

Public Health Wales NHS Trust

Foreword

These accounts for the period ended 31 March 2019 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Public Health Wales NHS Trust under schedule 9 section 178 Para 3 (1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers, with the approval of the Treasury, directed.

Statutory background

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

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

Since 2009, the organisation has continued to grow, taking on a range of additional functions and services from both the Welsh Government and NHS Wales, including several Health Improvement Programmes, Newborn Bloodspot Screening, Abdominal Aortic Aneurism Screening and the Wrexham Microbiology Laboratory and the Diabetic Eye Screening Service for Wales (DESW). In addition, Public Health Wales hosts the NHS Wales Health Collaborative, which has expanded to include a number of clinical networks since it became part of Public Health Wales during 2016/17. In February 2018 the NHS Wales Finance Delivery Unit was established, which is also hosted by Public Health Wales NHS Trust, and the full year effect of the transfer is recognised in the 2018/19 accounts.

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 2018-19. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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 2016-17, being the first three year period of assessment.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2018-19 £000	2017-18 £000
Revenue from patient care activities	3	94,334	91,925
Other operating revenue	4	41,047	37,062
Operating expenses	5.1	(135,403)	(128,935)
Operating (deficit)/surplus		(22)	52
Investment revenue	6	48	27
Other gains and losses	7	0	(2)
Finance costs	8	0	(49)
Retained surplus	2.1.1	26	28
Other Comprehensive Income			
Items that will not be reclassified to net operating costs:			
Net gain/(loss) on revaluation of property, plant and equipment		40	102
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
Net gain/(loss) on revaluation of financial assets held for sale		0	0
Impairments and reversals		0	(93)
Transfers between reserves		0	0
Net gain/loss on Other Reserve		0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0
Sub total		40	9
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		40	9
Total comprehensive income for the year		66	37

The notes on pages 6 to 66 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	31 March 2019	31 March 2018
		£000	£000
Non-current assets			
Property, plant and equipment	13	11,352	12,782
Intangible assets	14	913	0
Trade and other receivables	17.1	327	0
Other financial assets	18	0	0
Total non-current assets		12,592	12,782
Current assets			
Inventories	16.1	569	786
Trade and other receivables	17.1	11,372	10,263
Other financial assets	18	0	0
Cash and cash equivalents	19	5,146	6,432
		17,087	17,481
Non-current assets held for sale	13.2	0	0
Total current assets		17,087	17,481
Total assets		29,679	30,263
Current liabilities			
Trade and other payables	20	(12,219)	(10,397)
Borrowings	21	0	0
Other financial liabilities	22	0	0
Provisions	23	(1,284)	(3,843)
Total current liabilities		(13,503)	(14,240)
Net current assets/(liabilities)		3,584	3,241
Total assets less current liabilities		16,176	16,023
Non-current liabilities			
Trade and other payables	20	(1,004)	(622)
Borrowings	21	0	0
Other financial liabilities	22	0	0
Provisions	23	(1,672)	(1,419)
Total non-current liabilities		(2,676)	(2,041)
Total assets employed		13,500	13,982
Financed by Taxpayers' equity:			
Retained earnings		567	597
Public dividend capital		12,469	13,017
Revaluation reserve		464	368
Other reserves		0	0
Funds Held on Trust Reserves			
Total taxpayers' equity		13,500	13,982

The financial statements were approved by the Board on 30th May 2019 and signed on behalf of the Board by:

Chief Executive and Accountable Officer Date

The notes on pages 6 to 66 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2018-19	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000
Changes in taxpayers' equity for 2018-19					
Balance as at 31 March 2018	13,017	597	368	0	13,982
Adjustment for Implementation of IFRS 9	0	0	0	0	0
Balance at 1 April 2018	13,017	597	368	0	13,982
Retained surplus/(deficit) for the year		26			26
Net gain/(loss) on revaluation of property, plant and equipment		0	40	0	40
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Impairments and reversals		0	0	0	0
Movements in other reserves		0	0	0	0
Transfers between reserves		(56)	56	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Reserves eliminated on dissolution	0				0
Net gain/loss on Other Reserve (specify)				0	0
In year movement	0	(30)	96	0	66
New Public Dividend Capital received	0				0
Public Dividend Capital repaid in year	(548)				(548)
Public Dividend Capital extinguished/written off	0				0
Other movements in PDC in year	0				0
Balance at 31 March 2019	12,469	567	464	0	13,500

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2017-18	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000
Changes in taxpayers' equity for 2017-18					
Balance at 31 March 2017	14,688	551	377	0	15,616
Adjustment for Implementation of IFRS 9	0	0	0	0	0
Balance at 1 April 2018	14,688	551	377	0	15,616
Retained surplus/(deficit) for the year		28			28
Net gain/(loss) on revaluation of property, plant and equipment		0	102	0	102
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Impairments and reversals		0	(93)	0	(93)
Movements in other reserves		0	0	0	0
Transfers between reserves		18	(18)	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Reserves eliminated on dissolution	0				0
Net gain/loss on Other Reserve (specify)				0	0
In year movement	0	46	(9)	0	37
New Public Dividend Capital received	0				0
Public Dividend Capital repaid in year	(1,671)				(1,671)
Public Dividend Capital extinguished/written off	0				0
Other movements in PDC in year	0				0
Balance at 31 March 2018	13,017	597	368	0	13,982

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

		2018-19	Reclassified 2017-18
	Note	£000	£000
Cash flows from operating activities			
Operating surplus/(deficit)	SOCI	(22)	52
Movements in working capital	30	179	1,749
Other cash flow adjustments	31	3,791	5,240
Provisions utilised		(2,897)	(1,143)
Interest paid		0	(49)
Net cash inflow (outflow) from operating activities		1,051	5,849
Cash flows from investing activities			
Interest received		48	27
(Payments) for property, plant and equipment		(1,398)	(2,522)
Proceeds from disposal of property, plant and equipment		0	737
(Payments) for intangible assets		(439)	0
Proceeds from disposal of intangible assets		0	0
(Payments) for investments with Welsh Government		0	0
Proceeds from disposal of investments with Welsh Government		0	0
(Payments) for financial assets.		0	0
Proceeds from disposal of financial assets.		0	0
Rental proceeds		0	0
Net cash inflow (outflow) from investing activities		(1,789)	(1,758)
Net cash inflow (outflow) before financing		(738)	4,091
Cash flows from financing activities			
Public Dividend Capital received		0	0
Public Dividend Capital repaid		(548)	(1,671)
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		0	(116)
Cash transferred (to)/from other NHS Wales bodies		0	0
Net cash inflow (outflow) from financing activities		(548)	(1,787)
Net increase (decrease) in cash and cash equivalents		(1,286)	2,304
Cash [and] cash equivalents at the beginning of the financial year	19	6,432	4,128
Cash [and] cash equivalents at the end of the financial year	19	5,146	6,432

The notes on pages 6 to 66 form part of these accounts.

