

Welsh Health Specialised Services and Emergency Ambulance Services Committees

FOREWORD

These accounts have been prepared 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

Welsh Health Specialised Services Committee

The Welsh Health Specialised Services Committee was established on 1 April 2010 and is hosted by Cwm Taf Morgannwg Local Health Board. It is responsible for the joint planning of Specialised and Tertiary Services on behalf of Local Health Boards in Wales.

Performance Management and Financial Results

In accordance with the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009 no 35), LHB's are required to establish a Joint committee for the purpose of jointly exercising its Delegated Functions and providing Relevant Services from 1st April 2010.

The Welsh Health Specialised Services committee (WHSSC) (Wales) Regulations 2009 (SI 2009 no 3097) make provision for the constitution of the "Joint Committee" including its procedures and administrative arrangements.

In accordance with the Emergency Ambulance Services Committee (Wales) Directions 2014 (2014 no 8), LHBs are required to establish a Joint committee for the purpose of jointly exercising its Delegated Functions and providing Relevant Services from 1st April 2014.

The Emergency Ambulance Services Committee (Wales) Regulations 2014 make provision for the constitution of the "Joint Committee" including its procedures and administrative arrangements.

The delegated functions of the Emergency Ambulance Services Committee include the planning and commissioning of Emergency Ambulance Services across Wales, as provided by the Wales Ambulance Services NHS Trust.

The Committees do not hold any statutory responsibility for a resource limit. Services are funded from income from Local Health Boards and accounts for all expenditure on agreed services against the income received.

The Committees must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable. As a result the Primary Statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure. This shows the net operating cost incurred by the Committees which is funded by Local Health Boards in Wales.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	Note	2021-22 £'000	2020-21 £'000
Expenditure on Primary Healthcare Services	3.1	0	0
Expenditure on healthcare from other providers	3.2	939,441	887,016
Expenditure on Hospital and Community Health Services	3.3	8,840	8,589
		948,281	895,605
Less: Miscellaneous Income	4	(948,281)	(895,605)
LHB net operating costs before interest and other gains and losses		0	0
Investment Revenue	5	0	0
Other (Gains) / Losses	6	0	0
Finance costs	7	0	0
Net operating costs for the financial year		0	0

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

Other Comprehensive Net Expenditure

	2021-22 £'000	2020-21 £'000
Net (gain) / loss on revaluation of property, plant and equipment	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	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	<u>0</u>	<u>0</u>
Total comprehensive net expenditure for the year	<u><u>0</u></u>	<u><u>0</u></u>

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

Statement of Financial Position as at 31 March 2022

		31 March 2022 £'000	31 March 2021 £'000
	Notes		
Non-current assets			
Property, plant and equipment	11	0	0
Intangible assets	12	0	0
Trade and other receivables	15	0	0
Other financial assets	16	0	0
Total non-current assets		0	0
Current assets			
Inventories	14	0	0
Trade and other receivables	15	17,068	16,882
Other financial assets	16	0	0
Cash and cash equivalents	17	37,110	18,277
		54,178	35,159
Non-current assets classified as "Held for Sale"	11	0	0
Total current assets		54,178	35,159
Total assets		54,178	35,159
Current liabilities			
Trade and other payables	18	(65,660)	(46,641)
Other financial liabilities	19	0	0
Provisions	20	(360)	(360)
Total current liabilities		(66,020)	(47,001)
Net current assets/ (liabilities)		(11,842)	(11,842)
Non-current liabilities			
Trade and other payables	18	0	0
Other financial liabilities	19	0	0
Provisions	20	0	0
Total non-current liabilities		0	0
Total assets employed		(11,842)	(11,842)
Financed by :			
Taxpayers' equity			
General Fund		(11,842)	(11,842)
Revaluation reserve		0	0
Total taxpayers' equity		(11,842)	(11,842)

The financial statements on pages 2 to 7 were approved by the Audit Committee on 14 June 2022 and signed on its behalf by:

Managing Director of Specialised Services..... 14/06/2022 .
for balances relating to WHSSC

Chief Ambulance Services Commissioner..... 14/06/2022 .
For balances relating to EASC

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

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2022

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2021-22			
Balance as at 31 March 2021	(11,842)	0	(11,842)
Adjustment	0	0	0
Balance at 1 April 2021	(11,842)	0	(11,842)
Net operating cost for the year	0		0
Net gain/(loss) on revaluation of property, plant and equipment	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	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2021-22	0	0	0
Net Welsh Government funding	0		0
Notional Welsh Government Funding	0		0
Balance at 31 March 2022	(11,842)	0	(11,842)

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

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2021

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2020-21			
Balance at 1 April 2020	(11,842)	0	(11,842)
Net operating cost for the year	0		0
Net gain/(loss) on revaluation of property, plant and equipment	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	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2020-21	0	0	0
Net Welsh Government funding	0		0
Notional Welsh Government Funding	0		0
Balance at 31 March 2021	(11,842)	0	(11,842)

