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Ymddiriedolaeth GIG
Gwasanaethau Ambwlans Cymru
Welsh Ambulance Services
NHS Trust

Welsh Ambulance Services NHS Trust Annual Report and Annual Accounts Part 3 – Financial Statements

2021/22

The three parts of the 2021/22 Annual Report and Accounts have been separated for ease of reference. The full signed version submitted to the Senedd and incorporating all three parts is available on our website.



Welsh Ambulance Services NHS Trust

Foreword

These accounts for the period ended 31 March 2022 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 Trust was established in 1998. Spread over an area of almost 8000 square miles and serving a population of over 3 million, our diverse area encompasses tranquil rural retreats, busy seaside resorts and large urban boroughs.

Our varied and modern services are tailor-made for each community's differing environmental and medical needs, from cycles to fast response cars, frontline ambulances and nurses in our control centres.

We attend more than 250,000 emergency calls a year, over 50,000 urgent calls and transport over 1.3 million non-emergency patients to over 200 treatment centres throughout England and Wales.

Our dedicated staff are our biggest asset, and we employ in the region of 4000 people. Approximately 70% of our workforce is within our emergency medical services which include our Clinical Contact Centres, and around 640 staff work in our Non-Emergency Patient Transport Service (NEPTS). Our patient facing services are also supported by colleagues working within our corporate and support functions (approximately 500 staff) and our valued extended volunteer workforce, including over 1,000 Community First Responders (CFRs) and circa 300 Volunteer Car Drivers.

We operate from over 100 buildings including ambulance stations, three control centres, three regional offices and five vehicle workshops.

We also have our own National Training College to ensure our staff remain at the top of their game and receive regular professional development.

We provide access to high quality, on-going training, regular continuous professional development opportunities and personal annual development reviews.

We are also the host for the 111 service, which is an amalgamation of NHS Direct Wales (a 24 hour health advice and information service for the public) and the front end call handling and clinical triage elements of the GP out-of-hours services.

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 2020-2021 onwards. 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 assessment.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021-22 £000	2020-21 £000
Revenue from patient care activities	3	261,570	232,768
Other operating revenue	4	14,889	8,988
Operating expenses	5.1	(276,398)	(241,847)
Operating (deficit)/surplus		61	(91)
Investment revenue	6	14	5
Other gains and losses	7	129	175
Finance costs	8	56	(19)
Consolidated Total			
Retained surplus	2.1.1	260	70
Other Comprehensive Income			
Items that will not be reclassified to net operating costs:			
Net gain/(loss) on revaluation of property, plant and equipment		1,016	522
Net gain/(loss) on revaluation of intangible assets		0	0
Net gain/(loss) on revaluation of financial assets		0	0
Movements in other reserves		0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0
Impairments and reversals		(96)	(643)
Transfers between reserves		0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0
Sub total		920	(121)
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		920	(121)
Total comprehensive income for the year		1,180	(51)

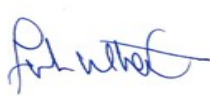
The notes on pages 6 to 76 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	31 March 2022	31 March 2021
		£000	£000
Non-current assets			
Property, plant and equipment	13	95,594	89,390
Intangible assets	14	3,231	3,463
Trade and other receivables	17.1	790	2,278
Other financial assets	18	0	0
Total non-current assets		99,615	95,131
Current assets			
Inventories	16.1	1,826	1,628
Trade and other receivables	17.1	17,148	14,481
Other financial assets	18	0	0
Cash and cash equivalents	19	18,708	18,468
		37,682	34,577
Non-current assets held for sale	13.2	130	130
Total current assets		37,812	34,707
Total assets		137,427	129,838
Current liabilities			
Trade and other payables	20	(35,752)	(28,521)
Borrowings	21	(1,364)	(1,616)
Other financial liabilities	22	0	0
Provisions	23	(4,402)	(6,949)
Total current liabilities		(41,518)	(37,086)
Net current assets/(liabilities)		(3,706)	(2,379)
Total assets less current liabilities		95,909	92,752
Non-current liabilities			
Trade and other payables	20	0	0
Borrowings	21	0	(1,059)
Other financial liabilities	22	0	0
Provisions	23	(10,058)	(11,887)
Total non-current liabilities		(10,058)	(12,946)
Total assets employed		85,851	79,806
Financed by Taxpayers' equity:			
Public dividend capital		81,219	76,354
Retained earnings		(5,701)	(5,961)
Revaluation reserve		10,333	9,413
Other reserves		0	0
Total taxpayers' equity		85,851	79,806

The financial statements were approved by the Board on 13th June 2022 and signed on behalf of the Board by:

Chief Executive : Jason Killens.....



Date: 13th June 2022

The notes on pages 6 to 76 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 as at 31 March 2021	76,354	(5,961)	9,413	79,806
Adjustment	0	0	0	0
Balance at 1 April 2021	76,354	(5,961)	9,413	79,806
Retained surplus/(deficit) for the year		260		260
Net gain/(loss) on revaluation of property, plant and equipment		0	1,016	1,016
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	(96)	(96)
Other reserve movement		0	0	0
Transfers between reserves		0	0	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	260	920	1,180
New Public Dividend Capital received	9,530			9,530
Public Dividend Capital repaid in year	(4,665)			(4,665)
Public Dividend Capital extinguished/written off	0			0
Other movements in PDC in year	0			0
Balance at 31 March 2022	81,219	(5,701)	10,333	85,851

The notes on pages 6 to 76 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2020-21	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000
Changes in taxpayers' equity for 2020-21				
Balance at 31 March 2020	76,309	(6,209)	9,712	79,812
Adjustment	0	0	0	0
Balance at 1 April 2020	76,309	(6,209)	9,712	79,812
Retained surplus/(deficit) for the year		70		70
Net gain/(loss) on revaluation of property, plant and equipment		0	522	522
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	(643)	(643)
Other reserve movement		0	0	0
Transfers between reserves		178	(178)	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	248	(299)	(51)
New Public Dividend Capital received	835			835
Public Dividend Capital repaid in year	(790)			(790)
Public Dividend Capital extinguished/written off	0			0
Other movements in PDC in year	0			0
Balance at 31 March 2021	76,354	(5,961)	9,413	79,806

The notes on pages 6 to 76 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021-22 £000	2020-21 £000
Operating surplus/(deficit)	SOCI	61	(91)
Movements in working capital	30	(593)	(450)
Other cash flow adjustments	31	25,662	20,659
Provisions utilised		(6,963)	(2,504)
Interest paid		(44)	(19)
Net cash inflow (outflow) from operating activities		18,123	17,595
Cash flows from investing activities			
Interest received		14	5
(Payments) for property, plant and equipment		(21,339)	(22,259)
Proceeds from disposal of property, plant and equipment		158	291
(Payments) for intangible assets		(270)	171
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		(21,437)	(21,792)
Net cash inflow (outflow) before financing		(3,314)	(4,197)
Cash flows from financing activities			
Public Dividend Capital received		9,530	835
Public Dividend Capital repaid		(4,665)	(790)
Loans received from Welsh Government		0	0
Other loans received		0	0
Loans repaid to Welsh Government		0	0
Other loans repaid		0	0
Other capital receipts		0	0
Capital elements of finance leases and on-SOFP PFI		(1,311)	(1,962)
Cash transferred (to)/from other NHS Wales bodies		0	0
Net cash inflow (outflow) from financing activities		3,554	(1,917)
Net increase (decrease) in cash and cash equivalents		240	(6,114)
Cash [and] cash equivalents at the beginning of the financial year	19	18,468	24,582
Cash [and] cash equivalents at the end of the financial year	19	18,708	18,468

