

Public Health Wales NHS Trust

Foreword

These accounts for the period ended 31 March 2023 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Public Health Wales NHS Trust 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, with the approval of the Treasury, directed.

Statutory background

The establishment of Public Health Wales NHS Trust in 2009, created for the first time, an independent NHS body with a clear and specific public health focus, and a remit to act across all the domains of public health practice. The Minister for Health and Social Services confirmed Public Health Wales NHS Trust would provide the national resource for the effective delivery of public health services at national, local and community level.

Public Health Wales NHS Trust originally incorporated the functions and services previously provided by the National Public Health Service (NPHS), Wales Centre for Health (WCfH), Welsh Cancer Intelligence Surveillance Unit (WCISU), Congenital Anomaly Register and Information Service (CARIS) and Screening Services Wales.

Since 2009, the organisation has continued to grow, taking on a range of additional functions and services from both the Welsh Government and NHS Wales, including several Health Improvement Programmes, Newborn Bloodspot Screening, Abdominal Aortic Aneurysm Screening, Wrexham Microbiology Laboratory and the Diabetic Eye Screening Service for Wales (DESW). Public Health Wales has hosted the NHS Wales Health Collaborative since 2016-17, which expanded during 2020-21 to include the Implementation Groups. In February 2018, the NHS Wales Finance Delivery Unit was established, which is also hosted by Public Health Wales NHS Trust.

In October 2022 the Local Public Health Teams transferred to their respective Health Boards from Public Health Wales. The establishment of the NHS Executive brings together the NHS Wales Health Collaborative and Finance Delivery Unit, currently hosted by Public Health Wales, and the Delivery Unit currently hosted by Swansea Bay University Health Board. It was agreed that Public Health Wales would host the NHS Executive with effect from April 2023.

Performance Management and Financial Results

This Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2022-2023. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-2017.

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4 2(2). Each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account. The first assessment of performance against the 3-year statutory duty under Schedules 4 2(1) and 4 2(2) was at the end of 2016-2017, being the first three year period of

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022-23 £000	2021-22 £000
Revenue from patient care activities	3	191,823	224,157
Other operating revenue	4	39,976	36,168
Operating expenses	5.1	(231,518)	(259,554)
Operating (deficit)/surplus		281	771
Investment revenue	6	577	16
Other gains and losses	7	118	7
Finance costs	8	(81)	0
Retained surplus	2.1.1	895	794
Other Comprehensive Income			
Items that will not be reclassified to net operating costs:			
Net gain/(loss) on revaluation of property, plant and equipment		9	315
Net gain / (loss) on revaluation of right of use assets		5	
Net gain/(loss) on revaluation of intangible assets		0	0
Movements in other reserves		215	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0
Net gain/(loss) on revaluation of financial assets		0	0
Impairments and reversals		0	4
Transfers between reserves		0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0
Sub total		229	319
Items that may be reclassified subsequently to net operating costs			
Net gain/(loss) on revaluation of financial assets held for sale		0	0
Sub total		0	0
Total other comprehensive income for the year		229	319
Total comprehensive income for the year		1,124	1,113

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	31 March 2023	31 March 2022
		£000	£000
Non-current assets			
Property, plant and equipment	13	25,123	26,530
Right of Use Assets	13.3	8,639	
Intangible assets	14	869	3,403
Trade and other receivables	17.1	3,347	327
Other financial assets	18	0	0
Total non-current assets		37,978	30,260
Current assets			
Inventories	16.1	2,164	2,995
Trade and other receivables	17.1	20,850	20,355
Other financial assets	18	0	0
Cash and cash equivalents	19	15,569	16,791
		38,583	40,141
Non-current assets held for sale	13.2	0	0
Total current assets		38,583	40,141
Total assets		76,561	70,401
Current liabilities			
Trade and other payables	20	(30,783)	(30,548)
Borrowings	21	(2,200)	0
Other financial liabilities	22	0	0
Provisions	23	(2,399)	(4,498)
Total current liabilities		(35,382)	(35,046)
Net current assets/(liabilities)		3,201	5,095
Total assets less current liabilities		41,179	35,355
Non-current liabilities			
Trade and other payables	20	0	(1,437)
Borrowings	21	(6,274)	0
Other financial liabilities	22	0	0
Provisions	23	(5,165)	(2,316)
Total non-current liabilities		(11,439)	(3,753)
Total assets employed		29,740	31,602
Financed by Taxpayers' equity:			
Public dividend capital		24,965	29,230
Retained earnings		3,915	1,481
Revaluation reserve		860	891
Other reserves		0	0
Total taxpayers' equity		29,740	31,602

The financial statements were approved by the Board on xx xxxx 2023 and signed on behalf of the Board by:

Dr Tracey Cooper, Chief Executive and Accountable Officer

Date: xx xxxx 2023

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2022-23	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000
Changes in taxpayers' equity for 2022-23				
Balance as at 31 March 2022	29,230	1,481	891	31,602
NHS Wales Transfer	0	0	0	0
RoU Asset Transitioning Adjustment	0	1,279	0	1,279
Balance at 1 April 2022	29,230	2,760	891	32,881
Retained surplus/(deficit) for the year		895		895
Net gain/(loss) on revaluation of property, plant and equipment		0	9	9
Net gain/(loss) on revaluation of right of use assets		0	5	5
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
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0
Impairments and reversals		0	0	0
Other reserve movement		215	0	215
Transfers between reserves		45	(45)	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0
Reserves eliminated on dissolution	0			0
Total in year movement	0	1,155	(31)	1,124
New Public Dividend Capital received	6,091			6,091
Public Dividend Capital repaid in year	(10,356)			(10,356)
Public Dividend Capital extinguished/written off	0			0
PDC Cash Due but not issued	0			0
Other movements in PDC in year	0			0
Balance at 31 March 2023	24,965	3,915	860	29,740

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2021-22	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000
Changes in taxpayers' equity for 2021-22				
Balance at 31 March 2021	23,386	686	573	24,645
NHS Wales Transfer	0	0	0	0
RoU Asset Transitioning Adjustment	0	0	0	0
Balance at 1 April 2021	23,386	686	573	24,645
Retained surplus/(deficit) for the year	0	794	0	794
Net gain/(loss) on revaluation of property, plant and equipment	0	0	315	315
Net gain/(loss) on revaluation of right of use assets	0	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0	0
Net gain/(loss) on revaluation of financial assets held for sale	0	0	0	0
Impairments and reversals	0	0	4	4
Other reserve movement	0	1	(1)	0
Transfers between reserves	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Total in year movement	0	795	318	1,113
New Public Dividend Capital received	5,844	0	0	5,844
Public Dividend Capital repaid in year	0	0	0	0
Public Dividend Capital extinguished/written off	0	0	0	0
PDC Cash Due but not issued	0	0	0	0
Other movements in PDC in year	0	0	0	0
Balance at 31 March 2022	29,230	1,481	891	31,602

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022-23 £000	2021-22 £000
Operating surplus/(deficit)	SOCI	281	771
Movements in working capital	30	(2,354)	5,492
Other cash flow adjustments	31	8,062	6,944
Provisions utilised		(340)	(517)
Interest paid		(81)	0
Net cash inflow (outflow) from operating activities		5,568	12,690
Cash flows from investing activities			
Interest received		577	16
(Payments) for property, plant and equipment		(5,703)	(7,876)
Proceeds from disposal of property, plant and equipment		118	7
(Payments) for intangible assets		(1,542)	(1,633)
Proceeds from disposal of intangible assets		0	0
Payments for investments with Welsh Government		0	0
Proceeds from disposals with Welsh Government		0	0
(Payments) for financial assets.		0	0
Proceeds from disposal of financial assets.		0	0
Net cash inflow (outflow) from investing activities		(6,550)	(9,486)
Net cash inflow (outflow) before financing		(982)	3,204
Cash flows from financing activities			
Public Dividend Capital received		6,091	5,844
Public Dividend Capital repaid		(10,356)	0
Loans received from Welsh Government		0	0
Loans repaid to Welsh Government		0	0
Other loans received		0	0
Other loans repaid		0	0
Other capital receipts		0	0
Capital elements of finance leases and on-SOFP PFI		8,474	0
Capital element of payments in respect of on-SoFP PFI		0	0
Capital element of payments in respect of Right of Use Assets		(8,083)	
Cash transferred (to)/from other NHS Wales bodies		3,634	0
Net cash inflow (outflow) from financing activities		(240)	5,844
Net increase (decrease) in cash and cash equivalents		(1,222)	9,048
Cash [and] cash equivalents at the beginning of the financial year	19	16,791	7,743
Cash [and] cash equivalents at the end of the financial year	19	15,569	16,791

The notes on pages 6 to 74 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 NHS Trusts (NHST) 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 2022-2023 Manual for Accounts. The accounting policies contained in that manual follow the 2022-2023 Financial Reporting Manual (FReM), in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

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

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

From 2018-2019, 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 is 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

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.

