

**George Eliot Hospital NHS  
Trust**

**Annual accounts for the year  
ended 31 March 2022**

## Statement of Comprehensive Income for the year ended 31 March 2022

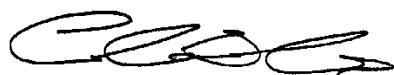
		2021/22	2020/21
	Note	£000	£000
Operating income from patient care activities	3	205,332	172,445
Other operating income	4	14,153	37,664
Operating expenses	6, 8	(222,136)	(207,779)
<b>Operating surplus from continuing operations</b>		<b>(2,651)</b>	<b>2,330</b>
Finance income	11	22	2
Finance expenses	12	(31)	(45)
PDC dividends payable		(1,744)	(1,773)
<b>Net finance costs</b>		<b>(1,753)</b>	<b>(1,816)</b>
Other gains / (losses)	13	(270)	(11)
Share of profit / (losses) of joint venture	19	-	-
<b>(Deficit)/ Surplus / for the year</b>		<b>(4,674)</b>	<b>503</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	7	-	(3,249)
Revaluations	17	3,826	2,102
Share of comprehensive income from joint ventures	19	-	-
Other reserve movements		-	1
<b>Total comprehensive expense for the period</b>		<b>(848)</b>	<b>(643)</b>
<b>Adjusted financial performance (control total basis):</b>			
Surplus / (deficit) for the period		(4,674)	503
Remove net impairments not scoring to the Departmental expenditure limit		4,578	-
Remove I&E impact of capital grants and donations		146	(278)
Remove net impact of inventories received from DHSC group bodies for COVID response		10	(143)
<b>Adjusted financial performance surplus</b>		<b>60</b>	<b>82</b>

There were no discontinued operations during the year, therefore the above surplus and the following notes relate solely to continuing operations.

## Statement of Financial Position as at 31 March 2022

		31 March 2022	31 March 2021
	Note	£000	£000
<b>Non-current assets</b>			
Intangible assets	14	463	1,862
Property, plant and equipment	15	82,017	81,252
Receivables	24	586	626
<b>Total non-current assets</b>		<b>83,066</b>	<b>83,740</b>
<b>Current assets</b>			
Inventories	23	2,255	1,808
Receivables	24	3,310	6,501
Cash and cash equivalents	27.1	49,208	34,843
<b>Total current assets</b>		<b>54,773</b>	<b>43,152</b>
<b>Current liabilities</b>			
Trade and other payables	28.1	(32,198)	(26,687)
Borrowings	30.1	-	(387)
Provisions	33.1	(4,221)	(4,332)
Other liabilities	29	(2,859)	(1,323)
<b>Total current liabilities</b>		<b>(39,278)</b>	<b>(32,729)</b>
<b>Total assets less current liabilities</b>		<b>98,561</b>	<b>94,163</b>
<b>Non-current liabilities</b>			
Provisions	33.1	(1,132)	(1,097)
Other liabilities	29	(600)	-
<b>Total non-current liabilities</b>		<b>(1,732)</b>	<b>(1,097)</b>
<b>Total assets employed</b>		<b>96,829</b>	<b>93,066</b>
<b>Financed by</b>			
Public dividend capital		157,604	152,993
Revaluation reserve		10,824	4,235
Income and expenditure reserve		(71,599)	(64,162)
<b>Total taxpayers' equity</b>		<b>96,829</b>	<b>93,066</b>

The notes on pages 6 to 46 form part of these accounts.



Name	Glen Burley
Position	Chief Executive Officer
Date	21 June 2022

## Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2021 - brought forward</b>	<b>152,993</b>	<b>4,235</b>	<b>(64,162)</b>	<b>93,066</b>
Deficit for the year	-	-	(4,674)	(4,674)
Impairments	-	-	-	-
Revaluations	-	3,826	-	3,826
Public dividend capital received	4,611	-	-	4,611
Other reserve movements	-	2,763	(2,763)	-
<b>Taxpayers' and others' equity at 31 March 2022</b>	<b>157,604</b>	<b>10,824</b>	<b>(71,599)</b>	<b>96,829</b>

## Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2020 - brought forward</b>	<b>52,360</b>	<b>5,382</b>	<b>(64,665)</b>	<b>(6,923)</b>
Surplus for the year	-	-	503	503
Impairments	-	(3,249)	-	(3,249)
Revaluations	-	2,102	-	2,102
Public dividend capital received	100,652	-	-	100,652
Public dividend capital repaid	(20)	-	-	(20)
Other reserve movements	1	-	-	1
<b>Taxpayers' and others' equity at 31 March 2021</b>	<b>152,993</b>	<b>4,235</b>	<b>(64,162)</b>	<b>93,066</b>

## **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.

### **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 2022

	Note	2021/22 £000	2020/21 £000
<b>Cash flows from operating activities</b>			
Operating surplus		(2,651)	2,330
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	6.1	7,152	6,406
Net impairments	7	4,578	-
Income recognised in respect of capital donations	4	(151)	(415)
Decrease in receivables and other assets		3,218	28,119
(Increase) / decrease in inventories		(447)	606
Increase in payables and other liabilities		9,516	1,072
Increase in provisions		(107)	3,394
<b>Net cash flows from operating activities</b>		<b>21,108</b>	<b>41,512</b>
<b>Cash flows from investing activities</b>			
Interest received		22	1
Purchase of intangible assets		(82)	(818)
Sales of intangible assets		1,688	-
Purchase of PPE and investment property		(14,361)	(13,510)
Sales of PPE and investment property		3,442	-
Receipt of cash donations to purchase assets		55	102
<b>Net cash flows used in investing activities</b>		<b>(9,236)</b>	<b>(14,225)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		4,611	100,652
Public dividend capital repaid		-	(20)
Movement on loans from DHSC		-	(91,109)
Movement on other loans		(387)	(776)
Interest on loans		-	(245)
PDC dividend (paid) / refunded		(1,731)	(1,977)
Cash flows from (used in) other financing activities		-	1
<b>Net cash flows from financing activities</b>		<b>2,493</b>	<b>6,526</b>
<b>Increase in cash and cash equivalents</b>		<b>14,365</b>	<b>33,813</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>34,843</b>	<b>1,030</b>
<b>Cash and cash equivalents at 31 March</b>	27.1	<b>49,208</b>	<b>34,843</b>

## **Notes to the Accounts**

### **Note 1 Accounting policies and other information**

#### **Note 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 2021/22 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.

