149
<b>Total</b>	<b>14,923</b>	<b>(13,309)</b>	<b>(2,975)</b>	<b>25,596</b>	<b>12,877</b>	<b>(7,293)</b>	<b>(2,497)</b>	<b>48</b>	<b>27,370</b>
<b>Non Current</b>									
Clinical negligence:-									
Secondary care	76,988	0	0	(25,293)	844	(948)	(381)	0	51,210
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	13	0	0	0	13
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	776	0	0	(299)	260	(90)	(29)		618
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	595			(4)	31	0	0	0	622
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	551	0	0		551
<b>Total</b>	<b>78,359</b>	<b>0</b>	<b>0</b>	<b>(25,596)</b>	<b>1,699</b>	<b>(1,038)</b>	<b>(410)</b>	<b>0</b>	<b>53,014</b>
<b>TOTAL</b>									
Clinical negligence:-									
Secondary care	85,944	(13,309)	(2,932)	0	10,633	(5,866)	(997)	0	73,473
Primary care	161	0	0	0	815	(80)	(125)	0	771
Redress Secondary care	1,013	0	(43)	0	485	(113)	(388)	0	954
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,801	0	0	0	189	(905)	(965)	48	2,168
All other losses and special payments	0	0	0	0	306	(306)	0	0	0
Defence legal fees and other administration	1,611	0	0	0	1,285	(884)	(327)		1,685
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	6			0	9	(15)	0	0	0
2019-20 Scheme Pays - Reimbursement	604			0	31	(2)	0	0	633
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	142		0	0	823	(160)	(105)		700
<b>Total</b>	<b>93,282</b>	<b>(13,309)</b>	<b>(2,975)</b>	<b>0</b>	<b>14,576</b>	<b>(8,331)</b>	<b>(2,907)</b>	<b>48</b>	<b>80,384</b>

**21. Contingencies****21.1 Contingent liabilities**

	<b>2024-25</b>	2023-24
	<b>£'000</b>	£'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	<b>135,710</b>	128,790
Primary care	<b>1,694</b>	2,767
Redress Secondary care	<b>0</b>	0
Redress Primary care	<b>0</b>	0
Doubtful debts	<b>0</b>	0
Equal Pay costs	<b>0</b>	0
Defence costs	<b>2,173</b>	2,169
Continuing Health Care costs	<b>457</b>	606
Other	<b>0</b>	0
Total value of disputed claims	<b>140,034</b>	134,332
Amounts (recovered) in the event of claims being successful	<b>(137,440)</b>	<b>(131,486)</b>
<b>Net contingent liability</b>	<b>2,594</b>	<b>2,846</b>

**21.2 Remote Contingent liabilities**

	2024-25 £000	2023-24 £000
Guarantees	0	0
Indemnities	1,412	300
Letters of Comfort	0	0
<b>Total</b>	<b>1,412</b>	<b>300</b>

Remote contingent liabilities include nine claims against the Health Board (2023-24: one). Where these claims progress, the majority of the costs incurred (in excess of the £25k per claim attributable to the Health Board) will be recovered from the Welsh Risk Pool. The above amounts represent the remote contingent liabilities prior to any recovery of costs from the Welsh Risk Pool.

**21.3 Contingent assets**

	2024-25 £000	2023-24 £000
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**22. Capital commitments**

**Contracted capital commitments at 31 March**

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	2024-25 £000	2023-24 £000
Property, plant and equipment	2,057	5,209
Right of Use Assets	0	0
Intangible assets	0	0
<b>Total</b>	<b>2,057</b>	<b>5,209</b>

### 23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note for settlement and claimant costs are prepared on a cash basis.

