GEORGE ELIOT HOSPITAL NHS TRUST

AUDITED ANNUAL ACCOUNTS

2019/20

Statement of Comprehensive Income
For the Year Ended 31 March 2020

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3.	**153,698**	138,292
Other operating income (Note 1 below)	4.	**27,599**	16,976
Operating expenses	6.	**(179,936)**	(167,199)
Operating surpus /(deficit) from continuing operations		**1,361**	(11,931)
Finance income	12.	**46**	39
Finance expenses	13	**(1,221)**	(1,007)
PDC dividends payable		**-**	-
Net finance costs		**(1,175)**	(968)
Other gains / (losses)	15.	**-**	-
Surlus/ (deficit) for the year from continuing operations		**186**	(12,899)
Surplus / (deficit) for the year		**186**	(12,899)

Other comprehensive income

	Note	2019/20 £000	2018/19 £000
Will not be reclassified to income and expenditure:			
Impairments	7.	**(2,946)**	(14,378)
Revaluations	19.	**2,029**	6,115
Total comprehensive expense for the period		**(731)**	(21,162)

Adjusted financial performance (control total basis):

	2019/20 £000	2018/19 £000
Surplus / (deficit) for the year	**186**	(12,899)
Remove I&E impact of capital grants and donations	**27**	109
Remove 2018/19 post audit PSF reallocation (2019/20 only)	**(194)**	-
Adjusted financial performance surplus / (deficit)	**19**	(12,790)

Note 1. Other operating income in the year included non-recurrent income for 2019-20 of £15.8m from NHS England (prior year £5.66m). This income was from the Provider Sustainability Fund (PSF), the Financial Recovery Fund and the Marginal Rate Emergency Tariff Fund. The deficit excluding this amount would be £15.8m (prior year £18.4m).

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	16	**1,807**	1,942
Property, plant and equipment	17	**70,904**	70,276
Receivables	25	**588**	265
Total non-current assets		**73,299**	72,483
Current assets			
Inventories	24	**2,414**	2,090
Receivables	25	**34,454**	13,768
Cash and cash equivalents	28	**1,030**	1,307
Total current assets		**37,898**	17,165
Current liabilities			
Trade and other payables	30	**(22,160)**	(16,644)
Borrowings	33	**(92,129)**	(33,097)
Provisions	36	**(930)**	(368)
Other liabilities	32	**(1,450)**	(1,593)
Total current liabilities		**(116,669)**	(51,702)
Total assets less current liabilities		**(5,472)**	37,946
Non-current liabilities			
Borrowings	33	**(388)**	(44,018)
Provisions	36	**(1,063)**	(670)
Total non-current liabilities		**(1,451)**	(44,688)
Total assets employed		**(6,923)**	(6,742)
Financed by			
Public dividend capital		**52,360**	51,810
Revaluation reserve		**5,382**	6,331
Income and expenditure reserve		**(64,665)**	(64,883)
Total taxpayers' equity		**(6,923)**	(6,742)

The financial statements on pages 1 to 48 were approved by the Board of Directors on the 12 June 2020 and signed on its behalf by:

Glen Burley
Chief Executive

Date: 12 June 2020

Statement of Changes in Equity for the year ended 31 March 2020

	Public Dividend Capital	**Revaluation Reserve**	**Income and Expenditure Reserve**	**Total Reserves**
	£000	**£000**	**£000**	**£000**
Taxpayers' and others' equity at 1 April 2019 - brought forward	**51,810**	**6,331**	**(64,883)**	**(6,742)**
Surplus for the year	**-**	**-**	**186**	**186**
Other transfers between reserves (note 1 below)	**-**	**(32)**	**32**	**-**
Impairments	**-**	**(2,946)**	**-**	**(2,946)**
Revaluations	**-**	**2,029**	**-**	**2,029**
Public dividend capital received	**550**	**-**	**-**	**550**
Taxpayers' and others' equity at 31 March 2020	**52,360**	**5,382**	**(64,665)**	**(6,923)**

Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total Reserves
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	51,367	14,656	(52,046)	13,977
Deficit for the year	-	-	(12,899)	(12,899)
Other transfers between reserves	-	(62)	62	-
Impairments	-	(14,378)	-	(14,378)
Revaluations	-	6,115	-	6,115
Public dividend capital received	443	-	-	443
Taxpayers' and others' equity at 31 March 2019	51,810	6,331	(64,883)	(6,742)

Note 1. The transfer of £32k between reserves represents the elimination of the additional depreciation charge arising in the accounts due to some of the non current assets being shown at valuation rather than being held at historic cost.

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows for the Year ended 31 March 2020

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		**1,361**	(11,931)
Non-cash income and expense:			
Depreciation and amortisation	6.	**6,317**	6,279
Net impairments	7.	**-**	-
Income recognised in respect of capital donations	4.	**(106)**	(61)
(Increase) in receivables and other assets		**(21,009)**	(3,710)
(Increase) in inventories		**(324)**	(165)
Increase in payables and other liabilities		**4,320**	3,615
Increase / (decrease) in provisions		**954**	(1,227)
Net cash flows used in operating activities		**(8,487)**	(7,200)
Cash flows from investing activities			
Interest received		**46**	39
Purchase of intangible assets		**(575)**	(506)
Purchase of PPE and investment property		**(5,990)**	(4,773)
Net cash flows used in investing activities		**(6,519)**	(5,240)
Cash flows from financing activities			
Public dividend capital received		**550**	443
Movement on loans from DHSC		**16,117**	13,269
Movement on other loans		**(776)**	(775)
Interest on loans		**(1,157)**	(947)
Other interest		**(5)**	(3)
PDC dividend paid		**-**	(59)
Net cash flows from financing activities		**14,729**	11,928
(Decrease) in cash and cash equivalents		**(277)**	(512)
Cash and Cash Equivalents at 1 April - Brought Forward		**1,307**	1,819
Cash and Cash Equivalents at 31 March	28.	**1,030**	1,307

The notes on pages 6 to 48 form part of these accounts.

1. Notes to the Accounts

Accounting policies and other information

1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow 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 GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1.2 Going concern

In accordance with international accounting policies, management are required to assess whether it is appropriate to prepare the accounts on a going concern basis. There are no plans for the dissolution of the Trust and it is anticipated that services will continue to be provided in the future. The financial statements have therefore been prepared on a going concern basis.

In preparing the financial statements, the Board of Directors has considered the Trust's overall financial position and expectations of future financial support. The Trust received deficit support loan funding of £3.7m during 2019/20, all of which was repaid in year in line with the plan. In addition, loan funding amounting to £13.3m was drawn down in advance of PSF/FRF. The Trust has delivered the control total for the year and has received the remaining PSF/FRF in May 2020.