The notes on pages 6 to 76 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of 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 2021-2022 Manual for Accounts. The accounting policies contained in that manual follow the 2021-2022 Financial Reporting Manual (FReM), in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 except for IFRS 16 Leases, which is deferred until 1 April 2022; to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the 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 Note 37.1 'Other Information' on page 74 of these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

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

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, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, vehicle 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. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

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

In 2017-2018 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 the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

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

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, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.8 Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the 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

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

1.11.1 The NHS Wales organisation as lessee

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

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

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

1.11.2 The NHS Wales organisation as lessor

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

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

1.12 Inventories

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

1.13 Cash and cash equivalents

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

1.14 Provisions

Provisions are recognised when the NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the NHS Wales organisation has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1 Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) 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 2021-22, 2020-21 and 2019-2020.

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 NHS Wales organisations 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 NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

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

All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

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

1.16.1 Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value' through 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, the NHS Wales organisation assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the 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 the NHS Wales organisation becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. 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 the NHS Wales organisation 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 the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21 Losses and Special Payments

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

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

The NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRPS).

The NHS Wales organisation accrues or provides for the best estimate of future payouts for certain liabilities and discloses all other potential payments as contingent liabilities.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 49%. 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 6-49%, 25% of the defence costs are provided for with the remaining liabilities being disclosed as a contingent liability.

1.22 Pooled budget

The NHS Wales organisation 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

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

Claims are funded via the 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 organisations, 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	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

* Defence fee costs are provided for at 25%.

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 the NHS Wales organisation, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

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

1.29 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 16 Leases is to be effective from 1 April 2022.

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

1.31 Accounting standards issued that have been adopted early

During 2021-2022 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 the corporate trustee of the Welsh Ambulance Services NHS Trust Charitable Fund it is therefore considered for accounting standards compliance to have control of the Welsh Ambulance Services NHS Trust Charitable Fund as a subsidiary.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Welsh Ambulance Services NHS Trust Charitable Fund or its independence in its management of charitable funds.

However the organisation has with the agreement of the Welsh Government adopted the IAS 27(10) exemption to consolidate. Welsh Government as the ultimate parent of the NHS Wales organisations will disclose the Charitable Accounts in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties notes.

1.33 Subsidiaries

Material entities over which the NHS Wales organisation 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 the NHS Wales organisation 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 the NHS Wales organisation. 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 the NHS Wales organisation. 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			2019-20 to 2021-22
	2019-20 £000	2020-21 £000	2021-22 £000	Financial duty £000
Retained surplus	45	70	260	375
Less Donated asset / grant funded revenue	0	0	(185)	(185)
Adjusted surplus/ (Deficit)	<u>45</u>	<u>70</u>	<u>75</u>	<u>190</u>

The Welsh Ambulance Services NHS Trust has met its financial duty to break even over the 3 years 2019-2020 to 2021-2022.

2.1.2 Integrated Medium Term Plan (IMTP)

Due to the pandemic, the process for the 2020-23 integrated plan was paused in spring 2020 temporary planning arrangement were implemented

As a result the extant planning duty for 2021-22 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

The Welsh Ambulance Services NHS Trust submitted a 2019-22 integrated plan in accordance with the planning framework.

The Minister for Health and Social Services extant approval.

Status	Approved
Date	18/04/2019

The Welsh Ambulance Services 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

Due to circumstances that arose as a result of the COVID-19 pandemic, the requirement to achieve the External Financing Target has been suspended for 2021-22. It is expected to be reintroduced 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:

	2021-22	2020-21
Total number of non-NHS bills paid	49,800	48,451
Total number of non-NHS bills paid within target	48,400	47,079
Percentage of non-NHS bills paid within target	97.2%	97.2%

The Trust has met the target.

3. Revenue from patient care activities	2021-22	2020-21
	£000	£000
Local health boards	41,034	35,433
Services Committees (WHSSC & EASC)	185,589	172,180
Welsh NHS Trusts	745	751
Welsh Special Health Authorities	0	0
Foundation Trusts	0	0
Other NHS England bodies	136	127
Other NHS Bodies	0	0
Local Authorities	0	2
Welsh Government	29,908	21,658
Welsh Government - Hosted Bodies	0	0
Non NHS:		
Private patient income	0	4
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	193	194
Other revenue from activities	3,965	2,419
Total	261,570	232,768
Welsh Government Covid 19	12,810	13,811

Included within Non NHS: Other revenue from activities £3.965m above is £1.796m from Department of Health & Social Care and £1.781m from Health Security Agency , total £3.577m. This relates to funding provided for Covid 19 Mobile Testing Units (MTU), (2020/21 £2.354m).

Injury Cost Recovery (ICR) Scheme income:

	2021-22	2020-21
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.76	22.43

4. Other operating revenue	2021-22	2020-21
	£000	£000
Income generation	0	0
Patient transport services	0	0
Education, training and research	1,329	685
Charitable and other contributions to expenditure	0	0
Receipt of Covid Items free of charge from other NHS Wales Organisations	0	1,946
Receipt of Covid Items free of charge from other organisations	0	0
Receipt of donations for capital acquisitions	185	0
Receipt of government grants for capital acquisitions	0	0
Non-patient care services to other bodies	0	0
Rental revenue from finance leases	0	127
Rental revenue from operating leases	141	0
Other revenue:		
Provision of pathology/microbiology services	0	0
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	79	128
Business unit	0	0
Scheme Pays Reimbursement Notional	0	0
Other	13,155	6,102
Total	14,889	8,988
Total Patient Care and Operating Revenue	276,459	241,756

Other revenue comprises:

Personal injury benefit scheme (PIBS)	132	921
Air Ambulance paramedic funding	0	0
Hazardous Area Response Team (HART)	2,570	2,457
Other minor services income	4,317	2,086
Funding for impairments (as funds flow monies)	6,136	638

Total

13,155 **6,102**

5. Operating expenses	2021-22	2020-21
5.1 Operating expenses	£000	£000
Local Health Boards	131	228
Welsh NHS Trusts	914	837
Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	0	0
WHSSC/EASC	0	0
Local Authorities	0	0
Purchase of healthcare from non-NHS bodies	12,599	8,694
Welsh Government	374	312
Other NHS Trusts	0	0
Directors' costs	1,835	1,625
Operational Staff costs	189,878	172,004
Single lead employer Staff Trainee Cost	0	0
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	6,801	7,228
Supplies and services - general	2,336	3,245
Consultancy Services	878	434
Establishment	4,373	3,544
Transport	16,995	13,462
Premises	12,216	9,207
Impairments and Reversals of Receivables	0	0
Depreciation	15,190	13,707
Amortisation	1,750	1,821
Impairments and reversals of property, plant and equipment	6,135	638
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	163	150
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	843	1,409
Research and development	0	0
Other operating expenses	2,987	3,302
Total	276,398	241,847

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Pensions Agency on the Trust's behalf. Further detail is provided in note 37.1.