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

Statement of Cash Flows for year ended 31 March 2022

		2021-22 £'000	2020-21 £'000
Cash Flows from operating activities	Notes		
Net operating cost for the financial year		0	0
Movements in Working Capital	27	18,833	3,679
Other cash flow adjustments	28	0	292
Provisions utilised	20	0	(73)
Net cash outflow from operating activities		18,833	3,898
Cash Flows from investing activities			
Purchase of property, plant and equipment		0	0
Proceeds from disposal of property, plant and equipment		0	0
Purchase of intangible assets		0	0
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		0	0
Net cash inflow/(outflow) before financing		18,833	3,898
Cash Flows from financing activities			
Welsh Government funding (including capital)		0	0
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
Cash transferred (to)/ from other NHS bodies			0
Net financing		0	0
Net increase/(decrease) in cash and cash equivalents		18,833	3,898
Cash and cash equivalents (and bank overdrafts) at 1 April 2021		18,277	14,379
Cash and cash equivalents (and bank overdrafts) at 31 March 2022		37,110	18,277

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

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (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 2021-22 Manual for Accounts. The accounting policies contained in that manual follow the 2021-22 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, except for IFRS 16 Leases, which is deferred until 1 April 2022; 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 committees for the purpose of giving a true and fair view has been selected. The particular policies adopted by the committees 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

Neither WHSSC nor EASC hold any statutory responsibility for a resource limit. Services are funded by income from Local Health Boards and based on an agreed financial plan. The committees account for all expenditure on agreed services against the income received as part of their plans. All variances from plan are allocated to Health Boards on the basis of an agreed risk sharing framework and matched by income adjustments consistent with this framework. The net operating cost for the financial year is therefore zero.

Under the establishment agreements for the committees, the host body, Cwm Taf Morgannwg Local Health Board, is held harmless for all costs with the exception of their own share which reflects their population usage of specialised and emergency ambulance services.

All allocations for services flow from the Welsh Assembly Government through the Local Health Boards. There are no direct allocations to either WHSSC or EASC. Income received from LHBs transacting with other NHS Wales bodies is always treated as miscellaneous income.

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

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

Only non-NHS income may be deferred.

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.

No employees are members of the Local Government Superannuation Scheme.

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 2017-18 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.

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

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

1.11.1. The NHS Wales organisation as lessee

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

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

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

1.11.2. The NHS Wales organisation as lessor

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

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

1.12. 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 2020-21 and 2019-20. The WRP is hosted by Velindre NHS Trust.

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

Neither WHSSC or EASC have any pooled budgets

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.

For WHSSC, the critical accounting judgements and estimates within these accounts are contained within the cross border tertiary and quaternary contractual agreements with NHS England organisations. This involves a financial evaluation of the uncertainties surrounding the end of year contract flow of funds. In doing so management is required to predict performance trends for a number of low volume but exceptionally high cost procedures and treatments.

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.

1.26 Private Finance Initiative (PFI) transactions

The committees DO NOT HOLD ANY PFI ASSETS. The following is to outline the principles that may be used in this situation.

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.26.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.26.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the NHS Wales organisation's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.26.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.26.3. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.26.4. Assets contributed by the NHS Wales organisation to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Wales organisation's SoFP.

1.26.5. Other assets contributed by the NHS Wales organisation to the operator

Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Wales organisation, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

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

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

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

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

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

IFRS14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 16 Leases is to be effective from 1st April 2022.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.30. Accounting standards issued that have been adopted early

During 2021-22 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

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			
	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000
Net operating costs for the year	0	0	0	0
Less general ophthalmic services expenditure and other non-cash limited expenditure	0	0	0	0
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Total operating expenses	0	0	0	0
Revenue Resource Allocation	0	0	0	0
Under /(over) spend against Allocation	0	0	0	0

2.2 Capital Resource Performance

	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000
	£'000	£'000	£'000	£'000
Gross capital expenditure	0	0	0	0
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	0	0	0	0
Less capital grants received	0	0	0	0
Less donations received	0	0	0	0
Charge against Capital Resource Allocation	0	0	0	0
Capital Resource Allocation	0	0	0	0
(Over) / Underspend against Capital Resource Allocation	0	0	0	0

xxx University LHB has/has not met its financial duty to break-even against its Capital Resource Limit over the 3 years 2019-20 to 2021-22.

2.3 Duty to prepare a 3 year integrated plan

Each year Welsh Government issues planning guidance that places a requirement on organisations within NHS Wales, for the development of integrated plans, that seek to align; service, workforce and finance. The WHSSC Integrated Commissioning plan responds to that guidance, and seeks to present a cohesive plan for the commissioning of Specialised Services for the people of Wales. The plan is developed by WHSSC on behalf of the seven Health Boards in Wales, and is the basis upon which HBs will plan for specialist services provision within their Integrated Medium Term Plans (IMTPs).

The WHSSC Joint Committee of Health Boards approved the 2021-24 Integrated Commissioning Plan on the 16th February 2021, the approved plan was subsequently submitted to Welsh Government and endorsed. On the 8th February 2022, the WHSSC Joint Committee approved the ongoing 2022-25 Integrated Commissioning Plan which has been submitted to Welsh Government and endorsed.

