

## SWANSEA BAY UNIVERSITY HEALTH BOARD

### FOREWORD

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

#### **Statutory background**

The Local Health Board was established on 1st April 2019 under statutory instrument 2019 No.349 (W.83), the Local Health Boards (Area Change) (Wales) (Miscellaneous Amendment) Order 2019.

This statutory instrument transferred the principal local government area of Bridgend from Abertawe Bro Morgannwg University Local Health Board to Cwm Taf University Local Health Board in addition to confirming that Abertawe Bro Morgannwg University Local Health Board is renamed and is to be known as Swansea Bay University Local Health Board.

Swansea Bay University Local Health Board is responsible for the provision of healthcare services for the populations falling under the local government areas of Swansea and Neath Port Talbot.

On 1st April 2019 all staff property, assets and liabilities relating to services provided to the local government area of Bridgend transferred from Swansea Bay University Local Health Board to Cwm Taf Morgannwg Local Health Board. This transfer was undertaken in line with the Local Health Boards (Area Change) (transfer of Staff, Property and Liabilities) (Wales) Order 2019. The transfer was accounted for under absorption accounting rules.

The Health Board's predecessor organisation, Abertawe Bro Morgannwg University Health Board, was established on 1st October 2009 following the merger of the former Abertawe Bro Morgannwg University NHS Trust, Swansea Local Health Board, Neath Port Talbot Local Health Board and Bridgend Local Health Board, providing services to the local government areas of Swansea, Neath Port Talbot and Bridgend.

#### **Performance Management and Financial Results**

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2024-25. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the primary statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the Local Health Board which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1st April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Expenditure on Primary Healthcare Services	3.1	227,548	213,437
Expenditure on healthcare from other providers	3.2	335,625	309,640
Expenditure on Hospital and Community Health Services	3.3	1,178,190	1,073,680
		<b>1,741,363</b>	1,596,757
Less: Miscellaneous Income	4	(330,267)	(319,587)
<b>LHB net operating costs before interest and other gains and losses</b>		<b>1,411,096</b>	1,277,170
Investment Revenue	5	0	0
Other (Gains) / Losses	6	103	(8)
Finance costs	7	9,077	5,175
<b>Net operating costs for the financial year</b>		<b>1,420,276</b>	<b>1,282,337</b>

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on page 27.

The notes on pages 8 to 76 form part of these accounts.

## Other Comprehensive Net Expenditure

	2024-25 £000	2023-24 £000
Net (gain) / loss on revaluation of property, plant and equipment	(2,594)	(17,751)
Net (gain)/loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	(69)	166
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	(6)
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	<u>(2,663)</u>	<u>(17,591)</u>
<b>Total comprehensive net expenditure for the year</b>	<u><b>1,417,613</b></u>	<u><b>1,264,746</b></u>

The notes on pages 8 to 76 form part of these accounts.

**Statement of Financial Position as at 31 March 2025**

	<b>31 March</b>	31 March
	<b>2025</b>	2024
<b>Notes</b>	<b>£000</b>	£000
<b>Non-current assets</b>		
Property, plant and equipment	11 <b>597,819</b>	595,358
Right of Use Assets	11.3 <b>37,984</b>	31,269
Intangible assets	12 <b>2,058</b>	2,987
Trade and other receivables	15 <b>148,795</b>	142,699
Other financial assets	16 <b>0</b>	0
<b>Total non-current assets</b>	<b>786,656</b>	772,313
<b>Current assets</b>		
Inventories	14 <b>12,886</b>	12,264
Trade and other receivables	15 <b>102,323</b>	100,278
Other financial assets	16 <b>0</b>	0
Cash and cash equivalents	17 <b>3,444</b>	2,824
	<b>118,653</b>	115,366
Non-current assets classified as "Held for Sale"	11 <b>1,434</b>	170
<b>Total current assets</b>	<b>120,087</b>	115,536
<b>Total assets</b>	<b>906,743</b>	887,849
<b>Current liabilities</b>		
Trade and other payables	18 <b>(200,102)</b>	(198,904)
Other financial liabilities	19 <b>0</b>	0
Provisions	20 <b>(43,580)</b>	(53,082)
<b>Total current liabilities</b>	<b>(243,682)</b>	(251,986)
<b>Net current assets/ (liabilities)</b>	<b>(123,595)</b>	(136,450)
<b>Non-current liabilities</b>		
Trade and other payables	18 <b>(81,096)</b>	(80,726)
Other financial liabilities	19 <b>0</b>	0
Provisions	20 <b>(154,048)</b>	(147,307)
<b>Total non-current liabilities</b>	<b>(235,144)</b>	(228,033)
<b>Total assets employed</b>	<b>427,917</b>	407,830
<b>Financed by :</b>		
<b>Taxpayers' equity</b>		
General Fund	<b>358,950</b>	340,985
Revaluation reserve	<b>68,967</b>	66,845
<b>Total taxpayers' equity</b>	<b>427,917</b>	407,830

The financial statements on pages 2 to 7 were approved by the Board on xx xx 2025 and signed on its behalf by:

Chief Executive and Accountable Officer ..... Date: .....

The notes on pages 8 to 76 form part of these accounts.

## Statement of Changes in Taxpayers' Equity For the year ended 31 March 2025

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity for 2024-25</b>			
Balance as at 31 March 2024	340,985	66,845	407,830
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
<b>Balance at 1 April 2024</b>	<b>340,985</b>	<b>66,845</b>	<b>407,830</b>
Net operating cost for the year	(1,420,276)		(1,420,276)
Net gain/(loss) on revaluation of property, plant and equipment	0	2,594	2,594
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	(69)	(69)
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	403	(403)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
<b>Total recognised income and expense for 2024-25</b>	<b>(1,419,873)</b>	2,122	<b>(1,417,751)</b>
Net Welsh Government funding	1,385,684		1,385,684
Notional Welsh Government Funding	52,154		52,154
<b>Balance at 31 March 2025</b>	<b>358,950</b>	<b>68,967</b>	<b>427,917</b>

Notional Welsh Government funding line includes 9.4% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government. The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

### Notional Welsh Government funding split:

Notional 9.4% staff employer pension £52,138,000  
Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £16,000

The notes on pages 8 to 76 form part of these accounts.