The usual planning process has been suspended by NHS Improvement due to the pandemic and is expected to be revisited later in the year. The impact of this is that the Trust is not required to agree contracts in advance of the financial year and is not expected to commence delivery of savings plans. NHS Improvement has introduced temporary arrangements for the first four months of 2020/21 to reduce the burden on the NHS whilst managing the impact of the pandemic. This will include fixed monthly payments and additional funding to address both on-going expenditure and the exceptional costs of the pandemic. The temporary arrangements will provide cash in advance in order to facilitate prompt payment of suppliers, with retrospective claims to be made for exceptional costs incurred.

The arrangement will be in place at least until July and the Trust Board has approved an annual budget based on the temporary funding arrangements to ensure that appropriate financial governance continues. Whilst on-going arrangements have not yet been definitively announced, NHS England and NHS Improvement have made a statement available which confirms that a Government mandate has been provided to NHS England for the continued provision of health services in England. Clinical Commissioning Groups have been given funding allocations which include sufficient funding for the remainder of 2020/21. Trusts are therefore advised to continue to expect funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned.

NHSI has also announced a funding restructure, with the intention that outstanding revenue and capital loans will be converted to Public Dividend Capital in September 2020. Any Department of Health and Social Care loan principal or interest payments due after 31 March 2020 will not need to be made and the loan balance at that date of £91.4m will be converted. This will have a significant cash benefit to the Trust. In addition, future cash requirements will be met in the form of Public Dividend Capital rather than through loan funding. The Trust will be required to pay a dividend on this capital funding, with the current rate of 3.5% being subject to further review during 2020/21. The Trust will work closely with NHSI to ensure that forecast cash requirements are reviewed in a timely manner and that any issues are highlighted so these can be resolved.

The Trust is also working with the other organisations in the Coventry and Warwickshire Sustainability and Transformation Partnership to address the issues of financial sustainability across the wider local health economy in the medium to long-term.

1.1.2 Going concern (continued)

Due to the impacts of Covid-19 and the revised financial framework currently only covering the period to the end of July 2020 there is an increased level of uncertainty. However, during the last six years, NHSI has supported the Trust with cash support and the Government has confirmed that financial support will continue to be provided to fund services and maintain financial stability in the health sector including payments to suppliers. The Trust Board therefore anticipates that NHSI will continue to support the Trust's requirement for cash support. Given the on-going level of support received from NHSI, the directors expect that the Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted for preparing the accounts.

1.2 Interests in other entities

Charitable Funds

Under the provisions of IAS27 Consolidated and Separate Financial Statements, those charitable funds that fall under common control within NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact. As the value of George Eliot's Charitable Funds do not have a material impact, they have not been consolidated.

1.3 Revenue

1.3.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

1.3.2 Revenue from NHS contracts

The main source of revenue for the Trust is contracts with commissioners in respect of health care services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue. Where income is received for a specific performance obligation that is to be satisfied in the following yer, that income is deferred. The method adopted to assess progress towards the complete satisfaction of a performance obligation is to match income against the expenditure incurred.

1.3.3 NHS injury cost recovery scheme

The Trust receives 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, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

1.3.4 Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

1.3.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

1.4 Expenditure on employee benefits

1.4.1 Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period. The Trust's annual; leave policy requires leave to be used in year.

1.4.2 Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

1.5 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.6 Discontinued operations

The Trust does not have any operations which have been discontinued during the year.

1.7 Property, plant and equipment

1.7.1 Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000,
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar 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, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

1.7 Property, plant and equipment (continued)

1.7.1 Recognition (continued)

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

1.7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs 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.
Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:
- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost as indexed on 31 March 20 using indices supplied by the valuer, Avison Young (UK) Limited.

Previously all land and buildings were restated to fair value using professional valuations in accordance with IAS 16 every five years. This has now been changed to update the valuation at 31 March each year. An update was undertaken at 31 March 2020.
Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.
The property valuations are carried out primarily on the basis of Depreciated Replacement Cost (DRC) for specialised operational property (e.g., NHS patient treatment facilities) and Existing Use Value (EUV) for non-specialised operational property. The value of land for existing use purposes is assessed at EUV. For non-operational land including surplus land, the valuations are carried out at Market Value.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

The Trust’s land and building valuation was carried out by the Trust’s current valuer Avison Young, on a MEA “Optimised Alternative Site” method valuation, and applied on 31 March 2020.

The valuation has been undertaken having regard to IFRS as applied to the UK public sector and in accordance with HM Treasury guidance.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

1.7 Property, plant and equipment (continued)

1.7.2 Measurement (continued)

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as ‘held for sale’ cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.
Other impairments are treated as revaluation losses. Reversals of ‘other impairments’ are treated as revaluation gains.

1.7.3 De-recognition

Assets intended for disposal are reclassified as ‘held for sale’ once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their ‘fair value less costs to sell’. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘held for sale’ and instead is retained as an operational asset and the asset’s useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.7 Property, plant and equipment (continued)

1.7.4 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.7.5 Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Medical equipment and engineering plant and equipment	5	15
Furniture	10	10
Mainframe information technology installations	8	8
Soft furnishings	7	7
Office and information technology equipment	5	5
Set-up costs in new buildings	10	10
Vehicles	8	8

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

1.8 Intangible assets

1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust’s business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

1.8 Intangible assets (continued)

1.8.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

1.8.3 Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1.8.4 Useful lives of intangible assets

	Min life	Max life
	Years	Years
IT software	5	5
Licenses	5	5
Development expenditure - based on the life of the project		

1.9 Inventories

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

1.10 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment.

1.11 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 the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

1.12 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO_2 emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO_2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO_2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO_2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

1.13 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by the Office for National Statistics.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Financial assets

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets have been derecognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership of has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

The Trust does not have any financial assets of this type.

Financial assets at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

The Trust does not have any financial assets of this type.

Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

1.13 Financial assets and financial liabilities (continued)

Impairment (continued)

Expected credit losses are determined by providing in full for non-NHS debtors over 90 days old and for Injury Cost Recovery income using national guidance.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

In accordance with the Department of Health guidelines 21.79% of injury costs recovery revenue is provided in a bad debt provision.

Financial liabilities

Financial liabilities are recognised when the 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 extinguished – that is, the obligation has been discharged or cancelled or has expired.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.14 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.

1.14.1 The trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

1.14 Leases (continued)

1.14.1 The trust as a lessee (continued)

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position 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.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.14.2 The trust as a lessor

Finance leases

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

Operating 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 as an expense on a straight-line basis over the lease term.

1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% (2018-19 positive 0.29%) in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 36 but is not recognised in the Trust’s accounts.

1.15 Provisions (continued)

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.17 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.18 Value added tax

Most of the activities of the 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 Corporation tax

The Trust has no corporation tax liability based on the activities undertaken and the financial position.

1.20 Foreign exchange

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.21 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM* .