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:

	2021-22	2020-21
Total number of non-NHS bills paid	3,611	2,411
Total number of non-NHS bills paid within target	3,543	2,402
Percentage of non-NHS bills paid within target	98.1%	99.6%

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	2021-22 Total £'000	2020-21 £'000
General Medical Services	0		0	0
Pharmaceutical Services	0	0	0	0
General Dental Services	0		0	0
General Ophthalmic Services	0	0	0	0
Other Primary Health Care expenditure	0		0	0
Prescribed drugs and appliances	0		0	0
Total	0	0	0	0

3.2 Expenditure on healthcare from other providers

	2021-22 £'000	2020-21 £'000
Goods and services from other NHS Wales Health Boards	489,946	453,310
Goods and services from other NHS Wales Trusts	234,820	219,459
Goods and services from Welsh Special Health Authorities	128	0
Goods and services from other non Welsh NHS bodies	179,243	159,422
Goods and services from WHSSC / EASC	0	0
Local Authorities	0	0
Voluntary organisations	1,903	4,323
NHS Funded Nursing Care	0	0
Continuing Care	0	0
Private providers	33,401	50,502
Specific projects funded by the Welsh Government	0	0
Other	0	0
Total	939,441	887,016

COVID 19 related expenditure Included within Private Providers £3,389,000

3.3 Expenditure on Hospital and Community Health Services

	2021-22 £'000	2020-21 £'000
Directors' costs	0	0
Operational Staff costs	7,375	6,731
Single lead employer Staff Trainee Cost	0	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	0	9
Supplies and services - general	0	0
Consultancy Services	295	1,030
Establishment	271	119
Transport	0	0
Premises	720	630
External Contractors	0	0
Depreciation	0	0
Amortisation	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	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	51	50
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	106	0
Research and Development	0	0
Other operating expenses	22	20
Total	8,840	8,589

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

	2021-22 £'000	2020-21 £'000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	0	0
Primary care	0	0
Redress Secondary Care	0	0
Redress Primary Care	0	0
Personal injury	0	0
All other losses and special payments	63	0
Defence legal fees and other administrative costs	43	0
Gross increase/(decrease) in provision for future payments	106	0
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	0	0
Less: income received/due from Welsh Risk Pool	0	0
Total	106	0

	2021-22 £	2020-21 £
Permanent injury included within personal injury £:	0	0

4. Miscellaneous Income

	2021-22 £'000	2020-21 £'000
Local Health Boards	946,097	893,405
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	0	0
NHS Wales trusts	115	96
Welsh Special Health Authorities	0	0
Foundation Trusts	0	0
Other NHS England bodies	0	0
Other NHS Bodies	0	0
Local authorities	0	0
Welsh Government	698	730
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	0	0
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	0	0
Other income from activities	1,371	1,374
Patient transport services	0	0
Education, training and research	0	0
Charitable and other contributions to expenditure	0	0
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	0	0
Receipt of Government granted assets	0	0
Non-patient care income generation schemes	0	0
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	0	0
Other income:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	0	0
Business Unit	0	0
Other	0	0
Total	948,281	895,605
Other income Includes;		
Please detail	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
Total	0	0

Injury Cost Recovery (ICR) Scheme income

	2021-22 %	2020-21 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	0.00	0.00

All funding received for COVID 19 support and recovery has been provided by Welsh government. There has been no other source of COVID 19 funding during 2021/2022 financial year.

5. Investment Revenue

	2021-22 £000	2020-21 £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	0	0
Total	0	0

6. Other gains and losses

	2021-22 £000	2020-21 £000
Gain/(loss) on disposal of property, plant and equipment	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of 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	0	0

7. Finance costs

	2021-22 £000	2020-21 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under PFI contracts		
main finance cost	0	0
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	0	0
Provisions unwinding of discount	0	0
Other finance costs	0	0
Total	0	0

8. Operating leases

LHB as lessee

WHSSC

Unit G1 The Willowford

5 years to break clause from 10th June 2019

EASC

Unit 1 Charnwood Court

10 years from 23rd March 2017

Payments recognised as an expense

	2021-22	2020-21
	£000	£000
Minimum lease payments	176	176
Contingent rents	0	0
Sub-lease payments	0	0
Total	176	176

Total future minimum lease payments

	£000	£000
Payable		
Not later than one year	176	176
Between one and five years	422	523
After 5 years	0	75
Total	598	774

LHB as lessor

Rental revenue

	£000	£000
Rent	0	0
Contingent rents	0	0
Total revenue rental	0	0

Total future minimum lease payments

	£000	£000
Receivable		
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total	0	0

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	2020-21
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	5,274	455	45	0	0	0	5,774	5,279
Social security costs	599	51	0	0	0	0	650	583
Employer contributions to NHS Pension Scheme	882	69	0	0	0	0	951	869
Other pension costs	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
Total	6,755	575	45	0	0	0	7,375	6,731

Charged to capital	0	0
Charged to revenue	7,375	6,731
	7,375	6,731

Net movement in accrued employee benefits (untaken staff leave total accrual included in note above)

0 0

The net movement in accrued employee benefits footnote above includes Covid 19 Net movement in accrued employee benefits

0 0

Please give detail of staff under "Other".