**Statement of Changes in Taxpayers' Equity  
For the year ended 31 March 2024**

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Changes in taxpayers' equity for 2023-24</b>			
<b>Balance at 31 March 2023</b>	327,629	66,729	394,358
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
<b>Balance at 1 April 2023</b>	<u>295,503</u>	<u>66,729</u>	<u>362,232</u>
Net operating cost for the year	(1,282,337)	-	(1,282,337)
Net gain/(loss) on revaluation of property, plant and equipment	0	17,751	17,751
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	(166)	(166)
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	17,469	(17,469)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	6	0	6
<b>Total recognised income and expense for 2023-24</b>	<u>(1,264,862)</u>	<u>116</u>	<u>(1,264,746)</u>
Net Welsh Government funding	1,278,416	-	1,278,416
Notional Welsh Government Funding	31,928	-	31,928
<b>Balance at 31 March 2024</b>	<u><u>340,985</u></u>	<u><u>66,845</u></u>	<u><u>407,830</u></u>

Notional Welsh Government funding line includes the 6.3% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

**Notional Welsh Government funding split;**

Notional 6.3% staff employer pension £31,901,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £27,000

The notes on pages 8 to 76 form part of these accounts.

**Statement of Cash Flows for year ended 31 March 2025**

	2024-25	2023-24
	£000	£000
<b>Cash Flows from operating activities</b>		
Net operating cost for the financial year	(1,420,276)	(1,282,337)
Movements in Working Capital	27 (9,811)	(64,720)
Other cash flow adjustments	28 118,628	136,985
Provisions utilised	20 (17,956)	(12,023)
<b>Net cash outflow from operating activities</b>	<b>(1,329,415)</b>	<b>(1,222,095)</b>
<b>Cash Flows from investing activities</b>		
Purchase of property, plant and equipment	(43,901)	(48,375)
Proceeds from disposal of property, plant and equipment	552	66
Purchase of intangible assets	(829)	(242)
Proceeds from disposal of intangible assets	0	0
Payment for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Payment for other assets	0	0
Proceeds from disposal of other assets	0	0
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(44,178)</b>	<b>(48,551)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(1,373,593)</b>	<b>(1,270,646)</b>
<b>Cash Flows from financing activities</b>		
Welsh Government funding (including capital)	1,385,684	1,278,416
Capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes	(7,058)	(3,538)
Capital element of payments in respect of on-SoFP PFI	0	0
Capital element of payments in respect of Right of Use Assets	(4,413)	(4,267)
Cash transferred (to)/ from other NHS bodies	0	0
<b>Net financing</b>	<b>1,374,213</b>	<b>1,270,611</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>620</b>	<b>(35)</b>
<b>Cash and cash equivalents (and bank overdrafts) at 1 April 2024</b>	<b>2,824</b>	<b>2,859</b>
<b>Cash and cash equivalents (and bank overdrafts) at 31 March 2025</b>	<b>3,444</b>	<b>2,824</b>

The notes on pages 8 to 76 form part of these accounts.

## Notes to the Accounts

### 1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHBs) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2024-25 Manual for Accounts. The accounting policies contained in that manual follow the 2024-25 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1. Accounting convention

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

#### 1.2. Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

#### 1.3. Income and funding

The main source of funding for the LHBs are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the LHB. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FREM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred. Only non-NHS income may be deferred.

#### **1.4. Employee benefits**

##### **1.4.1. Short-term employee benefits**

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is not recognised in the financial statements to the extent that employees are not permitted to carry forward leave into the following period.

##### **1.4.2. Retirement benefit costs**

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme. The cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency) from 6.3% to 9.4%.

However, NHS Wales' organisations are required to account for their staff employer contributions of 23.78% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see the Other Note within these accounts.

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

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

### 1.4.3 PENSION COSTS

Past and present employees are covered by the provisions of the 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover 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 the 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 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 2025, is based on valuation data as at 31 March 2024, to 31 March 2025 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be found 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 2024. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.



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#### 1.4.4. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

#### 1.5. Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

#### 1.6. Property, plant and equipment

##### 1.6.1. Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

##### 1.6.2. Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1st April 2009.

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

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

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

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

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

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

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

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

### **1.6.3. Subsequent expenditure**

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated, for All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs identified are then charged to operating expenses.

## **1.7. Intangible assets**

### **1.7.1. Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

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

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

### **1.7.2 Measurement**

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

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

### **1.8. Depreciation, amortisation and impairments**

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

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

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

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings. Right of use (ROU) asset impairments are reflected in ROU liability.

### **1.9. Research and Development**

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

### **1.10 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale,

within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

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

### 1.11 Leases

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

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

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

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

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

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

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

There are further expedients or election that have been employed by Swansea Bay University LHB in applying IFRS 16.

These include:

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

Swansea Bay University LHB will not apply IFRS 16 to any new leases of intangible assets, applying the

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

Swansea Bay University LHB is required to apply IFRS 16 to lease like arrangements entered into with other parties that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prices for such arrangements under IFRS 16 Swansea Bay University LHB has assessed that in all other respects these are in substance the definition of a lease under the standard.

Swansea Bay University LHB is required to apply IFRS 16 to lease like arrangements entered into in which consideration is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the statement of financial position. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are in substance to arrangements in which consideration is below market value but not significantly below market value.

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

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

#### 1.11.1 Swansea Bay University Health Board as lessee

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

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

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

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

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

Where existing leases are modified the LHB must determine whether the arrangement constitutes a separate lease or a modification to an existing lease and account accordingly.