1.22 Losses and special payments

Losses and special payments are items that Parliament 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 that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.23 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

The Trust did not receive any gifts of assets during the year.

1.24 Transfers of functions to and fromother NHS bodies or local government bodies

There were no transfers of functions to or from other NHS bodies or local government bodies in the year.

1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

1.26 Standards, amendments and interpretations in issue but not yet effective or adopted

1.26.1 IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust has implemented processes to ensure that leases are identified and captured in a lease register. Existing contracts have also been reviewed to identify any potential elements which would be treated as leases under the new definitions.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

1.26.2 Other standards, amendments and interpretations

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2019-20. These Standards are still subject to HM Treasury FReM adoption, with IFRS16 being for implementation in 2020-21, and the government implementation date for IFRS17 still subject to HM Treasury consideration.

IFRS 16 *Leases* – the Standard is effective 1 April 2020 as adapted and interprested by the FReM, with the implementation date having been revised to 1 April 2021.

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

The Trust has a small number of operating leases for medical and IT equipment/ software which are part way through their lease term. The standard will mean that operating leases will in future be accounted for as finance leases, with the assets to which they relate being capitalised and shown on the Statement of Financial Position. This change will be taken into account in any future business cases considering purchase or lease of assets.

IFRS 17 is not expected to have a material impact on the Trust.

1.27 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The Trust has entered into lease agreements for medical equipment during the year. In each case an asssessment has been carried out to determine whether the leaseshould be accounted for as an operating or finance lease.

1.27.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Land and buildings valuations were updated through a 'desk top' assessment at 31 March 2020 whilst continuing to be based on the ‘alternative site valuation’ principles.

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (Red Book), the valuer has declared a material valuation uncertainty in the valuation report. This is on the basis of uncertainty in global financial markets caused by Covid-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Of the £55.6m net book value of land and buildings subject to valuation, £55.2m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The uncertainty explained above relates to the estimated cost of replacing the service potential, rather than the extent of the service potential to be replaced.

Two former employees are being paid a permanent injury allowance by the Trust. Their life expectancy is calculated using published interim life tables for England published by the Office of National Statistics, with the resulting calculated provision being discounted by minus 0.5%. Every year their life expectancy and appropriate discount factor is reviewed and updated.

2. Operating Segments

The Trust has only one operating segment; that is the provision of healthcare services.
The total amount of income from the provision of healthcare services during the accounting period is £181,297k (2018-19 £155,268k). Total operating expenditure from the provision of healthcare services during the accounting period is £179,936k (2018-19 £167,199k).

The Trust generated over 10% of income from the following organisations:

	2019/20	2018/19
	£000s	£000s
NHS Warwickshire North CCG	**98,481**	90,189

3. Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3.

3.1 Income from patient care activities (by nature)

	2019/20	2018/19
	£000	£000
Acute services		
Elective income	**18,171**	19,354
Non elective income	**52,697**	46,274
First outpatient income	**10,614**	9,132
Follow up outpatient income	**11,450**	9,017
A & E income	**14,888**	9,050
High cost drugs income from commissioners (excluding pass-through costs)	**9,247**	9,427
Other NHS clinical income	**23,573**	26,779
Community services		
Community services income from CCGs and NHS England	**2,267**	1,994
Income from other sources (e.g. local authorities)	**2,795**	2,792
All services		
Private patient income	**68**	62
Agenda for Change pay award central funding*	**-**	1,611
Additional pension contribution central funding**	**4,123**	-
Other clinical income	**3,805**	2,800
Total income from activities	**153,698**	138,292

*Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

3.2 Income from patient care activities (by source)

	2019/20	2018/19
Income from patient care activities received from:	**£000**	£000
NHS England	**23,006**	15,844
Clinical commissioning groups	**126,968**	116,775
Department of Health and Social Care	**-**	1,611
Other NHS providers	**414**	736
Local authorities	**2,795**	2,792
Non-NHS: private patients	**-**	-
Non-NHS: overseas patients (chargeable to patient)	**68**	61
Injury cost recovery scheme	**366**	391
Non NHS: other	**81**	82
Total income from activities	**153,698**	138,292
Of which:		
Related to continuing operations	**153,698**	138,292
Related to discontinued operations	**-**	-

3.3 Overseas visitors (relating to patients charged directly by the provider)

	2019/20	2018/19
	£000	£000
Income recognised this year	**68**	61
Cash payments received in-year	**10**	19
Amounts added to provision for impairment of receivables	**46**	11
Amounts written off in-year	**-**	-

4. Other operating income

	2019/20			2018/19		
	Contract income	**Non-contract income**	**Total**	Contract income	Non-contract income	Total
	£000	**£000**	**£000**	£000	£000	£000
Research and development	**483**	**-**	**483**	476	-	476
Education and training	**6,100**	**-**	**6,100**	6,013	-	6,013
Non-patient care services to other bodies	**2,102**		**2,102**	1,684		1,684
Provider sustainability fund (PSF)	**3,589**		**3,589**	5,658		5,658
Financial recovery fund (FRF)	**12,308**		**12,308**			
Marginal rate emergency tariff funding (MRET)	**73**		**73**			
Receipt of capital grants and donations		**106**	**106**		61	61
Other income	**2,838**	**-**	**2,838**	3,084	-	3,084
Total other operating income	**27,493**	**106**	**27,599**	16,915	61	16,976
Of which:						
Related to continuing operations			**27,599**			16,976
Related to discontinued operations			**-**			-

4.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	**802**	897
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	**-**	-

4.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	**31 March 2020**	31 March 2019
	£000	£000
within one year	**-**	-
after one year, not later than five years	**-**	-
after five years	**-**	-
Total revenue allocated to remaining performance obligations	**-**	-

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

5. Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2019/20	2018/19
	£000	£000
Income	-	-
Full cost	-	-
Surplus / (deficit)	**-**	-

6. Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	**6,249**	5,599
Purchase of healthcare from non-NHS and non-DHSC bodies	**3,049**	3,080
Staff and executive directors costs	**122,075**	110,015
Remuneration of non-executive directors	**58**	76
Supplies and services - clinical (excluding drugs costs)	**11,766**	11,702
Supplies and services - general	**2,166**	2,146
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**13,533**	13,659
Inventories written down	**31**	29
Consultancy costs	**423**	758
Establishment	**1,384**	1,459
Premises	**5,589**	4,768
Transport (including patient travel)	**47**	67
Depreciation on property, plant and equipment	**5,433**	5,422
Amortisation on intangible assets	**884**	857
Movement in credit loss allowance: contract receivables / contract assets	**161**	(10)
Increase/(decrease) in other provisions	**110**	23
Change in provisions discount rate(s)	**80**	(19)
Audit fees payable to the external auditor:		
- audit services- statutory audit*	**60**	53
- other auditor remuneration (external auditor only)	**3**	10
Internal audit costs	**95**	95
Clinical negligence	**4,699**	5,281
Legal fees	**73**	180
Insurance	**10**	9
Research and development	**-**	-
Education and training	**624**	677
Rentals under operating leases	**324**	259
Early retirements	**-**	-
Redundancy	**-**	-
Hospitality	**3**	2
Losses, ex gratia & special payments	**7**	10
Other services, eg external payroll	**330**	436
Other	**670**	556
Total	**179,936**	167,199
Of which:		
Related to continuing operations	**179,936**	167,199
Related to discontinued operations	**-**	-

* audit services - statutory audit is the amount payable to the external auditors for the audit of the annual accounts. This amount includes non-recoverable VAT. The amount excluding VAT would be £49k (2018/19 £44k).