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 2019-2020 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, and in Wales the additional 6.3% would be 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 Public Health Wales NHS Trust commits itself to the retirement, regardless of the method of payment.

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

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

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, Public Health Wales NHS Trust;
- 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.

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. Public Health Wales NHS Trust has applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2022-23 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

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

From 2015-2016, 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 Public Health Wales NHS Trust or the asset which would prevent access to the market at the reporting date. If Public Health Wales NHS Trust 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.

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 SoCI. 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 ensures 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

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, Public Health Wales NHS Trust; 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 Public Health Wales NHS Trust expects to obtain economic benefits or service potential from the asset. This is specific to Public Health Wales NHS Trust 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, Public Health Wales NHS Trust 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 SoCI. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCI. 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 SoCI 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 SoCI. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

1.11 Leases

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

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

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

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

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

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16. Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

List any other transition expedients employed by the entity at its discretion.

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

There are further expedients or election that have been employed by Public Health Wales NHS Trust in applying IFRS 16.

These include:

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

Public Health Wales NHS Trust will not apply IFRS 16 to any new leases of in tangible assets applying the treatment described in section 1.14 instead.

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- List any other expedients employed by the entity (such as low value 5(b) or 15 on componentisation HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

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

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

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

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

1.11.1 Public Health Wales NHS Trust as lessee

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

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

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

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

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

Where existing leases are modified, Public Health Wales NHS Trust must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

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

1.11.2 Public Health Wales NHS Trust as lessor (where relevant)

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

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

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

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

On transition, Public Health Wales NHS Trust has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

1.12 Inventories

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

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14 Provisions

Provisions are recognised when Public Health Wales NHS Trust has a present legal or constructive obligation as a result of a past event, it is probable that Public Health Wales NHS Trust 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 Public Health Wales NHS Trust 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 Public Health Wales NHS Trust 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) operate a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participating NHS Wales bodies. The risk sharing option was implemented in both 2022-23 and 2021-22. The WRPS is hosted by Velindre NHS University Trust.

1.14.2 Future Liability Scheme (FLS)

General Medical Practice Indemnity (GMPI)

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

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

1.15 Financial Instruments

From 2018-2019 IFRS 9 Financial Instruments is applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by Public Health Wales NHS Trust is a change to the calculation basis for bad debt provisions: changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

1.16 Financial assets

Financial assets are recognised on the SoFP when the Public Health Wales NHS Trust 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 SoCI; '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 SoCI

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 SoCI. They are held at fair value, with any resultant gain or loss recognised in the SoCI. 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 SoCI 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, Public Health Wales NHS Trust 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 expenditure 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 expenditure 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.

1.16.6 Other financial assets

Listed investments are stated at market value. Unlisted investments are included at cost as an approximation to market value. Quoted stocks are included in the balance sheet at mid-market price, and where holdings are subject to bid / offer pricing their valuations are shown on a bid price. The shares are not held for trading and accordingly are classified as available for sale. Other financial assets are classified as available for sale investments carried at fair value within the financial statements.

1.17 Financial liabilities

Financial liabilities are recognised on the SOFP when Public Health Wales NHS Trust 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. Loans from Welsh Government are recognised at historical cost.

1.17.1 Financial liabilities are initially recognised at fair value through SoCI

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

1.17.2 Financial liabilities at fair value through the SoCI

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 SoCI. 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 Public Health Wales NHS Trust are outside the scope of VAT and, in general, output VAT does not apply and input VAT 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 VAT 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 SoCI. 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 Public Health Wales NHS Trust 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 SoCI on an accruals basis, including losses which would have been made good through insurance cover had Public Health Wales NHS Trust 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.

Public Health Wales NHS Trust accounts for all losses and special payments gross (including assistance from the WRPS).

Public Health Wales NHS Trust accrues or provides for the best estimate of future payouts 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

Public Health Wales NHS Trust has not entered into pooled budgets with Local Authorities.

1.23 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24 Key sources of estimation uncertainty

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

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

1.25 Provisions for legal or constructive obligations for clinical negligence, personal injury & defence costs

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

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

Probable & Certain Cases – Accounting Treatment

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

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision* Contingent Liability for all other estimated expenditure
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

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

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary’s Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of -0.25%.

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

1.26 Discount Rates

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

1.27 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.28 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 Public Health Wales NHS Trust, 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 Public Health Wales NHS Trust. 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.

1.29 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.

For transfers of functions involving NHS Wales Trusts in receipt of PDC the double entry for the fixed asset NBV value and the net movement in assets is PDC.

1.30 Accounting standards that have been issued but not yet been adopted

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

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

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

1.31 Accounting standards issued that have been adopted early

During 2022-2023 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.32 Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the Trust has established that as it is not the corporate trustee of Charitable Funds, it is considered for accounting standards compliance to not have control any Charitable Funds as a subsidiary, and therefore is not required to consolidate the results of any Charitable Funds within the statutory accounts of the Trust.

1.33 Subsidiaries

Material entities over which Public Health Wales NHS Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with Public Health Wales NHS Trust or where the subsidiary's accounting date is before 1 January or after 30 June.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.34 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.35 Public Dividend Capital (PDC) and PDC dividend

PDC represents taxpayers' equity in Public Health Wales NHS Trust. At any time the Minister for Health and Social Services with the approval of HM Treasury can issue new PDC to, and require repayments of, PDC from Public Health Wales NHS Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

From 1 April 2010 the requirement to pay a public dividend over to the Welsh Government ceased.

2. Financial Performance

2.1 STATUTORY FINANCIAL DUTIES

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4(2).

The Trust is required to achieve financial breakeven over a rolling 3 year period.

Welsh Health Circular WHC/2016/054 replaced WHC/2015/014 'Statutory and Financial Duties of Local Health Boards and NHS Trusts' and further clarifies the statutory financial duties of NHS Wales bodies.

2.1.1 Financial Duty

	Annual financial performance			2020-21 to
	2020-21	2021-22	2022-23	2022-23
	£000	£000	£000	Financial duty
				£000
Retained surplus	77	794	895	1,766
Less Donated asset / grant funded revenue adjustment	(45)	(651)	(810)	(1,506)
Adjusted surplus/ (Deficit)	32	143	85	260

Public Health Wales NHS Trust has met its financial duty to break even over the 3 years 2020-2021 to 2022-2023.

2.1.2 Integrated Medium Term Plan (IMTP)

The NHS Wales Planning Framework issued to Trusts placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The Trust submitted an Integrated Medium Term Plan, which includes the financial plan, for the period 2022-23 to 2024-25 in accordance with NHS Wales Planning Framework. This was approved by the Minister for Health and Social Services on 13 July 2022.

The Minister for Health and Social Services approval status.

Status	Approved
Date	13/07/2022

Public Health Wales NHS Trust has therefore met its statutory duty to have an approved financial plan.

2. Financial Performance (cont)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

The Trust is given an external financing limit which it is permitted to undershoot

The EFL target has been suspended by Welsh Government for 2022-23.

2.3. Creditor payment

The Trust 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 Trust has achieved the following results:

	2022-23	2021-22
Total number of non-NHS bills paid	27,394	26,250
Total number of non-NHS bills paid within target	26,416	25,351
Percentage of non-NHS bills paid within target	96.4%	96.6%

The Trust has met the target.