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

#### 1.11.2 Swansea Bay University Health Board as lessor

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

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

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

Where the LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification as a finance lease or an operating lease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the use asset arising from the head lease.

On transition the LHB has reassessed the classification of all of its continuing subleasing arrangements to include finance leases.

## 1.12. Inventories

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

## 1.13. Cash and cash equivalents

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

## 1.14. Provisions

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

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

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

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

### 1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2024-25 and 2023-24. The WRPS is hosted by Velindre University NHS Trust.

### **1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)**

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

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

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

### **1.15. Financial Instruments**

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

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

### **1.16. Financial assets**

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

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

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

#### **1.16.1. Financial assets are initially recognised at fair value**

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### **1.16.2. Financial assets at fair value through SoCNE**

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

### **1.16.3 Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

### **1.16.4. Available for sale financial assets**

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

### **1.16.5. Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

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

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### **1.17. Financial liabilities**

Financial liabilities are recognised on the SOFP when the LHB becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

#### **1.17.1. Financial liabilities are initially recognised at fair value**

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

#### **1.17.2. Financial liabilities at fair value through the SoCNE**

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

#### **1.17.3. Other financial liabilities**

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

#### **1.18. Value Added Tax (VAT)**

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

#### **1.19. Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

#### **1.20. Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

#### **1.21. Losses and Special Payments**

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

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

Swansea University LHB accounts for all losses and special payments gross (including assistance from the WRP).

Swansea University LHB accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

### **1.22. Pooled budgets**

The NHS Wales organisation has entered into pooled budgets with the City and County of Swansea and Neath Port Talbot County Borough Council Local Authorities.. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pooled budget is hosted by the City and County of Swansea. Payments for services provided are accounted for as miscellaneous income. Swansea Bay University LHB accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

### **1.23. Critical Accounting Judgements and key sources of estimation uncertainty**

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

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

### **1.24. Key sources of estimation uncertainty**

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

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

Significant estimations are also made for continuing care costs resulting from claims post 1st April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

#### **1.24.1. Provisions**

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

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

**1.24.2. Probable & Certain Cases – Accounting Treatment**

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

<b>Remote</b>	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability.
<b>Possible</b>	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision*
<b>Probable</b>	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
<b>Certain</b>	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

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

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary’s Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of 0.5%.

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

### 1.24.3 Annual Leave Accrual

In the 22-23 accounts and in line with International Accounting Standard (IAS) 19, the Health Board included in its accounts an accrual for untaken annual leave as at 31st March 2023. The impact of Covid-19 and the availability of staff across the service due to sickness absence had a significant impact on the ability of staff to take annual leave during both 2020-21 and 2021-22, however in 2022-23 given the ability to sell back leave and the reducing prevalence of Covid-19 the carry forward arrangements were set at a maximum of 5 days untaken leave requiring managers approval.

During the 2024-25 financial year (as it did in the 2023-24 financial year), the Health Board once again issued a bulletin to all Staff during February 2025, that there would be no carry forward of annual leave permitted into the financial year 2025-26, and that all leave was to be utilised within the period for which it relates during the financial year, to ensure staff wellbeing and following recovery of services back to pre-Covid levels.

This has removed the need to provide for unused leave as per IAS19. As a result there is no accrual within the 2024-25 financial statements for unused carried forward annual leave.

### 1.24.4 Primary Care Expenditure

As in previous years, due to the short timescale available to prepare the year end accounts, the primary care expenditure disclosed contains a number of significant estimates where the value of the actual liabilities was not available prior to the date for accounts submission, the most material areas being:

#### General Medical Services Quality and Assurance Improvement Framework (QAIF)

From 1<sup>st</sup> October 2019, QAIF was introduced as part of the 2019/20 GMS contract reform, replacing the quality and outcomes framework. Under both schemes, GP Practices achieve a certain level of points and these are multiplied by a financial value per point to establish the payments due.

Clinical QAIF domains transferred into Core contract from 1 October 2022, resulting in a transfer of funding into Global Sum (GSUM). This quantum represents full achievement in all indicators for all practices moving into total GSUM and then distributed to practices via the Carr-Hill formula. The removal of Assurance indicators from the framework means that QAIF has become QIF (Quality Improvement Framework).

The points that are remaining in the Quality Improvement domains, namely Access (100 pts) and the newly drafted mandatory QI projects (170 pts), were revalued at £198 per point for 2024/25.

This compares to the 2021/22 points of Access (125 pts) and QI projects (185 pts) and QA projects (382 pts).

**An amount of £1.358m (2023-24, £1.092m) has therefore been accrued on the basis of the number of points achieved by each GP Practice in 2024/25 capped at 270 points payable at £198 per point.**

#### **1.24.5 Prescribing Costs**

For 2024/25, the Health Board has used the accrual methodology used in previous years. This has resulted in an accrual of £13.442m (2023-24: £13.509m accrual) in respect of prescribing costs for the months of February and March 2025.

The costs were derived using the average daily charge for the 4 month period October to January to derive an average weighted daily run rate for prescribing. This weighted daily run rate is based on 50% calendar days in the month and 50% prescribing days in the month. This average cost was then applied to the number of days in February and March to arrive at an amount for accrual.

As in previous years, this amount was then reviewed to take into account the estimated impact of the growth factor that was seen previously at the latter end of 2023/24.

#### **1.24.6 Pharmacy**

A total of £5.092m (2023-24: £5.013m) was accrued for February and March pharmacy contract payments.

For the past six years, the run rate for November to January was used to accrue for February and March due to several changes to the fees and allowances within the pharmacy contract from April to October. This approach was used again for 2024-25 with estimated adjustments made for the increase in contract price per item for February and March 2025.

The basis of the primary care estimates disclosed above was agreed in advance with the Health Board's Auditors and reported to the Health Board's Audit Committee in March 2025.