#### Gross loss to the Exchequer

##### 23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2025	
	Number of cases	£
Clinical negligence:-		
Secondary Care	70	7,148,630
Primary Care	3	92,500
Redress Secondary Care	25	217,774
Redress Primary Care	0	0
Clinical negligence	0	0
Personal injury	28	366,478
All other losses and special payments	211	378,116
<b>Total</b>	<b>337</b>	<b>8,203,498</b>

##### 23.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year cases in excess of £300,000		Cumulative amount
	L&R Case reference number	£	£
<b>Cases in excess of £300,000:</b>			
Clinical negligence:-			
Secondary Care	MN/101/3356/AS	800,000	1,887,966
	MN/101/3984/EC	325,000	325,000
	MN/101/3051/EC	360,000	360,000
	MN/101/2121/CRM	350,000	350,000
	MN/101/3164/TT	569,250	569,250

	Number of cases	£	£
<b>Sub-total</b>	<b>5</b>	<b>2,404,250</b>	<b>3,492,216</b>
<b>All other cases paid in year</b>	<b>332</b>	<b>5,799,248</b>	<b>16,596,786</b>
<b>Total cases paid in year</b>	<b>337</b>	<b>8,203,498</b>	<b>20,089,002</b>

##### 23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number of cases	£
Cumulative amount up to £300k	60	2,515,426
Cumulative amount greater than £300k	15	32,682,167
<b>Total</b>	<b>75</b>	<b>35,197,593</b>

**24. Right of Use lease obligations**

**24.1 Obligations (as lessee)**

Amounts payable under right of use asset leases:

**2024-25**

	<b>LAND</b>	<b>BUILDINGS</b>	<b>OTHER</b>	<b>TOTAL</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Minimum lease payments</b>				
Within one year	9	1,382	1,106	2,497
Between one and five years	8	3,272	2,074	5,354
After five years	0	1,944	16	1,960
Less finance charges allocated to future periods	0	(489)	(147)	(636)
<b>Minimum lease payments</b>	<b>17</b>	<b>6,109</b>	<b>3,049</b>	<b>9,175</b>
Included in:				
Current borrowings	9	1,290	1,039	2,338
Non-current borrowings	8	4,819	2,010	6,837
	<b>17</b>	<b>6,109</b>	<b>3,049</b>	<b>9,175</b>
<b>Present value of minimum lease payments</b>				
Within one year	9	1,336	1,043	2,388
Between one and five years	8	3,049	1,877	4,934
After five years	0	1,557	13	1,570
<b>Present value of minimum lease payments</b>	<b>17</b>	<b>5,942</b>	<b>2,933</b>	<b>8,892</b>
Included in:				
Current borrowings	9	1,336	1,043	2,388
Non-current borrowings	8	4,606	1,890	6,504
	<b>17</b>	<b>5,942</b>	<b>2,933</b>	<b>8,892</b>

**2023-24**

	<b>LAND</b>	<b>BUILDINGS</b>	<b>OTHER</b>	<b>TOTAL</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Minimum lease payments</b>				
Within one year	9	1,386	984	2,379
Between one and five years	18	3,776	2,208	6,002
After five years	0	1,766	281	2,047
Less finance charges allocated to future periods	(1)	(229)	(147)	(377)
<b>Minimum lease payments</b>	<b>26</b>	<b>6,699</b>	<b>3,326</b>	<b>10,051</b>
Included in:				
Current borrowings	9	1,323	921	2,253
Non-current borrowings	17	5,376	2,405	7,798
	<b>26</b>	<b>6,699</b>	<b>3,326</b>	<b>10,051</b>
<b>Present value of minimum lease payments</b>				
Within one year	9	1,357	952	2,318
Between one and five years	17	3,607	2,055	5,679
After five years	0	1,617	250	1,867
<b>Present value of minimum lease payments</b>	<b>26</b>	<b>6,581</b>	<b>3,257</b>	<b>9,864</b>
Included in:				
Current borrowings	9	1,357	952	2,318
Non-current borrowings	17	5,224	2,305	7,546
	<b>26</b>	<b>6,581</b>	<b>3,257</b>	<b>9,864</b>

**24.2 Right of Use Assets receivables (as lessor)**

The Health Board held two Right of Use Assets lease receivables, as a lessor, at the balance sheet date.