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2020-21
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	79.62	5.78	1.19	0	0	0	87	86
Medical and dental	4.22	0.75	0	0	0	0	5	4
Nursing, midwifery registered	7.07	1.36	0	0	0	0	8	5
Professional, Scientific, and technical staff	2.10	0	0	0	0	0	2	0
Additional Clinical Services	1.55	0	0	0	0	0	2	0
Allied Health Professions	0	0	0	0	0	0	0	0
Healthcare Scientists	0	0	0	0	0	0	0	0
Estates and Ancillary	0	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0	0
Total	95	8	1	0	0	0	103.64	95

9.3. Retirements due to ill-health

	2021-22	2020-21
Number	0	0
Estimated additional pension costs £	0	0

9.4 Employee benefits

WHSSC does not have an employee benefit scheme

Additional information regarding Note 9.1 - average number of employees

	Total	2020-21
WHSSC (excluding following areas)	62	58
NCCU & QAIT reporting element	37	33
EASC - EASC reporting element	5	4
	104	95

9.5 Reporting of other compensation schemes - exit packages

	2021-22	2021-22	2021-22	2021-22	2020-21
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	0

	2021-22	2021-22	2021-22	2021-22	2020-21
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
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	0	0	0	0

Exit costs paid in year of departure	Total paid in year 2021-22	Total paid in year 2020-21
	£'s	£'s
Exit costs paid in year	0	0
Total	0	0

No redundancy or exit packages were agreed or paid in 2021-2022

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. WHSSC and EASC are not statutory bodies and hold no statutory responsibility. The directors of WHSSC and EASC are directors in name only and are not directors of any statutory body.

The statutory reporting body is the host organisation, Cwm Taf Morgannwg Health Board. The directors of WHSSC and EASC are not recognised as directors within the organisational structure of Cwm Taf Morgannwg Health Board.

	2021-22 £000 Chief Executive	2021-22 £000 Employee	2021-22 £000 Ratio	2020-21 £000 Chief Executive	2020-21 £000 Employee	2020-21 £000 Ratio
Total pay and benefits						
25th percentile pay ratio	0	0	X/Y25:1	0	0	X/Y25:1
Median pay	0	0	X/Y50:1	0	0	X/Y50:1
75th percentile pay ratio	0	0	X/Y75:1	0	0	X/Y75:1
Salary component of total pay and benefits						
25th percentile pay ratio	0	0	X/Y25:1	0	0	X/Y25:1
Median pay	0	0	X/Y50:1	0	0	X/Y50:1
75th percentile pay ratio	0	0	X/Y75:1	0	0	X/Y75:1
	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
Total pay and benefits						
25th percentile pay ratio	0	0	X/Y25:1	0	0	X/Y25:1
Median pay	0	0	X/Y50:1	0	0	X/Y50:1
75th percentile pay ratio	0	0	X/Y75:1	0	0	X/Y75:1
Salary component of total pay and benefits						
25th percentile pay ratio	0	0	X/Y25:1	0	0	X/Y25:1
Median pay	0	0	X/Y50:1	0	0	X/Y50:1
75th percentile pay ratio	0	0	X/Y75:1	0	0	X/Y75:1

9.6.2 Percentage Changes

	2020-21 to 2021-22 %	2019-20 to 2020-21 %
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	0	0
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 two 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 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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme 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 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

Continued overleaf.....

HMT published valuation directions dated 7 October 2021 (see [Amending Directions 2021](#)) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>

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 £50,000 for the 2021-2022 tax year (2020-2021 £6,240 and £50,000).

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.

	2021-22	2021-22	2020-21	2020-21
	Number	£000	Number	£000
NHS				
Total bills paid	2,160	900,343	2,188	839,373
Total bills paid within target	2,097	896,409	2,155	839,042
Percentage of bills paid within target	97.1%	99.6%	98.5%	100.0%
Non-NHS				
Total bills paid	3,611	34,573	2,411	52,401
Total bills paid within target	3,543	34,182	2,402	52,375
Percentage of bills paid within target	98.1%	98.9%	99.6%	100.0%
Total				
Total bills paid	5,771	934,916	4,599	891,774
Total bills paid within target	5,640	930,591	4,557	891,417
Percentage of bills paid within target	97.7%	99.5%	99.1%	100.0%

Data as provided by and compliance validated by NHS Wales Shared Services Partnership

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

	2021-22	2020-21
	£	£
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

	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 or valuation at 1 April 2021	0	0	0	0	0	0	0	0	0
Indexation	0	0	0	0	0	0	0	0	0
Additions									
- purchased	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	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	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
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2022	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2021	0	0	0	0	0	0	0	0	0
Indexation	0	0	0	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	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
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0	0	0
At 31 March 2022	0	0	0	0	0	0	0	0	0
Net book value at 1 April 2021	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2022	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2022	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2022	0	0	0	0	0	0	0	0	0
comprises :									
Purchased	0	0	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2022	0	0	0	0	0	0	0	0	0
Asset financing :									
Owned	0	0	0	0	0	0	0	0	0
Held on finance lease	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 2022	0	0	0	0	0	0	0	0	0

The net book value of land, buildings and dwellings at 31 March 2022 comprises :

	£000
Freehold	0
Long Leasehold	0
Short Leasehold	0
	0

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

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11.1 Property, plant and equipment

	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 or valuation at 1 April 2020	0	0	0	0	0	0	0	0	0
Indexation	0	0	0	0	0	0	0	0	0
Additions									
- purchased	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	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	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
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2021	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2020	0	0	0	0	0	0	0	0	0
Indexation	0	0	0	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	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
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0	0	0
At 31 March 2021	0	0	0	0	0	0	0	0	0
Net book value at 1 April 2020	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2021	0	0	0	0	0	0	0	0	0
Net book value at 31 March 2021 comprises :									
Purchased	0	0	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2021	0	0	0	0	0	0	0	0	0
Asset financing :									
Owned	0	0	0	0	0	0	0	0	0
Held on finance lease	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 2021	0	0	0	0	0	0	0	0	0

The net book value of land, buildings and dwellings at 31 March 2021 comprises :

	£000
Freehold	0
Long Leasehold	0
Short Leasehold	0
	<u>0</u>

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

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)

Neither WHSSC nor EASC hold any property, plant or equipment. Any necessary equipment purchases are made through Cwm Taf UHB as the host organisation and are capitalised, managed and held on its asset register on behalf of the Joint Committees.

