



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	09 July 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Audited Annual Accounts 2023/24
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Rhian Davies, Assistant Director of Finance and Tim John, Senior Finance Business Partner (Accounting & Statutory Reporting)

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The 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 audited Accounts.

The draft Accounts were submitted to Welsh Government on 3 May 2024.

The Accounts have been scrutinised by Audit Wales since 3 May, with the Final Accounts now being presented to ARAC along with the ISA260 from Audit Wales.

The Accounts are being presented to the Board for approval on 11 July 2024.

Submission to Welsh Government is required by 15 July 2024.

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 Audited Annual Accounts are enclosed for discussion, along with an accompanying presentation.

Key points to note are:

- There has been a rigorous audit undertaken over an extended period. The draft accounts were submitted on 3 May 2024 and are required to be submitted to WG by 15 July 2024. Practical completion of the audit concluded week ending 21 June 2024. It is planned to shorten the audit period next year, more in line with pre-pandemic timescales.
- Changes to the accounts have been made for:
 - Misclassification errors
 - Additional disclosures

The changes made to these areas are to aid the reader of the accounts with their interpretation of the data. No changes were required that affected the overall financial position reported.

 - There is one final disclosure amendment outstanding in respect of Note 29 Events After the Reporting Period. This amendment is in relation to the Pay Award agreements reached on 28 June. We are awaiting an agreed All-Wales wording from Audit Wales.
- There is one recommendation in respect of the need to reinstate theatre stock checks that have been put on hold since the pandemic. The Health Board accepts this recommendation and will look to use Scan for Safety as it is rolled out across the Health Board to help with addressing this issue.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is asked to approve the audited annual accounts for 2023/24, for onward ratification by the Board.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.26 The Committee shall review the Annual Accounts and Financial Statements before submission to the Board, focusing particularly on: 3.26.1 the ISA 260 report to those charged with governance; 3.26.2 changes in, and compliance with, accounting policies and practices; 3.26.3 unadjusted mis-statements in the financial statements; 3.26.4 major judgemental areas; 3.26.5 significant adjustments resulting from the audit; 3.26.6 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:	1642 - Risk of Health Board not meeting statutory requirement to break even 2023/24 due to significant deficit position Score 25
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable Choose an item. Choose an item. Choose an item.
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable Choose an item. Choose an item. Choose an item.

Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable Choose an item. Choose an item. Choose an item.
Amcanion Cynllunio Planning Objectives	Not Applicable Choose an item. Choose an item. Choose an item.
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable Choose an item. Choose an item. Choose an item.

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 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.
Partion / 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

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial implications are inherent within the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Risk to our financial position affects our ability to discharge timely and effective care to patients
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	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.
Enw Da: Reputational:	Adverse variance against the UHB's financial plan will affect our reputation with Welsh Government, Audit Wales and with external stakeholders
Gyfrinachedd: Privacy:	Not Applicable

**Cydraddoldeb:
Equality:**

Not Applicable

Cyfrifon blynyddol 2023/24

Annual Accounts 2023/24

Adding value. Today. Tomorrow. Together.
Creu gwerth gyda'n gilydd. Heddiw ac i'r dyfodol.

Content

- Performance against Financial Targets
- Changes to the Accounts – from Draft to Audited
- Summary and next steps

Note 2.1 (Page 27)

1. Revenue Resource Performance (Statutory)

From 1st 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 2023/24

The Health Board received £66m strategic cash only support in 2023/24 (£52.3m in 2022/23).

	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Revenue Resource Allocation	1,069,956	1,098,379	1,200,554	3,368,889
Total Operating Expenses	1,094,956	1,157,423	1,266,369	3,518,748
Under / (Over) spend against Allocation	(25,000)	(59,044)	(65,815)	(149,859)

Note 2.2 (Page 27)

2. Capital Resource Performance (Statutory)

From 1st 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 2023/24

	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Capital Resource Allocation	61,113	33,653	46,919	141,685
Charge against Capital Allocation	61,051	33,584	46,886	141,521
Under / (Over) spend against Allocation	62	69	33	164

Note 2.3 (Page 28)

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

The submission of a three-year Integrated Medium-Term Plan (IMTP) to Welsh Government (WG) is a statutory obligation. Hywel Dda UHB has not had an approvable plan to date. The UHB has been in 'targeted intervention' for planning and finance since September 2022.

The UHB wrote to WG in February 2023, to provide formal notification through an accountability letter that unfortunately it would not be in a position to submit a financially balanced IMTP and instead would produce an Annual Plan for 2023/24. The Annual Plan was predicated on no additional workforce and/or further investments (outside of the nursing workforce stabilisation) and set out how its key priorities and revised Planning Objectives aligned to the national priorities and the key opportunities and challenges facing Mid and West Wales. This approach was expected to support improved and sustainable operational performance and equally be the basis of a revised roadmap to financial sustainability.

However, due to WG concerns on the lack of sustained progress over a period of time on integrated planning, finance and delivery, on 23 January 2024, WG increased the escalation status to 'targeted intervention' for the entire organisation.

Target Not achieved in 2023/24

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 2023/24

Non-NHS Invoices	2023/24	2022/23
Total number of Invoices Paid	274,883	282,778
Total number paid within Target	263,334	270,188
% of Invoices Paid within Target	95.8%	95.5%

Changes
from draft
accounts
presented
9 May
2024

As outlined in ISA 260

- Related Parties (Note 30) amended for late change to balances within Velindre, inclusion of monies owed by/owing to Hywel Dda Charities and relationship declaration omitted from draft accounts in error
- Events After the Reporting Date (Note 29) amended for disclosure in respect of 2023/24 Pay Award agreements for junior doctors, SAS doctors and consultants
- Trade and Other Payables (Note 18) –misclassification of non-NHS payables corrected and reclassified as Local Authorities spend
- Prompt payment (Note 10.1) – number of invoices paid amended – no impact on target achievement
- Property, Plant & Equipment (Note 11.1) – split between freehold and leasehold corrected
- Narrative disclosure amendments

	Draft		Final	
Note 10.1 PSPP and 2.4 Creditor payment				
NHS	No.	£000	No.	£000
Total bills paid	3672	340,741	3667	340,738
Total bills within target	3075	336,860	3070	336,857
Percentage bills within target	83.7%	98.9%	83.7%	98.9%
Non-NHS	No.	£000	No.	£000
Total bills paid	274,952	666,048	274,883	665,346
Total bills within target	263,402	643,903	263,334	643,214
Percentage bills within target	95.8%	96.7%	95.8%	96.7%
Note 11.1 Property, Plant and Equipment				
Net Book Value at 31 March 2024		£000		£000
Freehold		294,664		293,964
Long Leasehold		2,291		2,991
Total		296,955		296,955
Note 18 Trade and Other payables				
Current		£000		£000
Non-NHS payables		42,493		34,891
Local Authorities		10,832		18,884
All other		126,863		126,863
Total		180,188		180,188
Note 30 Related Parties				
Income from		£000		£000
Velindre NHS Trust		7,244		6,286

Next Steps

- Audit and Risk Assurance Committee is asked to approve the ISA260 and Audited Accounts
- Final Accounts to be presented to Board 11 July 2024
- Auditor General proposed sign off 12 July 2024
- Final Accounts to WG by 15 July 2024

HYWEL DDA UNIVERSITY 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 2023-24. 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 LHB 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 1 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 2024

	Note	2023-24 £000	2022-23 £000
Expenditure on Primary Healthcare Services	3.1	223,827	217,876
Expenditure on healthcare from other providers	3.2	275,025	259,628
Expenditure on Hospital and Community Health Services	3.3	839,854	748,787
		<u>1,338,706</u>	<u>1,226,291</u>
Less: Miscellaneous Income	4	(74,323)	(71,422)
LHB net operating costs before interest and other gains and losses		1,264,383	1,154,869
Investment Revenue	5	(11)	0
Other (Gains) / Losses	6	(17)	(17)
Finance costs	7	183	140
Net operating costs for the financial year		<u>1,264,538</u>	<u>1,154,992</u>

See note 2 on page 27 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 73 form part of these accounts.