**Amounts receivable under right of use assets :**

	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
<b>Gross Investment in leases</b>		
Within one year	157	157
Between one and five years	608	626
After five years	240	378
Less finance charges allocated to future periods	(30)	(40)
Minimum lease payments	<u>975</u>	<u>1,121</u>
Included in:		
Current financial assets	148	147
Non-current financial assets	826	974
	<u>974</u>	<u>1,121</u>
 <b>Present value of minimum lease payments</b>		
Within one year	151	153
Between one and five years	575	597
After five years	221	350
Less finance charges allocated to future periods	(30)	(40)
Present value of minimum lease payments	<u>917</u>	<u>1,060</u>
Included in:		
Current financial assets	143	143
Non-current financial assets	774	917
	<u>917</u>	<u>1,060</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Health Board has no PFI Schemes.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2025 £000	31 March 2024 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

25.2 PFI schemes on-Statement of Financial Position

The Health Board has no PFI Schemes.

Capital value of scheme included in Fixed Assets Note 11	£000
Contract start date:	0
Contract end date:	

Total obligations for on-Statement of Financial Position PFI contracts due:

2024-25	On SoFP PFI Capital element	On SoFP PFI IFRS 16 impact Finance Charge	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000
Total payments due within one year	0	0	0	0
Total payments due between 1 and 5 years	0	0	0	0
Total payments due thereafter	0	0	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

  

2023-24	On SoFP PFI Capital element	On SoFP PFI IFRS 16 impact Finance Charge	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000
Total payments due within one year	0	0	0	0
Total payments due between 1 and 5 years	0	0	0	0
Total payments due thereafter	0	0	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

  

	31/03/2025 £000
Total present value of obligations for on-SoFP PFI contracts	0

**25.3 Charges to expenditure**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	<b>0</b>	0
Total expense for Off Statement of Financial Position PFI contracts	<b>0</b>	0
The total charged in the year to expenditure in respect of PFI contracts	<b>0</b>	<b>0</b>

The LHB is committed to the following annual charges

<b>PFI scheme expiry date:</b>	<b>£000</b>	£000
Not later than one year	<b>0</b>	0
Later than one year, not later than five years	<b>0</b>	0
Later than five years	<b>0</b>	0
<b>Total</b>	<b>0</b>	<b>0</b>

The estimated annual payments in future years will vary from those which the Health Board is committed to make during the next year by the impact of movement in the Retail Prices Index.

**25.4 Number of PFI contracts**

	<b>Number of on SoFP PFI contracts</b>	<b>Number of off SoFP PFI contracts</b>
Number of PFI contracts	0	0
Number of PFI contracts which individually have a total commitment > £500m	0	0
<b>PFI Contract</b>		<b>On / Off- statement of financial position</b>
Number of PFI contracts which individually have a total commitment > £500m		0
<b>PFI Contract</b>		On/Off

**25.5** The Health Board did not have any Public Private Partnerships during the year.

## **26. 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. The Health Board 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 these standards mainly apply. The Health Board has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Health Board in undertaking its activities.

### **Currency risk**

The Health Board is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the United Kingdom and Sterling based. The Health Board does not have any overseas operations. The Health Board therefore has low exposure to currency rate fluctuations.

### **Interest rate risk**

Health Boards are not permitted to borrow and the Health Board therefore has low exposure to interest rate fluctuations.

### **Credit risk**

As the majority of the Health Board's funding derives from funds voted by the Welsh Government the Health Board has low exposure to credit risk.

### **Liquidity risk**

The Health Board is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The Health Board is not, therefore, exposed to significant liquidity risks.

**27. Movements in working capital**

	2024-25 £000	2023-24 £000
(Increase)/decrease in inventories	(859)	(74)
(Increase)/decrease in trade and other receivables - non-current	(4,310)	23,022
(Increase)/decrease in trade and other receivables - current	7,920	(19,243)
Increase/(decrease) in trade and other payables - non-current	(961)	(603)
Increase/(decrease) in trade and other payables - current	(18,148)	(6,439)
<b>Total</b>	<b>(16,358)</b>	<b>(3,337)</b>
Adjustment for accrual movements in fixed assets - creditors	85	417
Adjustment for accrual movements in fixed assets - debtors	0	0
Adjustment for accrual movements in right of use assets - creditors	876	351
Adjustment for accrual movements in right of use assets - debtors	(147)	(145)
Other adjustments	1	0
	<b>(15,543)</b>	<b>(2,714)</b>