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2021-22	2020-21
Increase/(decrease) in provision for future payments:	£000	£000
Clinical negligence;-		
Secondary care	310	2,237
Primary care	0	0
Redress Secondary Care	262	330
Redress Primary Care	0	0
Personal injury	(688)	1,563
All other losses and special payments	0	0
Defence legal fees and other administrative costs	171	274
Structured Settlements Welsh Risk Pool	0	0
Gross increase/(decrease) in provision for future payments	55	4,404
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	37	(28)
Less: income received/ due from Welsh Risk Pool	751	(2,967)
Total charge	843	1,409

Personal injury includes £0.126m in respect of permanent injury benefits (2020-21 £0.915m). This expenditure includes a charge of £0.099m relating to the change in the rate at which the provision for future payments is calculated.

The Contribution to Welsh Risk Pool is disclosed in Note 5.1 for 2021-22.

	2021-22	2020-21
	£	£
Permanent injury included within personal injury:	125,783	914,891

6. Investment revenue	2021-22	2020-21
Rental revenue :	£000	£000
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	14	5
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	14	5

7. Other gains and losses	2021-22	2020-21
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	129	175
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	129	175

8. Finance costs	2021-22	2020-21
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	44	68
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	44	68
Provisions unwinding of discount	(100)	(49)
Periodical Payment Order unwinding of discount	0	0
Other finance costs	0	0
Total	(56)	19

9. Operating leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by Welsh Ambulance Services NHS Trust for properties and equipment.

Payments recognised as an expense	2021-22	2020-21
	£000	£000
Minimum lease payments	2,027	1,969
Contingent rents	0	0
Sub-lease payments	0	0
Total	2,027	1,969

Total future minimum lease payments	2021-22	2020-21
	£000	£000
Payable:		
Not later than one year	1,842	1,637
Between one and five years	4,167	2,303
After 5 years	1,798	1,802
Total	7,807	5,742

Total future sublease payments expected to be received	0	0
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9. Operating leases (continued)

9.2 Trust as lessor

The Trust leases part of Vantage Point House to Aneurin Bevan LHB in respect of their GP Out of Hours service.

Rental Revenue

Receipts recognised as income	2021-22	2020-21
	£000	£000
Rent	0	0
Contingent rent	0	0
Other	143	121
Total rental revenue	143	121

Total future minimum lease payments	2021-22	2020-21
Receivable:	£000	£000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	1	1
Total	1	1

10. Employee costs and numbers

10.1 Employee costs Operational Staff	Permanently	Staff on	Agency	Specialist	Other	2021-22	2020-21
	employed staff	Inward Secondment	Staff	Trainee (SLE)	Staff	£000	£000
	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	157,003	494	1,754	0	0	159,251	145,090
Social security costs	15,091	0	0	0	0	15,091	12,857
Employer contributions to NHS Pensions Scheme	17,902	0	0	0	0	17,902	15,903
Other pension costs	6	0	0	0	0	6	2
Other post-employment benefits	0	0	0	0	0	0	0
Termination benefits	292	0	0	0	0	292	306
Total	190,294	494	1,754	0	0	192,542	174,158

Of the total above:

Charged to capital	956	652
Charged to revenue	191,586	173,506
Total	192,542	174,158

Net movement in accrued employee benefits (untaken staff leave total accrual included in note above)	673	1,466
The net movement in accrued employee benefits footnote above includes Covid 19 Net movement in accrued employee ben	673	1,466

10.2 Average number of employees

	Permanently	Staff on	Agency	Specialist	Other	2021-22	2020-21
	Employed	Inward	Staff	Trainee	Staff	Total	Total
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	557	9	15	0	0	581	558
Medical and dental	1	0	0	0	0	1	1
Nursing, midwifery registered	207	0	0	0	0	207	170
Professional, scientific and technical staff	2	0	0	0	0	2	1
Additional Clinical Services	2,058	0	6	0	0	2,064	1,755
Allied Health Professions	1,052	0	0	0	0	1,052	1,106
Healthcare scientists	0	0	0	0	0	0	0
Estates and Ancillary	62	0	0	0	0	62	62
Students	0	0	0	0	0	0	0
Total	3,939	9	21	0	0	3,969	3,653

The average number is calculated using the full time equivalent (FTE) of employees.

10.3. Retirements due to ill-health

	2021-22	2020-21
Number	5	3
Estimated additional pension costs £	348,066	150,929

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.

10.4 Employee benefits

Employee benefits refer to non-pay benefits which are not attributable to individual employees, for example group membership of a club. The trust does not operate any employee benefit schemes.

10.5 Reporting of other compensation schemes - exit packages

	2021-22	2021-22	2021-22	2021-22	2020-21
				Number of departures where special payments have been made	
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	Whole	Total number of exit packages Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	1	1	0	0
£25,000 to £50,000	0	3	3	0	2
£50,000 to £100,000	0	2	2	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	1
more than £200,000	0	0	0	0	0
Total	0	6	6	0	4

	2021-22	2021-22	2021-22	2021-22	2020-21
				Cost of special element included in	
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	22,191	22,191	0	0
£25,000 to £50,000	0	131,053	131,053	0	63,551
£50,000 to £100,000	0	138,628	138,628	0	66,417
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	176,244
more than £200,000	0	0	0	0	0
Total	0	291,872	291,872	0	306,212

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2021-22	2020-21
	£	£
Exit costs paid in year	171,637	239,796
Total	171,637	239,796

Redundancy, voluntary early release, and other departure costs have been paid in accordance with the provisions of the relevant schemes / legislation. Where the Trust has agreed early retirements or compulsory redundancies, the additional costs are met by the Trust 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 (see note 10.3 for details of ill health retirement costs).

The disclosure reports the number and value of exit packages agreed in the year in line with the Welsh Government manual for accounts. The costs disclosed above exclude costs relating to Payments in Lieu of Notice (PILON).

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. The 2021-22 financial year is the first year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required.

	2021-22 £000	2021-22 £000	2021-22 £000	2020-21 £000	2020-21 £000	2020-21 £000
	Chief			Chief		
	Executive	Employee	Ratio	Executive	Employee	Ratio
Total pay and benefits						
25th percentile pay ratio	162,500	24,565	6.62:1	167,500	22,945	7.3:1
Median pay	162,500	31,805	5.11:1	167,500	30,523	5.49:1
75th percentile pay ratio	162,500	44,814	3.63:1	167,500	42,287	3.96:1
Salary component of total pay and benefits						
25th percentile pay ratio	167,500	21,777	7.69:1	167,500	21,142	7.92:1
Median pay	167,500	24,882	6.73:1	167,500	24,157	6.93:1
75th percentile pay ratio	167,500	39,027	4.29:1	167,500	33,779	4.96:1
	Highest Paid			Highest Paid		
	Director *	Employee	Ratio	Director *	Employee	Ratio
Total pay and benefits						
25th percentile pay ratio	162,500	24,565	6.62:1	167,500	22,945	7.3:1
Median pay	162,500	31,806	5.11:1	167,500	30,523	5.49:1
75th percentile pay ratio	162,500	44,814	3.63:1	167,500	42,287	3.96:1
Salary component of total pay and benefits						
25th percentile pay ratio	167,500	21,777	7.69:1	167,500	21,142	7.92:1
Median pay	167,500	24,882	6.73:1	167,500	24,157	6.93:1
75th percentile pay ratio	167,500	39,027	4.29:1	167,500	33,779	4.96:1

In 2021-22, 0 (2020-21, 0) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £18,576 to £167,500 (2020-21, £18,185 to £167,500).