Other Comprehensive Net Expenditure

	2023-24	2022-23
	£000	£000
Net (gain) / loss on revaluation of property, plant and equipment	(7,425)	(27,943)
Net (gain)/loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	(582)
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	<u>(7,425)</u>	<u>(28,525)</u>
Total comprehensive net expenditure for the year	<u><u>1,257,113</u></u>	<u><u>1,126,467</u></u>

The notes on pages 8 to 73 form part of these accounts.

Statement of Financial Position as at 31 March 2024

	Notes	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Property, plant and equipment	11	369,729	358,516
Right of Use Assets	11.3	8,967	9,285
Intangible assets	12	2,422	2,096
Trade and other receivables	15	54,664	77,539
Other financial assets	16	974	1,121
Total non-current assets		436,756	448,557
Current assets			
Inventories	14	11,616	11,542
Trade and other receivables	15	76,429	57,188
Other financial assets	16	147	145
Cash and cash equivalents	17	2,141	3,944
		90,333	72,819
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		90,333	72,819
Total assets		527,089	521,376
Current liabilities			
Trade and other payables	18	(180,188)	(186,627)
Other financial liabilities	19	0	0
Provisions	20	(27,370)	(14,923)
Total current liabilities		(207,558)	(201,550)
Net current assets/ (liabilities)		(117,225)	(128,731)
Non-current liabilities			
Trade and other payables	18	(7,798)	(8,401)
Other financial liabilities	19	0	0
Provisions	20	(53,014)	(78,359)
Total non-current liabilities		(60,812)	(86,760)
Total assets employed		258,719	233,066
Financed by :			
Taxpayers' equity			
General Fund		194,091	174,600
Revaluation reserve		64,628	58,466
Total taxpayers' equity		258,719	233,066

The financial statements on pages 2 to 7 were approved by the Board on 11 July 2024 and signed on its behalf by:

Interim Chief Executive and Accountable Officer Date:
11 July 2024

The notes on pages 8 to 73 form part of these accounts.

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

	General Fund	Revaluation Reserve	Total Reserves
	£000	£000	£000
Changes in taxpayers' equity for 2023-24			
Balance as at 31 March 2023	174,600	58,466	233,066
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
Balance at 1 April 2023	174,600	58,466	233,066
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
Total recognised income and expense for 2023-24	(1,263,275)	6,162	(1,257,113)
Net Welsh Government funding	1,257,707		1,257,707
Notional Welsh Government Funding	25,059		25,059
Balance at 31 March 2024	194,091	64,628	258,719

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 73 form part of these accounts.

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance at 31 March 2022	168,450	32,200	200,650
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	187	0	187
Balance at 1 April 2022	<u>168,637</u>	<u>32,200</u>	<u>200,837</u>
Net operating cost for the year	(1,154,992)	-	(1,154,992)
Net gain/(loss) on revaluation of property, plant and equipment	0	27,943	27,943
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	1,677	(1,677)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	582	0	582
Total recognised income and expense for 2022-23	<u>(1,152,733)</u>	<u>26,266</u>	<u>(1,126,467)</u>
Net Welsh Government funding	1,136,697	-	1,136,697
Notional Welsh Government Funding	21,999	-	21,999
Balance at 31 March 2023	<u>174,600</u>	<u>58,466</u>	<u>233,066</u>

The notes on pages 8 to 73 form part of these accounts.

Statement of Cash Flows for year ended 31 March 2024

	2023-24 £000	2022-23 £000 Restated
Cash Flows from operating activities		
Net operating cost for the financial year	(1,264,538)	(1,154,992)
Movements in Working Capital	27 (2,714)	539
Other cash flow adjustments	28 63,565	73,992
Provisions utilised	20 (8,331)	(12,736)
Net cash outflow from operating activities	(1,212,018)	(1,093,197)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(45,092)	(38,569)
Proceeds from disposal of property, plant and equipment	78	213
Purchase of intangible assets	(327)	(872)
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
Net cash inflow/(outflow) from investing activities	(45,341)	(39,228)
Net cash inflow/(outflow) before financing	(1,257,359)	(1,132,425)
Cash Flows from financing activities		
Welsh Government funding (including capital)	1,257,707	1,136,697
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	(2,151)	(1,893)
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	1,255,556	1,134,804
Net increase/(decrease) in cash and cash equivalents	(1,803)	2,379
Cash and cash equivalents (and bank overdrafts) at 1 April 2023	3,944	1,565
Cash and cash equivalents (and bank overdrafts) at 31 March 2024	2,141	3,944

The notes on pages 8 to 73 form part of these accounts.

The cash flow for 2022-23 has been restated. A non-material Statement of Financial Position audit adjustment relating to Welsh Risk Pool was not reflected in the cash flow and associated note (Note 28). There was no affect to the overall financial position.

	Original	Restated
Note 28		
Non-cash movement in provisions	18,147	13,559
All other	60,433	60,433
Total	78,580	73,992

Statement of Cash Flows for year ended 31 March 2023

Cash flows from operating activities		
Net operating costs for the financial year	(1,154,992)	(1,154,992)
Movements in Working Capital	539	539
Other cash flow adjustments	78,580	73,992
Provisions utilised	(12,736)	(12,736)
Net cash outflow from operating activities	(1,088,609)	(1,093,197)
Net cash inflow/(outflow) from investing activities	(39,228)	(39,228)
Net cash inflow/(outflow) before financing	(1,127,837)	(1,132,425)
Net financing	1,134,804	1,134,804
Net increase/(decrease) in cash and cash equivalents	6,967	2,379
Cash and cash equivalents (and bank overdrafts) at 1 April 2022	1,565	1,565
Cash and cash equivalents (and bank overdrafts) at 31 March 2023	8,532	3,944

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) 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 2023-24 Manual for Accounts. The accounting policies contained in that manual follow the 2023-24 Financial Reporting Manual (FRoM) 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 FRoM. 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.

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 latest NHS Pension Scheme valuation results indicated that an increase in benefit required a 6.3% increase (14.38% to 20.68%) which was implemented from 1 April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated from 2019-20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency).

However, NHS Wales' organisations are required to account for **their staff** employer contributions of 20.68% 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 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 so 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.

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.

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 Hywel Dda UHB 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 has been employed 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 Hywel Dda UHB 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

Hywel Dda UHB 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 Hywel Dda UHB 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 entity 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 Hywel Dda UHB applies a revised rate to the remaining lease liability.

Where existing leases are modified Hywel Dda UHB 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 Hywel Dda UHB.

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 Hywel Dda UHB's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Hywel Dda UHB'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 Hywel Dda UHB 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 Hywel Dda UHB 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 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (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 NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation 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 NHS Wales organisation 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 NHS Wales organisation 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 2022-23. The WRP is hosted by Velindre NHS University 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 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 NHS Wales organisation 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 NHS Wales organisation 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 NHS Wales organisation 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 NHS Wales organisation 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 NHS Wales organisation 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 NHS Wales organisation 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 NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRP).

The NHS Wales organisation 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 budget

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 NHS Wales organisation 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 NHS Wales organisation, 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;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision*
	Contingent Liability for all other estimated expenditure.	
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	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 minus 0.25%.

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 Annual leave accrual

Individual approved requests from staff to carry forward leave are used to derive the annual leave accrual.

1.24.4 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) PADMs (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 2023-24 (as advised by the service), the maximum achievable value has been accrued.

1.24.4 Primary Care Expenditure (continued)

In terms of prescribing cost for 2023-24, 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 average cost per item from the November to January 2024 PARS reports.