**28. Other cash flow adjustments**

	2024-25 £000	2023-24 £000
Depreciation	27,594	26,796
Amortisation	728	718
(Gains)/Loss on Disposal	(22)	(17)
Impairments and reversals	25,762	16,390
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	(2,755)	(805)
Government Grant assets received credited to revenue but non-cash	(4)	(8)
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0
Non-cash movements in right of use assets	(2,028)	0
Non-cash movements in provisions	24,647	(4,568)
Other movements	40,327	25,059
<b>Total</b>	<b>114,249</b>	<b>63,565</b>

Other movements are Notional funding received for the

- LHB notional 9.4% Staff Employer Pension Contributions and
- 2019/20 Pensions Annual Allowance Charge Compensation Scheme

funded directly to the NHSBA Pensions Division by Welsh Government.

## 29. Events after the Reporting Period

### TBC post audit

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on xx xx xxxx; post the date the financial statements were certified by the Auditor General for Wales.

**30. Related Party Transactions**

A number of the LHB's Board members have interests in related parties as follows:

Name	Details	Interests
Alwena Hughes Moakes	Communications and Engagement	Close family member is employed by Aberystwyth University
Andrew Carruthers	Director of Operations	Close family member is employed by NHS Wales Executive
Ann Murphy	Independent Member	Member of Royal College of Nursing
Chantal Patel	Independent Member	Associate Professor, Swansea University
Delyth Raynsford	Independent Member	Close family member is employed by HDdUHB
Huw Thomas	Director of Finance	Close family member is employed by Carmarthenshire County Council Close family member is employed by HDdUHB Honorary Professor in Aberystwyth University
Iwan Thomas	Independent Member	Independent Board Member on Pembrokeshire College Board (Chair)
Joanne Wilson	Director of Corporate Governance / Board Secretary	Close family member is employed by HDdUHB
Lee Davies	Director of Strategy and Planning	Close family member is employed in a GP practice within HDdUHB
Lisa Gostling	Director of Workforce and OD and Deputy Chief Executive	Governor at Pembrokeshire College Close family members employed by HDdUHB
Mark Herwood	Interim Medical Director	Clinical Chair of the Werdale Hospital (part of the Circle Group)
Maynard Davies	Independent Member	Member of the Information Governance Review Panel for the SAIL Databank run by Swansea University
Michael Gray	Associate Member	Director of Social Services Pembrokeshire County Council
Philip Kloer	Chief Executive	Honorary Professor, Swansea University Medical School Member of Council of St John, Carmarthen
Rhodri Evans	Independent Member	Ceredigion County Councillor Close family member is employed by Audit Wales
Winston Weir	Independent Member	Close family member is an associate professor, at the University of Birmingham

Total value of transactions are with entities at which Board members and key senior staff have influential interests in 2024-25:

List of suppliers from above	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Aberystwyth University	184			
Audit Wales	636			
Carmarthenshire County Council	27,138	1,455	6,889	478
Ceredigion County Council	10,968	386	1,931	112
Pembrokeshire College	70			
Pembrokeshire County Council	32,757	3,792	2,359	261
Royal College of Nursing	8			
St John Cymru-Wales	109			
Swansea University	1,131	75	21	1
University of Birmingham	21	14		2
Werdale	669	12	182	32
	<b>73,691</b>	<b>5,734</b>	<b>11,382</b>	<b>886</b>

Hywel Dda University Health Board is the Corporate Trustee of Hywel Dda Health Charities. During the year, the Health Board received £2,608,348 of donated assets from the Charity.

During the year the Health Board made payments on behalf of the Charity. As at 31 March 2025 a balance of £431,730 was owed to the Health Board by the Charity.