3. Revenue from patient care activities	2022-23	2021-22
	£000	£000
Local health boards	0	0
Welsh Health Specialised & Emergency Ambulance		
Services Committees (WHSSC & EASC)	0	0
Welsh NHS Trusts	0	0
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	168,092	199,885
Welsh Government - Hosted Bodies	23,731	24,272
Non NHS:		
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	0	0
Other revenue from activities	0	0
Total	191,823	224,157

Injury Cost Recovery (ICR) Scheme income:

	2022-23	2021-22
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	0.00	0.00

4. Other operating revenue

	2022-23	2021-22
	£000	£000
Income generation	498	266
Patient transport services	0	0
Education, training and research	2,049	1,756
Charitable and other contributions to expenditure	0	0
Receipt of Covid Items free of charge from other NHS Wales Organisations	0	0
Receipt of Covid Items free of charge from other organisations	762	1,724
Receipt of donations for capital acquisitions	673	651
Receipt of government grants for capital acquisitions	0	0
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care services to other bodies	0	0
Right of Use Asset Sub-leasing rental income	0	0
Rental revenue from finance leases	0	0
Rental revenue from operating leases	0	0
Other revenue:		
Provision of pathology/microbiology services	21,054	18,115
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	0	0
Business unit	0	0
Scheme Pays Reimbursement Notional	51	93
Other	14,889	13,563
Total	39,976	36,168
Total Patient Care and Operating Revenue	231,799	260,325

Other revenue comprises:

Excellence Awards	0	0
Grants - LA	331	502
Grants - Other	517	312
LHB & Trusts - Non Core Income	4,215	4,203
WG - Non Core Income	6,089	4,911
Staff Recharge	3,692	3,535
Other	45	100

Total	14,889	13,563
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5. Operating expenses	2022-23	2021-22
5.1 Operating expenses	£000	£000
Local Health Boards	23,012	23,447
Welsh NHS Trusts	2,113	2,410
Welsh Special Health Authorities	1,601	1,032
Goods and services from other non Welsh NHS bodies	0	0
WHSSC/EASC	144	1
Local Authorities	4,120	4,375
Purchase of healthcare from non-NHS bodies	0	0
Welsh Government	0	0
Other NHS Trusts	211	70
Directors' costs	1,744	1,714
Operational Staff costs	126,927	119,864
Single lead employer Staff Trainee Cost	88	60
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	32,433	75,110
Supplies and services - general	5,751	2,780
Consultancy Services	721	1,405
Establishment	11,582	9,877
Transport	916	638
Premises	8,753	9,020
Impairments and Reversals of Receivables	0	0
Depreciation	4,464	3,909
Depreciation (RoU Asset)	1,672	
Amortisation	392	412
Impairments and reversals of property, plant and equipment	1,235	(4)
Fixed asset impairments and reversals (RoU Assets)	0	
Impairments and reversals of intangible assets	0	0
Impairments and reversals of financial assets	0	0
Impairments and reversals of non current assets held for sale	0	0
Audit fees	167	167
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	(223)	20
Research and development	0	0
Expense related to short-term leases	345	
Expense related to low-value asset leases (excluding short-term leases)	16	
Other operating expenses	3,334	3,247
Total	231,518	259,554

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2022-23 £000	2021-22 £000
Increase/(decrease) in provision for future payments:		
Clinical negligence;-		
Secondary care	1,088	3,192
Primary care	0	0
Redress Secondary Care	0	(5)
Redress Primary Care	0	0
Personal injury	(228)	9
All other losses and special payments	(100)	0
Defence legal fees and other administrative costs	6	67
Structured Settlements Welsh Risk Pool	0	0
Gross increase/(decrease) in provision for future payments	<u>766</u>	<u>3,263</u>
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(2)	(71)
Less: income received/ due from Welsh Risk Pool	<u>(987)</u>	<u>(3,172)</u>
Total charge	<u>(223)</u>	<u>20</u>

	2022-23 £	2021-22 £
Permanent injury included within personal injury:	(228,144)	8,874

6. Investment revenue	2022-23	2021-22
Rental revenue :	£000	£000
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	577	16
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	577	16

7. Other gains and losses	2022-23	2021-22
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	118	7
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
Gains/(loss) on foreign exchange	0	0
Change in fair value of financial assets at fair value through income statement	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	118	7

8. Finance costs	2022-23	2021-22
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	81	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	81	0
Provisions unwinding of discount	0	0
Periodical Payment Order unwinding of discount	0	0
Other finance costs	0	0
Total	81	0

9. Future change to SoCI/Operating Leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by Public Health Wales NHS Trust .

	Post Implementation of IFRS 16		Pre implementation of IFRS 16
	Low Value & Short Term	Other	
	2022-23 £000	2022-23 £000	2021-22 £000
Payments recognised as an expense			
Minimum lease payments	361	0	2,038
Contingent rents	0	0	0
Sub-lease payments	0	0	0
Total	361	0	2,038
Total future minimum lease payments	2022-23	2022-23	2021-22
Payable:	£000	£000	£000
Not later than one year	90	0	1,902
Between one and five years	5	0	6,397
After 5 years	0	0	1,693
Total	95	0	9,992
Total future sublease payments expected to be received	0	0	0

As a result of the implementation of IFRS 16, the current year operating lease figures relate to low value and short term leases only. Of the £2.038m expenditure previously reported, £1.654m transitioned to balance sheet as right of use assets. Of the £9.992m minimum lease payments previously reported, £9.896m transitioned to the balance sheet as right of use assets.

9. Future change to SoCI/Operating Leases (continued)

9.2 Trust as lessor

There are no operating lease rentals payable to Public Health Wales NHS Trust .

Rental Revenue	Post Implementation of IFRS 16	Pre implementation of IFRS 16
Receipts recognised as income	2022-23	2021-22
	£000	£000
Rent	0	0
Contingent rent	0	0
Other	0	0
Total rental revenue	0	0
Total future minimum lease payments	2022-23	2021-22
Receivable:	£000	£000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total	0	0

10. Employee costs and numbers

10.1 Employee costs Operational Staff	Permanently employed staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	2022-23	2021-22
						£000	£000
						£000	£000
Salaries and wages	91,116	6,132	4,459	66	0	101,773	96,399
Social security costs	10,021	0	0	8	0	10,029	9,167
Employer contributions to NHS Pensions Scheme	16,909	0	0	13	0	16,922	16,034
Other pension costs	0	0	0	0	0	0	375
Other post-employment benefits	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0
Total	118,046	6,132	4,459	87	0	128,724	121,975

Of the total above:

Charged to capital	96	455
Charged to revenue	128,628	121,520
Total	128,724	121,975

Net movement in accrued employee benefits (untaken staff leave)

263 (158)

Covid 19 - Net movement in accrued employee benefits (untaken staff leave)

(158)

Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave)

0

10.2 Average number of employees

	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	2022-23	2021-22
						Total	Total
						Number	Number
Administrative, clerical and board members	1,228	48	42	0	0	1,318	1,228
Medical and dental	109	22	4	2	0	137	116
Nursing, midwifery registered	97	10	0	0	0	107	88
Professional, scientific and technical staff	10	1	0	0	0	11	13
Additional Clinical Services	359	0	8	0	0	367	342
Allied Health Professions	83	1	2	0	0	86	76
Healthcare scientists	404	0	22	0	0	426	399
Estates and Ancillary	2	0	1	0	0	3	1
Students	0	0	0	0	0	0	0
Total	2,292	82	79	2	0	2,455	2,263

10.3. Retirements due to ill-health

	2022-23	2021-22
Number	1	1
Estimated additional pension costs £	0	28,627

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

There was one case of retirement due to ill-health for Public Health Wales in 2022-23. As the member was over the Normal Pension Age (NPA), no data has been provided by NHS Business Services Authority as they only calculate additional costs up to NPA.

10.4 Employee benefits

Public Health Wales NHS Trust offers three salary sacrifice schemes; childcare vouchers, Cycle to Work and lease cars. In addition, the Trust offers a purchase of annual leave scheme.

10.5 Reporting of other compensation schemes - exit packages

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	Number of compulsory redundancies Whole numbers only	Number of other departures Whole numbers only	Total number of exit packages Whole numbers only	Number of departures where special payments have been made Whole numbers only	Total number of exit packages Whole numbers only
less than £10,000	0	1	1	0	1
£10,000 to £25,000	0	0	0	0	1
£25,000 to £50,000	0	1	1	1	4
£50,000 to £100,000	0	1	1	0	1
£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	3	3	1	7

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies £	Cost of other departures £	Total cost of exit packages £	Cost of special element included in exit packages £	Total cost of exit packages £
less than £10,000	0	4,630	4,630	0	3,020
£10,000 to £25,000	0	0	0	0	24,918
£25,000 to £50,000	0	44,602	44,602	14,602	159,513
£50,000 to £100,000	0	79,592	79,592	0	75,874
£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	128,824	128,824	14,602	263,325

Exit costs paid in year of departure	Total paid in year 2022-23 £	Total paid in year 2021-22 £
Exit costs paid in year	49,232	129,072
Total	49,232	129,072

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

10.6 Fair Pay disclosures

10.6.1 Remuneration Relationship

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

	2022-23 £000	2022-23 £000	2022-23 £000		2021-22 £000	2021-22 £000	2021-22 £000
	Chief				Chief		
Total pay and benefits	Executive	Employee	Ratio		Executive	Employee	Ratio
25th percentile pay ratio	173	27	6.32		168	25	6.65
Median pay	173	38	4.48		168	34	4.87
75th percentile pay ratio	173	53	3.27		168	48	3.53
Salary component of total pay and benefits							
25th percentile pay ratio	173	27			168	25	
Median pay	173	36			168	34	
75th percentile pay ratio	173	49			168	46	
	Highest Paid				Highest Paid		
Total pay and benefits	Director	Employee	Ratio		Director	Employee	Ratio
25th percentile pay ratio	0	0	0		0	0	0
Median pay	0	0	0		0	0	0
75th percentile pay ratio	0	0	0		0	0	0
Salary component of total pay and benefits							
25th percentile pay ratio	0	0			0	0	
Median pay	0	0			0	0	
75th percentile pay ratio	0	0			0	0	

In 2022-23, 4 (2021-22, 3) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £16,192 to £406,499 (2021-22, £18,546 to £455,246), with the lower amount reflecting apprentices and students.