Notes to the Accounts

Accounting policies

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of NHS Trusts in Wales shall meet the accounting requirements of the NHS Trust Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2018-19 NHS Trust Manual for Accounts. The accounting policies contained in that manual follow the European Union version of the International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Public Health Wales NHS Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by Public Health Wales NHS Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention and basis of consolidation

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.

Where income is received from Non NHS bodies for a specific activity that is to be delivered in the following year that income is deferred. Only non-NHS income may be deferred.

The Public Health Wales NHS Trust does not receive income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer.

From 2018-19, IFRS 15 Revenue from Contracts with Customers is applied, as interpreted and adapted for the public sector, in the Financial Reporting Manual (FReM). It replaces the previous standards International Accounting Standard (IAS) 11 Construction Contracts and IAS 18 Revenue and related International Financial Reporting Standards Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) interpretations. Upon transition the accounting policy to retrospectively restate in accordance with IAS 8 has been withdrawn. All entities applying the FReM shall recognise the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opening general fund within Taxpayer's equity.

A review consistent with the portfolio approach was undertaken by the NHS Technical Accounting Group members, which:

- identified that the only material income that would potentially require adjustment under IFRS 15 was that for patient care provided under Long term Agreements (LTAs) for episodes of care which had started but not concluded as at the end of the financial period;
- demonstrated that the potential amendments to NHS Wales NHS Trust and Local Health Board Accounts as a result of the adoption of IFRS 15 are significantly below materiality levels.

Under the Conceptual IFRS Framework due consideration must be given to the users of the accounts and the cost restraint of compliance and reporting and production of financial reporting. Given the income for LTA activity is recognised in accordance with established NHS Terms and Condition, affecting multiple parties across NHS Wales, it was considered reasonable to continue recognising in accordance with those established terms, on the basis that this provides information that is relevant to the user and to do so does not result in a material misstatement of the figures reported.

1.4 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 yet 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.

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

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the 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

Public Health Wales NHS Trust has to offer an alternative pension scheme for employees not eligible to join the NHS Pension scheme. 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 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 the Public Health Wales NHS Trust, or service potential will be supplied;
- it is expected to be used for more than one financial year;

- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are 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 Public Health Wales NHS Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts 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 Statement of Financial Position date. Fair values are determined as follows:

- Land and non specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

From 1 April 2009 the depreciated replacement cost valuation applies the Modern Equivalent Asset (MEA) cost basis of estimation to arrive at the cost of replacing the capacity and utility of a building rather than a like for like replacement cost.

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.

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

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

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the entity or the asset which would prevent

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

In 2017-18 a formal revaluation exercise by the District Valuation Office was applied to the Land and Properties of NHS Wales Trusts. The carrying value of existing assets at that date was written off over their remaining useful lives, new fixtures and equipment were carried at depreciated historic cost as this was 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. The accounting policy for this treatment changed in 2014/15, prior to which all impairments were taken to the revaluation reserve to the extent that a balance was held for that asset and thereafter to expenditure. However, to ensure that the outcome as reflected in the reserves figure on the Statement of Financial Position is consistent with the requirements of IAS 36 had this adaptation not been applied, the balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 should be transferred to retained earnings.

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 existing carrying value of the item replaced is written-out and 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 Public Health Wales NHS Trust's 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 trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

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

- the technical feasibility of completing the intangible asset so that it will be available for use
 - the intention to complete the intangible asset and use it
 - the ability to sell or use the intangible asset
 - how the intangible asset will generate probable future economic benefits or service potential
 - the availability of adequate technical, financial and other resources to complete the intangible asset
- and

sell or use it

- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

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

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

1.8 Depreciation, amortisation and impairments

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

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

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

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 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 (SOCl).

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 the benefits can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCl 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.

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 is adjusted. The asset is de-recognised 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 trust 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 on interest on the remaining balance of the liability. Finance charges are recognised in calculating Public Health Wales NHS Trust's surplus/deficit.

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 trust as lessor

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

Inventories are valued at the lower of cost and net realisable value using a weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

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, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of Public Health Wales NHS Trust's cash management.

1.14 Provisions

Provisions are recognised when Public Health Wales NHS Trust has a present legal or constructive obligation as a result of a past event, it is probable that Public Health Wales NHS Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using discount rates 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 amount receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably. Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where Public Health Wales NHS Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when Public Health Wales NHS Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1 Clinical Negligence and personal injury costs

The Welsh Risk Pool (WRP) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was not implemented in 2018-19. The WRP is hosted by Velindre University NHS Trust.

1.15. Financial Instruments

From 2018-19 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 bodies, will be to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

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

1.16 Financial assets

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

Financial assets are initially recognised at fair value.

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.

NHS Wales Technical Accounting Group members reviewed the IFRS 9 requirements and determined a revised approach for the calculation of the bad debt provision, applying the principles of

1.16.1 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 calculating the trust's surplus or deficit for the accounting period. 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 income statement 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.

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 expenditure and the carrying amount of the asset is reduced through a provision for 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 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.

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

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 Statement of Financial Position when Public Health Wales NHS Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. Loans from the Welsh Government are recognised at historical cost.

1.17.1 Financial guarantee contract liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of: - the premium received (or imputed) for entering into the guarantee less cumulative amortisation; - the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

1.17.2 Financial liabilities 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 liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in Public Health Wales NHS Trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

1.17.3 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from the Welsh Government, which are carried at historic cost. 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

Most of the activities of Public Health Wales NHS Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 Foreign currencies

Public Health Wales NHS Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in Public Health Wales NHS Trust's surplus/deficit in the period in which they arise.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since Public Health Wales NHS Trust has no beneficial interest in them.

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 income statement on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts 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 and compensations register which is prepared on a cash basis.

Public Health Wales NHS Trust accounts for all losses and special payments gross (including assistance from the Welsh Risk Pool). Public Health Wales NHS Trust accrues or provides for the best estimate of its future payouts for certain or probable liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

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

1.22 Pooled budgets

Public Health Wales NHS Trust has not entered into any pooled budget arrangements with Local Authorities.

1.23 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of Public Health Wales NHS Trust's 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 and 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 end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provisions

The amount recognised as provisions give rise to significant judgement and uncertainty. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking in to account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. A change in the assumptions could cause an increase or decrease in the amounts recognised as a provision which could materially impact the results of operations.

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

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the Health Board or Trust, 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 Accounting Treatment	0 – 5% Contingent Liability.
Possible	Probability of Settlement Accounting Treatment	6% - 49% Defence Fee - Provision Contingent Liability for all other estimated expenditure.
Probable	Probability of Settlement Accounting Treatment	50% - 94% Full Provision
Certain	Probability of Settlement Accounting Treatment	95% - 100% Full Provision

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 -0.75%.