#### **Accounting convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

#### **Note 1.2 Going concern**

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

The Trust has prepared its draft financial plans and cash flow forecasts for the coming year based on the assumptions included in the planning guidance and contracts that have been agreed with commissioning bodies. National guidance has been updated which confirms that further funding will be provided to offset some of the costs of inflation. We are therefore anticipating submitting a final break even plan for 2022/23. The final plan agreed with the Integrated Care System (ICS) and NHSE/I will also deliver a breakeven position across the ICS. A number of risks have been highlighted mainly related to the level of savings required to be delivered to achieve the plan and the ability to earn the Elective Recovery Fund income. The cash balance at the end of March 2022 of £49.2m is expected to be sufficient to enable our Trust to meet our obligations as they fall due.

Following the restructure of Department of Health and Social Care loans in 2020/21 and the final repayment of the loan from Salix in April 2021, the Trust no longer has any revenue or capital loans outstanding.

The Board of Directors has, therefore, concluded that these financial statements should be prepared on a going concern basis as there is a reasonable expectation that our Trust will have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements.

#### **Note 1.3 Interests in other entities**

##### **Joint ventures**

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss. It is also reduced when any distribution, such as share dividends, are received by the Trust from the joint venture.

On 1 December 2021 a Control Agreement was signed between South Warwickshire NHS Foundation Trust and George Eliot Hospital NHS Trust which provides George Eliot Hospital NHS Trust joint control over Innovate Healthcare Services Limited. George Eliot Hospital NHS Trust's share of profits and losses is 30.1% in line with Section 7 of the Control Agreement.

##### **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. The Trust has determined that it controls the Charity, however, as the value of George Eliot's Charitable Funds do not have a material impact, they have not been consolidated.

#### **Note 1.4 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).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

#### **Revenue from NHS contracts**

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at an Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also receives additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

#### **Revenue from research contracts**

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

#### **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.

#### **Note 1.5 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.

##### **Apprenticeship service income**

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.



## **Note 1.6 Expenditure on employee benefits**

### **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.

### **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. They are 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. The Trust expects to continue to contribute 14.38% of pensionable pay to the schemes during 2022-23, with a centrally funded additional contribution taking the total employer contribution to 20.68%.

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.

## **Note 1.7 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.

## **Note 1.8 Property, plant and equipment**

### **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, or
- 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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

#### *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.

## **Note 1.8 Property, plant and equipment (continued)**

### **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 (ie 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.

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 on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

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 2022.

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, borrowings costs. Assets are revalued and depreciation commences when the assets 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 lives or low values or both, as this is not considered to be materially different from current value in existing use.

#### *Depreciation*

Items of property, plant and equipment are depreciated on a straight line basis 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 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'.

## Note 1.8 Property, plant and equipment (continued)

### 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.

### De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. 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.

### 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.

This includes assets donated to the trust by the Department of Health and Social Care or NHS England as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

### 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
Land	-	-
Buildings, excluding dwellings	4	38
Dwellings	24	24
Plant & machinery	5	15
Transport equipment	8	8
Information technology	5	8
Furniture & fittings	10	10

Finance-leased assets 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.

## Note 1.9 Intangible assets

### 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, eg application software, is capitalised as an intangible asset.

### 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.

#### *Amortisation*

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

### Useful lives of intangible assets

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:

	<b>Min life Years</b>	<b>Max life Years</b>
Information technology	-	-
Development expenditure	5	10
Websites	-	-
Software licences	5	5
Licences & trademarks	-	-

## **Note 1.10 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 stock.

In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

## **Note 1.11 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. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

## **1.12 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.

## **Note 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.

### **Classification and measurement**

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 or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

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 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 derecognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

### **Financial assets and financial liabilities at amortised cost**

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

### **Financial assets measured at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

### **Financial assets and financial liabilities at fair value through income and expenditure**

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

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

### **Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

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.

In accordance with the Department of Health guidelines 23.76% of injury costs recovery revenue is provided in a bad debt provision. Debts prior to 1 April 2019 are provided for at 100%.

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 estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

### **Derecognition**

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

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

## Note 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.

### 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.

#### 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.

### 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.

## Note 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 from 31 March 2022:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	0.47%	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.70%	0.18%
Long-term	After 10 years up to 40 years	0.95%	1.99%
Very long-term	Exceeding 40 years	0.66%	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 from 31 March 2022:

	Inflation rate	Prior year rate
Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into perpetuity	2.00%	2.00%

### **Note 1.15 Provisions (continued)**

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

#### **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 33.2 but is not recognised in the Trust's accounts.

#### **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.

### **Note 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 in note 34 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 34, 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.



**Note 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, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

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.

**Note 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.

**Note 1.19 Climate change levy**

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

**Note 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.

**Note 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 (note 27.2) in accordance with the requirements of HM Treasury's *FReM*.

### **Note 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.

### **Note 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.

### **Note 1.24 Transfers of functions to / from other NHS bodies / local government bodies**

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

### **Note 1.25 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

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

#### **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 2022. 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 2022, the Trust will apply the standard retrospectively without restatement and 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. For 2022, this rate is 0.95%. 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 2022 for existing finance leases.

For leases commencing in 2022/23, 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.

## Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted (continued)

### IFRS 16 Leases (continued)

The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
<b>Estimated impact on 1 April 2022 statement of financial position</b>	
Additional right of use assets recognised for existing operating leases	708
Additional lease obligations recognised for existing operating leases	-
Changes to other statement of financial position line items	-
<b>Net impact on net assets on 1 April 2022</b>	<u><u>708</u></u>
<b>Estimated in-year impact in 2022/23</b>	
Additional depreciation on right of use assets	372
Additional finance costs on lease liabilities	7
Lease rentals no longer charged to operating expenditure	(377)
Other impact on income / expenditure	-
<b>Estimated impact on surplus / deficit in 2022/23</b>	<u><u>2</u></u>
<b>Estimated increase in capital additions for new leases commencing in 2022/23</b>	<u><u>-</u></u>

### Other standards, amendments and interpretations

Standards issued or amended but not yet adopted in the FReM:

IFRS14 Regulatory Deferral Accounts - Not UK endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore, this is not applicable to DHSC group bodies.

IFRS16 Leases. This standard as interpreted and adapted by the FReM, is to be effective from 1 April 2022.

IFRS17 Insurance Contracts. Application required for accounting periods beginning on or after 1 January 2021. The standard is not yet adopted by the FReM. It is expected to be adopted from April 2023; early adoption is not permitted.