The number of items (growth) used to calculate net PARS items was derived from a comparison between YTD items to data received in respect of December 2023 and January 2024. The resultant growth estimation rate for 2023-24 was 0% (2022-23 – 0%)

Vaccination and Immunisation costs were calculated by applying the prior year percentage of spend to January 2023 to the YTD spend to January 2024.

Stoma costs were calculated on a straight-line basis based on the YTD cost to January 2024.

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 - Hywel Dda UHB has no PFI transactions

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1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes
As from 1st April 2023 - Hywel Dda UHB 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 NHS Wales organisation, 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 NHS Wales organisation. 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 - not applicable

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 not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2023-24 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 and therefore is required to consolidate the results of Hywel Dda Health Charities within the statutory accounts of Hywel Dda UHB.

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.

However, Hywel Dda UHB 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 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 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			
	2021-22	2022-23	2023-24	Total
	£000	£000	£000	£000
Net operating costs for the year	1,093,409	1,154,992	1,264,538	3,512,939
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,547	2,431	1,831	5,809
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Less any non funded revenue consequences of IFRS 16	0	0	0	0
Total operating expenses	1,094,956	1,157,423	1,266,369	3,518,748
Revenue Resource Allocation	1,069,956	1,098,379	1,200,554	3,368,889
Under / (over) spend against Allocation	(25,000)	(59,044)	(65,815)	(149,859)

Hywel Dda University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-22 to 2023-24.

The health board received non-repayable strategic cash support of £66m in 2023-24 (£52.3m in 2022-23).

2.2 Capital Resource Performance

	2021-22	2022-23	2023-24	Total
	£000	£000	£000	£000
Gross capital expenditure	62,677	34,256	47,760	144,693
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment, right of use and intangible assets	(553)	(196)	(61)	(810)
Less capital grants received	0	0	(8)	(8)
Less donations received	(1,073)	(476)	(805)	(2,354)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	0	0
Charge against Capital Resource Allocation	61,051	33,584	46,886	141,521
Capital Resource Allocation	61,113	33,653	46,919	141,685
(Over) / Underspend against Capital Resource Allocation	62	69	33	164

Hywel Dda University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2021-22 to 2023-24.

2.3 Duty to prepare a 3 year integrated plan

The submission of a three-year Integrated Medium Term Plan (IMTP) to Welsh Government (WG) is a statutory obligation. For an IMTP to be approvable, it must show financial balance over the lifecycle of the Plan and, as such, Hywel Dda UHB has not had an approvable plan to date.

Hywel Dda UHB has been in 'targeted intervention' for planning and finance since September 2022 and 'enhanced monitoring' for the organisation as a whole. Following agreement at the January 2023 Board meeting, Hywel Dda UHB wrote to WG in February 2023, to provide formal notification through an accountability letter that unfortunately it would not be in a position to submit a financially balanced IMTP by 31 March 2023 and instead would produce an Annual Plan for 2023-24.

In recognition of the financial challenge, the 2023-24 Annual Plan was predicated on no additional workforce and/or further investments (outside of the nursing workforce stabilisation). The UHB's Annual Plan set out how its key priorities and revised Planning Objectives aligned to the national priorities and the key opportunities and challenges facing Mid and West Wales. The UHB is also developing a Clinical Services Plan, which will begin to bridge the operational challenges it is facing today and the plans for a new hospital network and realisation of its strategy *A Healthier Mid and West Wales*. This approach was expected to support improved and sustainable operational performance and equally be the basis of a revised roadmap to financial sustainability.

However, due to WG concerns on the lack of sustained progress over a period of time on integrated planning, finance and delivery, on 23 January 2024, WG increased the escalation status to 'targeted intervention' for the entire organisation. This ministerial decision followed the tripartite process of Healthcare Inspectorate Wales, Audit Wales and Welsh Government officials' discussing collective intelligence of NHS Wales organisations.

The Minister for Health and Social Services extant approval

Status

Not Approved

Date

The LHB has not 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:

	2023-24	2022-23
Total number of non-NHS bills paid	274,883	282,778
Total number of non-NHS bills paid within target	263,334	270,188
Percentage of non-NHS bills paid within target	95.8%	95.5%

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	2023-24 Total £000	2022-23 Total £000
General Medical Services	85,345		85,345	79,855
Pharmaceutical Services	22,981	(6,577)	16,404	14,837
General Dental Services	20,079		20,079	23,308
General Ophthalmic Services	1,699	4,746	6,445	5,206
Other Primary Health Care expenditure	6,956		6,956	7,972
Prescribed drugs and appliances	88,598		88,598	86,698
Total	225,658	(1,831)	223,827	217,876

GMS includes £8.174m for managed practices staff costs

3.2 Expenditure on healthcare from other providers

	2023-24 £000	2022-23 £000
Goods and services from other NHS Wales Health Boards	52,017	47,949
Goods and services from other NHS Wales Trusts	5,826	9,423
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	2,156	1,612
Goods and services from WHSSC / EASC	129,262	121,541
Local Authorities	19,143	20,059
Voluntary organisations	4,515	4,003
NHS Funded Nursing Care	3,410	3,325
Continuing Care	54,226	49,203
Private providers	4,381	2,473
Specific projects funded by the Welsh Government	0	0
Other	89	40
Total	275,025	259,628

3.3 Expenditure on Hospital and Community Health Services

	2023-24	2022-23
	£000	£000
Directors' costs	2,628	2,351
Operational Staff costs	610,185	552,152
Single lead employer Staff Trainee Cost	16,539	14,882
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	105,366	92,113
Supplies and services - general	10,925	7,160
Consultancy Services	410	1,629
Establishment	11,872	8,631
Transport	1,626	1,410
Premises	31,385	28,108
External Contractors	28	498
Depreciation	24,533	23,000
Depreciation Right of Use assets (RoU)	2,263	1,932
Amortisation	718	750
Fixed asset impairments and reversals (Property, plant & equipment)	16,390	11,973
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	418	412
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,790	1,030
Research and Development	0	0
Expense related to short-term leases	171	178
Expense related to low-value asset leases (excluding short-term leases)	493	583
Other operating expenses	2,114	(5)
Total	839,854	748,787

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

	2023-24	2022-23
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	(3,673)	22,475
Primary care	690	161
Redress Secondary Care	97	189
Redress Primary Care	0	0
Personal injury	(776)	(159)
All other losses and special payments	306	468
Defence legal fees and other administrative costs	958	1,057
Gross increase/(decrease) in provision for future payments	(2,398)	24,191
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	120	147
Less: income received/due from Welsh Risk Pool	4,068	(23,308)
Total	1,790	1,030

	2023-24	2022-23
	£	£
Permanent injury included within personal injury £:	32,538	(609,907)

4. Miscellaneous Income

	2023-24 £000	2022-23 £000
Local Health Boards	23,727	22,605
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	3,391	3,079
NHS Wales trusts	9,682	8,587
Welsh Special Health Authorities	5,597	4,540
Foundation Trusts	0	0
Other NHS England bodies	3,688	4,289
Other NHS Bodies	36	148
Local authorities	6,197	5,603
Welsh Government	2,454	2,623
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	1	2
Dental fee income	1,674	1,813
Private patient income	27	24
Overseas patients (non-reciprocal)	292	145
Injury Costs Recovery (ICR) Scheme	748	701
Other income from activities	303	513
Patient transport services	0	0
Education, training and research	8,108	8,235
Charitable and other contributions to expenditure	1,304	1,266
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	805	476
Receipt of Government granted assets	8	0
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	707	517
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	1,042	619
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	345	345
Other income:		
Provision of laundry, pathology, payroll services	205	190
Accommodation and catering charges	1,412	1,290
Mortuary fees	184	195
Staff payments for use of cars	221	209
Business Unit	0	0
Scheme Pays Reimbursement Notional	31	(319)
Other	2,134	3,727
Total	74,323	71,422
Other income Includes;		
Creche Fees	166	161
Design Fees Recharge	481	482
Drugs Rebate	292	662
Contribution from Ty Bryngwyn Hospice	80	207
Werndale Recharge of CSSD packs	133	140
Energy performance contract	0	578
	0	0
Total	1,152	2,230

Injury Cost Recovery (ICR) Scheme income	2023-24	2022-23
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.76	23.76

5. Investment Revenue

	2023-24	2022-23
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	11	0
Total	<u>11</u>	<u>0</u>

6. Other gains and losses

	2023-24	2022-23
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	17	17
Gain/(loss) on disposal other than by sale of right of use assets	0	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
Total	<u>17</u>	<u>17</u>

7. Finance costs

	2023-24	2022-23
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	11	12
Interest on obligations under Right of Use Leases	124	92
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
Total interest expense	<u>135</u>	<u>104</u>
Provisions unwinding of discount	48	36
Other finance costs	0	0
Total	<u>183</u>	<u>140</u>

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

LHB as lessee

As at 31st March 2024 the LHB had 689 leases agreements.