#### **1.25 Discount Rates**

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

## **1.26 Private Finance Initiative (PFI) transactions**

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The LHB therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

### **1.26.1. Services received**

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

### **1.26.2. PFI asset**

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the LHB's approach for each relevant class of asset in accordance with the principles of IAS 16.

### **1.26.3. PFI liability**

A PFI liability is recognised at the same time as the PFI assets are recognised.

#### **Prior year treatment**

It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

**1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes as from 1st April 2023.**

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023-24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement - the future PPP liability will need to be remeasured at 1st April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

**1.26.5. Lifecycle replacement**

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the LHB's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

**1.26.6. Assets contributed by the LHB to the operator for use in the scheme**

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHB's SoFP.

**1.26.7. Other assets contributed by the LHB to the operator**

Assets contributed (e.g. cash payments, surplus property) by the LHB to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the LHB, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

### 1.27. Contingencies

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

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

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

### 1.28. Absorption accounting

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

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

### 1.29. Accounting standards that have been issued but not yet been adopted

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

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

**IFRS 17 Insurance Contracts**, Application required for accounting periods beginning on or after 1 January 2023, Standard is UK endorsed and adopted by the FReM. The date of initial application is the beginning of the annual reporting period in which IFRS 17 is first applied. In central government the date of initial application is 1 April 2025.

**IFRS 18 Presentation and Disclosure in Financial Statements** - Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures** - Application required for accounting periods beginning on or after 1 January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

### 1.30. Accounting standards issued that have been adopted early

During 2024-25 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

### **1.31. Charities**

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the LHB has established that as it is the corporate trustee of the Swansea Bay University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Swansea Bay University LHB NHS Charitable Fund as a subsidiary. The determination of control is an accounting standard test of control and there has been no change to the operation of the Swansea Bay University LHB NHS Charitable Fund or its independence in its management of charitable funds.

Whilst there is a requirement to consolidate the results of the Swansea Bay University LHB NHS Charitable Fund within the statutory accounts of the LHB, the LHB has, with the agreement of the Welsh Government, adopted the IAS 27 (10) exemption to consolidate.

Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts.

Details of the transactions with the charity are included in the related parties' notes.

## 2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1st April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1st April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years;
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

### 2.1 Revenue Resource Performance

#### Annual financial performance

	2022-23	2023-24	2024-25	Total
	£000	£000	£000	£000
<b>Net operating costs for the year</b>	1,165,677	1,282,337	1,420,276	<b>3,868,290</b>
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,206	1,562	833	<b>3,601</b>
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	(2,024)	(2,711)	(3,352)	<b>(8,087)</b>
Less any non funded revenue consequences of IFRS 16	0	0	0	<b>0</b>
Total operating expenses	1,164,859	1,281,188	1,417,757	<b>3,863,804</b>
Revenue Resource Allocation	1,166,697	1,264,375	1,375,303	<b>3,806,375</b>
<b>Under /(over) spend against Allocation</b>	<b>1,838</b>	<b>(16,813)</b>	<b>(42,454)</b>	<b>(57,429)</b>

Swansea University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2022-23 to 2024-25.

The Health Board received £43.7m Strategic cash support and £15m of working capital cash support from Welsh Government during 2024-25. This support has been provided by Welsh Government to assist the Health Board with making payments to staff and suppliers; there is no requirement for this funding to be repaid.

### 2.2 Capital Resource Performance

	2022-23	2023-24	2024-25	Total
	£000	£000	£000	£000
<b>Gross capital expenditure</b>	38,937	64,390	56,723	<b>160,050</b>
Add: Losses on disposal of donated assets	0	0	0	<b>0</b>
Less NBV on disposal of property, plant and equipment, right of use and intangible assets	(16)	(399)	(654)	<b>(1,069)</b>
Adjustment for transfers (to)/from NHS Trusts	0	0	0	<b>0</b>
Less capital grants received	(43)	0	(983)	<b>(1,026)</b>
Less donations received	(232)	(259)	(331)	<b>(822)</b>
Less IFRS16 Peppercorn income	0	0	0	<b>0</b>
Less <b>initial recognition</b> of RoU Asset Dilapidations	0	0	(852)	<b>(852)</b>
Charge against Capital Resource Allocation	38,646	63,732	53,903	<b>156,281</b>
Capital Resource Allocation	38,684	63,787	53,964	<b>156,435</b>
<b>(Over) / Underspend against Capital Resource Allocation</b>	<b>38</b>	<b>55</b>	<b>61</b>	<b>154</b>

Swansea Bay University LHB has /has not met its financial duty to break-even against its Capital Resource Limit over the 3 years 2022-23 to 2024-25.

### 2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2024-2027 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government which sets out its strategy for securing that it complies with its 'break even' duty, whilst improving the health of the people for whom it is responsible and the provision of healthcare to such people.

As the LHB was unable to submit a balanced integrated medium-term plan in accordance with NHS Wales Planning Framework the Board submitted an Annual Plan for 2024-25 on 28th March 2024. This plan did not include a break-even position. A response to the Annual Plan was published by Welsh Governance on 3<sup>rd</sup> May 2024.

Following receipt of the response the Board urgently reflected on the underlying risks and choices within the plan particularly referencing improvement in urgent emergency care, planned care and cancer delivery alongside the financial deficit position. This resulted in a revised Annual Plan being submitted on 31st May 2024, which again did not include a break-even position.

Throughout 2024-25 the LHB worked with WG to identify options to reduce the deficit annual plan and in December 2024 the Health Board received additional funding of £6.4m to reduce the deficit plan.

However, the LHB has been unable to meet its statutory duty to have an approved financial plan.

The Minister for Health and Social Services extant approval

**Status**  
**Date**

Not Approved

Swansea University LHB has not therefore met its statutory duty to have an approved financial plan.