6.1 Other auditor remuneration

	2019/20	2018/19
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	3	10
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	3	10

6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2018/19: £2m).

7. Impairment of assets

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	-	-
Other	-	-
Total net impairments charged to operating surplus / deficit	-	-
Impairments charged to the revaluation reserve	2,946	14,378
Total net impairments	2,946	14,378

8. Employee benefits

	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	83,283	78,255
Social security costs	8,483	7,218
Apprenticeship levy	398	366
Employer's contributions to NHS pensions	13,601	8,864
Pension cost - other	-	-
Termination benefits	-	-
Temporary staff (including agency)	16,660	15,448
Total gross staff costs	122,425	110,151
Recoveries in respect of seconded staff	-	-
Total staff costs	122,425	110,151
Of which		
Costs capitalised as part of assets	350	136

9. Retirements due to ill-health

During 2019/20 there were no early retirements from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £0k (£206k in 2018/19).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

10. 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 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 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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.

10.1 National Employment Savings Scheme (NEST)

The Trust also operates the National Employment Savings Scheme (NEST). This is a defined contribution workplace pension scheme. The amount of contribution is in accordance with the national guidelines and is a precentage of employees salary.

11. Operating leases

11.1 George Eliot Hospital NHS Trust as a lessor

The Trust does not have any agreements where it acts as a lessor.

11.2 George Eliot Hospital NHS Trust as a lessee

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	**324**	259
Total	**324**	259

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	**315**	314
- later than one year and not later than five years;	**670**	918
- later than five years.	**57**	119
Total	**1,042**	1,351
Future minimum sublease payments to be received	**-**	-

The Trust had operating leases for medical equipment and no cars at 31 March 2020 (1 car at 31 March 2019).

The lease cars were originally taken out for either 3 or 4 years.
The medical equipment leases are for 5-7 years.

Expiry of the leases is as follows:

	2019-20	2018-19
	Number	Number
Before 1 year	**-**	1
Between 1 and 5 years	**5**	4
After 5 years	**1**	1
	6	6

12. Finance income

Finance income represents interest received on assets and investments in the period.

	2019/20	2018/19
	£000	£000
Interest on bank accounts	46	39
Total finance income	46	39

13. Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	1,217	993
Interest on late payment of commercial debt	3	3
Total interest expense	1,220	996
Unwinding of discount on provisions	1	11
Total finance costs	1,221	1,007

14. The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2019/20	2018/19
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	3	3

15. Other gains / (losses)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	-	-
Losses on disposal of assets	-	-
Total gains / (losses) on disposal of assets	-	-
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Other gains / (losses)	-	-
Total other gains / (losses)	-	-

16. Intangible assets - 2019/20

	Software licences	**Development expenditure**	**Intangible assets under construction**	**Total**
	£000	**£000**	**£000**	**£000**
Valuation / gross cost at 1 April 2019 - brought forward	**5,822**	**2,228**	**21**	**8,071**
Additions	**749**	**-**	**-**	**749**
Reclassifications	**4**	**-**	**(4)**	**-**
Valuation / gross cost at 31 March 2020	**6,575**	**2,228**	**17**	**8,820**
Amortisation at 1 April 2019 - brought forward	**4,519**	**1,610**	**-**	**6,129**
Provided during the year	**583**	**301**	**-**	**884**
Reclassifications	**-**	**-**	**-**	**-**
Amortisation at 31 March 2020	**5,102**	**1,911**	**-**	**7,013**
Net book value at 31 March 2020	**1,473**	**317**	**17**	**1,807**
Net book value at 1 April 2019	**1,303**	**618**	**21**	**1,942**

16.1 Intangible assets - 2018/19

	Software licences	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 -brought forward	5,311	2,228	47	7,586
Additions	464	-	21	485
Reclassifications	47	-	(47)	-
Valuation / gross cost at 31 March 2019	5,822	2,228	21	8,071
Amortisation at 1 April 2018 - brought forward	3,964	1,308	-	5,272
Provided during the year	555	302	-	857
Reclassifications	-	-	-	-
Amortisation at 31 March 2019	4,519	1,610	-	6,129
Net book value at 31 March 2019	1,303	618	21	1,942
Net book value at 1 April 2018	1,347	920	47	2,314

17. Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	4,500	51,078	503	142	27,994	155	8,607	701	93,680
Additions	-	2,369	-	1,196	2,323	16	906	168	6,978
Impairments	-	(2,932)	(14)	-	-	-	-	-	(2,946)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	142	-	(142)	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(1,854)	-	-	-	(1,854)
Valuation/gross cost at 31 March 2020	4,500	50,657	489	1,196	28,463	171	9,513	869	95,858
Accumulated depreciation at 1 April 2019 - brought forward	-	-	-	-	17,501	105	5,359	439	23,404
Provided during the year	-	2,009	20	-	2,237	13	1,105	49	5,433
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(2,009)	(20)	-	-	-	-	-	(2,029)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(1,854)	-	-	-	(1,854)
Accumulated depreciation at 31 March 2020	-	-	-	-	17,884	118	6,464	488	24,954
Net book value at 31 March 2020	4,500	50,657	489	1,196	10,579	53	3,049	381	70,904
Net book value at 1 April 2019	4,500	51,078	503	142	10,493	50	3,248	262	70,276

17. Property, plant and equipment (continued)

Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	4,500	63,202	513	420	26,614	167	7,835	678	103,929
Prior period adjustments	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2018 - restated	4,500	63,202	513	420	26,614	167	7,835	678	103,929
Additions	-	1,849	-	122	1,709	25	767	29	4,501
Impairments	-	(14,368)	(10)	-	-	-	-	-	(14,378)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	395	-	(400)	-	-	5	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(329)	(37)	-	(6)	(372)
Valuation/gross cost at 31 March 2019	4,500	51,078	503	142	27,994	155	8,607	701	93,680
Accumulated depreciation at 1 April 2018 - as previously stated	-	4,092	38	-	15,591	132	4,221	395	24,469
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2018 - restated	-	4,092	38	-	15,591	132	4,221	395	24,469
Provided during the year	-	1,965	20	-	2,239	10	1,138	50	5,422
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(6,057)	(58)	-	-	-	-	-	(6,115)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(329)	(37)	-	(6)	(372)
Accumulated depreciation at 31 March 2019	-	-	-	-	17,501	105	5,359	439	23,404
Net book value at 31 March 2019	4,500	51,078	503	142	10,493	50	3,248	262	70,276
Net book value at 1 April 2018	4,500	59,110	475	420	11,023	35	3,614	283	79,460