	2023-24	2023-24	2023-24	2022-23
	Low Value & Short Term	Other	Total	Total
	£000	£000	£000	£000
Payments recognised as an expense				
Minimum lease payments	664	3,045	3,709	2,913
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	664	3,045	3,709	2,913
Total future minimum lease payments Payable	£000	£000	£000	£000
Not later than one year	111	2,234	2,345	1,518
Between one and five years	180	2,397	2,577	1,661
After 5 years	0	0	0	0
Total	291	4,631	4,922	3,179

LHB as lessor

	2023-24	2022-23
	£000	£000
Rental revenue		
Rent	292	292
Contingent rents	0	0
Total revenue rental	292	292
Total future minimum lease payments Receivable	£000	£000
Not later than one year	292	292
Between one and five years	1,461	1,461
After 5 years	268	561
Total	2,021	2,314

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	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	466,648	3,332	28,390	13,300	0	7,159	518,829	467,540
Social security costs	46,739	0	0	1,587	0	641	48,967	45,154
Employer contributions to NHS Pension Scheme	80,595	0	0	1,651	0	0	82,246	72,652
Other pension costs	305	0	0	0	0	0	305	319
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
Total	594,287	3,332	28,390	16,538	0	7,800	650,347	585,665

Charged to capital							889	835
Charged to revenue							649,458	584,830
							650,347	585,665
Net movement in accrued employee benefits (untaken staff leave)							99	(11,969)

'Other' costs relates to Medacs -Medical & Dental and AHP pay £7,167k and Scheme Pays (PAACS) £633k

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,188	4	1	0	0	0	2,193	2,166
Medical and dental	685	5	4	226	0	25	945	889
Nursing, midwifery registered	3,185	2	360	0	0	0	3,547	3,418
Professional, Scientific, and technical staff	371	0	0	0	0	0	371	358
Additional Clinical Services	2,257	0	5	0	0	0	2,262	2,268
Allied Health Professions	712	0	3	0	0	16	731	706
Healthcare Scientists	200	1	0	0	0	0	201	195
Estates and Ancillary	848	0	5	0	0	0	853	845
Students	0	0	0	0	0	0	0	0
Total	10,446	12	378	226	0	41	11,103	10,845

9.3. Retirements due to ill-health

	2023-24	2022-23
Number	10	10
Estimated additional pension costs £	294,321	555,270

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are 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

	2023-24	2023-24	2023-24	2023-24	2022-23
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	1	1	0	1
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	1
£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
Total	0	1	1	0	2

	2023-24	2023-24	2023-24	2023-24	2022-23
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	4,000	4,000	0	1,295
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	49,338
£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
Total	0	4,000	4,000	0	50,633

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2023-24	2022-23
	£	£
Exit costs paid in year	4,000	50,633
Total	4,000	50,633

Redundancy and other departure costs have been 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.

9.6 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 £250-255k. However, only £190-£195k of this related to the salary for the executive role of Interim Medical Director. Therefore the Chief Executive is the highest paid Director.

Steve Moore stood down from his role as Chief Executive on 31 January 2024 (and left the Health Board on 11 February 2024). The full year equivalent salary for the role of Chief Executive is reflected below.

	2023-24 £000 Chief Executive	2023-24 £000 Employee	2023-24 £000 Ratio	2022-23 £000 Chief Executive	2022-23 £000 Employee	2022-23 £000 Ratio
Total pay and benefits						
25th percentile pay ratio	223	23	9.70:1	208	23	9.04:1
Median pay	223	29	7.69:1	208	29	7.17:1
75th percentile pay ratio	223	43	5.19:1	208	43	4.84:1
Salary component of total pay and benefits						
25th percentile pay ratio	223	23	9.70:1	208	23	9.04:1
Median pay	223	29	7.69:1	208	29	7.17:1
75th percentile pay ratio	223	43	5.19:1	208	43	4.84:1

In 2023-24, 35 (2022-23, 41) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £22,123 to £451,381 (2022-23, £20,758 to £367,923).

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 has remained consistent year on year.

9.6.2 Percentage Changes	2022-23 to 2023-24 %	2021-22 to 2022-23 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	7	2
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	0	0
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	0	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. 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 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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 (taking into account recent demographic experience), and to recommend contribution rates payable by employees and 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.

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 2023-24 tax year (2022-23 £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.

	2023-24	2023-24	2022-23	2022-23
NHS	Number	£000	Number	£000
Total bills paid	3,667	340,738	3,776	316,452
Total bills paid within target	3,070	336,857	3,610	315,273
Percentage of bills paid within target	83.7%	98.9%	95.6%	99.6%
Non-NHS				
Total bills paid	274,883	665,346	282,778	616,240
Total bills paid within target	263,334	643,214	270,188	603,658
Percentage of bills paid within target	95.8%	96.7%	95.5%	98.0%
Total				
Total bills paid	278,550	1,006,084	286,554	932,692
Total bills paid within target	266,404	980,071	273,798	918,931
Percentage of bills paid within target	95.6%	97.4%	95.5%	98.5%

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

	2023-24	2022-23
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

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
Cost or valuation at 1 April 2023	24,829	264,063	8,629	27,866	94,554	265	34,878	13,815	468,899
Indexation	(403)	6,985	515	0	0	0	0	0	7,097
Additions									
- 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)
At 31 March 2024	24,061	282,211	9,570	33,535	97,734	328	33,401	13,270	494,110
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
Depreciation at 1 April 2023	0	9,211	464	0	65,870	102	25,238	9,498	110,383
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
At 31 March 2024	0	18,044	843	0	71,439	136	23,916	10,003	124,381
Net book value at 1 April 2023	24,829	254,852	8,165	27,866	28,684	163	9,640	4,317	358,516
Net book value at 31 March 2024	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729
Net book value at 31 March 2024 comprises :									
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
At 31 March 2024	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729
Asset financing :									
Owned	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729
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
At 31 March 2024	24,061	264,167	8,727	33,535	26,295	192	9,485	3,267	369,729

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
	296,955

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 1 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