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

*In terms of these disclosures, the Chief Executive is also the highest paid director.

Financial Year Summary

NHS and social care financial recognition scheme bonus of £735 payment to reward eligible NHS staff has not been included in the NHS Remuneration Report calculations. This bonus payment is not a contractual payment, but a one off payment to reward eligible staff for their commitment and tireless efforts in the most challenging circumstances.

The total pay and benefits figure for the Chief Executive/Highest Paid Director is lower than the salary component due to a salary sacrifice scheme.

Following the change of presentation of the disclosure note, a new methodology has been implemented resulting in a different report having to be utilised, this has resulted in the median pay for 2020-21 increasing by £1,510 from the figure disclosed in the 2020-21 accounts. The reason behind this increase is that the new report takes their gross salary as at 31st March 2022 whereas the previous report calculated their cumulative gross pay.

	2020-21 to 2021-22 %	2019-20 to 2020-21 %
10.6.2 Percentage Changes		
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	-3.0	3.1
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	-3.0	3.1
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	3.6	4.7
Performance pay and bonuses	0	0

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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

11. Pensions (continued)

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

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

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

c) National Employment Savings Trust (NEST)

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,000 for the 2021-2022 tax year (2020-2021 £6,240 and £50,000).

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

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.

	2021-22	2021-22	2020-21	2020-21
	Number	£000	Number	£000
NHS				
Total bills paid in year	995	7,609	889	7,578
Total bills paid within target	923	6,848	806	6,937
Percentage of bills paid within target	92.8%	90.0%	90.7%	91.5%
Non-NHS				
Total bills paid in year	49,800	124,384	48,451	106,133
Total bills paid within target	48,400	122,353	47,079	104,195
Percentage of bills paid within target	97.2%	98.4%	97.2%	98.2%
Total				
Total bills paid in year	50,795	131,993	49,340	113,711
Total bills paid within target	49,323	129,201	47,885	111,132
Percentage of bills paid within target	97.1%	97.9%	97.1%	97.7%

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

	2021-22	2020-21
	£	£
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 :

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	8,598	21,069	0	17,182	22,597	78,399	35,731	1,848	185,424
Indexation	174	988	0	0	0	0	0	0	1,162
Additions - purchased	0	344	0	26,071	2	461	965	0	27,843
Additions - donated	0	0	0	185	0	0	0	0	185
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	(29)	0	0	0	0	0	0	0	(29)
Reclassifications	300	12,710	0	(20,176)	1,901	1,863	1,980	32	(1,390)
Revaluation	0	(96)	0	0	0	0	0	0	(96)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(6,136)	0	0	0	0	0	0	(6,136)
Reclassified as held for sale	0	0	0	0	(118)	(4,227)	0	0	(4,345)
Disposals other than by sale	0	0	0	0	(5,314)	(452)	(442)	(49)	(6,257)
At 31 March 2022	9,043	28,879	0	23,262	19,068	76,044	38,234	1,831	196,361

Depreciation

At 1 April 2021	0	3,105	0	0	16,203	47,335	28,113	1,278	96,034
Indexation	0	146	0	0	0	0	0	0	146
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	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(1)	0	0	0	0	0	0	(1)
Reclassified as held for sale	0	0	0	0	(118)	(4,227)	0	0	(4,345)
Disposals other than by sale	0	0	0	0	(5,314)	(452)	(442)	(49)	(6,257)
Charged during the year	0	931	0	0	2,333	8,571	3,167	188	15,190
At 31 March 2022	0	4,181	0	0	13,104	51,227	30,838	1,417	100,767

Net book value

At 1 April 2021	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390
At 31 March 2022	9,043	24,698	0	23,262	5,964	24,817	7,396	414	95,594

Net book value at 31 March 2022 comprises :

Purchased	9,043	24,698	0	23,262	5,944	24,662	7,396	414	95,419
Donated	0	0	0	0	20	155	0	0	175
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2022	9,043	24,698	0	23,262	5,964	24,817	7,396	414	95,594

Asset Financing:

Owned	9,043	24,698	0	23,262	5,964	24,817	5,809	414	94,007
Held on finance lease	0	0	0	0	0	0	1,587	0	1,587
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	9,043	24,698	0	23,262	5,964	24,817	7,396	414	95,594

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

	£000
Freehold	30,806
Long Leasehold	2,935
Short Leasehold	0
Total	33,741

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. Trusts 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.

A chartered surveyor was used during the 2021/22 financial year to value an asset that became operational during the year.

13. Property, plant and equipment :

2020-21	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 2020	8,772	20,649	0	22,100	20,959	67,473	32,423	1,833	174,209
Indexation	0	585	0	0	0	0	0	0	585
Additions - purchased	0	170	0	13,192	5	1,388	661	1	15,417
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	835	0	0	0	0	835
Reclassifications	0	715	0	(18,945)	1,633	13,798	2,709	14	(76)
Revaluation	(153)	(490)	0	0	0	0	0	0	(643)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(21)	(560)	0	0	0	0	(62)	0	(643)
Reclassified as held for sale	0	0	0	0	0	(4,260)	0	0	(4,260)
Disposals other than by sale	0	0	0	0	0	0	0	0	0
At 31 March 2021	8,598	21,069	0	17,182	22,597	78,399	35,731	1,848	185,424
Depreciation									
At 1 April 2020	0	2,165	0	0	14,170	44,154	24,953	1,087	86,529
Indexation	0	63	0	0	0	0	0	0	63
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	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	(5)	0	(5)
Reclassified as held for sale	0	0	0	0	0	(4,260)	0	0	(4,260)
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Charged during the year	0	877	0	0	2,033	7,441	3,165	191	13,707
At 31 March 2021	0	3,105	0	0	16,203	47,335	28,113	1,278	96,034
Net book value									
At 1 April 2020	8,772	18,484	0	22,100	6,789	23,319	7,470	746	87,680
At 31 March 2021	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390
Net book value at 31 March 2021 comprises :									
Purchased	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2021	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390
Asset Financing:									
Owned	8,598	17,964	0	17,182	6,394	31,064	4,968	570	86,740
Held on finance lease	0	0	0	0	0	0	2,650	0	2,650
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 2021	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390
The net book value of land, buildings and dwellings at 31 March 2021 comprises :									
									£000
Freehold									23,688
Long Leasehold									2,874
Short Leasehold									0
Total									<u>26,562</u>

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. 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.

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

The NHS Trust received the following donated assets during the year:

EMS Fully Equipped Ambulance £0.185 million

ii) Valuations

The Trust's 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. A chartered surveyor was used during the 2021/22 financial year to value an asset that became operational during the year.

The 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

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. No depreciation is provided on freehold land, assets in the course of construction and assets surplus to requirements.

Equipment lives range from six to eight years.