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

1.25 Private Finance Initiative (PFI) transactions

Public Health Wales NHS Trust has no PFI arrangements.

1.26 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Public Health Wales NHS Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

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

Where the time value of money is material, contingencies are disclosed at their present value. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.27 Carbon Reduction Commitment Scheme

Carbon Reduction Commitment Scheme allowances are accounted for as government grant funded intangible assets if they are not realised within twelve months and otherwise as current assets. The asset should be measured initially at cost. Scheme assets in respect of allowances shall be valued at fair value where there is evidence of an active market.

1.28 Absorption Accounting

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

1.29 Accounting standards that have been issued but have 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

IFRS 14 Regulatory Deferral Accounts (The European Financial Reporting Advisory Group recommended in October 2015 that the Standard should not be endorsed as it is unlikely to be adopted by many EU countries.).

IFRS 16 Leases, HMT have confirmed that IFRS 16 Leases, as interpreted and adapted by the FReM is to be effective from 1 April 2020.

IFRS 17 Insurance Contracts.

IFRIC 23 Uncertainty over Income Tax Treatment.

1.30 Accounting standards issued that have been adopted early

During 2018-19 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31 Charity not consolidated as NHS Trust is not corporate trustee

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

1.32 Subsidiaries

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

1.33 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.34 Public Dividend Capital (PDC) and PDC dividend

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

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

2. Financial Performance

2.1 STATUTORY FINANCIAL DUTIES

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

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

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

2.1.1 Financial Duty

	Annual financial performance			2016-19 Financial duty £000
	2016-17 £000	2017-18 £000	2018-19 £000	
Retained surplus	16	28	26	70
Less Donated asset / grant funded revenue adjustment	0	0	0	0
Adjusted surplus/(deficit)	16	28	26	70

Public Health Wales NHS Trust has met its financial duty to break even over the 3 years 2016-17 to 2018-19.

2.1.2 Integrated Medium Term Plan (IMTP)

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

The Trust has submitted an Integrated Medium Term Plan, which includes the financial plan, for the period 2018-19 to 2020-21 in accordance with NHS Wales Planning Framework. This was approved by the Minister for Health and Social Services on 13 June 2018.

	Financial duty 2018-19 to 2020-21 Status
The Minister for Health and Social Services approval status	Approved

Public Health Wales NHS Trust has met its annual financial duty to have an approved financial plan for the period 2018-19 to 2020-21.

2. Financial Performance (cont)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

The Trust is given an external financing limit which it is permitted to undershoot		31 March 2019 £000	31 March 2018 £000
External financing limit set by the Welsh Government		(548)	(1,671)
Cash flow financing	(962)		(2,391)
Finance leases taken out in the year	0		0
Other capital receipts	0		0
External financing requirement		(962)	(2,391)
Undershoot (overshoot)		414	720

The Trust has achieved its external financing limit.

2.2.2. 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:

	2018-19	2017-18
Total number of non-NHS bills paid	21,972	21,523
Total number of non-NHS bills paid within target	21,104	20,569
Percentage of non-NHS bills paid within target	96.0%	95.6%

The Trust has met the target.

3. Revenue from patient care activities	2018-19 £000	2017-18 £000
Local health boards	0	0
Welsh Health Specialised & Emergency Ambulance Services Committees (WHSSC & EASC)	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS England bodies	0	0
Foundation Trusts	0	0
Local Authorities	0	0
Welsh Government	94,334	91,925
Welsh Government Welsh Risk Pool Reimbursements	0	0
Other NHS Trusts	0	0
Non NHS:		
Other revenue from activities	0	0
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	0	0
Total	94,334	91,925

ICR income is subject to a provision for impairment of **21.89%** to reflect expected rates of collection.

4. Other operating revenue	2018-19 £000	2017-18 £000
Income generation	276	119
Patient transport services	0	0
Education, training and research	1,582	1,548
Charitable and other contributions to expenditure	0	0
Receipt of donations for capital acquisitions	0	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	0
Rental revenue from operating leases	0	0
Other revenue:		
Provision of pathology/microbiology services	16,781	16,048
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	0	0
Business unit	0	0
Other	22,408	19,347
Total	41,047	37,062

Other revenue comprises:

Excellence Awards	90	88
Grants - LA	92	129
Grants - Other	1,264	105
LHB & Trusts - Non Core Income	1,987	2,126
WG - Non Core Income	14,692	12,726
Staff Recharge	2,858	2,985
Other	1,425	1,188
	0	0
	0	0
Total	22,408	19,347

5. Operating expenses	2018-19	2017-18
5.1 Operating expenses	£000	£000
Local Health Boards	15,503	16,441
Welsh NHS Trusts	2,263	2,104
Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other NHS bodies	0	0
WHSSC/EASC	0	0
Local Authorities	4,447	4,473
Purchase of healthcare from non-NHS bodies	0	0
Welsh Government	0	8
Other NHS Trusts	78	123
Directors' costs	1,489	1,531
Staff costs	81,350	75,663
Supplies and services - clinical	10,725	8,352
Supplies and services - general	869	885
Consultancy Services	359	322
Establishment	6,676	6,618
Transport	635	599
Premises	6,401	5,750
Impairments and Reversals of Receivables	0	0
Depreciation	3,045	3,702
Amortisation	155	0
Impairments and reversals of property, plant and equipment	0	(174)
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	151	151
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	346	481
Research and development	0	0
Other operating expenses	911	1,906
Total	135,403	128,935

5. Operating expenses (continued)**5.2 Losses, special payments and irrecoverable debts:**

Charges to operating expenses	2018-19	2017-18
Increase/(decrease) in provision for future payments:	£000	£000
Clinical negligence	257	1,236
Personal injury	(10)	227
All other losses and special payments	315	187
Defence legal fees and other administrative costs	29	25
Structured Settlements Welsh Risk Pool	0	0
Gross increase/(decrease) in provision for future payments	591	1,675
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	0	2
Less: income received/ due from Welsh Risk Pool	(245)	(1,196)
Total charge	346	481

Personal injury includes £5k in respect of permanent injury benefits (2017-18 £0.203m). This expenditure includes a change of £27k relating to the change in the rate at which the provision for future payments is calculated. Clinical negligence include £12k in respect of redress (2017-18 £0k).

6. Investment revenue	2018-19	2017-18
Rental revenue :	£000	£000
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	48	27
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	48	27

7. Other gains and losses	2018-19	2017-18
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	(2)
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Gains/(loss) on foreign exchange	0	0
Change in fair value of financial assets at fair value through income statement	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	0	(2)

8. Finance costs	2018-19	2017-18
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	49
Interest on obligations under PFI contracts:		
Main finance cost	0	0
Contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	0	49
Provisions unwinding of discount	0	0
Periodical Payment Order unwinding of discount	0	0
Other finance costs	0	0
Total	0	49

9. Operating leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by Public Health Wales NHS Trust for properties and equipment.