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 2021	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 2022	0	0	0	0	0	0
Balance brought forward 1 April 2020	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 2021	0	0	0	0	0	0

12. Intangible non-current assets

2021-22

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross cost at 31 March 2022	0	0	0	0	0	0
Amortisation at 1 April 2021	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Amortisation at 31 March 2022	0	0	0	0	0	0
Net book value at 1 April 2021	0	0	0	0	0	0
Net book value at 31 March 2022	0	0	0	0	0	0
At 31 March 2022						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
Total at 31 March 2022	0	0	0	0	0	0

12. Intangible non-current assets

2020-21

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross cost at 31 March 2021	0	0	0	0	0	0
Amortisation at 1 April 2020	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Amortisation at 31 March 2021	0	0	0	0	0	0
Net book value at 1 April 2020	0	0	0	0	0	0
Net book value at 31 March 2021	0	0	0	0	0	0
At 31 March 2021						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
Total at 31 March 2021	0	0	0	0	0	0

Additional Disclosures re Intangible Assets

13 . Impairments

	2021-22		2020-21	
	Property, plant & equipment £000	Intangible assets £000	Property, plant & equipment £000	Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Others (specify)	0	0	0	0
Reversal of Impairments	0	0	0	0
Total of all impairments	0	0	0	0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	0	0	0	0
Charged to Revaluation Reserve	0	0	0	0
	0	0	0	0

14.1 Inventories

	31 March 2022 £000	31 March 2021 £000
Drugs	0	0
Consumables	0	0
Energy	0	0
Work in progress	0	0
Other	0	0
Total	0	0
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March 2022 £000	31 March 2021 £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 2022 £000	31 March 2021 £000
Welsh Government	435	413
WHSSC / EASC	0	0
Welsh Health Boards	13,280	13,123
Welsh NHS Trusts	1,336	2,040
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	1,878	1,145
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	79	69
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	60	92
Other accrued income	0	0
Sub total	17,068	16,882
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	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	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	0	0
Total	17,068	16,882

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2022 £000	31 March 2021 £000
By up to three months	10	97
By three to six months	3	0
By more than six months	0	0
	<u>13</u>	<u>97</u>

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

Balance at 1 April	0	0
Transfer to other NHS Wales body	0	0
Amount written off during the year	0	0
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	0	0
Bad debts recovered during year	0	0
Balance at 31 March	<u>0</u>	<u>0</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	0	0
Other	0	0
Total	<u>0</u>	<u>0</u>

16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£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)				
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	0	0	0	0

17. Cash and cash equivalents

	2021-22	2020-21
	£000	£000
Balance at 1 April	18,277	14,379
Net change in cash and cash equivalent balances	18,833	3,898
Balance at 31 March	37,110	18,277
Made up of:		
Cash held at GBS	37,110	18,277
Commercial banks	0	0
Cash in hand	0	0
Cash and cash equivalents as in Statement of Financial Position	37,110	18,277
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	37,110	18,277

18. Trade and other payables

Current	31 March 2022 £000	31 March 2021 £000
Welsh Government	54	0
WHSSC / EASC	0	0
Welsh Health Boards	20,186	15,071
Welsh NHS Trusts	2,590	1,482
Welsh Special Health Authorities	2	0
Other NHS	32,716	22,021
Taxation and social security payable / refunds	68	58
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	76	66
Non-NHS payables - Revenue	3,772	3,860
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	6,193	4,079
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	3	4
Sub Total	65,660	46,641
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
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of 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	0	0
Total	65,660	46,641

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
	2022	2021
	£000	£000
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	<u>0</u>	<u>0</u>

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

20. Provisions

	At 1 April 2021	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 2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	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	0	0	0	0	0	0	0		0
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	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	360		0	0	0	0	0		360
Total	360	0	0	0	0	0	0	0	360
Non Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	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	0	0	0	0	0	0	0		0
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	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	0	0	0	0	0	0	0	0	0
TOTAL									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	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	0	0	0	0	0	0	0		0
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	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	360		0	0	0	0	0		360
Total	360	0	0	0	0	0	0	0	360

Expected timing of cash flows:

	In year to 31 March 2023	Between 1 April 2023 31 March 2027	Thereafter	Total
				£000
Clinical negligence:-				
Secondary care	0	0	0	0
Primary care	0	0	0	0
Redress Secondary care	0	0	0	0
Redress Primary care	0	0	0	0
Personal injury	0	0	0	0
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	0	0	0	0
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
Other	360	0	0	360
Total	360	0	0	360

20. Provisions (continued)

	At 1 April 2020	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 2021
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	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	0	0	0	0	0	0	0		0
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	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	141		0	0	315	(73)	(23)		360
Total	141	0	0	0	315	(73)	(23)	0	360
Non Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	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	0	0	0	0	0	0	0		0
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	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	0	0	0	0	0	0	0	0	0
TOTAL									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
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	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	0	0	0	0	0	0	0		0
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	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	141		0	0	315	(73)	(23)		360
Total	141	0	0	0	315	(73)	(23)	0	360

1. Contingencies

1.1 Contingent liabilities

	2021-22 £'000	2020-21 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	0	0
Primary care	0	0
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Reference costs	0	0
Continuing Health Care costs	0	0
Other	0	0
Total value of disputed claims	0	0
Amounts (recovered) in the event of claims being successful	0	0
Total contingent liability	0	0

Pensions tax annual allowance – Scheme Pays arrangements 2019/20

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement;

The committees will then pay them a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government with no net cost to the committees.