### Note 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 assessment has been carried out to determine whether the lease should be accounted for as an operating or finance lease.

### Note 1.28 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 2022 whilst continuing to be based on the 'alternative site valuation' principles.

The Trust has accrued for the estimated cost of annual leave due to staff at 31 March 2022 which they have been unable to take due to operational pressures. The estimate has been based on records of outstanding leave where these are available together with an assessment for other staff. An average assumption of 7.5 days has been used (5 days at the prior year end) due to the continuing ongoing impact of responding to Covid-19 over the past year.

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 1.30%. Every year their life expectancy and appropriate discount factor is reviewed and updated.

## Note 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 £219,485k (2020-21 £210,109k). Total operating expenditure from the provision of healthcare services during the accounting period is £217,558k (2020-21 £207,779k).

## Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

<b>Note 3.1 Income from patient care activities (by nature)</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
<b>Acute services</b>		
Block contract / system envelope income	180,562	152,009
High cost drugs income from commissioners (excluding pass-through costs)	11,033	10,843
Other NHS clinical income	37	68
<b>Community services</b>		
Block contract / system envelope income	2,003	2,063
Income from other sources (e.g. local authorities)	4,209	2,377
<b>All services</b>		
Private patient income	23	130
Elective recovery fund	2,461	-
Additional pension contribution central funding*	5,004	4,571
Other clinical income	-	384
<b>Total income from activities</b>	<b>205,332</b>	<b>172,445</b>

\*The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have 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.

## Note 3.2 Income from patient care activities (by source)

	<b>2021/22</b>	<b>2020/21</b>
<b>Income from patient care activities received from:</b>	<b>£000</b>	<b>£000</b>
NHS England	23,078	28,719
Clinical commissioning groups	177,251	140,767
Department of Health and Social Care	-	-
Other NHS providers	453	68
NHS other	-	-
Local authorities	4,209	2,361
Non-NHS: private patients	-	-
Non-NHS: overseas patients (chargeable to patient)	21	130
Injury cost recovery scheme	303	391
Non NHS: other	17	9
<b>Total income from activities</b>	<b>205,332</b>	<b>172,445</b>

All income from patient care activities related to continuing operations.

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

	2021/22	2020/21
	£000	£000
Income recognised this year	21	130
Cash payments received in-year	73	6
Amounts added to provision for impairment of receivables	13	135
Amounts written off in-year	-	5

**Note 4 Other operating income**

	2021/22			2020/21		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	213	-	213	398	-	398
Education and training	7,180	261	7,441	6,451	-	6,451
Non-patient care services to other bodies	3,125		3,125	2,402		2,402
Reimbursement and top up funding (Note 1)	379		379	23,142		23,142
Income in respect of employee benefits accounted on a gross basis	-		-	-		-
Receipt of capital grants and donations		151	151		415	415
Charitable and other contributions to expenditure*		702	702		2,856	2,856
Support from the Department of Health and Social Care for mergers		-	-		-	-
Rental revenue from finance leases		-	-		-	-
Rental revenue from operating leases		-	-		-	-
Amortisation of PFI deferred income / credits		-	-		-	-
Other income	2,142	-	2,142	1,528	472	2,000
<b>Total other operating income</b>	<b>13,039</b>	<b>1,114</b>	<b>14,153</b>	<b>33,921</b>	<b>3,743</b>	<b>37,664</b>

\*This represents the value of Personal Protective Equipment provided to the Trust free of charge during the year

All other operating income related to continuing operations.

Note 1 - Amounts included in Reimbursement and top up funding in the prior year are now shown in Operating income from Clinical Commissioning Groups, in line with national guidance.

**Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period**

	2021/22	2020/21
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	-	-
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

**Note 5.2 Transaction price allocated to remaining performance obligations**

	31 March	31 March
	2022	2021
	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
within one year	-	-
after one year, not later than five years	-	-
after five years	-	-
<b>Total revenue allocated to remaining performance obligations</b>	<u>-</u>	<u>-</u>

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.

**Note 5.3 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.

	2021/22	2020/21
	£000	£000
Income	-	-
Full cost	-	-
<b>Surplus / (deficit)</b>	<u>-</u>	<u>-</u>

## Note 6.1 Operating expenses

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Purchase of healthcare from NHS and DHSC bodies	7,420	7,230
Purchase of healthcare from non-NHS and non-DHSC bodies	2,640	2,296
Staff and executive directors costs	147,867	140,294
Remuneration of non-executive directors	88	80
Supplies and services - clinical (excluding drugs costs)	13,222	15,646
Supplies and services - general	1,103	2,187
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	14,840	14,234
Inventories written down	571	578
Consultancy costs	74	258
Establishment	1,570	1,664
Premises	10,562	7,599
Transport (including patient travel)	87	66
Depreciation on property, plant and equipment	6,754	5,834
Amortisation on intangible assets	398	572
Net impairments (Note 1)	4,578	-
Movement in credit loss allowance: contract receivables / contract assets	585	1,131
Increase/(decrease) in other provisions	26	67
Change in provisions discount rate(s)	5	5
Fees payable to the external auditor		
audit services- statutory audit (Note 2)	100	68
other auditor remuneration (external auditor only)	-	-
Internal audit costs	98	109
Clinical negligence	6,030	5,193
Legal fees	610	244
Insurance	13	9
Research and development	-	-
Education and training	1,015	705
Rentals under operating leases	317	327
Car parking & security	-	-
Hospitality	1	1
Losses, ex gratia & special payments	359	43
Other services, eg external payroll	119	361
Other	1,084	978
<b>Total</b>	<b><u>222,136</u></b>	<b><u>207,779</u></b>
<b>Of which:</b>		
Related to continuing operations	222,136	207,779
Related to discontinued operations	-	-

Note 1 - net impairments are due to the valuation assumptions applied to buildings when first included in the 'modern equivalent asset' year end valuation.

Note 2 - 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 £83k (2020-21 £53k)

**Note 6.2 Other auditor remuneration**

	2021/22	2020/21
	£000	£000
<b>Other auditor remuneration paid to the external auditor:</b>		
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	-	-
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	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**Note 6.3 Limitation on auditor's liability**

The limitation on auditor's liability for external audit work is £1 million (2020/21: £2 million).