Buildings are depreciated on useful lives as determined by the Valuation Office Agency.

iv) Compensation and Write downs

£6.136 million was received from the Welsh Assembly Government in respect of compensation for assets impaired during the year. This is included in the income statement.

v) The Trust does not hold any property where the value is materially different from its open market value.

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

Assets becoming classified as held for sale are shown in Note 13.2. Those sold in the period are detailed below.

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
Vehicles	No longer serviceable	113
Equipment	No longer serviceable	16
		129

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 2021	130	0	0	0	0	130
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	0	0	0	0	0	0
Balance c/f 31 March 2022	130	0	0	0	0	130
Balance b/f 1 April 2020	246	0	0	0	0	246
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	(116)	0	0	0	0	(116)
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	0	0	0	0	0	0
Balance c/f 31 March 2021	130	0	0	0	0	130

As at 31st March 2022, one property is included within this category.

The property included became surplus to requirement following the relocation of staff to new office accommodation during the latter part of the 2018/19 financial year. The sale of the property was originally anticipated to take place during the financial year 2021/22 but as a result of delays caused by events outside of the Trust's control the sale is now anticipated to take place during the financial year 2022/23.

Within Note 13 there is £4.227m of Transport equipment and £0.118m of Plant & Machinery that is reclassified as held for sale. These relate wholly to fully depreciated vehicles and equipment which are then sold at auction. The gain on sale of these assets within the year is included in full within Note 13 (vi) (£0.129m).

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	Total
Cost or valuation	£000	£000	£000	£000	£000	£000
At 1 April 2021	11,570	0	4,589	0	0	16,159
Revaluation		0			0	0
Reclassifications	788	0	602	0	0	1,390
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions						
- purchased	128	0	0	0	0	128
- internally generated	0	0	0	0	0	0
- donated	0	0	0	0	0	0
- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0
Disposals other than by sale	(1,213)	0	(679)	0	0	(1,892)
At 31 March 2022	11,273	0	4,512	0	0	15,785
Amortisation						
At 1 April 2021	9,448	0	3,248	0	0	12,696
Revaluation		0			0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Charged during the year	1,036	0	714	0	0	1,750
Reclassified as held for sale	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0
Disposals other than by sale	(1,213)	0	(679)	0	0	(1,892)
Accumulated amortisation at 31 March 2022	9,271	0	3,283	0	0	12,554
Net book value						
At 1 April 2021	2,122	0	1,341	0	0	3,463
Net book value At 31 March 2022	2,002	0	1,229	0	0	3,231
Net book value						
Purchased	2,002	0	1,229	0	0	3,231
Donated	0	0	0	0	0	0
Government granted	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0
At 31 March 2022	2,002	0	1,229	0	0	3,231

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	Total
Cost or valuation	£000	£000	£000	£000	£000	£000
At 1 April 2020	11,419	0	4,589	0	0	16,008
Revaluation		0			0	0
Reclassifications	76	0	0	0	0	76
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions						
- purchased	75	0	0	0	0	75
- internally generated	0	0	0	0	0	0
- donated	0	0	0	0	0	0
- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
At 31 March 2021	11,570	0	4,589	0	0	16,159
Amortisation						
At 1 April 2020	8,352	0	2,523	0	0	10,875
Revaluation		0			0	0
Reclassifications	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Charged during the year	1,096	0	725	0	0	1,821
Reclassified as held for sale	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Accumulated amortisation at 31 March 2021	9,448	0	3,248	0	0	12,696
Net book value						
At 1 April 2020	3,067	0	2,066	0	0	5,133
Net book value						
At 31 March 2021	2,122	0	1,341	0	0	3,463
Net book value						
Purchased	2,122	0	1,341	0	0	3,463
Donated	0	0	0	0	0	0
Government granted	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0
At 31 March 2021	2,122	0	1,341	0	0	3,463

14. Intangible assets

Disclosures:

i) Donated Assets

Welsh Ambulance Services NHS Trust has not received any donated intangible assets during the year.

ii) Recognition

Intangible assets acquired separately are initially recognised at fair value.

iii) Asset Lives

The useful lives of all intangible fixed assets held are finite and where applicable are in line with the terms of the individual license.

15. Impairments

Impairments in the period arose from:	2021-22		2020-21	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Other	6,135	0	638	0
Reversal of impairment	0	0	0	0
Impairments charged to operating expenses	6,135	0	638	0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	6,135	0	638	0
Revaluation reserve	96	0	643	0
Total	6,231	0	1,281	0

Included within the above total of £6.231m are the following items:-

- a review undertaken in connection with expenditure incurred on Trust buildings identified that a total impairment of £1.458m was required as there were instances where the value of the buildings had not been enhanced. Of this amount, £1.362m was charged to operating expenses.

- the remaining £4.773m relates to the amount spent on Cardiff MRD over and above the valuation received once the works to the property were complete. All of this amount was charged to operating expenses.

16. Inventories

16.1 Inventories

	31 March	31 March
	2022	2021
	£000	£000
Drugs	120	121
Consumables	1,439	1,265
Energy	0	0
Work in progress	0	0
Other	267	242
Total	1,826	1,628
Of which held at net realisable value:	0	0

16.2 Inventories recognised in expenses

	31 March	31 March
	2022	2021
	£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

Welsh Ambulance Services NHS Trust Annual Accounts 2021-22
17. Trade and other receivables
17.1 Trade and other receivables

	31 March 2022 £000	31 March 2021 £000
Current		
Welsh Government	2,437	4,777
WHSSC & EASC	2,509	1,453
Welsh Health Boards	2,077	1,837
Welsh NHS Trusts	192	158
Welsh Special Health Authorities	8	19
Non - Welsh Trusts	15	0
Other NHS	24	6
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement:-		0
NHS Wales Secondary Health Sector	4,198	4,268
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	1	36
Capital debtors- Tangible	0	0
Capital debtors- Intangible	0	0
Other debtors	4,560	1,063
Provision for impairment of trade receivables	(291)	(259)
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	1,418	1,123
Accrued income	0	0
Sub-total	<u>17,148</u>	<u>14,481</u>
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement		0
NHS Wales Secondary Health Sector	406	1,831
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors- Tangible	0	0
Capital debtors- Intangible	0	0
Other debtors	384	447
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>790</u>	<u>2,278</u>
Total trade and other receivables	<u><u>17,938</u></u>	<u><u>16,759</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.

Other debtors includes £0.669m re Compensation Recovery Unit (2020-21 £0.731m).