### 2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	<b>2024-25</b>	2023-24
Total number of non-NHS bills paid	<b>297,249</b>	314,675
Total number of non-NHS bills paid within target	<b>282,501</b>	302,538
Percentage of non-NHS bills paid within target	95.0%	96.1%

**The LHB has met the target.**

### 3. Analysis of gross operating costs

#### 3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2024-25 Total £000	2023-24 Total £000
General Medical Services	80,023		80,023	73,518
Pharmaceutical Services	25,908	(6,372)	19,536	17,684
General Dental Services	31,392		31,392	30,538
General Ophthalmic Services	2,709	5,539	8,248	5,919
Other Primary Health Care expenditure	3,248		3,248	1,428
Prescribed drugs and appliances	85,101		85,101	84,350
<b>Total</b>	<b>228,381</b>	<b>(833)</b>	<b>227,548</b>	<b>213,437</b>

Return of excess funds from primary care contractors are included in the figures above

#### Included within other notes to the accounts

Additional Primary Care Expenditure	Positive	0	0
Additional Primary Care Income	Negative	-5294	0
<b>Overall total</b>		<b>222,254</b>	<b>213,437</b>

The additional Primary Care income shown above relates to:

- GMS income with NHS Wales Trusts and Local Authorities (£190k)
- Pharmaceutical income from NHS Wales Trusts and Local Authorities (£263k)

#### 3.2 Expenditure on healthcare from other providers

	2024-25 £000	2023-24 £000
Goods and services from other NHS Wales Health Boards	36,072	39,934
Goods and services from other NHS Wales Trusts	9,556	8,787
Goods and services from Welsh Special Health Authorities	2,102	1,701
Goods and services from other non Welsh NHS bodies	1,269	830
Goods and services from NWJCC /WHSSC and EASC	146,913	134,297
Local Authorities	18,871	14,257
Voluntary organisations	7,297	4,860
NHS Funded Nursing Care	10,039	9,325
Continuing Care	92,132	79,468
Private providers	10,778	15,755
Specific projects funded by the Welsh Government	0	0
Other	596	426
<b>Total</b>	<b>335,625</b>	<b>309,640</b>

**3.3 Expenditure on Hospital and Community Health Services**

	2024-25	2023-24
	£000	£000
Directors' costs	2,548	2,246
Operational Staff costs	826,855	742,212
Single lead employer Staff Trainee Cost	44,947	33,930
Collaborative Bank Staff Cost	0	417
Supplies and services - clinical	181,653	157,374
Supplies and services - general	11,629	10,610
Consultancy Services	678	660
Establishment	20,423	19,646
Transport	1,353	1,282
Premises	34,032	33,110
External Contractors	4,879	4,419
Depreciation	33,830	32,451
Depreciation Right of Use assets (RoU)	4,965	4,084
Amortisation	1,433	1,608
Fixed asset impairments and reversals (Property, plant & equipment)	8,840	12,902
Fixed asset impairments and reversals (RoU Assets)	0	0
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	410	441
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	(4,296)	(8,421)
Research and Development	5,465	8,860
Expense related to short-term leases	0	0
Expense related to low-value asset leases (excluding short-term leases)	0	0
Other operating expenses	(1,454)	15,849
<b>Total</b>	<b>1,178,190</b>	<b>1,073,680</b>

**3.4 Losses, special payments and irrecoverable debts: charges to operating expenses**

	2024-25	2023-24
	£000	£000
<b>Increase/(decrease) in provision for future payments:</b>		
Clinical negligence;		
Secondary care	18,822	49,577
Primary care	2,009	(68)
Redress Secondary Care	984	334
Redress Primary Care	0	0
Personal injury	976	1,689
All other losses and special payments	55	152
Defence legal fees and other administrative costs	837	1,917
Gross increase/(decrease) in provision for future payments	23,683	53,601
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	0	0
<b>Less: income received/due from Welsh Risk Pool</b>	<b>(27,979)</b>	<b>(62,022)</b>
<b>Total</b>	<b>(4,296)</b>	<b>(8,421)</b>

	2024-25	2023-24
	£	£
Permanent injury included within personal injury £:	(420,000)	(582,000)

#### 4. Miscellaneous Income

	2024-25 £000	2023-24 £000
Local Health Boards	107,585	106,274
NWJCC/ WHSSC and EASC	151,170	143,546
NHS Wales trusts	8,883	6,726
Welsh Special Health Authorities	20,497	18,740
Foundation Trusts	0	0
Other NHS England bodies	2,856	3,071
Other NHS Bodies	4	9
Local authorities	6,983	7,964
Welsh Government	1,520	1,048
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	3,185	2,598
Private patient income	741	610
Overseas patients (non-reciprocal)	394	162
Injury Costs Recovery (ICR) Scheme	1,007	1,277
Other income from activities	2,940	2,999
Patient transport services	0	0
Education, training and research	9,425	12,949
Charitable and other contributions to expenditure	469	393
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	332	259
Receipt of Government granted assets	983	0
Right of Use Grant (Peppercorn Lease)	175	0
Non-patient care income generation schemes	669	464
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	154	807
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	44	44
Other income:		
Provision of laundry, pathology, payroll services	351	337
Accommodation and catering charges	3,152	2,981
Mortuary fees	171	374
Staff payments for use of cars	5,888	4,900
Business Unit	0	0
Scheme Pays Reimbursement Notional	(123)	(108)
Other	812	1,163
<b>Total</b>	<b>330,267</b>	<b>319,587</b>
<b>Other income Includes;</b>		
Grant income	12	0
Pharmacy and other sales income	39	38
Clinical trial income	163	126
All other income	598	998
Licence Fee Income	0	
<b>Total</b>	<b>812</b>	<b>1,162</b>

Injury Cost Recovery (ICR) Scheme income

	2024-25 %	2023-24 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	24.45	23.07

## 5. Investment Revenue

	2024-25 £000	2023-24 £000
<b>Rental revenue :</b>		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
<b>Interest revenue :</b>		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 6. Other gains and losses

	2024-25 £000	2023-24 £000
Gain/(loss) on disposal of property, plant and equipment	(107)	10
Gain/(loss) on disposal other than by sale of right of use assets	(1)	(2)
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	5	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
<b>Total</b>	<b>(103)</b>	<b>8</b>

## 7. Finance costs

	2024-25 £000	2023-24 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	991	696
Interest on obligations under PFI contracts;		
main finance cost	3,527	3,606
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	4,450	800
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
<b>Total interest expense</b>	<b>8,968</b>	<b>5,102</b>
Provisions unwinding of discount	109	73
Other finance costs	0	0
<b>Total</b>	<b>9,077</b>	<b>5,175</b>

**8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)**

**LHB as lessee**

As at 31st March 2025 the Health Board had 447 leases agreements in place; 297 arrangements in respect of equipment, 140 in respect of vehicles, and 10 in respect of land and Buildings.