Clinical staff have until 31 July 2021 to opt for this scheme and the ability to make changes up to 31 July 2024.

At the date of approval of these accounts, there was no evidence of take-up of the scheme by our clinical staff and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2022, the existence of an unquantified contingent liability is instead disclosed.

21.2 Remote Contingent liabilities

	2021-22 £'000	2020-21 £'000
Guarantees	0	0
Indemnities	0	0
Letters of Comfort	0	0
Total	0	0

21.3 Contingent assets

	2021-22 £'000	2020-21 £'000
Please give details	0	0
	0	0
	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March

	2021-22 £'000	2020-21 £'000
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0	0

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 this note is prepared on a cash basis.

Gross loss to the Exchequer

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

	Amounts paid out during period to 31 March 2022	
	Number	£
Clinical negligence	0	0
Personal injury	0	0
All other losses and special payments	3	105,914
Total	3	105,914

Analysis of cases in excess of £300,000

Case Type	In year claims in excess of £300,000		Cumulative claims in excess of £300,000	
	Number	£	Number	£
Cases in excess of £300,000:				

Sub-total	0	0	0	0
All other cases	0	0	3	105,914
Total cases	0	0	3	105,914

24. Finance leases

24.1 Finance leases obligations (as lessee)

Neither WHSSC nor EASC have any Finance Lease Obligations

Amounts payable under finance leases:

Land	31 March 2022 £000	31 March 2021 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

24.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

Buildings	31 March 2022 £000	31 March 2021 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

Present value of minimum lease payments

Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

Other

	31 March 2022 £000	31 March 2021 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

Present value of minimum lease payments

Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	0	0

24.2 Finance leases obligations (as lessor) continued

Amounts receivable under finance leases:

	31 March 2022 £000	31 March 2021 £000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

Neither WHSSC nor EASC have Private Finance Initiative Contracts

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts 31 March 2022 £000	Off-SoFP PFI contracts 31 March 2021 £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	0	0
Total estimated capital value of off-SoFP PFI contracts	0	0

25.2 PFI schemes on-Statement of Financial Position

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

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

	On SoFP PFI Capital element 31 March 2022 £000	On SoFP PFI Imputed interest 31 March 2022 £000	On SoFP PFI Service charges 31 March 2022 £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	0	0	0

	On SoFP PFI Capital element 31 March 2021 £000	On SoFP PFI Imputed interest 31 March 2021 £000	On SoFP PFI Service charges 31 March 2021 £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	0	0	0

	31/03/2022 £000
Total present value of obligations for on-SoFP PFI contracts	0

25.3 Charges to expenditure

	2021-22	2020-21
	£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	<u>0</u>	<u>0</u>

There is a commitment to the following annual charges

	31 March 2022	31 March 2021
	£000	£000
PFI scheme expiry date:		
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	<u>0</u>	<u>0</u>

The estimated annual payments in future years will vary from those which are committed to be made 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

PFI Contract

Number of PFI contracts which individually have a total commitment > £500m

On / Off-statement of financial position
0

PFI Contract

On/Off

25.5 The committees have 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. WHSSC and EASC are 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. WHSSC and EASC have 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 committees in undertaking their activities.

Currency risk

WHSSC and EASC are principally a domestic organisations with the great majority of transactions, assets and liabilities being in the UK and Sterling based. They have no overseas operations. WHSSC and EASC therefore have low exposure to currency rate fluctuations.

Interest rate risk

WHSSC and EASC are not permitted to borrow. WHSSC and EASC therefore have low exposure to interest rate fluctuations

Credit risk

Because the majority of the funding for WHSSC and EASC derives from funds voted by the Welsh Government the committees have low exposure to credit risk.

Liquidity risk

WHSSC and EASC are 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 committees are not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2021-22 £000	2020-21 £000
(Increase)/decrease in inventories	0	0
(Increase)/decrease in trade and other receivables - non-current	0	0
(Increase)/decrease in trade and other receivables - current	(186)	(9,372)
Increase/(decrease) in trade and other payables - non-current	0	0
Increase/(decrease) in trade and other payables - current	19,019	13,051
Total	18,833	3,679
Adjustment for accrual movements in fixed assets - creditors	0	0
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	0	0
	18,833	3,679

28. Other cash flow adjustments

	2021-22 £000	2020-21 £000
Depreciation	0	0
Amortisation	0	0
(Gains)/Loss on Disposal	0	0
Impairments and reversals	0	0
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	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	0	292
Other movements	0	0
Total	0	292

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on xx xxx 2022;
post the date the financial statements were certified by the Auditor General for Wales.

30. Related Party Transactions

Welsh Health Specialised Services and Emergency Ambulance Services

WHSSC and EASC are sub-committees of each of the 7 Local Health Boards in Wales. Therefore, any related transaction would form part of each LHB's statutory financial statements. Whilst the committees have executive teams these are not executive directors and they are employed by Cwm Taf Morgannwg LHB as the host organisation.