17.2 Receivables past their due date but not impaired

	31 March 2022 £000	31 March 2021 £000
By up to 3 months	1,342	854
By 3 to 6 months	1	0
By more than 6 months	0	0
Balance at end of financial year	<u>1,343</u>	<u>854</u>

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

	31 March 2022 £000	31 March 2021 £000
Balance at 1 April	(259)	(290)
Transfer to other NHS Wales body	0	0
Provision utilised (Amount written off during the year)	5	3
Provision written back during the year no longer required	0	0
(Increase)/Decrease in provision during year	(37)	28
ECL/Bad debts recovered during year	0	0
Balance at end of financial year	<u>(291)</u>	<u>(259)</u>

17.4 Receivables VAT

	31 March 2022 £000	31 March 2021 £000
Trade receivables	38	16
Other	0	0
Total	<u>38</u>	<u>16</u>

18. Other financial assets

	31 March 2022 £000	31 March 2021 £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)		
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)		
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	31 March
	2022	2021
	£000	£000
Opening Balance	18,468	24,582
Net change in year	240	(6,114)
Closing Balance	18,708	18,468
Made up of:		
Cash with Government Banking Service (GBS)	18,644	18,424
Cash with Commercial banks	60	39
Cash in hand	4	5
Total cash	18,708	18,468
Current investments	0	0
Cash and cash equivalents as in SoFP	18,708	18,468
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash & cash equivalents as in Statement of Cash Flows	18,708	18,468

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

Lease Liabilities £1.311m reduction.

The movement relates to cash, no comparative information is required by IAS 7 in 2021-22.

20. Trade and other payables at the SoFP Date	31 March 2022 £000	31 March 2021 £000
Current		
Welsh Government	0	313
WHSSC & EASC	442	12
Welsh Health Boards	248	266
Welsh NHS Trusts	219	241
Welsh Special Health Authorities	35	325
Other NHS	95	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	1,589	1,454
National Insurance contributions payable to HMRC	2,192	1,997
Non-NHS trade payables - revenue	3,883	1,938
Local Authorities	8	155
Capital payables-Tangible	10,063	3,374
Capital payables- Intangible	104	246
Overdraft	0	0
Rentals due under operating leases	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	2,450	2,190
Non NHS Accruals	13,931	15,780
Deferred Income:		
Deferred income brought forward	230	207
Deferred income additions	263	23
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
PFI - Payments on account	0	0
Sub-total	35,752	28,521

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

In respect of the Pensions figure shown above, £2.429m relates to the NHS Pension scheme (2020-21 £2.167m) and £0.021m to the NEST pension scheme (2020-21 £0.022m).

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

	31 March 2022 £000	31 March 2021 £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	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>0</u>
Total	<u>35,752</u>	<u>28,521</u>

21. Borrowings	31 March	31 March
Current	2022	2021
	£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	1,364	1,616
Other	0	0
Total	1,364	1,616

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	1,059
Other	0	0
Total	0	1,059

A finance lease contract was entered into with Airwave during 2007-08 in respect of the National Ambulance Radio Re-procurement Project. During the financial year 2019-20, the Airwave finance lease was extended to November 2022 due to the national replacement scheme being delayed. This is the only finance lease liability included within the above.

21.2 Loan advance/strategic assistance funding

	31 March	31 March
	2022	2021
	£000	£000
Amounts falling due:		
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 2022 £000	31 March 2021 £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	<u>0</u>	<u>0</u>

	31 March 2022 £000	31 March 2021 £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	<u>0</u>	<u>0</u>

23. Provisions
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	2,711	0	0	640	0	1,432	(1,963)	(1,470)	0	1,350
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	158	0	0	(14)	0	472	(212)	(210)	0	194
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1,521	0	0	1,201	0	3,656	(375)	(4,344)	(99)	1,560
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	313	0	0	91	0	470	(206)	(370)	0	298
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	18		0	0	0	18	(9)	(11)	(1)	15
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	2,228		0	0	0	2,759	(3,868)	(134)		985
Total	6,949	0	0	1,918	0	8,807	(6,633)	(6,539)	(100)	4,402

Non Current										
Clinical negligence:-										
Secondary Care	640	0	0	(640)	0	348	0	0	0	348
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	14	0	10	(2)	(10)	0	12
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	11,096	0	0	(1,201)	0	0	(324)	0	0	9,571
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	91	0	0	(91)	0	71	0	0	0	71
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	60		0	0	0	0	(4)	0	0	56
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	11,887	0	0	(1,918)	0	429	(330)	(10)	0	10,058

TOTAL										
Clinical negligence:-										
Secondary Care	3,351	0	0	0	0	1,780	(1,963)	(1,470)	0	1,698
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	158	0	0	0	0	482	(214)	(220)	0	206
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	12,617	0	0	0	0	3,656	(699)	(4,344)	(99)	11,131
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	404	0	0	0	0	541	(206)	(370)	0	369
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	78		0	0	0	18	(13)	(11)	(1)	71
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	2,228		0	0	0	2,759	(3,868)	(134)		985
Total	18,836	0	0	0	0	9,236	(6,963)	(6,549)	(100)	14,460

Expected timing of cash flows:

	In year to 31 March 2023	Between 01-Apr-23 to 31 March 2027	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	1,350	348	0	1,698
Primary Care	0	0	0	0
Redress Secondary Care	194	12	0	206
Redress Primary Care	0	0	0	0
Personal injury	1,560	1,911	7,660	11,131
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	298	71	0	369
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	15	50	6	71
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
Other	985	0	0	985
Total	4,402	2,392	7,666	14,460

"Other" provisions £0.985m (2020-21 £2.228m) relates to a provision of £0.599m in respect of an evaluation of recent employment legislation and case law affecting the calculation of annual leave payments for employees working in the NHS and £0.386m for dilapidation of leasehold premises.

23. Provisions (continued)

2020-21

	At 1 April 2020	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 2021
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	1,977	0	0	0	0	1,690	(863)	(93)	0	2,711
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	485	(172)	(155)	0	158
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,408	0	0	(1,100)	0	1,504	(786)	(456)	(49)	1,521
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	312	0	0	(37)	0	607	(178)	(391)	0	313
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	19		0	13	0	7	(15)	(6)	0	18
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	2,577		0	0	0	137	(486)	0		2,228
Total	7,293	0	0	(1,124)	0	4,430	(2,500)	(1,101)	(49)	6,949
Non Current										
Clinical negligence:-										
Secondary Care	0	0	0	0	0	640	0	0	0	640
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	9,481	0	0	1,100	0	515	0	0	0	11,096
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	37	0	66	(4)	(8)	0	91
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	73		0	(13)	0	0	0	0	0	60
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	9,554	0	0	1,124	0	1,221	(4)	(8)	0	11,887
TOTAL										
Clinical negligence:-										
Secondary Care	1,977	0	0	0	0	2,330	(863)	(93)	0	3,351
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	485	(172)	(155)	0	158
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	11,889	0	0	0	0	2,019	(786)	(456)	(49)	12,617
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	312	0	0	0	0	673	(182)	(399)	0	404
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	92		0	0	0	7	(15)	(6)	0	78
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	2,577		0	0	0	137	(486)	0		2,228
Total	16,847	0	0	0	0	5,651	(2,504)	(1,109)	(49)	18,836

24 Contingencies

24.1 Contingent liabilities

	31 March 2022 £000	31 March 2021 £000
Provision has not been made in these accounts for the following amounts:		
Legal claims for alleged medical or employer negligence;		
Secondary care	9,193	5,624
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	316	235
Other: Damage to third party equipment	0	0
Total value of disputed claims	9,509	5,859
Amount recovered under insurance arrangements in the event of these claims being successful	(8,290)	(4,848)
Net contingent liability	1,219	1,011

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

Contingent liabilities includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefits Scheme. The above figures include contingent liabilities for all Health Bodies in Wales.