The periods in which the remaining agreements will expire are shown below:

	2024-25	2024-25	2024-25	2023-24
	Low Value & Short Term	Other	Total	Total
	£000	£000	£000	£000
<b>Payments recognised as an expense</b>				
Minimum lease payments	852	338	1,190	1,724
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
<b>Total</b>	<b>852</b>	<b>338</b>	<b>1,190</b>	<b>1,724</b>
<b>Total future minimum lease payments</b>				
<b>Payable</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Not later than one year	280	300	580	828
Between one and five years	148	366	514	2,030
After 5 years	0	638	638	1,570
<b>Total</b>	<b>428</b>	<b>1,304</b>	<b>1,732</b>	<b>4,428</b>

As a result of the implementation of IFRS 16 the lease figures disclosed relate only to low value and short term leases, in addition to other leases outside the scope of IFRS16.

**LHB as lessor**

	2024-25	2023-24
	£000	£000
<b>Rental revenue</b>		
Rent	44	44
Contingent rents	0	0
<b>Total revenue rental</b>	<b>44</b>	<b>44</b>
<b>Total future minimum lease payments</b>		
<b>Receivable</b>	<b>£000</b>	<b>£000</b>
Not later than one year	180	220
Between one and five years	701	944
After 5 years	63	239
<b>Total</b>	<b>944</b>	<b>1,403</b>

## 9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2023-24
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	648,140	1,416	11,994	35,219	0	4,907	701,676	638,312
Social security costs	52,950	0	0	4,214	0	784	57,948	52,807
Employer contributions to NHS Pension Scheme	116,821	0	0	5,514	0	0	122,335	97,138
Other pension costs	118	0	0	0	0	0	118	117
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	10
<b>Total</b>	<b>818,029</b>	<b>1,416</b>	<b>11,994</b>	<b>44,947</b>	<b>0</b>	<b>5,691</b>	<b>882,077</b>	<b>788,384</b>

Charged to capital							791	645
Charged to revenue							881,286	787,740
							<b>882,077</b>	<b>788,385</b>

Net movement in accrued employee benefits (untaken staff leave) 0 (2,112)

The employer contributions to the NHS Pension Scheme disclosed above include £52.138m (2023-24 £31.9m) of NHS Pension contributions paid by Welsh Government for the twelve month period, 1 April 2024 to 31 March 2025. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2024 and February 2025 alongside Health Board data for March 2025. This expenditure accounted for by the health board as notional expenditure paid to NHS BSA by Welsh Government has been covered off by notional funding provided to the health board. There is therefore no impact on the health board's Revenue Resource Performance as a result of the inclusion of these notional transactions. Further information is disclosed in Note 34.1.

Included within Note 9.1 above are £230k (2023-24 £241k) of final pay control charges relating to 13 (2023-24, 6) individuals.

The £5,691k (2023-24 £4,055k) other staffing cost in Note 9.1 relates to the cost of temporary staff sourced through the MEDACS managed service contract. These staff are paid via payroll.

### 9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2023-24
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,419	7	18	0	0	0	2,444	2,426
Medical and dental	891	10	20	524	0	63	1,508	1,431
Nursing, midwifery registered	4,183	3	57	0	0	0	4,243	4,180
Professional, Scientific, and technical staff	413	0	1	0	0	0	414	392
Additional Clinical Services	2,621	1	61	0	0	0	2,683	2,682
Allied Health Professions	995	0	13	0	0	0	1,008	934
Healthcare Scientists	360	0	14	0	0	0	374	354
Estates and Ancillary	953	0	10	0	0	0	963	975
Students	0	0	0	0	0	0	0	0
<b>Total</b>	<b>12,835</b>	<b>21</b>	<b>194</b>	<b>524</b>	<b>0</b>	<b>63</b>	<b>13,637</b>	<b>13,374</b>

### 9.3. Retirements due to ill-health

	2024-25	2023-24
Number	18	28
Estimated additional pension costs £	1,277,658	2,066,662

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. These additional pension costs have been calculated on an average basis and will be borne by the NHS Pension Scheme.

### 9.4 Employee benefits

Swansea Bay ULHB does not have an employee benefit scheme.

## 9.5 Reporting of other compensation schemes - exit packages

## 9.5.1 Exit Packages Costs and Numbers

	2024-25	2024-25	2024-25	2024-25	2023-24
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	5	5	0	14
£10,000 to £25,000	0	3	3	0	2
£25,000 to £50,000	0	6	6	0	2
£50,000 to £100,000	0	0	0	0	2
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>20</b>

	2024-25	2024-25	2024-25	2024-25	2023-24
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	16,687	16,687	0	36,019
£10,000 to £25,000	0	45,832	45,832	0	34,893
£25,000 to £50,000	0	196,895	196,895	0	68,429
£50,000 to £100,000	0	0	0	0	101,614
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>259,414</b>	<b>259,414</b>	<b>0</b>	<b>240,955</b>

<b>Total Exit Costs Paid in Year</b>	<b>Total paid in year</b>	<b>Total paid in year</b>
	<b>2024-25</b>	<b>2023-24</b>
	<b>£</b>	<b>£</b>
Exit costs paid in year	<b>229,863</b>	240,955
<b>Total</b>	<b>229,863</b>	<b>240,955</b>

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

£229,863 exit costs were paid in 2024-25 (2023-24, £240,955).