Payments recognised as an expense	2018-19	2017-18
	£000	£000
Minimum lease payments	1,035	1,593
Contingent rents	0	0
Sub-lease payments	0	0
Total	1,035	1,593

Total future minimum lease payments	2018-19	2017-18
Payable:	£000	£000
Not later than one year	1,111	2,057
Between one and five years	5,258	6,954
After 5 years	6,193	5,303
Total	12,562	14,314

Total future sublease payments expected to be received	0	0
--	---	---

9. Operating leases (continued)

9.2 Trust as lessor

Rental Revenue

Receipts recognised as income

	2018-19 £000	2017-18 £000
Rent	0	0
Contingent rent	0	0
Other	0	0
Total rental revenue	0	0

Total future minimum lease payments

Receivable:

	2018-19 £000	2017-18 £000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total	0	0

10. Employee costs and numbers

					2018-19	2017-18
10.1 Employee costs	Permanently employed staff	Staff on Inward Secondment	Agency Staff	Other Staff	£000	£000
	£000	£000	£000	£000	£000	£000
Salaries and wages	60,618	5,330	2,215	0	68,163	63,877
Social security costs	6,239	0	0	0	6,239	5,516
Employer contributions to NHS Pensions Scheme	8,310	0	0	0	8,310	7,698
Other pension costs	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0
Total	75,167	5,330	2,215	0	82,712	77,091
Of the total above:						
Charged to capital					0	0
Charged to revenue					82,712	77,091
Total					82,712	77,091
					(9)	(19)

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

10.2 Average number of employees

	Permanently Employed	Staff on Inward Secondment	Agency Staff	Other Staff	2018-19 Total	2017-18 Total
	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	875	39	26	0	940	900
Ambulance staff	0	0	0	0	0	0
Medical and dental	75	30	0	0	105	100
Nursing, midwifery registered	58	0	0	0	58	57
Professional, scientific and technical staff	481	0	8	0	489	515
Additional Clinical Services	0	0	0	0	0	0
Allied Health Professions	57	1	1	0	59	1
Healthcare scientists	0	0	0	0	0	0
Estates and Ancillary	0	0	0	0	0	0
Students	0	0	0	0	0	0
Total	1,546	70	35	0	1,651	1,573

Staff numbers have increased due to the full year recognition of Finance Delivery Unit and clinical networks.

10.3 Retirement costs due to ill-health

During 2018-19 there were 1 (2017-18, 1) early retirements from Public Health Wales NHS Trust agreed on the grounds of ill-health. The estimated additional pension costs of these ill-health retirements is £17,032 (2017-18, £26,451). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

10.4 Employee benefits

Public Health Wales NHS Trust offers a lease car scheme and two salary sacrifice schemes (childcare and bikes). A third salary sacrifice scheme for home computers ended during 2017/18.

10.5 Reporting of other compensation schemes - exit packages

	2018-19	2018-19	2018-19	2018-19	2017-18
				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 numbers only	Total number of exit packages Whole numbers only
less than £10,000	3	1	4	1	1
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	1	1	0	1
£50,000 to £100,000	0	1	1	1	2
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	3	3	6	2	4

	2018-19	2018-19	2018-19	2018-19	2017-18
				Cost of special element included in exit packages	
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies £	Cost of other departures £	Total cost of exit packages £	£	Total cost of exit packages £
less than £10,000	6,389	4,489	10,878	4,489	8,500
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	43,772	43,772	0	25,072
£50,000 to £100,000	0	65,651	65,651	65,651	154,800
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	6,389	113,912	120,301	70,140	188,372

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). 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 expense associated with these departures may have been recognised in part or in full in a previous period.

10.6 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the midpoint of the banded remuneration of the highest-paid director/employee in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Public Health Wales NHS Trust in the financial year 2018-19 was £160,000 to £165,000 (2017-18, £155,000 to £160,000). This was 5.31 times (2017-18, 5.32 times) the median remuneration of the workforce, which was £30,588 (2017-18, £29,627).

In 2018-19, 0 (2017-18, 0) employees received remuneration in excess of the highest-paid director. Remuneration for staff ranged from £17,460 to £162,954 (2017-18 £16,523 to £157,965).

The annualised banded remuneration of the Chief Executive is £150,000 to £155,000 (2017-18 £150,000 to £155,000). This is 4.99 times (2017-18 5.15 times) the median remuneration of the workforce.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Overtime payments are included for the calculation of both elements of the relationship.

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 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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

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 5% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 2% of this. The legal minimum level of contribution level is due to increase to 8% in April 2019.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,032 and £46,350 for the 2018-19 tax year (2017-18 £5,876 and £45,000).

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.

	2018-19	2018-19	2017-18	2017-18
	Number	£000	Number	£000
NHS				
Total bills paid in year	2,325	24,880	2,283	22,793
Total bills paid within target	1,945	19,605	2,019	20,800
Percentage of bills paid within target	83.7%	78.8%	88.4%	91.3%
Non-NHS				
Total bills paid in year	21,972	53,907	21,523	50,815
Total bills paid within target	21,104	51,473	20,569	48,733
Percentage of bills paid within target	96.0%	95.5%	95.6%	95.9%
Total				
Total bills paid in year	24,297	78,787	23,806	73,608
Total bills paid within target	23,049	71,078	22,588	69,533
Percentage of bills paid within target	94.9%	90.2%	94.9%	94.5%

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

	2018-19	2017-18
	£	£
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 :

2018-19

	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 2018	555	4,893	0	0	13,427	1,948	10,486	2,109	33,418
Indexation	11	49	0	0	0	0	0	0	60
Additions - purchased	0	6	0	0	401	1,563	193	41	2,204
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	0	0	0	0	0	0
Reclassifications	0	1	0	0	21	0	(548)	(307)	(833)
Revaluation	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(20)	0	0	(221)	(27)	(4,177)	(33)	(4,478)
At 31 March 2019	566	4,929	0	0	13,628	3,484	5,954	1,810	30,371
Depreciation									
At 1 April 2018	0	2,029	0	0	10,011	735	7,151	710	20,636
Indexation	0	20	0	0	0	0	0	0	20
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	1	0	0	2	0	(178)	(29)	(204)
Revaluation	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(20)	0	0	(221)	(27)	(4,177)	(33)	(4,478)
Charged during the year	0	271	0	0	1,522	190	888	174	3,045
At 31 March 2019	0	2,301	0	0	11,314	898	3,684	822	19,019
Net book value									
At 1 April 2018	555	2,864	0	0	3,416	1,213	3,335	1,399	12,782
Net book value									
At 31 March 2019	566	2,628	0	0	2,314	2,586	2,270	988	11,352
Net book value at 31 March 2019 comprises :									
Purchased	566	2,159	0	0	2,314	2,586	2,270	988	10,883
Donated	0	469	0	0	0	0	0	0	469
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2019	566	2,628	0	0	2,314	2,586	2,270	988	11,352
Asset Financing:									
Owned	566	2,628	0	0	2,314	2,586	2,270	988	11,352
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
At 31 March 2019	566	2,628	0	0	2,314	2,586	2,270	988	11,352
The net book value of land, buildings and dwellings at 31 March 2019 comprises :									
									£000
Freehold									3,194
Long Leasehold									0
Short Leasehold									0
Total									3,194