Pensions tax annual allowance - Scheme Pays arrangements 2019/2020

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pension tax rules are impacting upon clinical staff who want to work additional hours, and have determined that clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019/2020 tax year, face a charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement.

Welsh Government, on behalf of Welsh Ambulance Services NHS Trust, will pay the members who opt for reimbursement of their pension, a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government to the NHS Business Services Authority Pension Division, the administrators on behalf of the Welsh claimants.

Clinical staff have until 31 March 2022 to opt for this scheme and the ability to make changes up to 31 July 2026.

At the date of approval of these accounts, the indication was that there was very little take-up of the scheme by Welsh Ambulance Services NHS Trust staff, and there was insufficient data to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2022, the existence of an unquantified contingent liability is instead disclosed.

24.2. Remote contingent liabilities

	31 March 2022 £000	31 March 2021 £000
Guarantees	0	0
Indemnities	0	0
Letters of comfort	0	0
Total	0	0

24.3 Contingent assets

	31 March 2022 £000	31 March 2021 £000
	0	0
	0	0
	0	0
	0	0

The Trust has no contingent assets.

25. Capital commitments

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

	31 March 2022	31 March 2021
	NHS Trust	
	£000	£000
Property, plant and equipment	12,914	9,268
Intangible assets	86	232
Total	13,000	9,500

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 2022	
	Number	£
Clinical negligence	10	1,962,859
Personal injury	67	699,804
All other losses and special payments	121	213,759
Total	198	2,876,422
FHoT losses and special payments	0	0
Consolidated Total	198	2,876,422

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:				
Clinical negligence			1	704,493
Personal injury			1	378,967
Clinical negligence			1	632,585
Personal injury			1	4,314,610
Clinical negligence	1	558,681	1	708,810
Clinical negligence	1	523,880	1	523,880
Clinical negligence	1	425,780	1	425,780
Sub-total	3	1,508,341	7	7,689,125
All other cases	195	1,368,081	567	9,385,730
Total cases	198	2,876,422	574	17,074,855

27. Finance leases

27.1 Finance leases obligations (as lessee)

A contract was entered into with Airwave during 2007-08 in respect of the National Ambulance Radio Re-procurement Project. During the financial year 2019-20, the Airwave finance lease was extended to November 2022 due to the national replacement scheme being delayed.

This is the only asset included within 'Other' below.

Amounts payable under finance leases:

LAND	31 March 2022 £000	31 March 2021 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	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

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27.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

	31 March 2022 £000	31 March 2021 £000
BUILDINGS		
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

	31 March 2022 £000	31 March 2021 £000
OTHER		
Minimum lease payments		
Within one year	1,373	1,651
Between one and five years	0	1,066
After five years	0	0
Less finance charges allocated to future periods	(9)	(42)
Minimum lease payments	1,364	2,675
Included in: Current borrowings	1,364	1,616
Non-current borrowings	0	1,059
Total	1,364	2,675
Present value of minimum lease payments		
Within one year	1,364	1,616
Between one and five years	0	1,059
After five years	0	0
Total present value of minimum lease payments	1,364	2,675
Included in: Current borrowings	1,364	1,616
Non-current borrowings	0	1,059
Total	1,364	2,675

27.2 Finance lease receivables (as lessor)

The Trust has no finance lease receivables.

Amounts receivable under finance leases:

	31 March	31 March
	2022	2021
	£000	£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 Welsh Ambulance Service NHS Trust extended the contract of the Airwave Finance Lease during 2019-20, this remains the only finance lease that the Trust has. The Airwave Finance Lease has been extended to November 2022 due to the national replacement being delayed.

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 2022 £000	31 March 2021 £000
(Increase) / decrease in inventories	(198)	(72)
(Increase) / decrease in trade and other receivables - non-current	1,488	(1,742)
(Increase) / decrease in trade and other receivables - current	(2,667)	(5,395)
Increase / (decrease) in trade and other payables - non-current	0	0
Increase / (decrease) in trade and other payables - current	7,231	998
Total	5,854	(6,211)
Adjustment for accrual movements in fixed assets - creditors	(6,547)	5,761
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	100	0
Total	(593)	(450)

31. Other cash flow adjustments

	31 March 2022 £000	31 March 2021 £000
Other cash flow adjustments	£000	£000
Depreciation	15,190	13,707
Amortisation	1,750	1,821
(Gains)/Loss on Disposal	0	0
Impairments and reversals	6,135	638
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	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	2,587	4,493
Total	25,662	20,659

32. Events after reporting period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on the date they 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
Welsh Government	18	38,644	-	2,437
WHSSC/EASC	50	185,736	442	2,509
Aneurin Bevan University Health Board	348	13,756	78	496
Betsi Cadwaladr University Health Board	475	6,793	88	234
Cardiff & Vale University Health Board	34	4,771	8	400
Cwm Taf Morgannwg University Health Board	84	3,054	48	593
Hywel Dda University Health Board	417	5,343	19	170
Powys Teaching Health Board	52	1,497	-	25
Swansea Bay University Health Board	97	6,093	7	159
Public Health Wales NHS Trust	52	108	-	11
Velindre University NHS Trust	2,311	1,021	219	181
Health Education and Improvement Wales (HEIW)	22	407	-	-
Digital Health and Care Wales (DHCW)	758	208	35	8
Welsh Local Authorities	1,417	243	8	1
Cardiff University	22	-	-	-
Swansea University	79	132	-	8
Cardiff Metropolitan University	-	-	-	-
University of South Wales	20	-	-	-
University of Wales	43	-	2	-
Bangor University	1	-	-	-
Glyndwr University	-	-	-	-
	6,300	267,806	954	7,232

The Trust Board is the Corporate Trustee of the Welsh Ambulance Services NHS Trust Charity. All voting members of the Trust (marked with an asterisk in the table overleaf) can act as a corporate trustee of the charity. During the year receipts from the Charity amounted to £0.010m (2020/21: £0.010m) with no other transactions being made. Net assets of the charity amount to £0.544m.

The Welsh Government income shown above includes £6.136m relating to impairment funding and £4.865m that relates to PDC capital received during 2021/22.

33. Related Party transactions (continued)

A number of the Trust's members have declared interests in related parties as follows:

Name	Position	Declaration
Martin Woodford *	Trust Chair and Non-Executive Director	Nil declaration.
Kevin Davies *	Vice Chair and Non-Executive Director	Colonel Commandant Queen Alexandra's Royal Army Nursing Corps. Trustee Queen Alexandra's Charity. Trustee St John Ambulance Cymru. Patron Motivation and Learning Trust. Chair ABF The Soldiers Charity (Glamorgan). Member Royal College Nursing.
Emrys Davies *	Non-Executive Director	Director and Chair, NRML (Newport Road Maintenance Ltd.) Retired member of Unite.
Bethan Evans *	Non-Executive Director	Managing Director (Employed) at My Choice Healthcare Limited. Non-Executive Board Member at RHA (Social Housing Organisation) Company Directorships: <ul style="list-style-type: none"> - Moorlands Rehabilitation (Staffordshire) Limited. - My Choice Healthcare South Wales Limited - Homes of Excellence Healthcare Limited. - Springfield (Bargoed) Limited. - Homes of Excellence Limited - Victoria House Care Limited - My Choice Healthcare (Three) Limited - My Choice Healthcare (Four) Limited
Paul Hollard *	Non-Executive Director	Independent consultant providing occasional services to NHS Wales organisations and Welsh Government
Ceri Jackson *	Non-Executive Director	Self-employed Management Consultant primarily working in third sector. (Not undertaking any contracts for NHS, would consult WAST Chair prior to undertaking any contracts.) Associate Director of SamKat Ltd in my capacity as self-employed management consultant. (Not undertaking any NHS contracts as part of this role and would consult WAST Chair prior to undertaking any contracts.) Stroke Association Trustee, Chair Wales Advisory Group. Stroke Association has contracts with the NHS to deliver services. Volunteer role. Cardiff Institute for the Blind Trustee (trading as Sight Life). The charity has a contract with Cardiff and the Vale Health Board to provide services. Partner employed by Arjo (global supplier of medical devices and equipment).