17.2 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	**4,500**	**50,310**	**489**	**1,196**	**10,040**	**53**	**3,049**	**381**	**70,018**
Owned - donated	**-**	**347**	**-**	**-**	**539**	**-**	**-**	**-**	**886**
NBV total at 31 March 2020	**4,500**	**50,657**	**489**	**1,196**	**10,579**	**53**	**3,049**	**381**	**70,904**

17.3 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	4,500	50,735	503	142	9,941	50	3,248	262	69,381
Owned - donated	-	343	-	-	552	-	-	-	895
NBV total at 31 March 2019	4,500	51,078	503	142	10,493	50	3,248	262	70,276

18. Donations of property, plant and equipment

The Trust had no donations of property, plant and equipment received during the year (2018/19 £Nil)

19. Revaluations of property, plant and equipment

Land, Buildings and Dwellings were valued as Modern Equivalent Assets (MEA) at the 31st March 2020 by Stephen Pollock BSc FRICS Cert Acct (Open), RICS Registered Valuer Avison Young, Independent Property Valuers, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards, January 2014, IFRS and FReM guidelines. The value is based on the IFRS 13 definition of Fair Value and the definition adopted by the International Accounting Standards Board (IASB), being the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Depreciated Replacement Cost (DRC) is recognised under IAS 16 as a basis of valuation for financial reporting purposes. DRC assessments were undertaken for those properties considered to be specialised properties. A Specialised Property is a property that is rarely if ever sold in the market, except by way of a sale of the business or entity of which it is part, due to uniqueness arising from its specialised nature and design, its configuration, size, location, or otherwise.

The valuation is subject to adequate service potential, which is defined as: “The capacity of an asset to continue goods and services in accordance with the entity’s objectives”. It is assumed that the current use/services would still have to be provided by the Trust in the locality of Nuneaton. In accordance with Valuation Standard 2 of the RICS Valuation - Professional Standards January 2014, incorporating the International Valuation Standards 2013, the Market Values of the properties for alternative use (on cessation of the existing business) are likely to be materially lower than the Market Value, with continued use and Depreciated Replacement Cost figures reported.

The basis of the valuation for the property, which is all freehold, is as follows:-

-Operational areas.-Fair Value. (DRC) (IAS16)

-Surplus and Non-operational Buildings.-Market Value (IFRS 5)

-Mobile Phone Masts, Retail Shop, Nursery, Private Healthcare Clinic.-Market Value (IAS40). This property and associated land value is reported in note 16 under the heading land and buildings.

20. Investment Property

The Trust does not have any investment property (31 March 2019 £nil).

21. Investments in associates and joint ventures

The Trust does not have any investments in associates and joint ventures (31 March 2019 £nil).

22. Other investments / financial assets (non-current)

The Trust does not have any other investments / financial assets (non-current) (31 March 2019 £nil).

23. Disclosure of interests in other entities

The Trust had no interests in unconsolidated subsidiaries, joint ventures, associates or unconsolidated structured entities.

24. Inventories

	31 March 2020	31 March 2019
	£000	£000
Drugs	**776**	1,178
Consumables	**1,597**	871
Energy	**41**	41
Other	**-**	-
Total inventories	**2,414**	2,090
of which:		
Held at fair value less costs to sell	**-**	-

Inventories recognised in expenses for the year were £15,854k (2018/19: £16,376k). Write-down of inventories recognised as expenses for the year were £31k (2018/19: £29k).

25. Receivables

	31 March 2020	31 March 2019
	£000	£000
Current		
Contract receivables	**33,093**	12,820
Allowance for impaired contract receivables / assets	**(582)**	(421)
Prepayments (non-PFI)	**1,211**	1,054
VAT receivable	**331**	150
Other receivables	**401**	165
Total current receivables	**34,454**	13,768
Non-current		
Contract receivables	**260**	265
Other receivables	**328**	-
Total non-current receivables	**588**	265
Of which receivable from NHS and DHSC group bodies:		
Current	**30,774**	10,775
Non-current	**321**	-

Note 1. The largest proportion of trade is with Clinical Commissioning Groups. As Clinical Commissioning Groups are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Note 2. Contract receivables includes £13,348k accrued income, relating to FRF and PSF income due to the Trust based on acheivement of financial performance targets.

25.1 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	**All other receivables**	**Contract receivables and contract assets**	**All other receivables**
	£000	**£000**	**£000**	**£000**
Allowances as at 1 April 2019 - brought forward	**421**	**-**	**-**	**432**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			432	(432)
New allowances arising	390	-	48	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	(229)	-	(58)	-
Utilisation of allowances (write offs)	-	-	(1)	-
Allowances as at 31 Mar 2020	**582**	**-**	**421**	**-**

25.2 Exposure to credit risk

The allowance of £558k above at the 31 March 2020 includes £188k relating to Injury Cost Recovery Scheme debtors. These are provided for using national assumptions about the likelihood of debt recovery. The Trust's policy for calculating the allowance against other debtors is that debts over 90 days are reviewed and an allowance made for any debts for which there is a risk of non-recovery. Amounts being recovered by instalment payments are excluded. An assessment has been undertaken of the remaining £370k based on the historical recovery of debts in the categories of private patients, local authorities and other individuals. This was based on the debtors outstanding at 31 March 2019 and the rate of recovery in year. This was broadly in line with the Trust's policy for calculating the allowance, which has therefore not been restated.

26. Other assets

The Trust had no Other assets at 31 March 2020 (31 March 2019 £nil).

27. Non-current assets held for sale and assets in disposal groups

The Trust had no Non-current assets at 31 March 2020 (31 March 2019 £nil).

27.1 Liabilities in disposal groups

The Trust had no liabilities in disposal groups at 31 March 2020 (31 March 2019 £nil).

28. Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2019/20	2018/19
	£000	£000
At 1 April	**1,307**	1,819
Net change in year	**(277)**	(512)
At 31 March	**1,030**	1,307
Broken down into:		
Cash at commercial banks and in hand	**32**	33
Cash with the Government Banking Service	**998**	1,274
Total cash and cash equivalents as in SoFP	**1,030**	1,307
Total cash and cash equivalents as in SoCF	**1,030**	1,307

29. Third party assets held by the trust

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts. No money was held at the bank or on deposit (31 March 2019 £nil).