**Note 7 Impairment of assets**

	2021/22	2020/21
	£000	£000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
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 (Note 1)	4,578	-
<b>Total net impairments charged to operating surplus / deficit</b>	<u>4,578</u>	<u>-</u>
Impairments charged to the revaluation reserve	-	3,249
<b>Total net impairments</b>	<u>4,578</u>	<u>3,249</u>

Note 1 - the impairment relates to the valuation assumptions applied to buildings when first included in the 'modern equivalent asset' year end valuation.



## Note 8 Employee benefits

	2021/22	2020/21
	Total	Total
	£000	£000
Salaries and wages	98,768	95,231
Social security costs	10,246	9,285
Apprenticeship levy	487	437
Employer's contributions to NHS pensions	16,372	15,101
Pension cost - other	-	-
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	-	-
Temporary staff (including agency)	22,068	20,540
<b>Total gross staff costs</b>	<b>147,941</b>	<b>140,594</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>147,941</b>	<b>140,594</b>
<b>Of which</b>		
Costs capitalised as part of assets	74	300

### Note 8.1 Retirements due to ill-health

During 2021/22 there were 4 early retirements from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £196k (£76k in 2020/21).

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

## **Note 9 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](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### **b) Full actuarial (funding) valuation**

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

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

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

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

The Trust offers an additional defined contribution workplace pension scheme (i.e. the National Employment Savings Scheme (NEST)), for staff who do not wish to become members of the NHS Pension scheme. The contribution rates are determined nationally and contributions are recognised as an expense.

## Note 10 Operating leases

### Note 10.1 George Eliot Hospital NHS Trust as a lessor

This note discloses income generated in operating lease agreements where George Eliot Hospital NHS Trust is the lessor.

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

### Note 10.2 George Eliot Hospital NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where George Eliot Hospital NHS Trust is the lessee.

	2021/22 £000	2020/21 £000
<b>Operating lease expense</b>		
Minimum lease payments	317	327
Contingent rents	-	-
Less sublease payments received	-	-
<b>Total</b>	<b>317</b>	<b>327</b>
	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Future minimum lease payments due:</b>		
- not later than one year;	149	329
- later than one year and not later than five years;	288	428
- later than five years.	-	-
<b>Total</b>	<b>437</b>	<b>757</b>
Future minimum sublease payments to be received	-	-

**Note 11 Finance income**

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

	2021/22	2020/21
	£000	£000
Interest on bank accounts	22	2
<b>Total finance income</b>	<b>22</b>	<b>2</b>

**Note 11.1 Finance expenditure**

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

	2021/22	2020/21
	£000	£000
<b>Interest expense:</b>		
Unwinding of discount on provisions	31	42
Other finance costs	-	3
<b>Total finance costs</b>	<b>31</b>	<b>45</b>

**Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 "**

	2021/22	2020/21
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	-

**Note 12 Other gains / (losses)**

	2021/22	2020/21
	£000	£000
Losses on disposal of assets	(270)	(11)
<b>Total gains / (losses) on disposal of assets</b>	<b>(270)</b>	<b>(11)</b>
Other gains / (losses)	-	-
<b>Total other gains / (losses)</b>	<b>(270)</b>	<b>(11)</b>

**Note 13 Discontinued operations**

The Trust has no discontinued operations

**Note 14.1 Intangible assets - 2021/22**

	Software licences £000	Development expenditure £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2021 - brought forward</b>	7,140	2,290	17	9,447
Additions	82	-	-	82
Reclassifications	151	(58)	(17)	76
Disposals / derecognition	(5,218)	(2,229)	-	(7,447)
<b>Valuation / gross cost at 31 March 2022</b>	<b>2,155</b>	<b>3</b>	<b>-</b>	<b>2,158</b>
<b>Amortisation at 1 April 2021 - brought forward</b>	<b>5,568</b>	<b>2,017</b>	<b>-</b>	<b>7,585</b>
Provided during the year	365	33	-	398
Reclassifications	-	32	-	32
Disposals / derecognition	(4,241)	(2,079)	-	(6,320)
<b>Amortisation at 31 March 2022</b>	<b>1,692</b>	<b>3</b>	<b>-</b>	<b>1,695</b>
<b>Net book value at 31 March 2022</b>	<b>463</b>	<b>-</b>	<b>-</b>	<b>463</b>
<b>Net book value at 1 April 2021</b>	<b>1,572</b>	<b>273</b>	<b>17</b>	<b>1,862</b>

**Note 14.2 Intangible assets - 2020/21**

	Software licences £000	Development expenditure £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	6,575	2,228	17	8,820
Prior period adjustments	-	-	-	-
<b>Valuation / gross cost at 1 April 2020 - restated</b>	<b>6,575</b>	<b>2,228</b>	<b>17</b>	<b>8,820</b>
Additions	565	62	-	627
<b>Valuation / gross cost at 31 March 2021</b>	<b>7,140</b>	<b>2,290</b>	<b>17</b>	<b>9,447</b>
<b>Amortisation at 1 April 2020 - as previously stated</b>	<b>5,102</b>	<b>1,911</b>	<b>-</b>	<b>7,013</b>
Prior period adjustments	-	-	-	-
<b>Amortisation at 1 April 2020 - restated</b>	<b>5,102</b>	<b>1,911</b>	<b>-</b>	<b>7,013</b>
Provided during the year	466	106	-	572
<b>Amortisation at 31 March 2021</b>	<b>5,568</b>	<b>2,017</b>	<b>-</b>	<b>7,585</b>
<b>Net book value at 31 March 2021</b>	<b>1,572</b>	<b>273</b>	<b>17</b>	<b>1,862</b>
<b>Net book value at 1 April 2020</b>	<b>1,473</b>	<b>317</b>	<b>17</b>	<b>1,807</b>