The Welsh Government is regarded as a related party of the Health Board. During the year the Health Board had a significant number of material revenue and capital transactions with either the Welsh Government or with other entities for which the Welsh Government is regarded as the parent body, namely:

Related Party	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	2	1,316,269	7	1,777
Aneurin Bevan University Health Board	377	438	33	17
Betsi Cadwaladr University Health Board	321	5,677	25	440
Cardiff & Vale University Health Board	8,366	679	757	57
Cwm Taf Morgannwg University Health Board	868	632	74	70
Digital Health & Care Wales (DHCW)	7,184	747	8	104
Health Education & Improvement Wales (HEIW)	28	12,039	12	619
NHS Wales Joint Commissioning Committee	142,225	3,470	2,505	108
Powys Teaching Health Board	543	10,579	53	630
Public Health Wales NHS Trust	2,835	3,828	227	466
Swansea Bay University Health Board	47,361	5,701	3,374	207
Velindre NHS Trust	35,768	4,833	2,333	1,369
Welsh Ambulance Services Trust	1,660	111	24	38
	<b>247,538</b>	<b>1,365,003</b>	<b>9,432</b>	<b>5,902</b>

### 31. Third Party assets

The LHB held £1,367,121 cash at bank and in hand at 31 March 2025 (31 March 2024, £1,308,415) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £1,130,920 at 31 March 2025 (31 March 2024, £1,035,355). This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

## 32. Pooled budgets

Under Section 33 of the NHS (Wales) 2006 Act the Health Board has entered in to multiple pooled budget arrangements with local authorities and accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The financial operation of the pooled budget is governed by a pooled budget agreement between the various local authorities and the Health Board.

### **Carmarthenshire County Council:**

On 1 October 2009 the Health Board entered into a pooled budget arrangement for the provision of an integrated community joint equipment store. The pool is hosted by the local authority and a memorandum note to the final accounts will provide details of the joint income and expenditure. Payments for services provided by the local authority in the sum of £887,092 are accounted for as expenditure in the accounts of the Health Board.

In addition, on the 3 March 2011 the Health Board entered into a pooled budget arrangement for the provision of Carmarthenshire Community Health and Social Care services. The Section 33 agreement only provided the framework for taking forward future schedules and therefore references all community based health, social care (adults & children) and related housing and public protection services so that if any future developments are considered, a separate agreement will not have to be prepared. There are currently no pooled budgets related to this agreement.

### **Ceredigion County Council:**

On 1 April 2009 the Health Board entered into a pooled budget arrangement for the provision of an integrated community joint equipment store. The pool is hosted by the local authority and a memorandum note to the final accounts will provide details of the joint income and expenditure. Payments for services provided by the local authority in the sum of £475,000 are accounted for as expenditure in the accounts of the Health Board.

### **Pembrokeshire County Council:**

On 31 March 2011 the Health Board entered into a pooled budget arrangement for the provision of an integrated community joint equipment store. The pool is hosted by the local authority and a memorandum note to the final accounts will provide details of the joint income and expenditure. Payments for services provided by the local authority in the sum of £397,040 are accounted for as expenditure in the accounts of the Health Board.

### **33. Operating segments**

Accounting standard IFRS 8 defines an operating segment as a component of an entity.

The Health Board has no operating segments requiring disclosure.

**34. Other Information****34.1. 9.4% Staff Employer Pension Contributions - Notional Element**

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2024 to 31st March 2025. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2024 and February 2025 alongside Health Board data for March 2025.

Transactions include notional expenditure in relation to the 9.4% paid to NHSBSA by Welsh Government and notional funding to cover that expenditure as follows:

	2024-25 £000	2023-24 £000
<b>Statement of Comprehensive Net Expenditure for the year ended 31 March 2025</b>		
Expenditure on Primary Healthcare Services	663	343
Expenditure on healthcare from other providers	0	0
Expenditure on Hospital and Community Health Services	39,659	24,714
<b>Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025</b>		
Net operating cost for the year	40,322	25,057
Notional Welsh Government Funding	40,322	25,057
<b>Statement of Cash Flows for year ended 31 March 2025</b>		
Net operating cost for the financial year	40,322	25,057
Other cash flow adjustments	40,322	25,057
<b>2.1 Revenue Resource Performance</b>		
Revenue Resource Allocation	40,322	25,057
<b>3. Analysis of gross operating costs</b>		
<b>3.1 Expenditure on Primary Healthcare Services</b>		
General Medical Services	663	343
Pharmaceutical Services	0	0
General Dental Services	0	0
Other Primary Health Care expenditure	0	0
<b>3.2 Expenditure on healthcare from other providers</b>		
	0	0
	0	0
<b>3.3 Expenditure on Hospital and Community Health Services</b>		
Directors' costs	421	210
Staff costs	38,965	24,349
Single Lead Employer staff trainee costs	936	498
<b>9.1 Employee costs</b>		
<b>Permanent Staff</b>		
Employer contributions to NHS Pension Scheme	40,322	25,057
Charged to capital	69	71
Charged to revenue	40,253	24,986
<b>18. Trade and other payables</b>		
<b>Current</b>		
Pensions: staff	0	0
<b>28. Other cash flow adjustments</b>		
Other movements	40,322	25,057

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

**Other****34.2 IFRS 17 - Insurance Contract Disclosures**

The outcome of the contract review for a range of income contract types applicable to the organisation, did not identify any insurance contracts that fall within the scope of IFRS 17.

**STATEMENT OF FINANCIAL POSITION**

(Signage as per provision note disclosure)	£000
Liability for incurred claims @ 1 April 2024	0
Liability for remaining payments @ 31 March 2025	<u>0</u>
	0
Arising during year	0
Utilised	0
Reversed unused	0
Movement in Discount Rates	<u>0</u>
	0

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
/ STATEMENT OF COMPREHENSIVE INCOME \*Delete as appropriate**

(Signage as per income and expenditure note disclosure)	£000
Insurance Income	0
Insurance expenditure	0

**THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY**

**LOCAL HEALTH BOARDS**

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)1, in the form specified in paragraphs [2] to [7] below.

**BASIS OF PREPARATION**

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

**FORM AND CONTENT**

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

**MISCELLANEOUS**

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board



**Hywel Dda UHB**

**Draft Annual Accounts 2024/25**

**Cyfrifon Blynyddol Drafft 2024/25**

# Content

1 Performance against Financial Targets

2 High level analysis of movement

3 Summary and next steps

# Performance against Financial Targets

## Annual Accounts: Note 2.1 (Page 27)

### 1. Revenue Resource Performance (Statutory)

From 1 April 2014, the Health Board is required to ensure that expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years.

### Target Not achieved in 2024/25

The Health Board received £24m strategic cash only support in 2024/25 (£66m in 2023/24).

	Year 1 2022/23 £'000	Year 2 2023/24 £'000	Year 3 2024/25 £'000	Total £'000
Revenue Resource Allocation	1,098,379	1,200,554	1,332,462	<b>3,631,395</b>
Total Operating Expenses	1,157,423	1,266,369	1,356,601	<b>3,780,393</b>
<b>Under / (Over) spend against Allocation</b>	(59,044)	(65,815)	(24,139)	<b>(148,998)</b>

# Performance against Financial Targets

Annual Accounts: Note 2.2 (Page 27)

## 2. Capital Resource Performance (Statutory)

From 1 April 2014, the Health Board is required to ensure that expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years.

**Target achieved in 2024/25**

	Year 1 2022/23 £'000	Year 2 2023/24 £'000	Year 3 2024/25 £'000	Total £'000
Capital Resource Allocation	33,653	46,919	42,725	123,297
Charge against Capital Allocation	33,584	46,886	42,639	123,109
<b>Under / (Over) spend against Allocation</b>	69	33	86	188

# Performance against Financial Targets

## Annual Accounts: Note 2.3 (Page 28)

### 3. Duty to prepare a 3 Year Plan (Statutory)

The NHS Wales Planning Framework for the period 2024-2027 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium-Term Plans to the Welsh Government. The LHB did not submit an Integrated Medium-Term Plan for the period 2024-2027 in accordance with NHS Wales Planning Framework.