30. Trade and other payables

	31 March 2020	31 March 2019
	£000	£000
Current		
Trade payables	10,974	5,586
Capital payables	3,312	2,256
Accruals	4,171	5,570
Receipts in advance and payments on account	-	-
Social security costs	1,198	1,081
Other taxes payable	1,071	913
PDC dividend payable	-	-
Other payables	1,434	1,238
Total current trade and other payables	22,160	16,644
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance and payments on account	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	-	-
Of which payables from NHS and DHSC group bodies:		
Current	4,615	4,443
Non-current	-	-

30.1 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2020	31 March 2020	31 March 2019	31 March 2019
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-

31. Other financial liabilities

The Trust has no Other financial liabilities (31 March 2019 - £nil).

32. Other liabilities

	31 March 2020	31 March 2019
	£000	£000
Current		
Deferred income: contract liabilities	**1,450**	1,593
Other deferred income	**-**	-
Total other current liabilities	**1,450**	1,593

33. Borrowings

	31 March 2020	31 March 2019
	£000	£000
Current		
Loans from DHSC	**91,354**	32,322
Other loans	**775**	775
Total current borrowings	**92,129**	33,097
Non-current		
Loans from DHSC	**-**	42,856
Other loans	**388**	1,162
Total non-current borrowings	**388**	44,018

Borrowings / Loans - repayment of principal falling due in:

	31 March 2020			31 March 2019
	DH £000s	Other £000s	Total £000s	£000s
0-1 Years	**91,109**	**775**	**91,884**	32,912
1 - 2 Years	**0**	**388**	**388**	20,613
2 - 5 Years	**0**	**0**	**0**	19,980
Over 5 Years	**0**	**0**	**0**	3,424
TOTAL	**91,109**	**1,163**	**92,272**	76,929

Borrowings include the following loans from the Department of Health:

	Duration Remaining At 31 March 2020 (Note 1 below)	Interest rate	Repayment terms
Interim Capital Support Loan £1.1m (2014-15)	6 months	1.09%	End of term (Sep 2020)
Interim Capital Support Loan £11.606m (2015-17)	6 months	1.50%	End of term (Sep 2020)
Interim Capital Support Loan £3.512m (2016-17)	6 months	0.88%	End of term (Sep 2020)
Interim Capital Support Loan £1.405m (2017-18)	6 months	0.97%	End of term (Sep 2020)
Interim Capital Support Loan £2.636m (2019-20)	6 months	0.68%	End of term (Sep 2020)
Interim Revenue Support Loan £10.233m (2015-16) *	6 months	1.50%	End of term (Sep 2020)
Interim Revenue Support Loan £13.876m (2016-17)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.883m (Dec 2016)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.000m (Jan 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.500m (Feb 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.800m (Mar 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.425m (Apr 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.100m (May 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.300m (Jun 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.750m (Jul 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.775m (Sep 2017)	6 months	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.600m (Oct 2017)	6 months	1.50%	End of term (Sep 2020)

Borrowings include the following loans from the Department of Health (continued):

Uncommitted Revenue Support Loan £1.200m (Nov 2017)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.400m (Dec 2017)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.461m (Jan 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £3.450m (Feb 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £4.500m (Mar 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.250m (Apr 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.000m (May 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.045m (Jun 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.000m (Aug 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.225m (Sep 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.600m (Oct 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.500m (Nov 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.500m (Dec 2018)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.900m (Feb 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.256m (Mar 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.500m (Apr 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.950m (May 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.850m (Jun 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.300m (Jul 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.200m (Sep 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £2.300m (Nov 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.000m (Dec 2019)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.850m (Jan 2020)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.268m (Feb 2020)	6 months	End of term (Sep 2020)
Uncommitted Revenue Support Loan £1.110m (Mar 2020)	6 months	End of term (Sep 2020)

Note 1: The Trust has been notified that funding will be restructured in September 2020, which will result in all DHSC loans being converted to Public Dividend Capital. Loans have therefore been reclassified at 31 March 20 as current liabilities falling due in less than one year, although the Trust is not required to make any further repayments of loan principal or interest after 31 March 2020.

33.1 Reconciliation of liabilities arising from financing activities -2019/20

	Loans from DHSC	Other loans	Total
	£000	£000	£000
Carrying value at 1 April 2019	**75,178**	**1,937**	**77,115**
Cash movements:			
Financing cash flows - payments and receipts of principal	**16,117**	**(776)**	**15,341**
Financing cash flows - payments of interest	**(1,157)**	**-**	**(1,157)**
Non-cash movements:			
Application of effective interest rate	**1,216**	**-**	**1,216**
Change in effective interest rate	**-**	**-**	**-**
Early terminations	**-**	**-**	**-**
Other changes	**-**	**-**	**-**
Carrying value at 31 March 2020	**91,354**	**1,163**	**92,517**

33.2 Reconciliation of liabilities arising from financing activities-2018/19

	Loans from DHSC	Other loans	Total
	£000	£000	£000
Carrying value at 1 April 2018	61,723	2,712	64,435
Cash movements:			
Financing cash flows - payments and receipts of principal	13,269	(775)	12,494
Financing cash flows - payments of interest	(947)	-	(947)
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	140	-	140
Application of effective interest rate	993	-	993
Carrying value at 31 March 2019	75,178	1,937	77,115

34. Other financial liabilities

The Trust does not have any other financial liabilities.

35. Finance leases

35.1 George Eliot Hospital NHS Trust as a lessor

The Trust does not have any finance lease receivables as lessor.

35.2 George Eliot Hospital NHS Trust as a lessee

The Trust does not have any finance lease obligations as lessee.

36. Provisions for liabilities and charges analysis

	Pensions: injury benefits	Legal claims	Clinician pension tax reimbursement	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2019	**706**	**43**	**-**	**289**	**1,038**
Transfers by absorption	-	-	-	-	-
Change in the discount rate	80	-	-	-	80
Arising during the year	28	105	321	686	1,140
Utilised during the year	(36)	(5)	-	(114)	(155)
Reclassified to liabilities held in disposal groups	-	-	-	-	-
Reversed unused	-	(28)	-	(83)	(111)
Unwinding of discount	1	-	-	-	1
At 31 March 2020	**779**	**115**	**321**	**778**	**1,993**
Expected timing of cash flows:					
- not later than one year;	37	115	-	778	930
- later than one year and not later than five years;	149	-	321	-	470
- later than five years.	593	-	-	-	593
Total	**779**	**115**	**321**	**778**	**1,993**

Legal Claims

Legal claims comprise employer's liability and injury allowance payments which the Trust may be required to pay in the future. It is assumed that all employment liability claims will be paid within one year and that injury allowances are payable over the life of the recipient. The amount over five years is repayable in quarterly instalments. The injury allowance is currently £36,810 per annum, discounted by -0.50%.