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

The Chief Executive is the highest-paid director and so only the top section of the table above has been completed.

The increase in number of employees who are remunerated in excess of the highest-paid director is due to the increase in pay.

Financial year summary

The median pay ratio is consistent with the pay, reward and progression policies for the Trust's employees taken as a whole. All pay is in accordance with Welsh Government and NHS frameworks including Agenda for Change, which is a fair and transparent pay system.

	2021-22 to 2022-23	2020-21 to 2021-22
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	3	3
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	6	1
Performance pay and bonuses	0	0

The Chief Executive was the highest-paid director in 2021-22 and 2022-23 and so only the top section of the table above has been completed.

The increase in average percentage change from previous year is due to the negotiated pay award less overtime and other anti-social work being undertaken and agency costs which is offset by more bank workers in post at the end of the year. The movements, except for the pay award, mainly reflects the organisation adjusting to events post COVID.

11. Pensions

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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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 actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

c) National Employment Savings Trust (NEST)

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2022-2023 tax year (2021-2022 £6,240 and £50,000).

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

12. Public Sector Payment Policy

12.1 Prompt payment code - measure of compliance

The Welsh Government requires that trusts 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 trust financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the later.

	2022-23	2022-23	2021-22	2021-22
	Number	£000	Number	£000
NHS				
Total bills paid in year	3,192	45,727	2,823	38,427
Total bills paid within target	2,985	42,569	2,544	33,244
Percentage of bills paid within target	93.5%	93.1%	90.1%	86.5%
Non-NHS				
Total bills paid in year	27,394	104,727	26,250	134,569
Total bills paid within target	26,416	99,731	25,351	128,452
Percentage of bills paid within target	96.4%	95.2%	96.6%	95.5%
Total				
Total bills paid in year	30,586	150,454	29,073	172,996
Total bills paid within target	29,401	142,300	27,895	161,696
Percentage of bills paid within target	96.1%	94.6%	95.9%	93.5%

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

	2022-23	2021-22
	£	£
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
Total	0	0

13. Property, plant and equipment :

2022-23

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost at 31 March bf	563	10,184	0	0	27,912	3,010	9,427	2,009	53,105
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	(157)	(555)	0	0	0	0	0	0	(712)
At 1 April 2022	406	9,629	0	0	27,912	3,010	9,427	2,009	52,393
Indexation	(11)	266	0	0	0	0	0	0	255
Additions - purchased	0	343	0	0	521	2,522	689	142	4,217
Additions - donated	0	0	0	0	673	0	0	0	673
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	107	0	(87)	0	20
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	(219)	0	0	0	0	0	0	(219)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(54)	(1,821)	0	0	0	0	0	0	(1,875)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(5,194)	(1,617)	(373)	(6)	(7,190)
At 31 March 2023	341	8,198	0	0	24,019	3,915	9,656	2,145	48,274
Depreciation									
Depreciation at 31 March bf	0	3,390	0	0	13,525	2,506	5,804	1,350	26,575
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	(63)	0	0	0	0	0	0	(63)
At 1 April 2022	0	3,327	0	0	13,525	2,506	5,804	1,350	26,512
Indexation	0	27	0	0	0	0	0	0	27
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	(44)	0	(44)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(640)	0	0	0	0	0	0	(640)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(5,190)	(1,603)	(373)	(2)	(7,168)
Charged during the year	0	275	0	0	2,684	188	1,111	206	4,464
At 31 March 2023	0	2,989	0	0	11,019	1,091	6,498	1,554	23,151
Net book value									
At 1 April 2022	406	6,302	0	0	14,387	504	3,623	659	25,881
At 31 March 2023	341	5,209	0	0	13,000	2,824	3,158	591	25,123
Net book value at 31 March 2023 comprises :									
Purchased	341	5,209	0	0	11,806	2,824	3,158	591	23,929
Donated	0	0	0	0	1,194	0	0	0	1,194
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2023	341	5,209	0	0	13,000	2,824	3,158	591	25,123
Asset Financing:									
Owned	341	5,209	0	0	13,000	2,824	3,158	591	25,123
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
At 31 March 2023	341	5,209	0	0	13,000	2,824	3,158	591	25,123

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

	£000
Freehold	5,550
Long Leasehold	0
Short Leasehold	0
Total	5,550

Valuers 'material uncertainty', in valuation.

0

The disclosure relates to the materiality in the valuation report not that of the underlying account.

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

Transfer of Finance Leases to Right of Use Asset Note includes the transfer of peppercorn leases.

13. Property, plant and equipment :

2021-22	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2021	552	9,424	0	0	20,913	2,891	8,324	1,975	44,079
Indexation	7	350	0	0	0	0	0	0	357
Additions - purchased	0	417	0	0	6,592	140	1,353	45	8,547
Additions - donated	0	0	0	0	651	0	0	0	651
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	(7)	0	0	0	0	0	0	(7)
Reversal of impairments	4	0	0	0	0	0	0	0	4
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 other than by sale	0	0	0	0	(244)	(21)	(250)	(11)	(526)
At 31 March 2022	563	10,184	0	0	27,912	3,010	9,427	2,009	53,105
Depreciation									
At 1 April 2021	0	2,728	0	0	12,006	2,320	4,939	1,156	23,149
Indexation	0	35	0	0	0	0	0	0	35
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	51	(51)	0	0	0
Revaluation	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 other than by sale	0	0	0	0	(241)	(21)	(247)	(9)	(518)
Charged during the year	0	627	0	0	1,709	258	1,112	203	3,909
At 31 March 2022	0	3,390	0	0	13,525	2,506	5,804	1,350	26,575
Net book value									
At 1 April 2021	552	6,696	0	0	8,907	571	3,385	819	20,930
Net book value									
At 31 March 2022	563	6,794	0	0	14,387	504	3,623	659	26,530
Net book value at 31 March 2022 comprises :									
Purchased	563	6,794	0	0	13,699	504	3,623	659	25,842
Donated	0	0	0	0	651	0	0	0	651
Government Granted	0	0	0	0	37	0	0	0	37
At 31 March 2022	563	6,794	0	0	14,387	504	3,623	659	26,530
Asset Financing:									
Owned	563	6,794	0	0	14,387	504	3,623	659	26,530
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
At 31 March 2022	563	6,794	0	0	14,387	504	3,623	659	26,530

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

	£000
Freehold	7,357
Long Leasehold	0
Short Leasehold	0
Total	7,357

Valuers 'material uncertainty', in valuation.

0

The disclosure relates to the materiality in the valuation report not that of the underlying account.

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.

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

Public Health Wales NHS Trust has received the following donated assets during the year:

Asset Number	Description	Donated By	Value
P001747	COBAS 8800	UKHSA	£651,240
P001818	CryoCube ULT -80* freezer	UKHSA	£10,931
P001819	CryoCube ULT -80* freezer	UKHSA	£10,931

ii) Valuations

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

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

iii) Asset Lives

Depreciated as follows:

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

iv) Compensation

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

v) Write Downs

There have not been write downs.

vi) Public Health Wales NHS Trust does not hold any property where the value is materially different from its open market value.

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

Public Health Wales NHS Trust sold the following assets during the period:

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
20 x Mammography sets (Breast Test Wales Replacement programme		135
P000801 - Mobile Screening Unit (DESW)	End of useful life	3
P000803 - Conversion of Mercedes Atego	End of useful life	3
		141

13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2022	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for 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 c/f 31 March 2023	0	0	0	0	0	0
Balance b/f 1 April 2021	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for 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 c/f 31 March 2022	0	0	0	0	0	0

13.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, fourteen are significant in their own right: with a net book value at 31 March 2023 of £200,000 or more.