The LHB had been unable to produce a financially balanced plan for 2023-24 and this contributed to the escalation status of the Health Board being raised to entire organisation Targeted Intervention on the Welsh Government Joint Escalation and Intervention Arrangements in January 2024. Following agreement at the January 2024 Board meeting, HDdUHB wrote to the Welsh Government in February 2024 to provide formal notification through an accountability letter that unfortunately the Health Board would again not be able to submit a financially balanced IMTP by the end of March 2024 and instead would produce an Annual Plan for 2024-25.

The Annual Plan set out the key objectives and deliverables for the next 12 months and laid the foundations for further progress beyond that in achieving the Board's aim to firstly reverse the deteriorating trajectory of our financial position and secondly agree a clear and deliverable route map to the organisation's control total. In addition, whilst progress had been made in several areas, the Health Board continued to have significant performance issues that our plan simultaneously needed to address.

The LHB was allocated additional funding by Welsh Government (WG) in year. WG also set a revised Target Control Total of £31.55m. The Health Board has achieved the revised control total with a yearend deficit of £24.1m (subject to audit).

Having placed the entire Health Board in 'targeted intervention' in January 2024, WG has de-escalated three areas to enhanced monitoring due to the progress seen. The three de-escalated areas are Child and Adolescent Health and Mental Health (CAHMS), Planned Care, and Leadership and Governance. While this is a positive step forward, it is acknowledged that pressures remain across the organisation.

**Target Not achieved in 2024/25**

# Performance against Financial Targets

## Annual Accounts: Note 2.4 (Page 28)

### 4. Creditor Payment

The Welsh Government requires that Health Boards pay their trade creditors in accordance with the **CBI Prompt Payment Code (PSPP)** and Government Accounting rules. The financial target is to pay 95% of these non-NHS invoices (number, not financial value) within 30 days of delivery. This service is provided to all Health Boards by NWSSP Accounts Payable Services

**Target achieved in 2024/25**

Non-NHS Invoices	2024/25	2023/24
Total number of Invoices Paid	236,022	274,883
Total number paid within Target	228,149	263,334
<b>% of Invoices Paid within Target</b>	<b>96.7%</b>	<b>95.8%</b>

## Key movements

- Expenditure on healthcare from other providers – Note 3.2 (Page 29)
- Expenditure on Hospital & Community Health Services – Note 3.3 (Page 30)
- Statement of Financial Position – Page 4
- Provisions – Note 20 (Page 58)

## Expenditure on healthcare from other providers – Note 3.2

	2024/25 £'000	2023/24 £'000
Goods and services from other NHS Wales Health Boards	56,325	52,017
Goods and services from other NHS Wales Trusts	6,129	5,826
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non-Welsh NHS bodies	371	2,156
Goods and services from NJCC (formerly WHSCC / EASC)	142,225	129,262
Local Authorities	17,020	19,143
Voluntary organisations	4,334	4,515
NHS Funded Nursing Care	3,269	3,410
Continuing Care	54,621	54,226
Private providers	8,870	4,381
Other	11	89
<b>Total</b>	<b>293,175</b>	<b>275,025</b>

Increase mainly due to inflation and investments with Swansea Bay and Cardiff & Vale as well as overperformance on Service Level Agreements.

Increase for inflation, unavoidable growth, cost pressures and wage awards of £7.8m. Along with £3m for investments. Risk share increased by £2m.

Increase in cost mainly relates to Elective Recovery Plan £3m. Also received additional funding for Autism Spectrum Disorder (ASD) assessments in Mental Health £770k.