Clinical Pension Tax Reimbursement

Clinical Pension Tax Reimbursement is a provision for potential future claims following retirement for eligible individuals.

Clinical negligence liabilities

At 31 March 2020, £49,103k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of George Eliot Hospital NHS Trust (31 March 2019: £12,583k).

Other

Other provisions include claims made by employees and former employees.

37. Contingent assets and liabilities

Financial responsibility for clinical negligence cases passed to NHS Resolution, (formerly known as The NHS Litigation Authority) on 1 April 2002. No contingencies or provisions are left in the accounts in relation to these cases, even though the legal liability for them remains with the Trust. The Trust has no other contingent assets and liabilities (31 March 2019 £nil).

38. Contractual capital commitments

	31 March 2020	31 March 2019
	£000	£000
Property, plant and equipment	**1,003**	1,185
Intangible assets	**-**	46
Total	**1,003**	1,231

39. Other financial commitments

The Trust had no other financial commitments at 31 March 2020 (31 March 2019 £nil).

40. Financial instruments

40.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has 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 the NHS Trust in undertaking its activities.

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

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

Interest rate risk
The Trust borrows from government for capital expenditure and for revenue deficit support, subject to affordability as confirmed by the NHSI. The capital borrowings are for 1 – 10 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the Trust’s revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk
The Trust’s operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its capital resource limit. The Trust is not, therefore, exposed to significant liquidity risks.

40.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	**Held at amortised cost**	**Held at fair value through I&E**	**Held at fair value through OCI**	**Total book value**
	£000	**£000**	**£000**	**£000**
Trade and other receivables excluding non financial assets	**32,591**	**-**	**-**	**32,591**
Other investments / financial assets	**-**	**-**	**-**	**-**
Cash and cash equivalents	**1,030**	**-**	**-**	**1,030**
Total at 31 March 2020	**33,621**	**-**	**-**	**33,621**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	12,245	-	-	12,245
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	1,307	-	-	1,307
Total at 31 March 2019	13,552	-	-	13,552

40.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	**Held at amortised cost**	**Held at fair value through I&E**	**Total book value**
	£000	**£000**	**£000**
Loans from the Department of Health and Social Care	**91,354**	**-**	**91,354**
Obligations under finance leases	**-**	**-**	**-**
Other borrowings	**1,163**	**-**	**1,163**
Trade and other payables excluding non financial liabilities	**19,631**	**-**	**19,631**
Other financial liabilities	**-**	**-**	**-**
Provisions under contract	**-**	**-**	**-**
Total at 31 March 2020	**112,148**	**-**	**112,148**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	75,178	-	75,178
Obligations under finance leases	-	-	-
Other borrowings	1,937	-	1,937
Trade and other payables excluding non financial liabilities	13,593	-	13,593
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2019	90,708	-	90,708

40.4 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value except for a loan from Salix which has been discounted using the Treasury short term discount rate of 0.51% (31 March 2019 0.76%). The impact of applying this discount rate would be to decrease the fair value of borrowings by £2k (2018/19 decrease £12k).

40.5 Maturity of financial liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	111,761	46,690
In more than one year but not more than two years	387	20,614
In more than two years but not more than five years	-	19,980
In more than five years	-	3,424
Total	**112,148**	90,708

40.6 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value.

41. Losses and special payments

	2019/20		2018/19	
	Total number of cases	**Total value of cases**	Total number of cases	Total value of cases
	Number	**£000**	Number	£000
Losses				
Cash losses	**4**	**-**	3	1
Fruitless payments	**-**	**-**	-	-
Bad debts and claims abandoned	**69**	**1**	88	2
Stores losses and damage to property	**4**	**34**	1	30
Total losses	**77**	**35**	92	33
Special payments				
Compensation under court order or legally binding arbitration award	**7**	**43**	4	49
Extra-contractual payments	**-**	**-**	-	-
Ex-gratia payments	**15**	**6**	17	6
Special severance payments	**-**	**-**	-	-
Extra-statutory and extra-regulatory payments	**-**	**-**	-	-
Total special payments	**22**	**49**	21	55
Total losses and special payments	**99**	**84**	113	88
Compensation payments received		**-**		-

There were no clinical cases where the net payment exceeded £300,000 (2018/19 £Nil).

There were no fraud cases where the net payment exceeded £300,000 (2018/19£Nil).

42. Related parties

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with George Eliot Hospital NHS Trust.

The Department of Health and Social Care is the parent department. During the year George Eliot Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

The George Eliot Hospital NHS Trust Charitable Fund and Other Related Charities is a related party. The charity has not been consolidated in these accounts. The nature of the relationship and the details of material transactions between the Trust and the linked charities must be disclosed.

42. Related parties (continued)

42.1 Related bodies with transactions over £1m with the Trust were:

	2019/20 Payments to Related Party	2019/20 Receipts from Related Party	31 March 2020 Amounts owed to Related Party	31 March 2020 Amounts due from Related Party
	£000	£000	£000	£000
NHS Coventry and Rugby CCG	**0**	**10,396**	**49**	**69**
NHS Warwickshire North CCG	**0**	**98,481**	**517**	**5,500**
NHS West Leicestershire CCG	**0**	**14,870**	**71**	**3,341**
Health Education England	**0**	**6,061**	**0**	**0**
NHS England - Core	**0**	**17,089**	**0**	**14,472**
NHS England - Midlands Regional Office	**45**	**3,018**	**50**	**817**
NHS England - West Midlands Specialised Commissioning Hub	**0**	**13,905**	**11**	**2,929**
University Hospitals Coventry and Warwickshire NHS Trust	**6,697**	**2,202**	**3,102**	**1,869**
South Warwickshire NHS Foundation Trust	**1,702**	**51**	**702**	**134**
NHS Resolution (Formerly NHS Litigation Authority)	**4,699**	**0**	**0**	**0**

	2018/19 Payments to Related Party	2018/19 Receipts from Related Party	31 March 2019 Amounts owed to Related Party	31 March 2019 Amounts due from Related Party
	£000	£000	£000	£000
NHS Coventry and Rugby CCG	0	10,115	66	330
NHS Warwickshire North CCG	34	90,189	2,029	367
NHS West Leicestershire CCG	0	14,051	93	1,244
Health Education England	2	5,944	0	257
NHS England - Core	0	2,956	13	1,922
NHS England - West Midlands Local Office	1	2,576	0	32
NHS England - West Midlands Specialised Commissioning Hub	0	12,105	(17)	621
University Hospitals Coventry and Warwickshire NHS Trust	6,574	1,694	1,705	1,073
University Hospitals of Leicester NHS Trust	30	511	5	1,137
NHS Resolution (Formerly NHS Litigation Authority)	0	5,281	0	11

43. Prior period adjustments

There have been no prior period adjustments.