2022-23

	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	25,456	253,270	8,424	37,369	95,575	129	33,137	12,567	465,927
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
Cost or valuation at 1 April 2022	25,456	253,270	8,424	37,369	95,575	129	33,137	12,567	465,927
Indexation	(468)	6,269	391	0	0	0	0	0	6,192
Additions									
- purchased	0	3,198	0	23,551	3,289	136	1,735	1,223	33,132
- donated	0	0	0	0	445	0	6	25	476
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	582	0	0	0	582
Reclassifications	0	30,359	0	(30,405)	46	0	0	0	0
Revaluations	326	(5,242)	(186)	0	0	0	0	0	(5,102)
Reversal of impairments	8	(1,652)	0	0	0	0	0	0	(1,644)
Impairments	(493)	(22,139)	0	(2,649)	0	0	0	0	(25,281)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(5,383)	0	0	0	(5,383)
At 31 March 2023	24,829	264,063	8,629	27,866	94,554	265	34,878	13,815	468,899
Depreciation at 31 March bf	0	39,270	1,882	0	63,661	95	21,411	8,056	134,375
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
Depreciation at 1 April 2022	0	39,270	1,882	0	63,661	95	21,411	8,056	134,375
Indexation	0	(2)	2	0	0	0	0	0	0
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	(24,794)	(1,878)	0	(181)	0	0	0	(26,853)
Reversal of impairments	0	(13,027)	0	0	0	0	0	0	(13,027)
Impairments	0	(1,925)	0	0	0	0	0	0	(1,925)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(5,187)	0	0	0	(5,187)
Provided during the year	0	9,689	458	0	7,577	7	3,827	1,442	23,000
At 31 March 2023	0	9,211	464	0	65,870	102	25,238	9,498	110,383
Net book value at 1 April 2022	25,456	214,000	6,542	37,369	31,914	34	11,726	4,511	331,552
Net book value at 31 March 2023	24,829	254,852	8,165	27,866	28,684	163	9,640	4,317	358,516
Net book value at 31 March 2023 comprises :									
Purchased	24,615	250,133	8,165	27,866	26,963	163	9,563	4,224	351,692
Donated	214	4,719	0	0	879	0	70	93	5,975
Government Granted	0	0	0	0	842	0	7	0	849
At 31 March 2023	24,829	254,852	8,165	27,866	28,684	163	9,640	4,317	358,516
Asset financing :									
Owned	24,829	254,852	8,165	27,866	28,684	163	9,640	4,317	358,516
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
At 31 March 2023	24,829	254,852	8,165	27,866	28,684	163	9,640	4,317	358,516

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	284,900
Long Leasehold	2,946
Short Leasehold	0
	287,846

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

Hywel Dda UHB received the following donated assets during the year:

Hywel Dda General Fund Charity (1147863) Plant and Machinery	£626,928
Hywel Dda General Fund Charity (1147863) Furniture and Fittings	£ 16,956
Hywel Dda General Fund Charity (1147863) Assets Under Construction	£109,965
Hywel Dda General Fund Charity (1147863) Information Technology	£ 2,831
Other Contributions	£ 41,756

ii) Valuations

The LHB's land and Buildings were revalued by the Valuation Office Agency with an effective date of 1 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, or 35 years for new expenditure not yet covered by valuations.
- 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 been no 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 no assets held for sale or sold in the period other than surplus Plant and Machinery.

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
Balance brought forward 1 April 2023	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2024	0	0	0	0	0	0
Balance brought forward 1 April 2022	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2023	0	0	0	0	0	0

11.3 Right of Use Assets

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2023-24									
Cost or valuation at 31 March	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
Cost or valuation at 1 April	223	7,704	0	0	2,249	545	496	0	11,217
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
At 31 March	223	7,998	0	0	2,765	1,111	894	0	12,991
Depreciation at 31 March	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
Depreciation at 1 April	11	1,199	0	0	317	228	177	0	1,932
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
At 31 March	25	2,444	0	0	713	551	291	0	4,024
Net book value at 1 April	212	6,505	0	0	1,932	317	319	0	9,285
Net book value at 31 March	198	5,554	0	0	2,052	560	603	0	8,967
RoU Asset Total Value Split by Lessor									
Lessor	Land	Land	Buildings	Dwellings	Plant and	Transport	Information	Furniture	Total
	£000	&	£000	£000	machinery	equipment	technology	& fittings	£000
		£000			£000	£000	£000	£000	£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
Total	198	5,554	0	0	2,052	731	432	0	8,967

11.3 Right of Use Assets

2022-23	Land £000	& buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
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	182	7,617	0	0	2,048	288	496	0	10,631
Cost or valuation at 1 April	182	7,617	0	0	2,048	288	496	0	10,631
Additions	41	87	0	0	201	257	0	0	586
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	0	0	0	0
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
At 31 March	223	7,704	0	0	2,249	545	496	0	11,217
Depreciation at 31 March	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
Depreciation at 1 April	0	0	0	0	0	0	0	0	0
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	0	0	0
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	11	1,199	0	0	317	228	177	0	1,932
At 31 March	11	1,199	0	0	317	228	177	0	1,932
Net book value at 1 April	182	7,617	0	0	2,048	288	496	0	10,631
Net book value at 31 March	212	6,505	0	0	1,932	317	319	0	9,285
RoU Asset Total Value Split by Lessor		Land & buildings	Buildings	Dwellings	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
NHS Wales Peppercorn Leases	0	4	0	0	0	0	0	0	4
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	177	0	0	0	0	0	0	0	177
Other Public Sector Market Value Leases	0	1,792	0	0	0	0	0	0	1,792
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	35	4,709	0	0	1,932	317	319	0	7,312
Total	212	6,505	0	0	1,932	317	319	0	9,285

11.3 Right of Use Assets continued

Quantitative disclosures

	2023-24	2023-24	2023-24	2023-24	2022-23
	LAND	BUILDINGS	OTHER	TOTAL	
	£000	£000	£000	£000	£000
Maturity analysis					
Contractual undiscounted cash flows relating to lease liabilities					
Less than 1 year	9	1,386	984	2,379	2,091
2-5 years	18	3,776	2,208	6,002	5,885
> 5 years	0	1,766	281	2,047	2,772
Less finance charges allocated to future periods	-1	-229	-147	-377	-345
Total	26	6,699	3,326	10,051	10,403
Lease Liabilities (net of irrecoverable VAT)				2023-24	2022-23
Current				2,253	2,001
Non-Current				7,798	8,401
Total				10,051	10,402
Amounts Recognised in Statement of Comprehensive Net Expenditure				2023-24	2022-23
Depreciation				2,263	1,932
Impairment				0	0
Variable lease payments not included in lease liabilities - Interest expense				124	92
Sub-leasing income				0	0
Expense related to short-term leases				171	178
Expense related to low-value asset leases (excluding short-term leases)				493	583
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)					
Interest expense				(124)	(92)
Repayments of principal on leases				(2,151)	(1,893)
Total				(2,275)	(1,985)

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
Cost or valuation at 1 April 2023	6,009	0	77	0	0	0	6,086
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
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2024	7,053	0	77	0	0	0	7,130
Amortisation at 1 April 2023	3,913	0	77	0	0	0	3,990
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
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2024	4,631	0	77	0	0	0	4,708
Net book value at 1 April 2023	2,096	0	0	0	0	0	2,096
Net book value at 31 March 2024	2,422	0	0	0	0	0	2,422
NBV at 31 March 2024							
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
Total at 31 March 2024	2,422	0	0	0	0	0	2,422

12. Intangible non-current assets 2022-23

	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 2022	5,947	0	77	0	0	0	6,024
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	62	0	0	0	0	0	62
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
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2023	6,009	0	77	0	0	0	6,086
Amortisation at 31 March bf	3,163	0	77	0	0	0	3,240
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
Amortisation at 1 April 2022	3,163	0	77	0	0	0	3,240
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	750	0	0	0	0	0	750
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2023	3,913	0	77	0	0	0	3,990
Net book value at 1 April 2022	2,784	0	0	0	0	0	2,784
Net book value at 31 March 2023	2,096	0	0	0	0	0	2,096
NBV at 31 March 2023							
Purchased	2,088	0	0	0	0	0	2,088
Donated	0	0	0	0	0	0	0
Government Granted	8	0	0	0	0	0	8
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	2,096	0	0	0	0	0	2,096

Additional Disclosures re Intangible Assets

Disclosures:

i) Donated Assets

The Health Board received £6,000 of donated intangible assets in 2023-24.

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 £1,038,000 of software additions in 2023-24 (excluding donated additions).

v) Disposals during the period

There were no disposals during the year.