Land and buildings

Four leases for Trust Headquarters with a combined net book value of £4,424,000

Eight leases for various land and buildings around Wales with a combined net book value of £3,066,000

Equipment

Two leases for laboratory testing equipment with a combined net book value of £582,000

2022-23	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	129	0	0	0	0	0	0	129
Transfer of Finance Leases from PPE Note	0	712	0	0	0	0	0	0	712
Operating Leases Transitioning	0	7,255	0	0	1,450	0	0	0	8,705
Cost or valuation at 1 April	0	8,096	0	0	1,450	0	0	0	9,546
Additions	0	804	0	0	19	0	0	0	823
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	7	0	0	0	0	0	0	7
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(65)	0	0	0	0	0	0	(65)
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	0	8,842	0	0	1,469	0	0	0	10,311
Depreciation at 31 March	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	63	0	0	0	0	0	0	63
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	63	0	0	0	0	0	0	63
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(41)	0	0	0	0	0	0	(41)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(22)	0	0	0	0	0	0	(22)
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	0	1,275	0	0	397	0	0	0	1,672
At 31 March	0	1,275	0	0	397	0	0	0	1,672
Net book value at 1 April	0	8,033	0	0	1,450	0	0	0	9,483
Net book value at 31 March	0	7,567	0	0	1,072	0	0	0	8,639
RoU Asset Total Value Split by Lessor		Land & buildings	Buildings	Dwellings	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000	£000	£000	£000	£000	£000	£000	£000
NHS Wales Peppercorn Leases	0	1,035	0	0	0	0	0	0	1,035
NHS Wales Market Value Leases	0	0	0	0	1,072	0	0	0	1,072
Other Public Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Market Value Leases	0	331	0	0	0	0	0	0	331
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	6,201	0	0	0	0	0	0	6,201
Total	0	7,567	0	0	1,072	0	0	0	8,639

Transfer of Finance Leases from PPE Note includes the transfer of peppercorn leases.

13.3 Right of Use Assets continued
Quantitative disclosures

Maturity analysis	
Contractual undiscounted cash flows relating to lease liabilities	£000
Less than 1 year	2,286
2-5 years	6,030
> 5 years	441
Total	8,757
Lease Liabilities (net of irrecoverable VAT)	£000
Current	2,286
Non-Current	6,471
Total	8,757
Amounts Recognised in Statement of Comprehensive Net Expenditure	£000
Depreciation	1,672
Impairment	0
Variable lease payments not included in lease liabilities - Interest expense	81
Sub-leasing income	0
Expense related to short-term leases	136
Expense related to low-value asset leases (excluding short-term leases)	5
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)	£000
Interest expense	81
Repayments of principal on leases	1,216
Total	1,297

The leases are for land and buildings and equipment.

The leases for land and buildings are generally for a fixed term, with break options available. The payments are fixed but are subject to rent reviews with each lease having differing time periods for such reviews.

The equipment leases are for managed service contracts covering equipment in laboratories and office equipment.. The managed service contracts are subject to variable payments which are dependent on the level of tests carried out per year. There are options to extend these leases.

There are no restrictions or covenants imposed by these leases.

There are no sale and leaseback transactions associated with these leases.

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	Assets under Construction	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2022	751	998	708	0	2,206	0	4,663
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	35	0	29	0	1,432	0	1,496
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	(3,638)	0	(3,638)
Disposals other than by sale	(118)	0	0	0	0	0	(118)
At 31 March 2023	668	998	737	0	0	0	2,403
Amortisation							
At 1 April 2022	388	480	392	0	0	0	1,260
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	84	188	120	0	0	0	392
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	(118)	0	0	0	0	0	(118)
Accumulated amortisation at 31 March 2023	354	668	512	0	0	0	1,534
Net book value							
At 1 April 2022	363	518	316	0	2,206	0	3,403
Net book value							
At 31 March 2023	314	330	225	0	0	0	869
Net book value							
Purchased	314	330	225	0	0	0	869
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
At 31 March 2023	314	330	225	0	0	0	869

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	Assets under Construction	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2021	711	998	611	0	915	0	3,235
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	67	0	107	0	1,291	0	1,465
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	(27)	0	(10)	0	0	0	(37)
At 31 March 2022	751	998	708	0	2,206	0	4,663
Amortisation							
At 1 April 2021	325	280	280	0	0	0	885
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	90	200	122	0	0	0	412
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	(27)	0	(10)	0	0	0	(37)
Accumulated amortisation at 31 March 2022	388	480	392	0	0	0	1,260
Net book value							
At 1 April 2021	386	718	331	0	915	0	2,350
Net book value							
At 31 March 2022	363	518	316	0	2,206	0	3,403
Net book value							
Purchased	363	518	316	0	2,206	0	3,403
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
At 31 March 2022	363	518	316	0	2,206	0	3,403

14. Intangible assets

Disclosures:

i) Donated Assets

Public Health Wales NHS Trust has not received any donated intangible assets during the year.

ii) Recognition

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

iii) Asset Lives

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

iv) Additions during the period

Additions during 2022-23 consisted of a number of software licences purchases to be used alongside new systems.

v) Disposals during the period

A number of software licences have been disposed of due to the equipment/systems having been disposed of in year.

vi) Transfers into other NHS Bodies

Development expenditure internally generated relating to the Laboratory Information network Cymru (LINC) and Radiology Information System Programme (RISP) were transferred from the NHS Wales Health Collaborative to Digital Health & Care Wales with effect from the 1st of January 2023. The cost of assets transferred were:

LINC £3,446,564

RISP £191,139

There was no accumulated depreciation for these assets as they had not come into use at the time of transfer.

15. Impairments

Impairments in the period arose from:	2022-23			2021-22		
	Property, plant & equipment £000	Right of Use Assets £000	Intangible assets £000	Property, plant & equipment £000	Right of Use Assets £000	Intangible assets £000
Loss or damage from normal operations	0	0	0	0		0
Abandonment of assets in the course of construction	0	0	0	0		0
Over specification of assets (Gold Plating)	0	0	0	0		0
Loss as a result of a catastrophe	0	0	0	0		0
Unforeseen obsolescence	0	0	0	0		0
Changes in market price	1,228	0	0	0		0
Other	7	0	0	0		0
Reversal of impairment	0	0	0	(4)		0
Impairments charged to operating expenses	1,235	0	0	(4)		0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	1,235	0	0	(4)		0
Revaluation reserve	223	43	0	(4)		0
Total	1,458	43	0	(8)		0

Included in the above total of £1.458m are the following items:

Property, Plant and Equipment (PPE):

- Due to revaluation of PPE, impairments of £1.228m have been charged to operating expenses with £0.219m being charged to the revaluation reserve.
- The indexation for Land has resulted in an impairment of £0.0105m, of this amount £0.007m was charged to operating expenses and £0.004m to revaluation reserve.

Right of Use Assets (ROUA):

- Revaluation of ROUA has resulted in an impairment of £0.043m which has been taken to the revaluation reserve.

16. Inventories

16.1 Inventories

	31 March	31 March
	2023	2022
	£000	£000
Drugs	0	0
Consumables	2,164	2,995
Energy	0	0
Work in progress	0	0
Other	0	0
Total	2,164	2,995
Of which held at net realisable value:	0	0

16.2 Inventories recognised in expenses

	31 March	31 March
	2023	2022
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

Consumables inventory figure includes £136,944 of free of charge stock received in year which was still in stock as at 31st March 2023.

17. Trade and other receivables

17.1 Trade and other receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Welsh Government	12,189	8,816
WHSCC & EASC	32	0
Welsh Health Boards	2,189	3,910
Welsh NHS Trusts	75	63
Welsh Special Health Authorities	357	84
Non - Welsh Trusts	240	79
Other NHS	18	16
2019-20 Scheme Pays - Welsh Government Reimbursement	9	6
Welsh Risk Pool Claim reimbursement:-		
NHS Wales Secondary Health Sector	2,297	4,383
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	40
Local Authorities	0	36
Capital debtors- Tangible	0	0
Capital debtors- Intangible	0	0
Other debtors	1,667	1,308
Provision for impairment of trade receivables	(26)	(20)
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	1,676	1,545
Accrued income	127	89
Sub-total	<u>20,850</u>	<u>20,355</u>
Non-current		
Welsh Government	0	0
WHSCC & 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	42	87
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	3,280	240
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	25	0
Local Authorities	0	0
Capital debtors- Tangible	0	0
Capital debtors- Intangible	0	0
Other debtors	0	0
Provision for impairment of trade receivables	0	0
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	0	0
Accrued income	0	0
Sub-total	<u>3,347</u>	<u>327</u>
Total trade and other receivables	<u><u>24,197</u></u>	<u><u>20,682</u></u>

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

The value of trade receivables that are past their payment date but not impaired is £0.762m (£1.666m in 2021-22).