13. Property, plant and equipment :

	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 2017	1,010	4,883	0	0	13,688	1,868	9,277	1,743	32,469
Indexation	0	0	0	0	0	0	0	0	0
Additions - purchased	0	463	0	0	129	291	1,261	422	2,566
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	0	0	0	0	0	0
Reclassifications	0	49	0	0	0	(9)	0	(40)	0
Revaluation	(38)	(301)	0	0	0	0	0	0	(339)
Reversal of impairments	0	213	0	0	0	0	0	0	213
Impairments	(42)	(39)	0	0	(16)	0	0	0	(97)
Reclassified as held for sale	(375)	(375)	0	0	0	(144)	0	0	(894)
Disposals other than by sale	0	0	0	0	(374)	(58)	(52)	(16)	(500)
At 31 March 2018	555	4,893	0	0	13,427	1,948	10,486	2,109	33,418
Depreciation									
At 1 April 2017	0	2,112	0	0	8,693	792	5,850	546	17,993
Indexation	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	(348)	0	0	0	0	0	0	(348)
Reversal of impairments	0	(38)	0	0	0	0	0	0	(38)
Impairments	0	(13)	0	0	(5)	0	0	0	(18)
Reclassified as held for sale	0	(11)	0	0	0	(144)	0	0	(155)
Disposals other than by sale	0	0	0	0	(374)	(58)	(52)	(16)	(500)
Charged during the year	0	327	0	0	1,697	145	1,353	180	3,702
At 31 March 2018	0	2,029	0	0	10,011	735	7,151	710	20,636
Net book value									
At 1 April 2017	1,010	2,771	0	0	4,995	1,076	3,427	1,197	14,476
Net book value									
At 31 March 2018	555	2,864	0	0	3,416	1,213	3,335	1,399	12,782
Net book value at 31 March 2018 comprises :									
Purchased	555	2,832	0	0	3,416	1,213	3,335	1,399	12,750
Donated	0	32	0	0	0	0	0	0	32
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2018	555	2,864	0	0	3,416	1,213	3,335	1,399	12,782
Asset Financing:									
Owned	555	2,864	0	0	3,416	1,213	3,335	1,399	12,782
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
At 31 March 2018	555	2,864	0	0	3,416	1,213	3,335	1,399	12,782
The net book value of land, buildings and dwellings at 31 March 2018 comprises :									
									£000
Freehold									2,230
Long Leasehold									523
Short Leasehold									666
Total									3,419

The NHS Trust 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 Royal Institution of Chartered Surveyors' Valuation Standards, 6th Edition. 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.

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

Public Health Wales NHS Trust did not receive any donated assets during the year.

ii) Valuations

Public Health Wales NHS 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 Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

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

iii) Asset Lives

Depreciated as follows:

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

iv) Compensation

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

v) Write Downs

There have been no write downs.

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

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

There are assets held for sale or sold in the period.

Gain/(Loss) on Sale

Asset description

Reason for sale

Gain/(Loss) on sale

£000

0

0

0

0

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 2018	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0
Balance c/f 31 March 2019	0	0	0	0	0	0
Balance b/f 1 April 2017	0	0	0	0	0	0
Plus assets classified as held for sale in year	375	364	0	0	0	739
Revaluation	0	0	0	0	0	0
Less assets sold in year	(375)	(364)	0	0	0	(739)
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0
Balance c/f 31 March 2018	0	0	0	0	0	0

14. Intangible assets

2018-19	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	0	0	0	0	0	0	0
Revaluation		0			0	0	0
Reclassifications	359	241	233	0	0	0	833
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	0	178	261	0	0	0	439
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
At 31 March 2019	359	419	494	0	0	0	1,272
Amortisation							
At 1 April 2018	0	0	0	0	0	0	0
Revaluation		0			0	0	0
Reclassifications	148	12	44	0	0	0	204
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	74	39	42	0	0	0	155
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Accumulated amortisation at 31 March 2019	222	51	86	0	0	0	359
Net book value							
At 1 April 2018	0	0	0	0	0	0	0
Net book value							
At 31 March 2019	137	368	408	0	0	0	913
Net book value							
Purchased	137	368	408	0	0	0	913
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
At 31 March 2019	137	368	408	0	0	0	913

14. Intangible assets

2017-18	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2017	0	0	0	0	0	0	0
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	0	0	0	0	0	0	0
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
At 31 March 2018	0	0	0	0	0	0	0
Amortisation							
At 1 April 2017	0	0	0	0	0	0	0
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Accumulated amortisation at 31 March 2018	0	0	0	0	0	0	0
Net book value							
At 1 April 2017	0	0	0	0	0	0	0
Net book value							
At 31 March 2018	0	0	0	0	0	0	0
Net book value							
Purchased	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
At 31 March 2018	0	0	0	0	0	0	0

14. Intangible assets

Public Health Wales NHS Trust has reclassified its non current assets to recognise the intangible assets. This relates to IT software and licences which has been more clearly defined as being an intangible asset.

15. Impairments

Impairments in the period arose from:	2018-19		2017-18	
	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 (Specify)	0	0	77	0
Reversal of impairment	0	0	(251)	0
Impairments charged to operating expenses	0	0	(174)	0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	0	0	(174)	0
Revaluation reserve	0	0	93	0
Total	0	0	(81)	0

16. Inventories**16.1 Inventories**

	31 March 2019 £000	31 March 2018 £000
Drugs	0	0
Consumables	569	786
Energy	0	0
Work in progress	0	0
Other	0	0
Total	569	786
Of which held at net realisable value:	0	0

16.2 Inventories recognised in expenses

	31 March 2019 £000	31 March 2018 £000
Inventories recognised as an expense in the period	217	22
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	217	22

The inventory balance would normally have reduced to approximately £240k, following the utilisation of the grant as below, but due to the anticipated effect of Brexit the inventory balance was increased to the level recorded in note 16.1.

During 2017/18 the Trust received a Welsh Government grant for a Molecular Diagnostic for Gastrointestinal Infection Project, part of which was used for the purchase of consumables. The unused stock held at year-end was been recognised on the Statement of Financial Position. The grant was deferred to 2018/19 and was released to the Statement of Comprehensive Income to match the use of the consumables.