During 2021/2022, the Joint Committees adopted a risk sharing approach which is applied to all financial transactions. In accordance with the Standing Orders, the Joint Committees must agree a total budget to plan and secure the relevant services delegated to them. The Joint Committees must also agree the appropriate contribution of funding required from each LHB.

Each LHB will be required to make available to the Joint Committees the level of funds outlined in the annual plan.

- The plan will include the risk sharing income received from each LHB during 2021/2022 as per Note 4,
- Expenditure incurred by WHSSC and EASC with providers of tertiary and specialist services is as per Note 3.2 and analysed in the Segmental Analysis in Note 33.
- Running costs, staffing and admin expenditure incurred with other NHS Wales organisations has been extracted from Note 3.3 but does not encompass the total of all running costs, the majority of which are transactions with organisations outside NHS Wales or are staff costs.
- Velindre and The Welsh Ambulance Service are included as providers only, as both are merely associate members of the Committees and do not have voting rights.

	Income (Note 4) £000's	Expenditure (Note 3.2) £000's	Running costs (Note 3.3)	Debtor (Note 15) £000's	Creditor (Note 18) £000's
Cardiff and Vale UHB	149,678	294,981	261	3,878	6,807
Aneurin Bevan UHB	177,048	9,673	99	4,487	3,038
Betsi Cadwalladr UHB	203,625	45,200		2,539	2,943
Swansea Bay UHB	113,177	126,899	63	264	2,259
Cwm Taf Morgannwg UHB	148,671	10,536	567	813	2,521
Hywel Dda UHB	109,290	2,606	92	910	2,079
Powys Teaching HB	44,608	51	3	389	539
Public Health Wales NHS Trust	65			17	0
Velindre NHS Trust	0	49,231	43	877	81
Welsh Ambulance Services NHS Trust	50	185,589	147	442	2,509
	946,212	724,766	1,275	14,616	22,776

See over leaf for membership of the Joint Committees and voting rights

30. Related Party Transactions (continued)

Members of the Joint Committees for 2021/2022

LHB Chief Executives have voting rights on the committee while Trust Chief Executives are associate members only

During 2020/2021 WHSSC and EASC have entered into material transactions with the organisations represented as listed above

Judith Paget	Member WHSSC & EASC	Until Oct 2021	Chief Executive Aneurin Bevan UHB
Glyn Jones	Member WHSSC & EASC	From Nov 2021	Chief Executive Aneurin Bevan UHB
Carol Shillabeer	Member WHSSC & EASC		Chief Executive Powys Teaching HB
Jo Whitehead	Member WHSSC & EASC		Chief Executive Betsi Cadwaladr UHB
Paul Mears	Member WHSSC & EASC		Chief Executive Cwm Taf Morgannwg UHB
Steve Moore	Member WHSSC & EASC		Chief Executive Hywel Dda UHB
Mark Hackett	Member WHSSC & EASC		Chief Executive Swansea Bay UHB
Stuart Walker	Member WHSSC & EASC	Until Feb 2022	Interim Chief Executive Cardiff and Vale UHB
Suzanne Rankin	Member WHSSC & EASC	From Feb 2022	Chief Executive Cardiff and Vale UHB
Len Richards	Member WHSSC & EASC	Until Sept 2021	Chief Executive Cardiff and Vale UHB
			Council Member, Cardiff University.
			Expenditure transactions in year £2,729,612
			of which creditor at year end £461.124

The following are Associate Members of the Joint Committees and therefore have no voting rights.

Tracey Cooper	Associate Member WHSSC & EASC	Chief Executive Public Health Wales NHS Trust
Steve Ham	Associate Member WHSSC & EASC	Chief Executive Velindre NHS Trust
Jason Killens	Associate Member EASC	Chief Executive, Welsh Ambulance Services NHS Trust

The following are officers with voting rights on the joint committee

Sian Lewis	Managing Director WHSSC	No declared interests
Stuart Davies	Director of Finance WHSSC & EASC	No declared interests
Iolo Doull	Medical Director WHSSC	No declared interests
Carole Bell	Nurse Director WHSSC	No declared interests
Stephen HARRY	Chief Ambulance Services Officer EASC	No declared interests

Independent Members With a Declared Interest

Kate Eden	Chair WHSSC		Chair, Public Health Wales NHS Trust
Emrys Elias	Independent Member and Vice Chair WHSSC	Until May 2021	Independent Board Member, Aneurin Bevan UHB
Ceri Phillips	Vice Chair WHSSC	From June 2021	Independent Board Member, Cardiff and Vale UHB
Ian Phillips	Independent Member WHSSC and Chair of the Wales Renal Clinical Network		Independent Board Member, Powys Teaching HB
Ian Wells	Independent Member WHSSC	From May 2021	Independent Board Member, Cwm Taf Morgannwg UHB
Chris Turner	Chair EASC		

31. Third Party assets

The committees do not hold any cash balances on behalf of patients or any other 3rd party

32. Pooled budgets

Neither WHSSC nor EASC have any pooled budgets.