The gross carrying amount of fully amortised intangible assets still in use at 31 March 2024 was £3,435,659.

13 . Impairments

	2023-24	2023-24	2023-24	2022-23	2022-23	2022-23
	Property, plant & equipment	Right of Use Assets	Intangible assets	Property, plant & equipment	Right of Use Assets	Intangible assets
	£000	£000	£000	£000	£000	£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	24,176	0	0
Reversal of Impairments	(8,506)	0	0	(11,383)	0	0
Total of all impairments	16,792	0	0	12,793	0	0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	16,389	0	0	11,973	0	0
Impairments as a result of revaluation/indexation Charged to Revaluation Reserve	403	0	0	820	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
Total	16,792	0	0	12,793	0	0

Others comprised of:

- Indexation of land	£ 768,000
- Impairments arising from the presence of RAAC at Worthybush Hospital	£ 4,461,000
- First time revaluations on completion of significant capital schemes:	
Worthybush Fire Prevention Phase 1	£ 17,794,000
Bronglais Fluoroscopy Room	£ 980,000
Women & Children's	£ 713,000
Solar Farm (Hafan Derwen)	£ 296,000
Bro Myrddin	£ 286,000

14.1 Inventories

	31 March	31 March
	2024	2023
	£000	£000
Drugs	6,040	5,843
Consumables	5,378	5,442
Energy	198	257
Work in progress	0	0
Other	0	0
Total	11,616	11,542
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2024	2023
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

15. Trade and other Receivables

Current	31 March 2024 £000	31 March 2023 £000
Welsh Government	737	166
WHSSC / EASC	362	728
Welsh Health Boards	1,714	2,301
Welsh NHS Trusts	3,096	1,907
Welsh Special Health Authorities	1,139	653
Non - Welsh Trusts	0	39
Other NHS	516	829
2019-20 Scheme Pays - Welsh Government Reimbursement	633	604
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	41,097	29,662
NHS Wales Primary Sector FLS Reimbursement	910	182
NHS Wales Redress	1,347	1,268
Other	0	0
Local Authorities	3,452	1,469
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	15,141	12,618
Provision for irrecoverable debts	(1,050)	(930)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	7,335	5,692
Other accrued income	0	0
Sub total	76,429	57,188
Non-current		
Welsh Government	0	0
WHSSC / 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
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	54,652	77,539
NHS Wales Primary Sector FLS Reimbursement	12	0
NHS Wales Redress	0	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
Sub total	54,664	77,539
Total	131,093	134,727

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2024 £000	31 March 2023 £000
By up to three months	1,072	764
By three to six months	484	78
By more than six months	129	116
	<u>1,685</u>	<u>958</u>

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

Balance at 1 April	(930)	(1,077)
Transfer to other NHS Wales body	0	0
Amount written off during the year	51	80
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	(171)	67
Bad debts recovered during year	0	0
Balance at 31 March	<u>(1,050)</u>	<u>(930)</u>

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

Receivables VAT

Trade receivables	1,969	658
Other	0	0
Total	<u>1,969</u>	<u>658</u>

16. Other Financial Assets

	Current		Non-current	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Financial assets				
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	147	145	974	1,121
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
Total	147	145	974	1,121

	2023-24	2022-23
RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure		
RoU Sub-leasing income	0	0

17. Cash and cash equivalents

	2023-24 £000	2022-23 £000
Balance at 1 April	3,944	1,565
Net change in cash and cash equivalent balances	(1,803)	2,379
Balance at 31 March	2,141	3,944
Made up of:		
Cash held at GBS	923	3,680
Commercial banks	1,200	245
Cash in hand	18	19
Cash and cash equivalents as in Statement of Financial Position	2,141	3,944
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	2,141	3,944

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

Lease Liabilities (Right of Use Assets) (£0.351m).

The movement relates to cash, no comparative information is required by IAS 7 in 2023-24.

18. Trade and other payables

Current	31 March	31 March
	2024	2023
	£000	£000
Welsh Government	1	19
WHSSC / EASC	2,316	2,533
Welsh Health Boards	2,599	1,941
Welsh NHS Trusts	2,937	2,480
Welsh Special Health Authorities	1,318	58
Other NHS	9,969	9,268
Taxation and social security payable / refunds	6,100	6,530
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	6,210	6,850
Non-NHS payables - Revenue	34,891	30,547
Local Authorities	18,884	12,256
Capital payables- Tangible	12,902	14,030
Capital payables- Intangible	938	227
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	2,253	2,001
Obligations under finance leases, HP contracts	0	
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	65,374	80,436
Deferred Income:		
Deferred Income brought forward	1,031	620
Deferred Income Additions	1,223	1,030
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(1,042)	(619)
Other creditors	12,284	16,420
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	180,188	186,627
Non-current		
Welsh Government	0	0
WHSSC / 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	7,798	8,401
Obligations under finance leases, HP contracts	0	
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
Sub Total	7,798	8,401
Total	187,986	195,028

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

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2024	2023
	£000	£000
Between one and two years	2,140	1,830
Between two and five years	3,651	3,860
In five years or more	2,007	2,711
Sub-total	7,798	8,401

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	0	0	0	0

20. Provisions

	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
Current									
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
Total	14,923	(13,309)	(2,975)	25,596	12,877	(7,293)	(2,497)	48	27,370
Non Current									
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
Total	78,359	0	0	(25,596)	1,699	(1,038)	(410)	0	53,014
TOTAL									
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
Total	93,282	(13,309)	(2,975)	0	14,576	(8,331)	(2,907)	48	80,384

Expected timing of cash flows:

	In year to 31 March 2025	Between 1 April 2025 and 31 March 2029	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	22,263	51,210	0	73,473
Primary care	771	0	0	771
Redress Secondary care	954	0	0	954
Redress Primary care	0	0	0	0
Personal injury	2,155	13	0	2,168
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,067	618	0	1,685
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	11	622	0	633
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	149	551	0	700
Total	27,370	53,014	0	80,384

20. Provisions (continued)

	At 1 April 2022	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 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	15,323	0	(10,126)	(527)	14,642	648	(11,004)	0	8,956
Primary care	0	0	0	0	161	0	0	0	161
Redress Secondary care	939	0	(10)	0	638	(105)	(449)	0	1,013
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,592	0	0	18	580	(686)	(739)	36	3,801
All other losses and special payments	0	0	0	0	468	(468)	0	0	0
Defence legal fees and other administration	811	0	0	103	1,009	(615)	(473)		835
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	11			0	11	(16)	0	0	6
2019-20 Scheme Pays - Reimbursement	18			2	0	(11)	0	0	9
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	706		(53)	0	248	(329)	(430)		142
Total	22,400	0	(10,189)	(404)	17,757	(1,582)	(13,095)	36	14,923
Non Current									
Clinical negligence:-									
Secondary care	68,496	0	0	527	27,775	(10,872)	(8,938)	0	76,988
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	18	0	0	(18)	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	640	0	0	(103)	586	(282)	(65)		776
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	905			(2)	0	0	(308)	0	595
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	0	0	0		0
Total	70,059	0	0	404	28,361	(11,154)	(9,311)	0	78,359
TOTAL									
Clinical negligence:-									
Secondary care	83,819	0	(10,126)	0	42,417	(10,224)	(19,942)	0	85,944
Primary care	0	0	0	0	161	0	0	0	161
Redress Secondary care	939	0	(10)	0	638	(105)	(449)	0	1,013
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,610	0	0	0	580	(686)	(739)	36	3,801
All other losses and special payments	0	0	0	0	468	(468)	0	0	0
Defence legal fees and other administration	1,451	0	0	0	1,595	(897)	(538)		1,611
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	11			0	11	(16)	0	0	6
2019-20 Scheme Pays - Reimbursement	923			0	0	(11)	(308)	0	604
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	706		(53)	0	248	(329)	(430)		142
Total	92,459	0	(10,189)	0	46,118	(12,736)	(22,406)	36	93,282

21. Contingencies**21.1 Contingent liabilities**

	2023-24	2022-23
	£'000	£'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	128,790	91,824
Primary care	2,767	1,175
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	2,169	1,817
Continuing Health Care costs	606	494
Other	0	0
Total value of disputed claims	134,332	95,310
Amounts (recovered) in the event of claims being successful	(131,486)	(92,479)
Net contingent liability	2,846	2,831

21.2 Remote Contingent liabilities

	2023-24	2022-23
	£000	£000
Guarantees	0	0
Indemnities	300	1,147
Letters of Comfort	0	0
	<hr/>	<hr/>
Total	300	1,147
	<hr/>	<hr/>

Remote contingent liabilities include one clinical negligence case (2022-23: four). 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.