Where the LHB has agreed early retirements, the additional costs are met by the LHB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

9.5 Reporting of other compensation schemes - exit packages continued

9.5.2 Analysis of other departures

Type of other departures	2024-25 Agreements Number	2024-25 Total value of agreements £
Voluntary redundancies including early retirement contractual costs	14	259414
Contractual payments in lieu of notice*	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring Welsh Government Approval**	0	0
Other please specify	0	0
Other please specify	0	0
<b>Total</b>	<b>14</b>	<b>259414</b>

This disclosure provides detail for the number and value of exit packages agreed in the year.

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 9.5.1 which will be the number of individuals.

There were no non-contractual severance payments made during 2024/25.

**9.6 Fair Pay disclosures**

**9.6.1 Remuneration Relationship**

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

	2024-25 £000 Chief	2024-25 £000 Employee	2024-25 £000 Ratio	2023-24 £000 Chief	2023-24 £000 Employee	2023-24 £000 Ratio
<b>Total pay and benefits</b>	<b>Executive</b>	<b>Employee</b>	<b>Ratio</b>	<b>Executive</b>	<b>Employee</b>	<b>Ratio</b>
25th percentile pay ratio	227	28	8.11:1	223	27	8.26:1
Median pay	227	36	6.31:1	223	34	6.56:1
75th percentile pay ratio	227	49	4.63:1	223	47	4.74:1
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	227	28		223	27	
Median pay	227	36		223	34	
75th percentile pay ratio	227	49		223	47	
	<b>Highest Paid Director</b>	<b>Employee</b>	<b>Ratio</b>	<b>Highest Paid Director</b>	<b>Employee</b>	<b>Ratio</b>
<b>Total pay and benefits</b>	<b>Director</b>	<b>Employee</b>	<b>Ratio</b>	<b>Director</b>	<b>Employee</b>	<b>Ratio</b>
25th percentile pay ratio	227	28	8.11:1	223	27	8.26:1
Median pay	227	36	6.31:1	223	34	6.56:1
75th percentile pay ratio	227	49	4.63:1	223	47	4.74:1
<b>Salary component of total pay and benefits</b>						
25th percentile pay ratio	227	28		223	27	
Median pay	227	36		223	34	
75th percentile pay ratio	227	49		223	47	

In 2024-25, 24 (2023-24, 13) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £23,970 to £323,663 (2023-24, £22,720 to £314,381).

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

**Financial Year Summary**

<b>9.6.2 Percentage Changes</b>	<b>2023-24 to 2024-25 %</b>	<b>2022-23 to 2023-24 %</b>
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	1.07%	-0.30%
Performance pay and bonuses	0.00%	0.00%
% Change from previous financial year in respect of highest paid director		
Salary and allowances	1.07%	-0.30%
Performance pay and bonuses	0.00%	0.00%
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	5.51%	5.47%
Performance pay and bonuses	0.00%	0.00%

The health board does not pay any performance pay or other bonuses.

## PENSION COSTS

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of 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 the 1995/2008 and 2015 schemes are accounted for, and the liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that 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 require 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, 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 at the end of the previous accounting period in conjunction with updated membership and financial data for the reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The latest valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2024 updated to 31 March 2025 with summary global member and accounting data. In undertaking the 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 (considering recent demographic experience), and to recommend the contribution rates payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 on pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

**c) National Employment Savings Trust (NEST)**

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

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

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

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

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2024-25 tax year (2023-24 £6,240 and £50,270).

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

## 10. Public Sector Payment Policy - Measure of Compliance

### 10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2024-25	2024-25	2023-24	2023-24
	Number	£000	Number	£000
<b>NHS</b>				
Total bills paid	5,404	313,634	5,139	236,199
Total bills paid within target	4,504	292,436	4,445	225,050
Percentage of bills paid within target	83.3%	93.2%	86.5%	95.3%
<b>Non-NHS</b>				
Total bills paid	297,249	502,648	314,675	469,951
Total bills paid within target	282,501	468,300	302,538	436,052
Percentage of bills paid within target	95.0%	93.2%	96.1%	92.8%
<b>Total</b>				
Total bills paid	302,653	816,282	319,814	706,150
Total bills paid within target	287,005	760,736	306,983	661,102
Percentage of bills paid within target	94.8%	93.2%	96.0%	93.6%

### 10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2024-25	2023-24
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