17.2 Receivables past their due date but not impaired

	31 March 2023 £000	31 March 2022 £000
By up to 3 months	735	1,603
By 3 to 6 months	13	37
By more than 6 months	14	26
Balance at end of financial year	762	1,666

17.3 Expected Credit Losses (ECL) Allowance for bad and doubtful debts

	31 March 2023 £000	31 March 2022 £000
Balance at 1 April	(20)	(89)
Transfer to other NHS Wales body	0	0
Provision utilised (Amount written off during the year)	2	1
Provision written back during the year no longer required	0	0
(Increase)/Decrease in provision during year	(22)	(2)
ECL/Bad debts recovered during year	14	70
Balance at end of financial year	(26)	(20)

17.4 Receivables VAT

	31 March 2022 £000	31 March 2021 £000
Trade receivables	1,005	682
Other	0	0
Total	1,005	682

18. Other financial assets

	31 March	31 March
	2023	2022
	£000	£000
Current		
Shares and equity type investments		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Deposits	0	0
Loans	0	0
Derivatives	0	0
Other (Specify)		
Right of Use Asset Finance Sublease	0	0
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Total	0	0
Non-Current		
Shares and equity type investments		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Deposits	0	0
Loans	0	0
Derivatives	0	0
Other (Specify)		
Right of Use Asset Finance Sublease	0	0
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Total	0	0

19. Cash and cash equivalents

	31 March 2023 £000	31 March 2022 £000
Opening Balance	16,791	7,743
Net change in year	(1,222)	9,048
Closing Balance	15,569	16,791
Made up of:		
Cash with Government Banking Service (GBS)	15,569	16,791
Cash with Commercial banks	0	0
Cash in hand	0	0
Total cash	15,569	16,791
Current investments	0	0
Cash and cash equivalents as in SoFP	15,569	16,791
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash & cash equivalents as in Statement of Cash Flows	15,569	16,791

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

Lease Liabilities (ROUA) £8.474m

Lease Liabilities (short-term and low value leases) £0.361m

PFI liabilities: £nil

The movement relates to cash, no comparative information is required by IAS 7 in 2022-23.

20. Trade and other payables at the SoFP Date	31 March 2023	31 March 2022
Current	£000	£000
Welsh Government	1,759	10
WHSSC & EASC	0	17
Welsh Health Boards	3,301	4,072
Welsh NHS Trusts	1,150	501
Welsh Special Health Authorities	711	166
Other NHS	293	134
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	1,296	14
National Insurance contributions payable to HMRC	1,484	0
Non-NHS trade payables - revenue	9,524	7,870
Local Authorities	747	1,665
Capital payables-Tangible	868	2,354
Capital payables- Intangible	8	54
Overdraft	0	0
Rentals due under operating leases	0	259
RoU Lease Liability	0	
Obligations due under finance leases and HP contracts		0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	1,572	111
Non NHS Accruals	7,310	12,432
Deferred Income:		
Deferred income brought forward	889	465
Deferred income additions	456	585
Transfer to/from current/non current deferred income	0	0
Released to the Income Statement	(585)	(161)
Other liabilities - all other payables	0	0
PFI assets – deferred credits	0	0
PFI - Payments on account	0	0
Sub-total	30,783	30,548

The Trust aims to pay all invoices within the 30 day period directed by the Welsh Government.

20. Trade and other payables at the SoFP Date (cont)

	31 March 2023 £000	31 March 2022 £000
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:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
National Insurance contributions payable to HMRC	0	0
Non-NHS trade 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	1,437
RoU Lease Liability	0	0
Obligations due under finance leases and 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 the Income Statement	0	0
Other liabilities - all other payables	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub-total	<u>0</u>	<u>1,437</u>
Total	<u>30,783</u>	<u>31,985</u>

RoU Lease Liability Transitioning & Transferring

	£000
RoU liability as at 31 March 2022	0
Transfer of Finance Leases from PPE Note	0
Operating Leases Transitioning	0
RoU Lease liability as at 1 April 2022	<u>0</u>

21. Borrowings	31 March	31 March
	2023	2022
Current	£000	£000
Bank overdraft - Government Banking Service (GBS)	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities		0
RoU Lease Liability	2,200	
Other	0	0
Total	2,200	0
Non-current		
Bank overdraft - GBS	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities		0
RoU Lease Liability	6,274	
Other	0	0
Total	6,274	0

21.2 Loan advance/strategic assistance funding

Amounts falling due:	31 March	31 March
	2023	2022
	£000	£000
In one year or less	0	0
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	0	0
Wholly repayable within five years	0	0
Wholly repayable after five years, not by instalments	0	0
Wholly or partially repayable after five years by instalments	0	0
Sub-total	0	0
Total repayable after five years by instalments	0	0

The Trust has not received a loan advance or strategic funding from the Welsh Government.

22. Other financial liabilities

	31 March	31 March
	2023	2022
	£000	£000
Current		
Financial Guarantees		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
Other		
At amortised cost	0	0
At fair value through SoCI	0	0
Total	0	0

	31 March	31 March
	2023	2022
	£000	£000
Non-current		
Financial Guarantees		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
Other		
At amortised cost	0	0
At fair value through SoCI	0	0
Total	0	0

23. Provisions
2022-23

	At 1 April 2022	Structured settlement cases transferr-ed to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	3,702	0	(40)	(2,422)	0	711	(180)	(183)	0	1,588
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	84	0	0	86	0	0	(86)	0	0	84
All other losses and special payments	100	0	0	0	0	0	0	(100)	0	0
Defence legal fees and other administration	117	0	0	(32)	0	32	(38)	(31)	0	48
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	6	0	0	2	0	8	(7)	0	0	9
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0		0
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	489		0	103	0	198	(3)	(117)		670
Total	4,498	0	(40)	(2,263)	0	949	(314)	(431)	0	2,399

Non Current

Clinical negligence:-										
Secondary Care	230	0	0	2,422	0	560	(19)	0	0	3,193
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1,202	0	0	(86)	0	0	0	(228)	0	888
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	14	0	0	32	0	15	(7)	(10)	0	44
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	87	0	0	(2)	0	15	0	(58)	0	42
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	82	0	0		82
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	783		0	(103)	0	236	0	0		916
Total	2,316	0	0	2,263	0	908	(26)	(296)	0	5,165

TOTAL

Clinical negligence:-										
Secondary Care	3,932	0	(40)	0	0	1,271	(199)	(183)	0	4,781
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1,286	0	0	0	0	0	(86)	(228)	0	972
All other losses and special payments	100	0	0	0	0	0	0	(100)	0	0
Defence legal fees and other administration	131	0	0	0	0	47	(45)	(41)	0	92
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	93	0	0	0	0	23	(7)	(58)	0	51
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	82	0	0		82
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	1,272		0	0	0	434	(3)	(117)		1,586
Total	6,814	0	(40)	0	0	1,857	(340)	(727)	0	7,564

Expected timing of cash flows:

	In year to 31 March 2024	Between 01-Apr-24 to 31 March 2028	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	1,588	3,193	0	4,781
Primary Care	0	0	0	0
Redress Secondary Care	0	0	0	0
Redress Primary Care	0	0	0	0
Personal injury	84	324	564	972
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	48	44	0	92
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	0	0	0	0
2019-20 Scheme Pays - Reimbursement	9	5	37	51
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	82	82
Other Capital Provisions	0	0	0	0
Other	670	151	765	1,586
Total	2,399	3,717	1,448	7,564