33. Operating segments

	WHSSC		EASC	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Miscellaneous Income				
Income from Local Health Boards	749,456	709,726	196,641	183,679
Income from Wales NHS Trusts	65	56	50	40
Income from Welsh Government	658	730	40	
WHSSC			160	
Other Income from Activities	1,371	1,374		
Total Income	751,550	711,886	196,891	183,719
Expenditure on Healthcare from Other Providers				
Other NHS Wales LHBS	482,154	447,251	7,792	6,059
Other NHS Wales Trusts	49,340	47,281	185,480	172,178
Special Health Authorities	128	0		
EASC	160			
Other Non Welsh NHS Bodies	179,243	159,422		
Local Authorities				
Voluntary Organisations	1,852	4,135	50	188
Private Providers	33,508	48,253	(106)	2,249
Total Expenditure on Healthcare	746,385	706,342	193,216	180,674
Expenditure on Hospital and Community Services				
Staff costs	4,362	4,138	3,013	2,593
Clinical Supplies & Services	0	9	0	0
Consultancy	12	842	283	188
Establishment	181	44	90	75
Premises	435	444	285	187
Audit Fees	51	50		
Losses and Special Payments	106			
Other Operating Expenses	18	17	4	2
Total Expenditure on Hospital and Community Services	5,165	5,544	3,675	3,045
Net Operating Costs of the Committees	0	0	0	0
Trade and Other Receivables				
Welsh Government	395	413	40	
Welsh Health Boards	13,247	11,720	33	1,403
Welsh NHS Trusts	894	2,028	442	12
Other NHS	1,878	1,145		
Other Debtors	79	69		
Other Prepayments	33	56	27	36
Total Receivables	16,526	15,431	542	1,451
Liabilities				
Welsh Government	2		52	
Welsh Health Boards	19,512	13,632	674	1,439
Welsh NHS Trusts	77	34	2,513	1,448
Special Health Authorities	0		2	
Other NHS	32,716	21,989		32
Taxation and social security payable	68	58		
NI contributions payable to HMRC	76	66		
Non-NHS creditors	3,765	3,859	7	1
Accruals	5,569	3,321	624	758
Payments on account	3	4		
Provisions	360	360		
Total Liabilities	62,148	43,323	3,872	3,678
Cash Balances Held	33,780	16,050	3,330	2,227
Taxpayer's Equity in the Committees	(11,842)	(11,842)	0	0

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 2021 to 31 March 2022. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2021 and February 2022 alongside Health Board/Trust/SHA data for March 2022.

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:

	2021-22 £000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2022	
Expenditure on Hospital and Community Health Services	251

4. Miscellaneous Income

Local Health Boards	251
Reflecting the transfer of the resource allocation from the hos	

3. Analysis of gross operating costs

3.3 Expenditure on Hospital and Community Health Services

Staff costs	251
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9.1 Employee costs

Permanent Staff

Employer contributions to NHS Pension Scheme	251
Charged to revenue	251

34. Other Information

34.2 Welsh Government Covid 19 Funding

	2021-22 £000	2020-21 £000	
Capital			
Capital Funding Field Hospitals		0	
Capital Funding Equipment & Works	0	0	
Capital Funding other (Specify)	0	0	
Welsh Government Covid 19 Capital Funding	0	0	
			As previously reported in 2020-21
Revenue			
Sustainability Funding			0
C-19 Pay Costs Q1 (Future Quarters covered by SF)			0
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)			0
Bonus Payment			0
Independent Health Sector			23,470
Stability Funding	0	23,470	
Covid Recovery	6,096	0	
Cleaning Standards	0	0	
PPE (including All Wales Equipment via NWSSP)	0	0	
Testing / TTP- Testing & Sampling - Pay & Non Pay	0	0	
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	0	0	
Extended Flu Vaccination / Vaccination - Extended Flu Programme	0	0	
Mass Covid-19 Vaccination / Vaccination - COVID-19	0	0	
Annual Leave Accrual - Increase due to Covid	84	0	
Urgent & Emergency Care	3,660	0	
Private Providers Adult Care / Support for Adult Social Care Providers	0	0	
Hospices	0	0	
Other Mental Health / Mental Health	1,191	5,773	
Other Primary Care	0	0	
Other	0	0	
Welsh Government Covid 19 Revenue Funding	11,031	29,243	

34. Other Information

34.3 Changes to accounting standards not yet effective - IFRS 16 Impact

IFRS 16 Leases supersedes IAS 17 Leases and is effective in the public sector from 1 April 2022. IFRS 16 provides a single lessee accounting model and requires a lessee to recognise right-of-use assets and liabilities for leases with a term more than 12 months unless the underlying value is of low value. The FReM makes two public sector adaptations

- The definition of a contract is expanded to include intra UK government agreements that are not legally enforceable;
- The definition of a contract is expanded to included agreements that have nil consideration.

IFRS 16 gives a narrower definition of a lease than IAS 17 and IFRIC 4 by requiring that assets and liabilities will be recognised initially at the discounted value of minimum lease payments. After initial recognition, right of use assets will be depreciated on a straight line basis and interest recognised on the liabilities. Except where modified for revaluation where material, the cost model will be applied to assets other than peppercorn leases which will be measured on a depreciated replacement cost basis. The right of use asset in a peppercorn lease is accounted for similarly to a donated asset.

As required by the FReM IFRS 16 will be implemented using the accumulated catch up method.

The operating model of the Committees is fully revenue funded and does not allow them to hold any capital assets. Therefore, the implementation of IFRS 16 as it relates to the leases held by the committees, which have been detailed in Note 8 Page 32, will be undertaken and managed by Cwm Taf UHB as the host organisation.

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.