Note 15.1 Property, plant and equipment - 2021/22

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2021 - brought forward</b>	<b>4,500</b>	<b>52,525</b>	<b>479</b>	<b>7,358</b>	<b>32,209</b>	<b>171</b>	<b>11,461</b>	<b>1,119</b>	<b>109,822</b>
Additions	-	2,583	-	6,462	2,223	-	933	387	12,588
Impairments	-	(4,578)	-	-	-	-	-	-	(4,578)
Revaluations	375	1,160	5	-	-	-	-	-	1,540
Reclassifications	-	6,948	-	(8,104)	602	-	264	169	(121)
Disposals / derecognition	-	-	-	-	(2,364)	-	(12,159)	(53)	(14,576)
<b>Valuation/gross cost at 31 March 2022</b>	<b>4,875</b>	<b>58,638</b>	<b>484</b>	<b>5,716</b>	<b>32,670</b>	<b>171</b>	<b>499</b>	<b>1,622</b>	<b>104,675</b>
<b>Accumulated depreciation at 1 April 2021 - brought forward</b>	-	<b>1</b>	-	-	<b>20,319</b>	<b>131</b>	<b>7,560</b>	<b>559</b>	<b>28,570</b>
Provided during the year	-	2,264	21	-	3,360	9	1,014	86	6,754
Impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(2,265)	(21)	-	-	-	-	-	(2,286)
Reclassifications	-	-	-	-	(77)	-	-	-	(77)
Disposals / derecognition	-	-	-	-	(2,099)	-	(8,204)	-	(10,303)
<b>Accumulated depreciation at 31 March 2022</b>	-	-	-	-	<b>21,503</b>	<b>140</b>	<b>370</b>	<b>645</b>	<b>22,658</b>
<b>Net book value at 31 March 2022</b>	<b>4,875</b>	<b>58,638</b>	<b>484</b>	<b>5,716</b>	<b>11,167</b>	<b>31</b>	<b>129</b>	<b>977</b>	<b>82,017</b>
<b>Net book value at 1 April 2021</b>	<b>4,500</b>	<b>52,524</b>	<b>479</b>	<b>7,358</b>	<b>11,890</b>	<b>40</b>	<b>3,901</b>	<b>560</b>	<b>81,252</b>

Note 15.2 Property, plant and equipment - 2020/21

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>4,500</b>	<b>50,657</b>	<b>489</b>	<b>1,196</b>	<b>28,463</b>	<b>171</b>	<b>9,513</b>	<b>869</b>	<b>95,858</b>
Additions	-	5,107	-	6,162	3,859	-	1,964	250	17,342
Impairments	-	(3,239)	(10)	-	-	-	-	-	(3,249)
Disposals / derecognition	-	-	-	-	(113)	-	(16)	-	(129)
<b>Valuation/gross cost at 31 March 2021</b>	<b>4,500</b>	<b>52,525</b>	<b>479</b>	<b>7,358</b>	<b>32,209</b>	<b>171</b>	<b>11,461</b>	<b>1,119</b>	<b>109,822</b>
<b>Accumulated depreciation at 1 April 2020 - as previously stated</b>	-	-	-	-	<b>17,884</b>	<b>118</b>	<b>6,464</b>	<b>488</b>	<b>24,954</b>
Provided during the year	-	2,083	20	-	2,540	13	1,107	71	5,834
Revaluations	-	(2,082)	(20)	-	-	-	-	-	(2,102)
Disposals / derecognition	-	-	-	-	(105)	-	(11)	-	(116)
<b>Accumulated depreciation at 31 March 2021</b>	-	<b>1</b>	-	-	<b>20,319</b>	<b>131</b>	<b>7,560</b>	<b>559</b>	<b>28,570</b>
<b>Net book value at 31 March 2021</b>	<b>4,500</b>	<b>52,524</b>	<b>479</b>	<b>7,358</b>	<b>11,890</b>	<b>40</b>	<b>3,901</b>	<b>560</b>	<b>81,252</b>
<b>Net book value at 1 April 2020</b>	<b>4,500</b>	<b>50,657</b>	<b>489</b>	<b>1,196</b>	<b>10,579</b>	<b>53</b>	<b>3,049</b>	<b>381</b>	<b>70,904</b>

**Note 15.3 Property, plant and equipment financing - 2021/22**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2022</b>									
Owned - purchased	4,875	58,290	484	5,716	10,597	31	129	977	<b>81,099</b>
Owned - donated/granted	-	348	-	-	570	-	-	-	<b>918</b>
<b>NBV total at 31 March 2022</b>	<b>4,875</b>	<b>58,638</b>	<b>484</b>	<b>5,716</b>	<b>11,167</b>	<b>31</b>	<b>129</b>	<b>977</b>	<b>82,017</b>

**Note 15.4 Property, plant and equipment financing - 2020/21**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2021</b>									
Owned - purchased	4,500	52,524	479	7,358	10,758	40	3,901	560	<b>80,120</b>
Owned - donated/granted	-	-	-	-	1,132	-	-	-	<b>1,132</b>
<b>NBV total at 31 March 2021</b>	<b>4,500</b>	<b>52,524</b>	<b>479</b>	<b>7,358</b>	<b>11,890</b>	<b>40</b>	<b>3,901</b>	<b>560</b>	<b>81,252</b>

#### **Note 16 Donations of property, plant and equipment**

The Trust received donations of Property, Plant and Equipment amounting to £96k (2020-21 £313k) as part of the Covid-19 pandemic response.

#### **Note 17 Revaluations of property, plant and equipment**

Land, Buildings and Dwellings were valued as Modern Equivalent Assets (MEA) at the 31st March 2022 by Mark Shelley 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 (DRIC) (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.

#### **Note 18.1 Investment Property**

The Trust does not have any investment property (31 March 2021 £nil).

#### **Note 18.2 Investment property income and expenses**

The Trust does not have any investment property income and expenses (31 March 2021 £nil).



**Note 19 Investments in associates and joint ventures**

	2021/22	2020/21
	£000	£000
<b>Carrying value at 1 April - brought forward</b>	-	-
Prior period adjustments	-	-
<b>Carrying value at 1 April - restated</b>	<u>-</u>	<u>-</u>
Transfers by absorption	-	-
Acquisitions in year	-	-
Share of profit / (loss)	-	-
Net impairments	-	-
Transfers to / from assets held for sale	-	-
Disbursements / dividends received	-	-
Disposals	-	-
Share of Other Comprehensive Income	-	-
Other equity movements	-	-
<b>Carrying value at 31 March</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Note 20 Other investments / financial assets (non-current)**

	2021/22	2020/21
	£000	£000
<b>Carrying value at 1 April - brought forward</b>	-	-
Prior period adjustments	-	-
<b>Carrying value at 1 April - restated</b>	<u>-</u>	<u>-</u>
Transfers by absorption	-	-
Acquisitions in year	-	-
Movement in fair value through income and expenditure	-	-
Movement in fair value through OCI	-	-
Net impairments	-	-
Transfers to / from assets held for sale	-	-
Amortisation at the effective interest rate	-	-
Current portion of loans receivable transferred to current financial assets	-	-
Disposals	-	-
<b>Carrying value at 31 March</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Note 20.1 Other investments / financial assets (current)**

	31 March	31 March
	2022	2021
	£000	£000
Loans receivable within 12 months transferred from non-current financial assets	-	-
Deposits with the National Loans Fund	-	-
Other current financial assets	-	-
<b>Total current investments / financial assets</b>	<u><u>-</u></u>	<u><u>-</u></u>

## Note 22 Disclosure of interests in other entities

On 1 December 2021, the Trust transferred its Information Technology services to a wholly owned subsidiary of South Warwickshire NHS Foundation Trust, Innovate Healthcare Service Limited. The company also provides Information Technology services to South Warwickshire NHS Foundation Trust. The arrangement is a joint venture by control agreement and our Trust receives 30.1% of the profit or loss. The agreement included the transfer of IT equipment and software with a net book value of £5.1m and the transfer of 43 substantive members of staff to Innovate Healthcare Services Limited.