21.3 Contingent assets

	2023-24	2022-23
	£000	£000
	0	0
	<hr/>	<hr/>
Total	0	0
	<hr/>	<hr/>

22. Capital commitments

Contracted capital commitments at 31 March

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

	2023-24	2022-23
	£000	£000
Property, plant and equipment	5,209	11,663
Right of Use Assets	0	0
Intangible assets	0	0
	<hr/>	<hr/>
Total	5,209	11,663
	<hr/>	<hr/>

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 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 2024	
	Number	£
Clinical negligence	63	16,249,193
Personal injury	28	905,150
All other losses and special payments	204	473,755
Total	295	17,628,098

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

	Case Type	In year claims in excess of £300,000		Cumulative amount £
		Case Number	£	
Cases in excess of £300,000:				
13RYNMN0041	Clinical Negligence	1	6,172,999	8,042,999
17RYNMN0072	Clinical Negligence	1	1,375,000	2,300,000
18RYNMN0037	Clinical Negligence	1	1,331,904	1,542,500
20RYNMN0019	Clinical Negligence	1	1,200,000	1,200,000
20RYNMN0023	Clinical Negligence	1	843,235	1,057,751
13RYNMN0091	Clinical Negligence	1	773,993	795,000
16RYNPI0017	Personal Injury	1	545,000	605,000
15RYNMN0048	Clinical Negligence	1	490,500	490,500
Sub-total		8	12,732,631	16,033,750
All other cases paid in year		287	4,895,467	11,484,554
Total cases paid in year		295	17,628,098	27,518,304

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

	Number	£
Cumulative amount up to £300k	44	1,963,730
Cumulative amount greater than £300k (as below)	15	24,908,513
Total	59	26,872,243

24. Right of Use leases obligations**24.1 Obligations (as lessee)**

Amounts payable under right of use asset leases:

2023-24

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2024	2024	2024	2024
	£000	£000	£000	£000
Minimum lease payments				
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)
Minimum lease payments	26	6,699	3,326	10,051

Included in:

Current borrowings	9	1,323	921	2,253
Non-current borrowings	17	5,376	2,405	7,798
	26	6,699	3,326	10,051

Present value of minimum lease payments

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
Present value of minimum lease payments	26	6,581	3,257	9,864

Included in:

Current borrowings	9	1,357	952	2,318
Non-current borrowings	17	5,224	2,305	7,546
	26	6,581	3,257	9,864

2022-23

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2023	2023	2023	2023
	£000	£000	£000	£000
Minimum lease payments				
Within one year	9	1,393	689	2,091
Between one and five years	27	4,340	1,518	5,885
After five years	0	2,321	451	2,772
Less finance charges allocated to future periods	(1)	(270)	(74)	(345)
Minimum lease payments	35	7,784	2,584	10,403

Included in:

Current borrowings	9	1,328	665	2,002
Non-current borrowings	26	6,455	1,919	8,400
	35	7,783	2,584	10,402

Present value of minimum lease payments

Within one year	9	1,375	679	2,063
Between one and five years	26	4,195	1,461	5,682
After five years	0	2,139	421	2,560
Present value of minimum lease payments	35	7,709	2,561	10,305

Included in:

Current borrowings	9	1,375	679	2,063
Non-current borrowings	26	6,334	1,882	8,242
	35	7,709	2,561	10,305

24.2 Right of Use Assets lease receivables (as lessor)

The Local Health Board has two finance leases receivable as a lessor.

Amounts receivable under right of use assets leases:	2023-24	2022-23
	31 March	31 March
	2024	2023
	£000	£000
Gross Investment in leases		
Within one year	157	157
Between one and five years	626	626
After five years	378	535
Less finance charges allocated to future periods	(40)	(51)
Minimum lease payments	<u>1,121</u>	<u>1,267</u>
Included in:		
Current financial assets	147	145
Non-current financial assets	974	1,121
	<u>1,121</u>	<u>1,266</u>
Present value of minimum lease payments		
Within one year	153	154
Between one and five years	597	603
After five years	350	497
Less finance charges allocated to future periods	(40)	0
Present value of minimum lease payments	<u>1,060</u>	<u>1,254</u>
Included in:		
Current financial assets	143	154
Non-current financial assets	917	1,100
	<u>1,060</u>	<u>1,254</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The LHB has no PFI Schemes

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts 31 March 2024 £000	Off-SoFP PFI contracts 31 March 2023 £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

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

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

	On SoFP PFI Capital element 31 March 2024 £000	On SoFP PFI Imputed interest 31 March 2024 £000	On SoFP PFI Service charges 31 March 2024 £000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>	<u>0</u>
	On SoFP PFI Capital element 31 March 2023 £000	On SoFP PFI Imputed interest 31 March 2023 £000	On SoFP PFI Service charges 31 March 2023 £000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>	<u>0</u>
	31/03/2024 £000		
Total present value of obligations for on-SoFP PFI contracts	0		

25.3 Charges to expenditure	2023-24	2022-23
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	0	0
Total expense for Off Statement of Financial Position PFI contracts	0	0
The total charged in the year to expenditure in respect of PFI contracts	0	0

The LHB is committed to the following annual charges

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

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

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	0	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

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

PFI Contract	On/Off
---------------------	--------

25.5 The LHB has no Public Private Partnerships

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 LHB 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 LHB 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 LHB in undertaking its activities.

Currency risk

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

Interest rate risk

LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations.

Credit risk

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

Liquidity risk

The LHB 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 LHB is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2023-24 £000	2022-23 £000
(Increase)/decrease in inventories	(74)	(1,143)
(Increase)/decrease in trade and other receivables - non-current	23,022	(9,756)
(Increase)/decrease in trade and other receivables - current	(19,243)	(4,048)
Increase/(decrease) in trade and other payables - non-current	(603)	8,401
Increase/(decrease) in trade and other payables - current	(6,439)	11,247
Total	(3,337)	4,701
Adjustment for accrual movements in fixed assets - creditors	417	(4,155)
Adjustment for accrual movements in fixed assets - debtors	0	0
Adjustment for accrual movements in right of use assets - creditors	351	0
Adjustment for accrual movements in right of use assets - debtors	(145)	0
Other adjustments	0	(7)
	(2,714)	539

28. Other cash flow adjustments

	2023-24 £000	2022-23 £000
		Restated
Depreciation	26,796	23,000
Amortisation	718	750
(Gains)/Loss on Disposal	(17)	(17)
Impairments and reversals	16,390	11,973
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	(805)	(476)
Government Grant assets received credited to revenue but non-cash	(8)	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0
Non-cash movements in right of use assets	0	
Non-cash movements in provisions	(4,568)	13,559
Other movements	25,059	25,203
Total	63,565	73,992

Other movements are Notional funding received for the

- LHB notional 6.3% Staff Employer Pension Contributions £25,027,000
- 2019/20 Pensions Annual Allowance Charge Compensation Scheme £2,000

funded directly to the NHSBA Pensions Division by Welsh Government.