17. Trade and other receivables**17.1 Trade and other receivables**

	31 March 2019 £000	31 March 2018 £000
Current		
Welsh Government	2,145	735
WHSSC & EASC	0	0
Welsh Health Boards	2,489	1,929
Welsh NHS Trusts	141	120
Health Education and Improvement Wales (HEIW)	46	0
Non - Welsh Trusts	41	8
Other NHS	9	0
Welsh Risk Pool	3,037	4,416
Local Authorities	116	504
Capital debtors	0	0
Other debtors	1,358	925
Provision for impairment of trade receivables	(17)	(12)
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	1,681	1,345
Accrued income	326	293
Sub-total	11,372	10,263
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool	327	0
Local Authorities	0	0
Capital debtors	0	0
Other debtors	0	0
Provision for impairment of trade receivables	0	0
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	0	0
Accrued income	0	0
Sub-total	327	0
Total trade and other receivables	11,699	10,263

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

The value of trade receivables that are past their payment date but not impaired is £1,169k (2017-18 £192k).

17.2 Receivables past their due date but not impaired

	31 March	31 March
	2019	2018
	£000	£000
By up to 3 months	1,110	136
By 3 to 6 months	23	44
By more than 6 months	36	12
Balance at end of financial year	1,169	192

This shows all receivables past due date but not impaired but in 2017-18 NHS receivables were excluded and this would have totalled £787k, of which £595k related to NHS receivables. Of the 2018-19 total of £1,169k, £1,008k related to NHS receivables.

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

	31 March	31 March
	2019	2018
	£000	£000
Balance at 31 March 2018	(12)	
Adjustment for Implementation of IFRS 9	0	
Balance at 1 April	(12)	(14)
Transfer to other NHS Wales body	0	0
Provision utilised (Amount written off during the year)	0	10
Provision written back during the year no longer required	0	1
(Increase)/Decrease in provision during year	(5)	(9)
ECL/Bad debts recovered during year	0	0
Balance at end of financial year	(17)	(12)

17.4 Receivables VAT

	31 March	31 March
	2019	2018
	£000	£000
Trade receivables	275	476
Other	0	0
Total	275	476

18. Other financial assets

	31 March 2019 £000	31 March 2018 £000
NHS Trust		
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 2019 £000	31 March 2018 £000
Opening Balance	6,432	4,128
Net change in year	(1,286)	2,304
Closing Balance	5,146	6,432
Made up of:		
Cash with Government Banking Service (GBS)	5,146	4,722
Cash with Commercial banks	0	0
Cash in hand	0	10
Total cash	5,146	4,732
Current investments	0	1,700
Cash and cash equivalents as in SoFP	5,146	6,432
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash & cash equivalents as in Statement of Cash Flows	5,146	6,432

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

Lease Liabilities £1,035,000

PFI liabilities £Nil

The movement relates to cash, no comparative information is required by IAS 7 in 2018-19.

20. Trade and other payables at the SoFP Date	31 March	31 March
	2019	2018
Current	£000	£000
Welsh Government	36	34
WHSSC & EASC	4	21
Welsh Health Boards	2,642	2,709
Welsh NHS Trusts	307	614
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	167	30
Local Authorities	933	579
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	38	0
National Insurance contributions payable to HMRC	17	1
Non-NHS trade payables - revenue	4,590	4,390
Trade payables - capital	1,388	582
Rentals due under operating leases	0	5
Obligations due under finance leases and HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	1,238	2
Accruals	237	284
Deferred Income:		
Deferred income brought forward	1,146	462
Deferred income additions	308	785
Transfer to/from current/non current deferred income	0	0
Released to the Income Statement	(832)	(101)
Other liabilities - all other payables	0	0
PFI assets – deferred credits	0	0
PFI - Payments on account	0	0
Sub-total	12,219	10,397

In respect of the Pensions figure shown above, £1,237k relates to the NHS Pension scheme (2017-18 £1k) and £1k to the NEST pension scheme (2017-18 £0k).

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

	31 March 2019 £000	31 March 2018 £000
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	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
Trade payables - capital	0	0
Rentals due under operating leases	1,004	622
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
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
PFI - Payments on account	0	0
Sub-total	1,004	622
Total	13,223	11,019

Public Health Wales NHS Trust aims to pay all invoices within the 30 day period directed by the Welsh Government.

21. Borrowings	31 March	31 March
Current	2019	2018
	£000	£000
Bank overdraft - Government Banking Service (GBS)	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities	0	0
Other	0	0
Total	0	0
Non-current		
Bank overdraft - OPG	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	0
Other	0	0
Total	0	0

21.2 Loan advance/strategic assistance funding

Public Health Wales NHS Trust has not received a loan advance or strategic funding from the Welsh Government.

22. Other financial liabilities

	31 March 2019 £000	31 March 2018 £000
Current		
Financial Guarantees		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
Other		
At amortised cost	0	0
At fair value through SoCI	0	0
Total	0	0

	31 March 2019 £000	31 March 2018 £000
Non-current		
Financial Guarantees		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
Other		
At amortised cost	0	0
At fair value through SoCI	0	0
Total	0	0

23. Provisions

2018-19

	At 1 April 2018	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 2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	3,711	0	0	(148)	0	1,130	(2,693)	(1,058)	0	942
Personal injury	102	0	0	84	0	5	(84)	(20)	0	87
All other losses and special payments	0	0	0	0	0	315	(89)	0	0	226
Defence legal fees and other administration	30	0	0	0	0	45	(30)	(16)	0	29
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	3,843	0	0	(64)	0	1,495	(2,896)	(1,094)	0	1,284
Non Current										
Clinical negligence	0	0	0	148	0	210	(1)	(25)	0	332
Personal injury	1,419	0	0	(84)	0	5	0	0	0	1,340
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	0	0	0	0	0	0	0
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	1,419	0	0	64	0	215	(1)	(25)	0	1,672
TOTAL										
Clinical negligence	3,711	0	0	0	0	1,340	(2,694)	(1,083)	0	1,274
Personal injury	1,521	0	0	0	0	10	(84)	(20)	0	1,427
All other losses and special payments	0	0	0	0	0	315	(89)	0	0	226
Defence legal fees and other administration	30	0	0	0	0	45	(30)	(16)	0	29
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	5,262	0	0	0	0	1,710	(2,897)	(1,119)	0	2,956

Expected timing of cash flows:

	In year to 31 March 2020	Between 1 April 2020 to 31 March 2024	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence	942	332	0	1,274
Personal injury	87	335	1,005	1,427
All other losses and special payments	226	0	0	226
Defence legal fees and other administration	29	0	0	29
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	0	0	0	0
Restructuring	0	0	0	0
Other	0	0	0	0
Total	1,284	667	1,005	2,956