23. Provisions (continued)
2021-22

	At 1 April 2021	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	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	£000
Current										
Clinical negligence:-										
Secondary Care	1,149	0	(466)	0	0	3,436	(173)	(244)	0	3,702
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	5	0	0	0	0	0	0	(5)	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	84	0	0	84	0	0	(84)	0	0	84
All other losses and special payments	165	0	0	0	0	0	(65)	0	0	100
Defence legal fees and other administration	82	0	0	0	0	103	(33)	(35)	0	117
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	6	0	0	0	6
Restructurings	0		0	0	0	0	0	0		0
Other	435		0	23	0	228	(162)	(35)		489
Total	1,920	0	(466)	107	0	3,773	(517)	(319)	0	4,498
Non Current										
Clinical negligence:-										
Secondary Care	230	0	0	0	0	0	0	0	0	230
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1,277	0	0	(84)	0	9	0	0	0	1,202
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	15	0	0	0	0	(1)	0	0	0	14
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	87	0	0	0	87
Restructurings	0		0	0	0	0	0	0		0
Other	604		0	(23)	0	202	0	0		783
Total	2,126	0	0	(107)	0	297	0	0	0	2,316
TOTAL										
Clinical negligence:-										
Secondary Care	1,379	0	(466)	0	0	3,436	(173)	(244)	0	3,932
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	5	0	0	0	0	0	0	(5)	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1,361	0	0	0	0	9	(84)	0	0	1,286
All other losses and special payments	165	0	0	0	0	0	(65)	0	0	100
Defence legal fees and other administration	97	0	0	0	0	102	(33)	(35)	0	131
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	93	0	0	0	93
Restructurings	0		0	0	0	0	0	0		0
Other	1,039		0	0	0	430	(162)	(35)		1,272
Total	4,046	0	(466)	0	0	4,070	(517)	(319)	0	6,814

24 Contingencies**24.1 Contingent liabilities**

Provision has not been made in these accounts for the following amounts:

	31 March 2023 £000	31 March 2022 £000
Legal claims for alleged medical or employer negligence;		
Secondary care	1,045	1,116
Primary Care	0	0
Secondary care - Redress	0	0
Primary Care - Redress	0	0
Doubtful debts	0	0
Equal pay cases	0	0
Defence costs	46	67
Other	193	135
Total value of disputed claims	1,284	1,318
Amount recovered under insurance arrangements in the event of these claims being successful	(1,156)	(878)
Net contingent liability	128	440

Contingent liabilities includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefits Scheme.

24.2. Remote contingent liabilities

	31 March 2023 £000	31 March 2022 £000
Guarantees	0	0
Indemnities	0	0
Letters of comfort	0	0
Total	0	0

24.3 Contingent assets

	31 March 2023 £000	31 March 2022 £000
	0	0
	0	0
	0	0
	0	0

There are no remote contingent liabilities and no contingent assets to report.

25. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date :

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

	31 March	31 March
	2023	2022
	£000	£000
Property, plant and equipment	0	3,125
Right of Use Assets	0	
Intangible assets	0	0
Total	0	3,125

26. Losses and special payments

Losses and special payments are charged to the Income statement 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 year to 31 March 2023	
	Number	£
Clinical negligence	11	699,797
Personal injury	2	9,131
All other losses and special payments	8	1,801,489
Total	21	2,510,417

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:					
CNTA-034	Clinical negligence	1	475,295	1	503,658
Contract fruitless payment	Other	1	1,366,686	1	1,366,686
Sub-total		2	1,841,981	2	1,870,344
All other cases		19	668,436	19	847,417
Total cases		21	2,510,417	21	2,717,761

The contract fruitless payment reported above for £1.367m was approved and accrued for in 201-22. However, the payment was made in April 2022 and as this note is prepared on a cash basis, it is reported in 2022-23 Losses and Special Payments.

27. Right of Use / Finance leases obligations

27.1 Obligations (as lessee)

The NHS Trust has no finance leases receivable as a lessee.

Amounts payable under right of use asset / finance leases:	Post Implementation of IFRS 16	Pre implementation of IFRS 16 (FL)
LAND	31 March 2023 £000	31 March 2022 £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
Total	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
Total present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

27. Right of Use / Finance leases obligations

27.1 Obligations (as lessee) continued

Amounts payable under right of use asset / finance leases:	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
BUILDINGS	31 March 2023	31 March 2022
	£000	£000
Minimum lease payments		
Within one year	1,876	0
Between one and five years	5,344	0
After five years	441	0
Less finance charges allocated to future periods	(269)	0
Minimum lease payments	7,392	0
Included in: Current borrowings	1,799	0
Non-current borrowings	5,593	0
Total	7,392	0
Present value of minimum lease payments		
Within one year	1,799	0
Between one and five years	5,179	0
After five years	414	0
Total present value of minimum lease payments	7,392	0
Included in: Current borrowings	1,799	0
Non-current borrowings	5,593	0
Total	7,392	0
OTHER - Non Property		
	31 March 2023	31 March 2022
	£000	£000
Minimum lease payments		
Within one year	410	0
Between one and five years	686	0
After five years	0	0
Less finance charges allocated to future periods	(14)	0
Minimum lease payments	1,082	0
Included in: Current borrowings	401	0
Non-current borrowings	681	0
Total	1,082	0
Present value of minimum lease payments		
Within one year	401	0
Between one and five years	681	0
After five years	0	0
Total present value of minimum lease payments	1,082	0
Included in: Current borrowings	401	0
Non-current borrowings	681	0
Total	1,082	0

27.2 Right of Use Assets / Finance lease receivables (as lessor)

The Trust has no amounts receivable under right of use asset or finance leases as lessor.

Amounts receivable under right of use assets / finance leases:	Post Implementation of IFRS 16 31 March 2023 £000	Pre implementation of IFRS 16 (FL) 31 March 2022 £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
Present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	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
Less finance charges allocated to future periods	0	0
Total present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

27.3 Finance Lease Commitment

The Trust does not have any commitments becoming operational in a future period.

28. Private finance transactions

Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)

The Trust has no PFI or PPP Schemes.

29. Financial Risk Management

IFRS 7, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

NHS Trusts are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. NHS Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NHS Trusts in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust treasury activity is subject to review by the Trust's internal auditors.

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with various Health bodies, which are financed from resources voted annually by parliament. NHS Trusts also largely finance their capital expenditure from funds made available from the Welsh Government under agreed borrowing limits. NHS Trusts are not, therefore, exposed to significant liquidity risks.

Interest-rate risks

The great majority of NHS Trust's financial assets and financial liabilities carry nil or fixed rates of interest. NHS Trusts are not, therefore, exposed to significant interest-rate risk.

Foreign currency risk

NHS Trusts have no or negligible foreign currency income or expenditure and therefore are not exposed to significant foreign currency risk.

Credit Risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures are in receivables from customers as disclosed in the trade and other receivables note.

General

The powers of the Trust to invest and borrow are limited. The Board has determined that in order to maximise income from cash balances held, any balance of cash which is not required will be invested. The Trust does not borrow from the private sector. All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position, rather than the Trust's treasury management procedures.

30. Movements in working capital

	31 March 2023 £000	31 March 2022 £000
(Increase) / decrease in inventories	831	5,840
(Increase) / decrease in trade and other receivables - non-current	(3,020)	(87)
(Increase) / decrease in trade and other receivables - current	(495)	421
Increase / (decrease) in trade and other payables - non-current	(1,437)	(138)
Increase / (decrease) in trade and other payables - current	235	(60)
Total	(3,886)	5,976
Adjustment for accrual movements in fixed assets - creditors	1,532	(503)
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	0	19
Total	(2,354)	5,492

31. Other cash flow adjustments

	31 March 2023 £000	31 March 2022 £000
Other cash flow adjustments		
Depreciation	6,136	3,909
Amortisation	392	412
(Gains)/Loss on Disposal	(118)	(7)
Impairments and reversals	1,235	(4)
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
NWSSP Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	(673)	(651)
Government Grant assets received credited to revenue but non-cash	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cas	0	0
Non-cash movements in provisions	1,090	3,285
Total	8,062	6,944

32. Events after reporting period

Public Health Wales NHS Trust had no events after the reporting period.

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on xx xxx 2023; post the date the financial statements were certified by the Auditor General for Wales.

33. Related Party transactions

The Trust is a body corporate established by order of the Welsh Minister for Health and Social Services.