29. Events after the Reporting Period

TBC - awaiting agreed Audit Wales disclosure

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 Director	Close family member is employed by Aberystwyth University
Andrew Carruthers	Director of Operations	Close family member is employed by NHS Wales Executive
Chantal Patel	Independent Member	Associate Professor, Swansea University Independent Member of Welsh Health Specialised Services Committee
Delyth Raynsford	Independent Member	Close family member is employed by HDdUHB
Hazel Lloyd-Lubran	Associate Member, Chair, Stakeholder Reference Group (stood down 9 December 2023)	Ceredigion Association of Voluntary Organisations (CAVO)
Huw Thomas	Director of Finance	Close family member is employed by Carmarthenshire County Council Honorary Professor in Aberystwyth University
Iwan Thomas	Independent Member	Independent Board Member on Pembrokeshire College Board (Chair) Chief Executive of PLANED
Joanne Wilson	Director of Corporate Governance / Board Secretary	Close family member is employed by HDdUHB
Judith Hardisty	Independent Member and Vice Chair (until 31 October 2023) Interim Chair (from 1 November 2023)	Member of Academi Wales Expert Advisory Board
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 Interim Deputy Chief Executive (from 1 February 2024)	Governor at Pembrokeshire College Close family members employed by HDdUHB
Mandy Rayani	Executive Director of Nursing, Quality and Patient Experience (until 31 December 2023)	Close family member is a GP adhoc locum cover for HDdUHB
Maria Battle	Chair (until 31 October 2023)	Social Care Wales Board Member
Mark Henwood	Interim Medical Director (from 5 February 2024)	Clinical Chair of the Werndale hospital
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
Mohammed Nazemi	Associate Member, Chair Healthcare Professionals Forum (stood down 31 August 2023)	Director & Shareholder & Ownership in Magawell Ltd Shareholder & Ownership in Jamo Group Ltd Board member of Community Pharmacy Wales Close family member is a Director and shareholder in Jamo Group Ltd
Philip Kloer	Medical Director and Deputy CEO (until 31 Jan 2024) Interim Chief Executive (from 1 February 2024)	Honorary Professor, Swansea University Medical School
Rhodri Evans	Independent Member and Interim Vice Chair (27 November 2023 - 31 January 2024)	Ceredigion County Councillor Close family member is employed by Audit Wales
Steve Moore	Chief Executive (stepped down 31 January 2024)	Honorary Professor, University of Wales Trinity St David
Winston Weir	Independent Member	Non-Executive Director - Birmingham & Solihull Mental Health Foundation NHS Trust Close family members 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 2023-24:

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
Social Care Wales	-	18	-	-
Ceredigion County Council	9,310	521	1,452	142
Audit Wales	593	-	-	-
Swansea University	758	37	-	-
Pembrokeshire College	8	10	-	-
Academi Wales	8	-	-	-
CAVO	42	-	-	-
University of Wales Trinity St David	365	104	49	68
Magawell Ltd	6,506	-	-	-
Community Pharmacy Wales	147	-	-	-
Aberystwyth University	25	11	-	-
Carmarthenshire County Council	26,433	2,056	6,225	957
Birmingham & Solihull Mental Health Foundation	3	-	-	-
University of Birmingham	15	3	3	-
PLANED*	0	-	-	-
Jamo Group	10	-	-	-
Werndale Private Hospital	125	301	-	-
Pembrokeshire County Council	14,451	3,810	3,330	264
	58,799	6,871	11,059	1,431

*Expenditure less than £1,000

Hywel Dda University Health Board is the Corporate Trustee of Hywel Dda Health Charities. During the year, the Health Board received £768,523 of donated assets from the Charity.

During the year the Health Board made payments on behalf of the Charity. As at 31 March 2024 a balance of £91,609 was owed to the Health Board by the Charity and a balance of £1,167 was owed to the Charity by the Health board.

The Welsh Government is regarded as a related party. During the year the LHB has had a significant number of material transactions with the Welsh Government and 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	8	1,261,716	1	737
Aneurin Bevan University Health Board	346	1,253	41	544
Betsi Cadwaladr University Health Board	394	5,378	66	113
Cardiff & Vale University Health Board	7,790	782	735	86
Cwm Taf Morgannwg University Health Board	991	608	156	28
Digital Health & Care Wales (DHCW)	6,248	712	1,304	42
Powys Teaching Health Board	195	10,258	-	541
Public Health Wales NHS Trust	2,485	3,111	398	548
Swansea Bay University Health Board	44,176	5,448	1,602	416
Velindre NHS Trust	30,955	6,286	2,488	2,409
Welsh Ambulance Services Trust	2,623	211	51	126
Welsh Health Specialised Services Committee	129,259	3,391	2,317	362
Health Education & Improvement Wales (HEIW)	14	11,375	14	1,097
	225,484	1,310,529	9,173	7,049

31. Third Party assets

The LHB held £1,308,415 cash at bank and in hand at 31 March 2024 (31 March 2023, £1,277,138) which relates to monies held by the LHB on behalf of patients. Cash held in patient Investment Accounts amounted to £1,035,355 at 31 March 2024 (31 March 2023, £960,305). This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

32. Pooled budgets

The Health Board has entered into a pooled budget with Carmarthenshire County Council on the 1 October 2009. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store. The pool is hosted by Carmarthenshire County Council and a memorandum note to the final accounts will provide details of the joint income and expenditure. The financial operation of the pool is governed by a pooled budget agreement between Carmarthenshire County Council and the Health Board. Payments for services provided by Carmarthenshire County Council in the sum of £648,941 are accounted for as expenditure in the accounts of the Health Board. The Health Board 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 Health Board has entered into an agreement with Carmarthenshire County Council on the 3 March 2011 under section 33 of the NHS (Wales) Act 2006 for the provision of Carmarthenshire Community Health and Social Care services. The section 33 agreement itself will initially only provide 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.

The Health Board has entered into a pooled budget with Ceredigion County Council on the 1 April 2009. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store. The pool is hosted by Ceredigion County Council and a memorandum note to the final accounts will provide details of the joint income and expenditure. The financial operation of the pool is governed by a pooled budget agreement between Ceredigion County Council and the Health Board. Payments for services provided by Ceredigion County Council in the sum of £418,000 are accounted for as expenditure in the accounts of the Health Board. The Health Board 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 Health Board has entered into an agreement with Pembrokeshire County Council on the 31 March 2011 under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store and from 1 October 2012 the agreement has operated as a pooled fund. The pool is hosted by Pembrokeshire County Council and a memorandum note to the final accounts will provide details of the joint income and expenditure. The financial operation of the pool is governed by a pooled budget agreement between Pembrokeshire County Council and the Health Board. The Health Board 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 and the sum of £312,309 has been accounted for as expenditure in the accounts of the Health Board.

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

The Health Board has no operating segments requiring disclosure.

34. Other Information**34.1. 6.3% Staff Employer Pension Contributions - Notional Element**

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2023 to 31 March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Health Board data for March 2023.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

	2023-24	2022-23
	£000	£000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2024		
Expenditure on Primary Healthcare Services	343	285
Expenditure on Hospital and Community Health Services	24,714	21,714
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024		
Net operating cost for the year	25,057	21,999
Notional Welsh Government Funding	25,057	21,999
Statement of Cash Flows for year ended 31 March 2024		
Net operating cost for the financial year	25,057	21,999
Other cash flow adjustments	25,057	21,999
2.1 Revenue Resource Performance		
Revenue Resource Allocation	25,057	21,999
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	343	224
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	210	224
Staff costs	24,349	21,320
Single Lead Employer staff trainee costs	498	455
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	25,057	21,999
Charged to capital	71	68
Charged to revenue	24,986	21,931
18. Trade and other payables		
Current		
Pensions: staff	0	0
28. Other cash flow adjustments		
Other movements	25,057	21,999

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.