## Note 23 Inventories

	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
Drugs (Note 1)	1,138	734
Consumables	1,092	1,047
Energy	25	27
<b>Total inventories</b>	<b><u>2,255</u></b>	<b><u>1,808</u></b>
<b>of which:</b>		
Held at fair value less costs to sell	-	-

Note 1 - the prior year drugs inventory balance has been corrected to include £694k of costs incorrectly categorised as consumables.

Inventories recognised in expenses for the year were £12,899k (2020/21: £15,357k). Write-down of inventories recognised as expenses for the year were £571k (2020/21: £578k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2021/22 the Trust received £702k of items purchased by DHSC (2020/21: £2,856k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

## Note 24.1 Receivables

	<b>2022 £000</b>	<b>2021 £000</b>
<b>Current</b>		
Contract receivables	2,839	5,926
Allowance for impaired contract receivables / assets	(2,279)	(1,694)
Prepayments (non-PFI)	1,620	1,470
PDC dividend receivable	191	204
VAT receivable	905	503
Other receivables	34	92
<b>Total current receivables</b>	<b><u>3,310</u></b>	<b><u>6,501</u></b>
<b>Non-current</b>		
Contract receivables	265	263
Other receivables	321	363
<b>Total non-current receivables</b>	<b><u>586</u></b>	<b><u>626</u></b>
<b>Of which receivable from NHS and DHSC group bodies:</b>		
Current	1,600	4,036
Non-current	282	321

#### Note 24.2 Allowances for credit losses

	2021/22		2020/21	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
<b>Allowances as at 1 April - brought forward</b>	<b>1,694</b>	-	<b>582</b>	-
New allowances arising	1,520	-	1,272	-
Reversals of allowances	(935)	-	(141)	-
Utilisation of allowances (write offs)	-	-	(19)	-
<b>Allowances as at 31 Mar 2022</b>	<b>2,279</b>	-	<b>1,694</b>	-

#### Note 24.3 Exposure to credit risk

The allowance of £2,279k above at 31 March 2022 includes £393k relating to Injury Cost Recovery Scheme debtors. These are provided for, using national assumptions about the likelihood of debt recovery for all debts since 1 April 2019 and in full for older debts. 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.

#### Note 25 Other assets

The Trust had no Other assets at 31 March 2022 (31 March 2021 £nil)

#### Note 26.1 Non-current assets held for sale and assets in disposal groups

The Trust had no Non-current assets held for sale or assets in disposal groups at 31 March 2022 (31 March 2021 £nil)

#### Note 26.2 Liabilities in disposal groups

The Trust had no liabilities in disposal groups at 31 March 2022 (31 March 2021 £nil)

#### Note 27.1 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.

	2021/22 £000	2020/21 £000
<b>At 1 April</b>	<b>34,843</b>	<b>1,030</b>
Prior period adjustments		-
<b>At 1 April (restated)</b>	<b>34,843</b>	<b>1,030</b>
Net change in year	14,365	33,813
<b>At 31 March</b>	<b>49,208</b>	<b>34,843</b>
<b>Broken down into:</b>		
Cash at commercial banks and in hand	34	45
Cash with the Government Banking Service	49,174	34,798
<b>Total cash and cash equivalents as in SoFP</b>	<b>49,208</b>	<b>34,843</b>
<b>Total cash and cash equivalents as in SoCF</b>	<b>49,208</b>	<b>34,843</b>

### Note 27.2 Third party assets held by the Trust

George Eliot Hospital NHS 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.

### Note 28.1 Trade and other payables

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Trade payables	4,815	4,133
Capital payables	4,771	6,640
Accruals	17,973	11,666
Social security costs	1,418	1,353
Other taxes payable	1,212	1,219
Other payables	2,009	1,676
<b>Total current trade and other payables</b>	<b>32,198</b>	<b>26,687</b>
<b>Non-current</b>		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Other taxes payable	-	-
Other payables	-	-
<b>Total non-current trade and other payables</b>	<b>-</b>	<b>-</b>
<b>Of which payables from NHS and DHSC group bodies:</b>		
Current	1,795	333
Non-current	-	-

### Note 28.2 Early retirements in NHS payables above

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

	31 March 2022 £000	31 March 2022 Number	31 March 2021 £000	31 March 2021 Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-

**Note 29 Other liabilities**

	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Current</b>		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
Lease incentives	-	-
Other deferred income	2,859	1,323
<b>Total other current liabilities</b>	<b><u>2,859</u></b>	<b><u>1,323</u></b>
<b>Non-current</b>		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
Lease incentives	-	-
Other deferred income	600	-
Net pension scheme liability	-	-
<b>Total other non-current liabilities</b>	<b><u>600</u></b>	<b><u>-</u></b>

**Note 30.1 Borrowings**

	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Current</b>		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from DHSC	-	-
Other loans	-	387
Obligations under finance leases	-	-
<b>Total current borrowings</b>	<b><u>-</u></b>	<b><u>387</u></b>
<b>Non-current</b>		
Loans from DHSC	-	-
Other loans	-	-
Obligations under finance leases	-	-
<b>Total non-current borrowings</b>	<b><u>-</u></b>	<b><u>-</u></b>

**Note 30.2 Reconciliation of liabilities arising from financing activities - 2021/22**

	Loans from DHSC £000	Other loans £000	Finance leases £000	Total £000
<b>Carrying value at 1 April 2021</b>	-	387	-	387
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	-	(387)	-	(387)
Financing cash flows - payments of interest	-	-	-	-
<b>Carrying value at 31 March 2022</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Note 30.3 Reconciliation of liabilities arising from financing activities - 2020/21**