44. Events after the reporting date

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £91,354k as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

45. Better Payment Practice code

	2019/20	**2019/20**	2018/19	2018/19
Non-NHS Payables	**Number**	**£000**	Number	£000
Total non-NHS trade invoices paid in the year	**32,398**	**55,367**	34,743	58,066
Total non-NHS trade invoices paid within target	**20,198**	**32,622**	28,273	47,976
Percentage of non-NHS trade invoices paid within target	**62.3%**	**58.9%**	81.4%	82.6%
NHS Payables				
Total NHS trade invoices paid in the year	**984**	**9,695**	1,102	8,385
Total NHS trade invoices paid within target	**407**	**6,306**	567	3,971
Percentage of NHS trade invoices paid within target	**41.4%**	**65.0%**	51.5%	47.4%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

46. External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2019/20	2018/19
	£000	£000
Cash flow financing	**16,168**	13,449
Finance leases taken out in year	**-**	-
Other capital receipts	**-**	-
External financing requirement	**16,168**	13,449
External financing limit (EFL)	**16,168**	13,753
Under spend against EFL	**-**	304

47. Capital Resource Limit

	2019/20	2018/19
	£000	£000
Gross capital expenditure	**7,727**	4,986
Less: Disposals	**-**	-
Less: Donated and granted capital additions	**(106)**	(61)
Charge against Capital Resource Limit	**7,621**	4,925
Capital Resource Limit	**7,718**	5,916
Under spend against CRL	**97**	991

48. Breakeven duty financial performance

	2019/20	2018/19
	£000	£000
Adjusted financial performance surplus / (deficit) (control total basis)	**19**	(12,790)
Add back income for impact of 2018/19 post-accounts PSF reallocation	**194**	-
Breakeven duty financial performance surplus / (deficit)	**213**	(12,790)

49. Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		1,164	112	45	32	(10,165)
Breakeven duty cumulative position	(3,727)	(2,563)	(2,451)	(2,406)	(2,374)	(12,539)
Operating income		105,330	108,324	117,011	122,494	126,638
Cumulative breakeven position as a percentage of operating income		(2.4%)	(2.3%)	(2.1%)	(1.9%)	(9.9%)

	2014/15	2015/16	2016/17	2017/18	2018/19	**2019/20**
	£000	£000	£000	£000	£000	**£000**
Breakeven duty in-year financial performance	367	(15,235)	(13,770)	(17,982)	(12,790)	**213**
Breakeven duty cumulative position	(12,172)	(27,407)	(41,177)	(59,159)	(71,949)	**(71,736)**
Operating income	141,292	133,910	138,457	143,445	155,268	**181,297**
Cumulative breakeven position as a percentage of operating income	(8.6%)	(20.5%)	(29.7%)	(41.2%)	(46.3%)	**(39.6%)**

The Trust has a statutory duty to break even on a cumulative basis. In 2005-06 the Trust incurred a £7.3m deficit and in April 2006 a Public Interest Report was issued under Section 8 of the Audit Commission Act 1998 in relation to the financial standing of the Trust. The Trust developed a 5 year Financial Recovery Plan (FRP) which was agreed with the Strategic Health Authority and the Department of Health to achieve cumulative break even by the end of 2011-12. During the 6 years to March 2013 the Trust generated surplus and was able to repay part of the deficit still leaving a balance of £2.4m to be repaid in the future. In 2011-12 and 2012-13 the Trust required support funding of £2.3m and £5.0m respectively to breakeven. In 2013-14 the Trust incurred a deficit of £10.2m due to the investment in clinical services following the implementation of the Keogh Action plan. The surplus in 2014-15 was achieved with the support of income from the Department of Health amounting to £12m. The deficit in 2015-16 was £15.2m against the original plan of £16m. The deficit in 2016-17 was £13.8m which an improvement against the plan of £14.7m. The deficit reported in 2017-18 worsened to £18.0m and in 2018-19 improved to £12.8m. In 2019-20 the Trust reported a minor surplus position. The cumulative deficit at the 31st March 2020 therefore remained at £71.7m. Because of the cumulative deficit External Auditors have been required to issue Section 30 letters to the Secretary of State for Health informing him that the Trust has not met its statutory duty to break-even over a 5 year period in accordance with the Audit Commission Act 1998.

50. Pathology Service

George Eliot Hospital NHS Trust, University Hospitals Coventry and Warwickshire NHS Trust and South Warwickshire General Hospitals NHS Trust formed a single pathology service at 1 April 2008. The service is hosted by University Hospitals Coventry and Warwickshire NHS Trust and there is an accountability agreement approved by the Trusts. The agreement will continue until terminated through agreement of the Stakeholder Board. The agreement includes risk and benefit sharing; the Trust share being 13.6%. Payments for the service are now made in accordance with a service level agreement.

The Pathology Service accounts reported by University Hospital Coventry and Warwickshire NHS Trust were:

	Reported By University Hospitals Coventry & Warwickshire NHS Trust		George Eliot Hospital NHS Trust's Share	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Revenue from patient care activities	**2,273**	2,357	**310**	321
Other operating revenue	**44,077**	42,124	**6,003**	5,729
Operating expenses	**(46,351)**	(44,475)	**(6,313)**	(6,049)
Operating (deficit)	**(1)**	6	**0**	1

University Hospitals Coventry and Warwickshire NHS Trust reported a deficit of £1,000 in their accounts for the pathology service in 2019/20 (2018/19 surplus of £6,000), the George Eliot Hospital NHS Trust's share was £nil. (2018/19 surplus of £1,000).

	Reported By University Hospitals Coventry & Warwickshire NHS Trust		**George Eliot Hospital NHS Trust's Share**	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Non-current assets	**982**	1,186	**134**	161
Current assets				
Inventories and work in progress	**970**	876	**132**	119
Trade and other receivables	**5,373**	2,189	**731**	298
	6,343	3,065	**863**	417
Current liabilities (Note 1 below)	**(9,801)**	(6,726)	**(1,217)**	(798)
Net current (liabilities)	**(3,458)**	(3,661)	**(354)**	(381)
Total assets less current liabilities	**(2,476)**	(2,475)	**(220)**	(220)
Non current liabilities	**0**	0	**0**	0
Total assets employed	**(2,476)**	(2,475)	**(220)**	(220)
Financed by taxpayers' equity:				
Public dividend capital	**434**	434	**175**	175
Retained earnings	**(2,910)**	(2,909)	**(395)**	(395)
Total taxpayers' equity	**(2,476)**	(2,475)	**(220)**	(220)

University Hospitals Coventry and Warwickshire NHS Trust reported net liabilities of £2,476,000 (2018/19 net liabilities of £2,475,000) in their accounts for the pathology service; the George Eliot Hospital NHS Trust's share were net liabilities of £220,000 (2018/19 £220,000) which included £134,000 of non-current assets (2018/19 £161,000).