23. Provisions (continued)

2017-18

	At 1 April 2017	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 2018
Current										
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence	3,119	0	37	166	0	1,628	(847)	(392)	0	3,711
Personal injury	74	0	0	85	0	24	(81)	0	0	102
All other losses and special payments	0	0	0	0	0	187	(187)	0	0	0
Defence legal fees and other administration	31	0	0	2	0	27	(28)	(2)	0	30
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	3,224	0	37	253	0	1,866	(1,143)	(394)	0	3,843
Non Current										
Clinical negligence	166	0	0	(166)	0	0	0	0	0	0
Personal injury	1,301	0	0	(85)	0	203	0	0	0	1,419
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2	0	0	(2)	0	0	0	0	0	0
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	1,469	0	0	(253)	0	203	0	0	0	1,419
TOTAL										
Clinical negligence	3,285	0	37	0	0	1,628	(847)	(392)	0	3,711
Personal injury	1,375	0	0	0	0	227	(81)	0	0	1,521
All other losses and special payments	0	0	0	0	0	187	(187)	0	0	0
Defence legal fees and other administration	33	0	0	0	0	27	(28)	(2)	0	30
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	4,693	0	37	0	0	2,069	(1,143)	(394)	0	5,262

24 Contingencies

24.1 Contingent liabilities

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

	31 March 2019 £000	31 March 2018 £000
Legal claims for alleged medical or employer negligence	440	150
Doubtful debts	0	0
Equal pay cases	0	0
Defence costs	27	10
Other (Please specify)	0	0
Total value of disputed claims	467	160
Amount recovered under insurance arrangements in the event of these claims being successful	(415)	(105)
Net contingent liability	52	55

24.2. Remote contingent liabilities

	31 March 2019 £000	31 March 2018 £000
Guarantees		
Indemnities	0	0
Letters of comfort	0	0
	0	0
Total	0	0

24.3 Contingent assets

	31 March 2019 £000	31 March 2018 £000
	0	0
	0	0
	0	0
	0	0

Public Health Wales NHS Trust has no contingent assets.

25. Capital commitments

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

	31 March	31 March
	2019	2018
	£000	£000
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0	0

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 or written-off during the financial year

	Amounts paid out during year to 31 March 2019		Approved to write-off year to 31 March 2019	
	Number	£	Number	£
Clinical negligence	8	2,899,709	0	0
Personal injury	1	4,830	0	0
All other losses and special payments	5	89,246	0	0
Total	14	2,993,785	0	0

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year	Cumulative amount	Approved to write-off in year
Cases where cumulative amount exceeds £300,000			£	£	£
13RYTMN0001	1	Clinical Negligence	1,566,243	1,633,679	0
CN-005	1	Clinical Negligence	249,326	338,581	0
CN-007-14	1	Clinical Negligence	447,880	465,640	0
CN-W016	1	Clinical Negligence	628,922	688,871	0
CN-010-14	1	Clinical Negligence	100	337,438	0

Sub-total	5	2,892,471	3,464,209	0
All other cases	9	101,314	144,346	0
Total cases	14	2,993,785	3,608,555	0

27. Finance leases

27.1 Finance leases obligations (as lessee)

Public Health Wales NHS Trust does not have any finance leases.

Amounts payable under finance leases:

LAND	31 March 2019 £000	31 March 2018 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Total present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

27.1 Finance leases obligations (as lessee) continued**Amounts payable under finance leases:****BUILDINGS**

	31 March 2019 £000	31 March 2018 £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

OTHER

	31 March 2019 £000	31 March 2018 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in: Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Total present value of minimum lease payments	0	0
Included in: Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

27.2 Finance lease receivables (as lessor)

There are no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2019 £000	31 March 2018 £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
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 Rental Revenue	31 March	31 March
	2019	2018
	£000	£000
Contingent rent	0	0
Other	0	0
Total rental revenue	0	0

27.4 Finance Lease Commitment

Public Health Wales NHS Trust has not entered into any new contracts to lease (building assets) under finance leases during 2018-19.

28. Private finance transactions

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

Public Health Wales NHS Trust has no PFI or PPP schemes deemed to be "on or off SoFP."

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

Liquidity risk

Public Health Wales NHS 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 Public Health Wales NHS Trust's income comes from contracts with other public sector bodies, the organisation 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 Public Health Wales NHS 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. Public Health Wales NHS 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 Public Health Wales NHS Trust on a day to day basis or arise from its operating activities. The management of risks around these financial instruments therefore relates primarily to Public Health Wales NHS Trust's overall arrangements for managing risks to their financial position, rather than the organisation's treasury management procedures.

30. Movements in working capital

	31 March	31 March
	2019	2018
	£000	£000
Movements in working capital		
Decrease / (increase) in inventories	217	(628)
(Increase) in trade and other receivables - non-current	(327)	(146)
(Increase) / decrease in trade and other receivables -current	(1,109)	(374)
(Decrease) in trade and other payables- non-current	382	0
Increase / (decrease) in trade and other payables- current	1,822	2,853
Total	985	1,705
Adjustment for accrual movements in fixed assets -creditors	(806)	44
Adjustment for accrual movements in fixed assets -debtors	0	0
Other adjustments	0	0
Total	179	1,749

31. Other cash flow adjustments

	31 March	31 March
	2019	2018
	£000	£000
Other cash flow adjustments		
Depreciation	3,045	3,702
Amortisation	155	0
(Gains)/Loss on Disposal	0	0
Impairments and reversals	0	(174)
Release of PFI deferred credits	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	591	1,712
Total	3,791	5,240

32. Third party assets

Public Health Wales NHS Trust held £0 cash at bank and in hand at 31 March 2019 (31 March 2018, £0) which relates to monies held by Public Health Wales NHS Trust on behalf of patients. Cash held in Patient's Investment Accounts amounted to £0 at 31 March 2019 (31 March 2018, £0).

33. Events after reporting period

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

34. Related Party transactions

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

During the year none of the board members or members of the key management staff or parties related to them has undertaken any material transactions with Public Health Wales NHS Trust.

The Welsh Government is regarded as a related party. During the year Public Health Wales NHS Trust have 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

	Payments to related party £000	Receipts from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	776	110,264	36	2,145
WHSSC/EASC	55	0	4	0
Abertawe Bro Morgannwg University Health Board	4,439	4,498	371	411
Aneurin Bevan Health Board	3,381	1,715	374	279
Betsi Cadwaladr Health Board	3,444	4,782	882	472
Cardiff & Vale University Health Board	4,515	6,591	546	798
Cwm Taf University Health Board	2,487	702	331	271
Hywel Dda Local Health Board	2,067	2,078	60	225
Powys Local Health Board	327	397	78	33
Public Health Wales NHS Trust	0	0	0	0
Velindre University NHS Trust	3,302	491	302	140
Welsh Ambulance Services Trust	44	17	5	0
Health Education and Improvement Wales (HEIW)	0	597	0	45
Welsh Local Authorities	5,131	92	933	116
Cardiff University	239	31	86	8
Swansea University	75	118	6	87
Cardiff Metropolitan University	0	2	0	0
University of South Wales	5	1	4	2
University of Wales	0	0	2	0
Bangor University	139	0	0	60
Glyndwr University	0	0	1	0
Other	0	0	0	0
Charities	0	0	0	0
	30,426	132,376	4,021	5,092

Payments to Welsh Government include £548k for repayment of Public Dividend Capital.