The Welsh Government is regarded as a related party. During the year, the Trust has had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely:

Related Party	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Please list all related party transactions to include;				
Welsh Government	9,091	197,475	1,759	12,189
Welsh LHBS:				
Aneurin Bevan University Health Board	4,156	1,765	397	249
Betsi Cadwaladr University Health Board	5,287	6,267	475	167
Cardiff and Vale University Health Board	6,850	7,836	559	648
Cwm Taf Morgannwg University Health Board	4,068	2,318	789	440
Hywel Dda University Health Board	3,155	2,648	388	229
Powys Teaching Health Board	1,310	449	191	58
Swansea Bay University Health Board	4,038	4,414	502	298
Welsh Health Specialised Services Committee/Emergency Ambulances Services Committee				
	144	190	0	32
Welsh NHS Trusts:				
Velindre University NHS Trust	8,686	398	1,150	944
Welsh Ambulance Service NHS Trust	49	34	0	7
Welsh Special Health Authorities :				
Digital Health and Care Wales	3,017	4,180	687	304
Health Education and Improvement Wales	157	1,699	24	53
NHS Wales Charities:				
Velindre University NHS Trust Charitable Funds	0	1	0	1
Local Authorities	6,664	224	747	0
Related Party Transactions where Board members have declared an interest (see notes below for details of relationships):				
EuroHealthNet	9	0	0	0
Faculty of Public Health	11	0	0	0
Florence Nightingale Foundation	2	0	1	0
Hafren Dyfrdwy	1	0	0	0
Macmillan Cancer Support	3	20	0	0
Tenovus	8	0	6	0
The Health Foundation	0	344	378	0
	56,706	230,262	8,053	15,619

Dr Sumina Azam, Acting National Director of Policy and International Health, World Health Organisation Collaborating Centre, is an Executive Board Member at EuroHealthNet.

Angela Jones, Acting Director for Health and Wellbeing, is a Trustee of Faculty of Public Health.

Rhiannon Beaumont-Wood, Executive Director of Quality, Nursing and Allied Health Professionals, is a Trustee of the Florence Nightingale Foundation.

Mohammed Mehmet, Non-Executive Director, is a Non-Executive Director for Hafren Dyfrdwy.

Mohammed Mehmet, Non-Executive Director, is a Trustee of Macmillan Cancer Support.

Huw George, Deputy Chief Executive and Executive Director of Operations and Finance is a Trustee of Tenovus.

Dr John Boulton, National Director of NHS Quality Improvement and Patient Safety/Director of Improvement Cymru, is a Board member of Q Network (sponsored by the Health Foundation).

34. Third party assets

The Trust held £nil cash at bank and in hand at 31 March 2023 (31 March 2022, £nil) which relates to monies held by the Trust on behalf of patients. Cash held in Patient's Investment Accounts amounted to £nil at 31 March 2023 (31 March 2022, £nil).

35. Pooled budgets

Public Health Wales NHS Trust has no pooled budgets.

36. Operating Segments

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

	PHW NHS Trust		NHS Collaboratives		Finance Delivery Unit		TOTAL		ELIMINATIONS		TOTAL	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Operating Revenue												
Segmental Income	202,438	230,457	28,402	28,793	1,650	1,379	232,490	260,629	(691)	(304)	231,799	260,325
	202,438	230,457	28,402	28,793	1,650	1,379	232,490	260,629	(691)	(304)	231,799	260,325
Operating expenses												
Local Health Boards	16,771	13,777	6,932	9,974	0	0	23,703	23,751	(691)	(304)	23,012	23,447
Welsh NHS Trusts	518	556	1,544	1,839	51	15	2,113	2,410	0	0	2,113	2,410
Welsh Special Health Authorities	178	192	1,404	840	19	0	1,601	1,032	0	0	1,601	1,032
Goods and services from other non Welsh NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0
WHSSC & EASC	144	1	0	0	0	0	144	1	0	0	144	1
Local Authorities	4,120	4,375	0	0	0	0	4,120	4,375	0	0	4,120	4,375
Purchase of healthcare from non-NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0
Welsh Government	0	0	0	0	0	0	0	0	0	0	0	0
Other NHS Trusts	211	70	0	0	0	0	211	70	0	0	211	70
Directors' costs	1,744	1,714	0	0	0	0	1,744	1,714	0	0	1,744	1,714
Operational Staff costs	114,126	108,081	11,352	10,622	1,449	1,161	126,927	119,864	0	0	126,927	119,864
Single lead employer Staff Trainee Cost	88	60	0	0	0	0	88	60	0	0	88	60
Collaborative Bank Staff Cost	0	0	0	0	0	0	0	0	0	0	0	0
Supplies and services - clinical	32,413	74,892	20	218	0	0	32,433	75,110	0	0	32,433	75,110
Supplies and services - general	1,381	1,342	4,367	1,437	3	1	5,751	2,780	0	0	5,751	2,780
Consultancy Services	663	1,114	58	270	0	21	721	1,405	0	0	721	1,405
Establishment	10,323	8,948	1,229	877	30	52	11,582	9,877	0	0	11,582	9,877
Transport	907	629	9	9	0	0	916	638	0	0	916	638
Premises	8,256	7,227	437	1,677	60	116	8,753	9,020	0	0	8,753	9,020
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	4,464	3,909	0	0	0	0	4,464	3,909	0	0	4,464	3,909
Depreciation (RoU Asset)	1,672	0	0	0	0	0	1,672	0	0	0	1,672	0
Amortisation	392	412	0	0	0	0	392	412	0	0	392	412
Impairments and reversals of property, plant and equipment	1,235	(4)	0	0	0	0	1,235	(4)	0	0	1,235	(4)
Impairments and reversals of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	167	167	0	0	0	0	167	167	0	0	167	167
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	(223)	20	0	0	0	0	(223)	20	0	0	(223)	20
Expense related to short-term leases	345	0	0	0	0	0	345	0	0	0	345	0
Expense related to low-value asset leases (excluding short-term leases)	16	0	0	0	0	0	16	0	0	0	16	0
Research and development	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	2,246	2,204	1,050	1,030	38	13	3,334	3,247	0	0	3,334	3,247
Total	202,157	229,686	28,402	28,793	1,650	1,379	232,209	259,858	(691)	(304)	231,518	259,554
Investment Revenue	577	16	0	0	0	0	577	16	0	0	577	16
Other Gains and Losses	118	7	0	0	0	0	118	7	0	0	118	7
Finance Costs	(81)	0	0	0	0	0	(81)	0	0	0	(81)	0
Total	614	23	0	0	0	0	614	23	0	0	614	23
Retained surplus	895	794	0	0	0	0	895	794	0	0	895	794

37. Other Information

37.1. 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 2022 to 31 March 2023. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2022 and February 2023 alongside Trust 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:

	2022-23	2021-22
STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 31 MARCH 2023	£000	£000
Revenue from patient care activities	5,134	4,886
Operating expenses	5,134	4,886
3. Analysis of gross operating costs		
3. Revenue from patient care activities		
Welsh Government	4,696	4,520
Welsh Government - Hosted Bodies	438	366
5.1 Operating expenses		
Directors' costs	63	78
Staff costs	5,071	4,808

37. Other Information (continued)

37.2 Other (continued)

Welsh Government Covid 19 Funding

Details of Covid 19 Pandemic Welsh Government funding amounts provided to NHS Wales

	Total 2022-23 £000	Total 2021-22 £000
Capital		
Capital Funding Field Hospitals	0	0
Capital Funding Equipment & Works	0	0
Capital Funding other (Specify)	0	0
Welsh Government Covid 19 Capital Funding	-	-
Revenue		
Stability Funding	0	0
Covid Recovery	0	1,100
Cleaning Standards	0	0
PPE (including All Wales Equipment via NWSSP)	52	0
Testing / TTP- Testing & Sampling - Pay & Non Pay	13,893	61,257
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	598	1,554
Extended Flu Vaccination / Vaccination - Extended Flu Programme	0	0
Mass Covid-19 Vaccination / Vaccination - COVID-19	1,232	1,410
Annual Leave Accrual - Increase due to Covid	0	0
Urgent & Emergency Care	0	0
Private Providers Adult Care / Support for Adult Social Care Providers	0	0
Hospices	0	0
Other Mental Health / Mental Health	0	0
Other Primary Care	0	0
Social care	0	0
Dental Patient charges	0	0
Nosocomial C19 Funding	0	0
Other	300	2,836
Welsh Government Covid 19 Revenue Funding	16,075	68,157

2022-23 Other includes £0.300m funding for a Covid recovery app.

2021-22 Other includes £2.836m of funding for STI online testing.

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

NHS TRUSTS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2010 and subsequent financial years in respect of the NHS Wales Trusts in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the NHS Wales Trusts shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year for which the accounts are being prepared, as detailed in the NHS Wales Trust Manual for Accounts;

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

FORM AND CONTENT

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, 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 to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust 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.

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 : 17.06.2010

1 Please see regulation 3 of the 2009 No 1558(W.153); NATIONAL HEALTH SERVICE, WALES; The National Health Service Trusts (Transfer of Staff, Property Rights and Liabilities) (Wales)