	Loans from DHSC £000	Other loans £000	Finance leases £000	Total £000
<b>Carrying value at 1 April 2020</b>	91,354	1,163	-	92,517
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	(91,109)	(776)	-	(91,885)
Financing cash flows - payments of interest	(245)	-	-	(245)
<b>Carrying value at 31 March 2021</b>	<u>-</u>	<u>387</u>	<u>-</u>	<u>387</u>

**Note 31 Other financial liabilities**

The Trust does not have any Other Financial Liabilities

**Note 32 Finance leases****Note 32.1 George Eliot Hospital NHS Trust as a lessor**

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

**Note 32.2 George Eliot Hospital NHS Trust as a lessee**

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

### Note 33.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Other £000	Total £000
<b>At 1 April 2021</b>	-	813	102	4,514	5,429
Change in the discount rate	-	5	-	-	5
Arising during the year	-	13	23	1,171	1,207
Utilised during the year	-	(38)	(28)	(849)	(915)
Reclassified to liabilities held in disposal groups	-	-	-	-	-
Reversed unused	-	-	(10)	(394)	(404)
Unwinding of discount	-	31	-	-	31
<b>At 31 March 2022</b>	<b>-</b>	<b>824</b>	<b>87</b>	<b>4,442</b>	<b>5,353</b>
<b>Expected timing of cash flows:</b>					
- not later than one year;	-	38	23	4,160	4,221
- later than one year and not later than five years;	-	154	64	282	500
- later than five years.	-	632	-	-	632
<b>Total</b>	<b>-</b>	<b>824</b>	<b>87</b>	<b>4,442</b>	<b>5,353</b>

#### 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 £38k per annum, discounted by -1.3%.

#### Clinical Pension Tax Reimbursement

Clinical Pension Tax Reimbursement is a provision for potential future claims following retirement for eligible individuals. Amounts due have been estimated based on an average costs. The provision is included in the 'Other' column above and it has been assumed that payments are likely to be made in 1-5 years time.

#### Other

Other provisions include claims made by employees and former employees and property related liabilities. Amounts have been estimated taking legal advice into account where applicable. It has been assumed that payments are likely to be made during the next 12 months.

### Note 33.2 Clinical negligence liabilities

At 31 March 2022, £74,095k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of George Eliot Hospital NHS Trust (31 March 2021: £48,930k).

### Note 34 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 2020 £nil).

### Note 35 Contractual capital commitments

	<b>31 March</b>	<b>31 March</b>
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Property, plant and equipment	706	439
Intangible assets	-	-
<b>Total</b>	<b>706</b>	<b>439</b>

### Note 36 Other financial commitments

The Trust had no other financial commitments at 31 March 2022 (31 March 2021 £nil).



## **Note 37 Financial instruments**

### **Note 37.1 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 does not have any interest bearing loans in place.  
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 exposure as at 31 March 2022 is limited to receivables from customers, as disclosed in the trade and other receivables note. The credit risk for receivables from customers is considered to be low. Provision is made for the impairment of receivables which have not been paid after 90 days.

#### **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.

**Note 37.2 Carrying values of financial assets**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	859	-	-	859
Cash and cash equivalents	49,208	-	-	49,208
<b>Total at 31 March 2022</b>	<b>50,067</b>	<b>-</b>	<b>-</b>	<b>50,067</b>

Carrying values of financial assets as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	4,611	-	-	4,611
Cash and cash equivalents	34,843	-	-	34,843
<b>Total at 31 March 2021</b>	<b>39,454</b>	<b>-</b>	<b>-</b>	<b>39,454</b>

**Note 37.3 Carrying values of financial liabilities**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	27,259	-	27,259
<b>Total at 31 March 2022</b>	<b>27,259</b>	<b>-</b>	<b>27,259</b>

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Other borrowings	387	-	387
Trade and other payables excluding non financial liabilities	24,114	-	24,114
<b>Total at 31 March 2021</b>	<b>24,501</b>	<b>-</b>	<b>24,501</b>

#### Note 37.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
In one year or less	27,259	24,502
In more than one year but not more than five years	-	-
In more than five years	-	-
<b>Total</b>	<b>27,259</b>	<b>24,502</b>

#### Note 37.5 Fair values of financial assets and liabilities

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

#### Note 38 Losses and special payments

	<b>2021/22</b>		<b>2020/21</b>	
	<b>Total number of cases Number</b>	<b>Total value of cases £000</b>	<b>Total number of cases Number</b>	<b>Total value of cases £000</b>
<b>Losses</b>				
Cash losses	14	12	27	14
Fruitless payments and constructive losses	-	-	-	-
Bad debts and claims abandoned (Note 1)	245	337	550	22
Stores losses and damage to property	2	280	2	306
<b>Total losses</b>	<b>261</b>	<b>629</b>	<b>579</b>	<b>342</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	10	66	6	68
Extra-contractual payments	-	-	-	-
Ex-gratia payments (Note 2)	12	7	13	170
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
<b>Total special payments</b>	<b>22</b>	<b>73</b>	<b>19</b>	<b>238</b>
<b>Total losses and special payments</b>	<b>283</b>	<b>702</b>	<b>598</b>	<b>580</b>
Compensation payments received				-

Note 1: Bad debts written off include an amount of £250,000 for a local authority to realign the contract value for future periods.

Note 2: Ex gratia payments for the prior year have been amended in line with the clarification of guidance to include corrective payments made to staff for overtime pay entitlements in respect of holiday pay of £164k. The amount was included in pay costs in 2020/21, but had not been identified as a special payment in the year end accounts.

There were no clinical cases where the net payment exceeded £300,000 (2020/21 £Nil).

There were no fraud cases where the net payment exceeded £300,000 (2020/21 £Nil).

#### Note 39 Gifts

There were no gifts made with a value over £300,000.

#### Note 40 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 as the value of the charitable funds does not have a material impact.