33. Related Party transactions (continued)

Interests in Related Parties (continued)		
Name	Position	Declaration
Joga Singh *	Non-Executive Director	Geldards LLP, paid employment. Membership of the Law Society and the Employment Lawyers Association. Member of the Fairness Inclusion and Respect Committee for the Institute of Civil Engineers in Wales, voluntary role. Independent Member of the South Wales Police Ethics Committee, 2 – 3 days a year.
Martin Turner *	Non-Executive Director	Director and shareholder Martin Turner Associates Ltd.
Jason Killens *	Chief Executive	Nil declaration
Brendan Lloyd *	Executive Medical Director	National Professional Advisor (Ambulance Services) at Care Quality Commission, one day a week for six months from 1 February 2022.
Claire Roche *	Executive Director of Quality and Nursing (to 6 March 2022)	Nil declaration.
Wendy Herbert *	Interim Executive Director of Quality and Nursing (from 7 March 2022)	Nil declaration
Chris Turley *	Executive Director of Finance and Corporate Resources	Treasurer of Royal Gwent Hospital League of Friends.
Claire Vaughan *	Executive Director of Workforce and OD	(Voluntary) Independent Sub-Committee Member for Aberystwyth University
Lee Brooks	Director of Operations	Partner employed by Welsh Ambulance Services NHS Trust.
Andy Haywood	Director of Digital	Nil declaration.
Estelle Hitchon	Director of Partnerships and Engagement	Nil declaration
Rachel Marsh	Director of Strategy, Planning and Performance	Nil declaration
Andy Swinburn	Director of Paramedicine	Strategic Advisor to the College of Paramedics.
Keith Cox	Board Secretary (to 1 August 2021)	Magistrate Cardiff and Vale.
Trish Mills	Board Secretary (from 2 August 2021)	Nil declaration.

Voting Members of the Trust are marked with an asterisk * in the Table above.

No other Trust members provided declarations of interest in related parties during the period.

33. Related Party transactions (continued)

Material transactions between the Trust and related parties disclosed on pages 69 and 70 during 2021-22 were as follows (unless already reported on page 68) :	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
St John Ambulance	3,326	0	86	0
TOTAL	3,326	0	86	0

34. Third party assets

The Trust has no third party assets.

35. Pooled budgets

The Welsh Ambulance Services NHS Trust has no pooled budgets.

36. Operating Segments

The Trust's primary remit is the provision of Ambulance and Unscheduled Care services throughout Wales and this is viewed as the only segment that is recognisable under this legislation.

The Chief Operating Decision Maker (CODM) is considered to be the Trust Board. The CODM receives a variety of information in a variety of formats dealing with various aspects of ambulance service and NHS Direct Wales performance. The Trust however considers the provision of services to be ultimately generic, in terms of geography and service.

The Trust therefore is deemed to operate as one segment.

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

	2021-22	2020-21
STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 31 MARCH 2022	£000	£000
Revenue from patient care activities	7,841	6,966
Operating expenses	7,841	6,966
 3. Analysis of gross operating costs		
3. Revenue from patient care activities		
Welsh Government	7,841	6,966
Welsh Government - Hosted Bodies	-	-
 5.1 Operating expenses		
Directors' costs	76	59
Staff costs	7,765	6,907

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 2021-22 £000	Total 2020-21 £000	
Capital			
Capital Funding Field Hospitals		-	
Capital Funding Equipment & Works	200	1,491	
Capital Funding other (Specify)	-	-	
Welsh Government Covid 19 Capital Funding	200	1,491	
			As previously reported in 2020-21 £000
Revenue			
Sustainability Funding			6218
C-19 Pay Costs Q1 (Future Quarters covered by SF)			2143
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)			0
Bonus Payment			3655
Independent Health Sector			0
Stability Funding	5,368	12,016	
Covid Recovery	-	-	
Cleaning Standards	400	-	
PPE (including All Wales Equipment via NWSSP)	966	-	
Testing / TTP- Testing & Sampling - Pay & Non Pay	-	-	
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	-	-	
Extended Flu Vaccination / Vaccination - Extended Flu Programme	-	-	
Mass Covid-19 Vaccination / Vaccination - COVID-19	-	-	
Annual Leave Accrual - Increase due to Covid	-	1,777	
Urgent & Emergency Care	6,076	-	
Private Providers Adult Care / Support for Adult Social Care Providers	-	-	
Hospices	-	-	
Other Mental Health / Mental Health	-	-	
Other Primary Care	-	-	
Social Care	-	-	
Other	-	18	
Welsh Government Covid 19 Revenue Funding	12,810	13,811	

During 2021/22 £3.577m (2020/21 £2.354m) revenue funding was provided for Covid -19 Mobile testing Units (MTU) as follows:-

- DHSC (Dept Health & Social Care) £1.796m
- UK HSA (Health Security Agency) £1.781m

37. Other Information (continued)

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

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

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

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

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

The right of use assets and leasing obligation have been calculated and indicated that the total discounted value of right of use assets and liabilities under IFRS 16 is higher than the value of minimum lease commitments under IAS 17. The impact of implementation is an

- increase in expenditure £0.145m;
- increase in assets of £13.007m and liabilities of £11.871m.

These figures are calculated before intercompany eliminations are made, these will have a material impact on the figures.

Right of Use (RoU) Assets Impact

	Property £000	Non Property £000	Total £000
Statement of financial Position			
RoU Asset Recognition			
+ Transitioning Adjustment	11,466	66	11,532
+ As at 1 April 2022	11,466	66	11,532
+ Renewal / New RoU Assets 2022-23	2,964	-	2,964
- Less (Depreciation)	- 1,453	- 36	- 1,489
+ As at 31 March	12,977	30	13,007
RoU Asset Liability			
- Transitioning Adjustment	- 10,078	- 66	- 10,144
- As at 1 April 2022	- 10,078	- 66	- 10,144
- Renewal / New RoU Liability 2022-23	- 2,944	-	- 2,944
+ Working Capital	1,306	36	1,342
- Interest	- 124	- 1	- 125
- As at 31 March	- 11,840	- 31	- 11,871
Charges			
Expenditure			
RoU Asset depreciation (1)	- 1,453	- 36	- 1,489
Interest on obligations under RoU Asset leases (2)	- 125	- 1	- 126
	- 1,578	- 37	- 1,615

**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,