Public Health Wales NHS Trust maintains an up to date register of interests which will be available on the organisation's website.

35. Pooled budgets

Public Health Wales NHS Trust has no pooled budgets.

36. Operating Segments

	PHW NHS Trust		NHS Collaboratives		Finance Delivery Unit		TOTAL		ELIMINATIONS		TOTAL	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Operating Revenue												
Segmental Income	123,122	117,621	11,672	11,537	725	0	135,519	129,158	(138)	(171)	135,381	128,987
	123,122	117,621	11,672	11,537	725	0	135,519	129,158	(138)	(171)	135,381	128,987
Operating expenses												
Welsh Government	0	0	0	8	0	0	0	8	0	0	0	8
WHSSC & EASC	0	0	0	0	0	0	0	0	0	0	0	0
Local Health Boards	11,641	12,487	3,829	3,954	33	0	15,503	16,441	0	0	15,503	16,441
Welsh NHS Trusts	868	832	1,395	1,272	0	0	2,263	2,104	0	0	2,263	2,104
Other NHS Trusts	78	123	0	0	0	0	78	123	0	0	78	123
Goods and services from other NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of healthcare from non-NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0
Welsh Local Authorities	4,447	4,473	0	0	0	0	4,447	4,473	0	0	4,447	4,473
Other Local Authorities	0	0	0	0	0	0	0	0	0	0	0	0
Directors' costs	1,489	1,531	0	0	0	0	1,489	1,531	0	0	1,489	1,531
Staff costs	75,426	70,677	5,373	5,017	533	0	81,332	75,694	18	(31)	81,350	75,663
Supplies and services - clinical	10,725	8,340	0	12	0	0	10,725	8,352	0	0	10,725	8,352
Supplies and services - general	977	962	47	63	1	0	1,025	1,025	(156)	(140)	869	885
Consultancy Services	276	261	33	61	50	0	359	322	0	0	359	322
Establishment	6,233	6,215	406	403	37	0	6,676	6,618	0	0	6,676	6,618
Transport	616	591	19	8	0	0	635	599	0	0	635	599
Premises	5,888	5,453	443	297	70	0	6,401	5,750	0	0	6,401	5,750
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	3,045	3,702	0	0	0	0	3,045	3,702	0	0	3,045	3,702
Amortisation	155	0	0	0	0	0	155	0	0	0	155	0
Impairments and reversals of property, plant and equipment	0	(174)	0	0	0	0	0	(174)	0	0	0	(174)
Impairments and reversals of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	151	151	0	0	0	0	151	151	0	0	151	151
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	346	481	0	0	0	0	346	481	0	0	346	481
Research and development	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	784	1,469	127	437	0	0	911	1,906	0	0	911	1,906
Total	123,145	117,574	11,672	11,532	724	0	135,541	129,106	(138)	(171)	135,403	128,935
Investment Revenue	48	27	0	0	0	0	48	27	0	0	48	27
Other Gains and Losses	0	(2)	0	0	0	0	0	(2)	0	0	0	(2)
Finance Costs	0	(49)	0	0	0	0	0	(49)	0	0	0	(49)
Total	48	(24)	0	0	0	0	48	(24)	0	0	48	(24)
SURPLUS / (DEFICIT)	25	23	0	5	1	0	26	28	0	0	26	28

37. Other Information

IFRS15

Work was undertaken by the TAG IFRS sub group, consistent with the 'portfolio' approach allowed by the standard. Each income line in the notes from a previous year's annual accounts (either 2016/17 or 2017/18) was considered to determine how it would be affected by the implementation of IFRS 15. It was determined that the following types of consideration received from customers for goods and services (hereon referred to as income) fell outside the scope of the standard, as the body providing the income does not contract with the body to receive any direct goods or services in return for the income flow.

- Charitable Income and other contributions to Expenditure.
- Receipt of Donated Assets.
- WG Funding without direct performance obligation (e.g. SIFT/SIFT®/Junior Doctors & PDGME Funding).

Income that fell wholly or partially within the scope of the standard included:

- Welsh LHB & WHSCC LTA Income;
- Non Welsh Commissioner Income;
- NHS Trust Income;
- Foundation Trust Income;
- Other WG Income;
- Local Authority Income;
- ICR Income ;
- Training & Education income ;
- Accommodation & Catering income

It was identified that the only material income flows likely to require adjustment for compliance with IFRS15 was that for patient care provided under Long Term Agreements (LTA's). The adjustment being, for episodes of patient care which had started but not concluded (FCE's), as at period end, e.g. 31 March.

Public Health Wales NHS Trust does not receive income from patient care under LTA's and, therefore, no further assessment of the impact of IFRS 15 is required.

37. Other Information (continued)

IFRS 9

For consistency across Wales, the practical expedient provision matrix was used to estimate expected credit losses (ECLs) based on the 'age' of receivables as follows:

- Receivables were segregated into appropriate groups
- Each group, was analysed:
 - a) age-bands
 - 1-30 days (including current)
 - 31-60 days
 - 61-90 days
 - 91-180 days
 - 181- 365 days
 - > 1 year
 - b) at historical back-testing dates (data points)
- For each age-band, at each back-testing date the following were determined:
 - a) the gross receivables
 - b) the amounts ultimately collected/written-off. If material, adjustments should be made to exclude the effect of non-collections for reasons other than credit loss (e.g. credit notes issued for returns, short-deliveries or as a commercial price concession)

37. Other Information (continued)

- The average historical loss rate by age-band was calculated, and adjusted where necessary e.g. to take account of changes in:
 - a) economic conditions
 - b) types of customer
 - c) credit management practices
- Consideration was given as to whether ECLs should be estimated individually for any period-end receivables, e.g. because information was available specific debtors.
- Loss rate estimates were applied to each age-band for the other receivables.
- The percentages calculated have should be applied to those invoices outstanding as at 31st March 2018 (which don't already have a specific provision against them) to recalculate the value of the Trust non-specific provision under IFRS 9.

Aged Group	Amount	ECL loss rate
	£'000	%
1-30 days	4,432	0.00
31-60 days	715	0.00
61-90 days	100	0.00
91-180 days	310	0.00
181-365 days	44	0.00
>1 year	17	100.00
Total	<u>5,618</u>	<u>100.00</u>

Other notes

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

In 2018-19 the NHS Estate has been valued using indices provided by the District Valuer and disclosed in the Manual For Accounts.

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

NHS TRUSTS

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

BASIS OF PREPARATION

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

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

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

FORM AND CONTENT

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

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

MISCELLANEOUS

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

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

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated : 17.06.2010

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