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

	2021/22	2021/22	31 March 2022	31 March 2022
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
NHS Coventry and Warwickshire CCG	0	164,193	0	511
NHS West Leicestershire CCG	0	13,907	0	0
Health Education England	0	7,382	0	35
NHS England - Midlands Regional Office	0	15,625	0	27
NHS England - Central Specialised Commissioning Hub	0	1,668	0	462
University Hospitals Coventry and Warwickshire NHS	7,518	2,985	226	37
South Warwickshire NHS Foundation Trust	8,193	132	1,454	141
Supply Chain Coordination Limited	4,271	0	8	0
NHS Professionals	14,828	0	0	0
NHS Resolution (Formerly NHS Litigation Authority)	6,030	0	0	0
Warwickshire County Council	4	3,867	0	29

	2020/21	2020/21	31 March 2021	31 March 2021
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
NHS Coventry and Rugby CCG	0	33,979	0	0
NHS Warwickshire North CCG	56	96,538	50	50
NHS West Leicestershire CCG	0	13,750	0	0
Health Education England	0	6,150	0	0
NHS England - Core	12	27,290	46	3,101
NHS England - Midlands Regional Office	5	13,662	0	0
NHS England - West Midlands Specialised Commissioning	0	1,294	0	99
University Hospitals Coventry and Warwickshire NHS Trust	7,463	2,837	0	92
South Warwickshire NHS Foundation Trust	5,712	147	107	195
NHS Resolution (Formerly NHS Litigation Authority)	5,215	0	0	0
Warwickshire County Council	0	2,740	0	265
NHS Professionals	9,584	0	0	0
Supply Chain Coordination Limited	3,365	0	24	0

#### Note 41 Prior period adjustments

There have been no prior period adjustments.

#### Note 42 Events after the reporting date

There were no significant events after the reporting period.

**Note 43 Better Payment Practice code**

	2021/22	2021/22	2020/21	2020/21
<b>Non-NHS Payables</b>	<b>Number</b>	<b>£000</b>	<b>Number</b>	<b>£000</b>
Total non-NHS trade invoices paid in the year	35,187	67,377	34,529	65,910
Total non-NHS trade invoices paid within target	33,095	60,228	30,144	56,255
Percentage of non-NHS trade invoices paid within target	94.1%	89.4%	87.3%	85.4%
<b>NHS Payables</b>				
Total NHS trade invoices paid in the year	859	16,781	1,600	20,235
Total NHS trade invoices paid within target	566	10,852	1,326	17,470
Percentage of NHS trade invoices paid within target	65.9%	64.7%	82.9%	86.3%

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.

**Note 44 External financing limit**

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

	2021/22	2020/21
	<b>£000</b>	<b>£000</b>
Cash flow financing	(10,141)	(25,065)
Finance leases taken out in year		
Other capital receipts		
<b>External financing requirement</b>	<b>(10,141)</b>	<b>(25,065)</b>
External financing limit (EFL)	(10,141)	(6,145)
<b>Under / (over) spend against EFL</b>	<b>-</b>	<b>18,920</b>

**Note 45 Capital Resource Limit**

	2021/22	2020/21
	<b>£000</b>	<b>£000</b>
Gross capital expenditure	12,670	17,969
Less: Disposals	(5,400)	(13)
Less: Donated and granted capital additions	(151)	(415)
<b>Charge against Capital Resource Limit</b>	<b>7,119</b>	<b>17,541</b>
Capital Resource Limit	11,141	17,541
<b>Under / (over) spend against CRL</b>	<b>4,022</b>	<b>-</b>

**Note 46 Breakeven duty financial performance**

	2021/22
	<b>£000</b>
Adjusted financial performance surplus / (deficit) (control total basis)	60
Remove impairments scoring to Departmental Expenditure Limit	-
<b>Breakeven duty financial performance surplus / (deficit)</b>	<b>60</b>

#### Note 47 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		1,164	112	45	32	(10,165)	367
Breakeven duty cumulative position	(3,727)	(2,563)	(2,451)	(2,406)	(2,374)	(12,539)	(12,172)
Operating income		105,330	108,324	117,011	122,494	126,638	141,292
<b>Cumulative breakeven position as a percentage of operating income</b>		(2.4%)	(2.3%)	(2.1%)	(1.9%)	(9.9%)	(8.6%)
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(15,235)	(13,770)	(17,982)	(12,790)	213	82	60
Breakeven duty cumulative position	(27,407)	(41,177)	(59,159)	(71,949)	(71,736)	(71,654)	(71,594)
Operating income	133,910	138,457	143,445	155,268	181,297	210,109	219,485
<b>Cumulative breakeven position as a percentage of operating income</b>	(20.5%)	(29.7%)	(41.2%)	(46.3%)	(39.6%)	(34.1%)	(32.6%)

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, 2020-21 and 2021-22 the Trust reported a minor surplus position. The cumulative deficit at the 31st March 2022 therefore remained at £71.6m. 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.

## Note 48 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	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
Revenue from patient care activities	60,326	17,269	8,216	2,352
Other operating revenue	1,837	34,371	250	4,681
Operating expenses	(62,162)	(51,640)	(8,466)	(7,033)
<b>Operating (deficit)</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

University Hospitals Coventry and Warwickshire NHS Trust reported a surplus of £1,000 in their accounts for the pathology service in 2021/22 (2020/21 deficit of £nil), the George Eliot Hospital NHS Trust's share was a deficit of £nil (2020/21 share was £nil).

	Reported By University Hospitals Coventry & Warwickshire NHS Trust		George Eliot Hospital NHS Trust's Share	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>Non-current assets</b>	<b>4,000</b>	<b>1,095</b>	<b>545</b>	<b>149</b>
<b>Current assets</b>				
Inventories and work in progress	2,244	970	305	132
Trade and other receivables	2,345	1,719	319	234
	<b>4,589</b>	<b>2,689</b>	<b>624</b>	<b>366</b>
<b>Current liabilities</b> (Note 1 below)	<b>(11,064)</b>	<b>(6,260)</b>	<b>(1,505)</b>	<b>(851)</b>
<b>Net current (liabilities)</b>	<b>(6,475)</b>	<b>(3,571)</b>	<b>(881)</b>	<b>(485)</b>
<b>Total assets less current liabilities</b>	<b>(2,475)</b>	<b>(2,476)</b>	<b>(336)</b>	<b>(336)</b>
<b>Non current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total assets employed</b>	<b>(2,475)</b>	<b>(2,476)</b>	<b>(336)</b>	<b>(336)</b>
<b>Financed by taxpayers' equity:</b>				
Public dividend capital	434	434	59	59
Retained earnings	(2,909)	(2,910)	(395)	(395)
<b>Total taxpayers' equity</b>	<b>(2,475)</b>	<b>(2,476)</b>	<b>(336)</b>	<b>(336)</b>

University Hospitals Coventry and Warwickshire NHS Trust reported net liabilities of £2,475,000 (2020/21 net liabilities of £2,476,000) in their accounts for the pathology service; the George Eliot Hospital NHS Trust's share were net liabilities of £336,000 (2020/21 £336,000) which included £545,000 of non-current assets (2020/21 £149,000).