## Expenditure on Hospital and Community Health Services – Note 3.3

	2024/25 £'000	2023/24 £'000
Directors' costs	3,040	2,628
Operational Staff costs	646,179	610,185
Single lead employer Staff Trainee Cost	20,717	16,539
Supplies and services - clinical	115,429	105,366
Supplies and services - general	12,647	10,925
Consultancy Services	72	410
Establishment	11,629	11,872
Transport	1,904	1,626
Premises	35,256	31,385
External Contractors	388	28
Depreciation, Amortisation & Fixed asset impairment	51,652	41,641
Depreciation & Fixed asset impairment (RoU Assets)	2,432	2,263
Audit fees	415	418
Losses, special payments and irrecoverable debts	2,274	1,778
Expense relates to short-term leases	303	171
Expense related to low-value asset leases	346	493
Other operating expenses	4,201	2,126
<b>Total</b>	<b>908,884</b>	<b>839,854</b>

Pay awards of £34.2m (with WG allocation funding)

Increased drugs and vaccines cost £6.6m  
Increase in contractual clinical services £1.4m mainly due to elective recovery plan  
Increase in laboratory equipment £1m

Mainly due to increase in computer software/license fees and maintenance £4m

Depreciation is £0.6m higher compared to last year, indexation credit is lower by £6.5m and revaluations and impairments are £2.9m higher.

# Movement in the Statement of Financial Position

	31/3/2025 £'000	31/3/2024 £'000
Property, plant and equipment	366,882	369,729
Right of Use Assets	10,189	8,967
Intangible assets	1,952	2,422
Trade and other receivables	59,122	54,664
Other financial assets	826	974
<b>Total non-current assets</b>	<b>438,971</b>	<b>436,756</b>
Inventories	12,475	11,616
Trade and other receivables	68,508	76,429
Other financial assets	148	147
Cash and cash equivalents	3,943	2,141
<b>Total current assets</b>	<b>85,074</b>	<b>90,333</b>
<b>Total assets</b>	<b>524,045</b>	<b>527,089</b>
Trade and other payables	(162,040)	(180,188)
Provisions	(33,839)	(27,370)
<b>Total current liabilities</b>	<b>(195,879)</b>	<b>(207,558)</b>
<b>Net current assets/(liabilities)</b>	<b>(110,805)</b>	<b>(117,225)</b>
Trade and other payables	(6,837)	(7,798)
Provisions	(61,742)	(53,014)
<b>Total non-current liabilities</b>	<b>(68,579)</b>	<b>(60,812)</b>
<b>Total assets employed</b>	<b>259,587</b>	<b>258,719</b>

The movement on trade and other receivables is due to the movement on the Welsh Risk Pool debtor.

Current trade and other payable have decreased by £18m.

The main reasons for this decrease are (£10m) reduction in non-NHS accruals which include (£10m) reduction in CHC accruals, (£5m) reduction in facilities accruals and £5m increase in core processing accruals.

Local Authorities creditors decreased by £8m due to a reduction in local authority CHC creditors.

The main movement on provisions is due to clinical negligence - more detail on next slide

## Provisions (Note 20) – further analysis

	2024/25 £'000	2023/24 £'000
<b>Clinical negligence:-</b>		
Secondary care	80,237	73,473
Primary Care	1,550	771
Redress Secondary care	1,340	954
Personal injury	2,264	2,168
Defence legal fees and other administration	2,453	1,685
2019/20 Scheme Pays - reimbursement	706	633
Right of Use Asset Dilapidations Capital AME	2,175	0
Other	4,856	700
<b>Total</b>	<b>95,581</b>	<b>80,384</b>

The increase in Clinical Negligence Secondary Care provision of £7m largely relates to 3 cases. Two of which have increased by £21m, whilst the other reduced by £11m.

RoU Dilapidations: provisions for the lease of the SARC building and extension to lease of Building 14 St David's Park

Other: the increase relates to the provision for the Band 2 to 3 HCSW re-banding

Cases summary	2024/25			2023/24		
	Number of cases	Provision £'000	Avg/case £'000	Number of cases	Provision £'000	Avg/case £'000
Clinical Negligence	362	83,127	230	351	75,198	214
Personal Injury	73	2,264	31	64	2,168	34

### Progress & Key Dates

- Audit Wales currently auditing the draft Annual Accounts (submitted to WG and Audit Wales on 2 May 2025)
- Final Annual Accounts to be presented to ARAC on 24 June 2025
- Final Annual Accounts to Board 26 June 2025 and onward submission to WG by 30 June 2025