11.1 Property, plant and equipment

2024-25

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2024</b>	39,700	474,359	10,823	28,131	149,366	1,660	41,454	4,459	749,952
Indexation	349	2,494	195	0	0	0	0	0	3,038
Additions									
- purchased	120	699	0	29,758	8,669	0	3,651	392	43,289
- donated	0	0	0	0	221	0	2	108	331
- government granted	0	0	0	886	97	0	0	0	983
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	(100)	36,354	0	(37,347)	519	0	496	0	(78)
Revaluations	(69)	0	0	0	0	0	0	0	(69)
Reversal of impairments	74	6,053	0	0	0	0	0	0	6,127
Impairments	0	(20,376)	0	0	0	0	0	0	(20,376)
Reclassified as held for sale	(1,434)	0	0	0	0	0	0	0	(1,434)
Disposals	(100)	(213)	0	0	(28,363)	(722)	(7,205)	(221)	(36,824)
<b>At 31 March 2025</b>	<b>38,540</b>	<b>499,370</b>	<b>11,018</b>	<b>21,428</b>	<b>130,509</b>	<b>938</b>	<b>38,398</b>	<b>4,738</b>	<b>744,939</b>
<b>Depreciation at 1 April 2024</b>	0	23,985	670	0	100,989	1,230	25,361	2,359	154,594
Indexation	0	432	12	0	0	0	0	0	444
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(5,409)	0	0	0	0	0	0	(5,409)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	(38)	0	0	(28,153)	(722)	(7,205)	(221)	(36,339)
Provided during the year	0	16,317	341	0	11,297	89	5,334	452	33,830
<b>At 31 March 2025</b>	<b>0</b>	<b>35,287</b>	<b>1,023</b>	<b>0</b>	<b>84,133</b>	<b>597</b>	<b>23,490</b>	<b>2,590</b>	<b>147,120</b>
<b>Net book value at 1 April 2024</b>	<b>39,700</b>	<b>450,374</b>	<b>10,153</b>	<b>28,131</b>	<b>48,377</b>	<b>430</b>	<b>16,093</b>	<b>2,100</b>	<b>595,358</b>
<b>Net book value at 31 March 2025</b>	<b>38,540</b>	<b>464,083</b>	<b>9,995</b>	<b>21,428</b>	<b>46,376</b>	<b>341</b>	<b>14,908</b>	<b>2,148</b>	<b>597,819</b>
<b>Net book value at 31 March 2025 comprises :</b>									
Purchased	38,540	460,600	9,995	20,619	44,811	341	14,901	2,040	591,847
Donated	0	2,720	0	0	657	0	7	108	3,492
Government Granted	0	763	0	809	908	0	0	0	2,480
<b>At 31 March 2025</b>	<b>38,540</b>	<b>464,083</b>	<b>9,995</b>	<b>21,428</b>	<b>46,376</b>	<b>341</b>	<b>14,908</b>	<b>2,148</b>	<b>597,819</b>
<b>Asset financing :</b>									
Owned	36,640	397,705	9,995	21,428	46,376	341	14,908	2,148	529,541
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	1,900	66,378	0	0	0	0	0	0	68,278
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2025</b>	<b>38,540</b>	<b>464,083</b>	<b>9,995</b>	<b>21,428</b>	<b>46,376</b>	<b>341</b>	<b>14,908</b>	<b>2,148</b>	<b>597,819</b>

The net book value of land, buildings and dwellings at 31 March 2025 comprises :

	£000
Freehold	512,618
Long Leasehold	0
Short Leasehold	0
	<b>512,618</b>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

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

**Write Downs**

£14.964m of assets have been written down to depreciated replacement cost following the initial professional valuation on completion of 5 specialised building assets. These are detailed in Note 13 on page 51 of these accounts.

11.1 Property, plant and equipment

2023-24

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	40,795	437,749	10,214	38,505	145,297	1,303	47,917	4,566	726,346
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
<b>Cost or valuation at 1 April 2023</b>	<b>40,795</b>	<b>437,749</b>	<b>10,214</b>	<b>38,505</b>	<b>145,297</b>	<b>1,303</b>	<b>47,917</b>	<b>4,566</b>	<b>726,346</b>
Indexation	(1,041)	18,581	609	0	0	0	0	0	18,149
<b>Additions</b>									
- purchased	209	1,032	0	34,507	3,312	357	5,133	201	44,751
- donated	0	0	0	0	258	0	1	0	259
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	6	0	0	0	6
Reclassifications	0	33,450	0	(44,881)	8,711	0	1,399	0	(1,321)
Revaluations	128	(523)	0	0	0	0	0	0	(395)
Reversal of impairments	0	7,538	0	0	0	0	0	0	7,538
Impairments	(221)	(23,469)	0	0	0	0	(32)	0	(23,721)
Reclassified as held for sale	(170)	0	0	0	0	0	0	0	(170)
Disposals	0	0	0	0	(8,218)	0	(12,964)	(308)	(21,490)
<b>At 31 March 2024</b>	<b>39,700</b>	<b>474,359</b>	<b>10,823</b>	<b>28,131</b>	<b>149,366</b>	<b>1,660</b>	<b>41,454</b>	<b>4,459</b>	<b>749,952</b>
Depreciation at 31 March bf	0	12,591	316	0	98,176	1,154	33,464	2,234	147,935
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April 2023</b>	<b>0</b>	<b>12,591</b>	<b>316</b>	<b>0</b>	<b>98,176</b>	<b>1,154</b>	<b>33,464</b>	<b>2,234</b>	<b>147,935</b>
Indexation	0	751	19	0	0	0	0	0	770
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(602)	0	0	0	0	0	0	(602)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(4,525)	0	0	0	0	0	0	(4,525)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(8,204)	0	(12,923)	(308)	(21,435)
Provided during the year	0	15,770	335	0	11,017	76	4,820	433	32,451
<b>At 31 March 2024</b>	<b>0</b>	<b>23,985</b>	<b>670</b>	<b>0</b>	<b>100,989</b>	<b>1,230</b>	<b>25,361</b>	<b>2,359</b>	<b>154,594</b>
<b>Net book value at 1 April 2023</b>	<b>40,795</b>	<b>425,158</b>	<b>9,898</b>	<b>38,505</b>	<b>47,121</b>	<b>149</b>	<b>14,453</b>	<b>2,332</b>	<b>578,411</b>
<b>Net book value at 31 March 2024</b>	<b>39,700</b>	<b>450,374</b>	<b>10,153</b>	<b>28,131</b>	<b>48,377</b>	<b>430</b>	<b>16,093</b>	<b>2,100</b>	<b>595,358</b>
<b>Net book value at 31 March 2024 comprises :</b>									
Purchased	39,700	446,995	10,153	28,130	46,638	430	16,075	2,099	590,220
Donated	0	2,682	0	0	609	0	18	0	3,309
Government Granted	0	697	0	0	1,129	0	0	3	1,829
<b>At 31 March 2024</b>	<b>39,700</b>	<b>450,374</b>	<b>10,153</b>	<b>28,130</b>	<b>48,376</b>	<b>430</b>	<b>16,093</b>	<b>2,102</b>	<b>595,358</b>
<b>Asset financing :</b>									
Owned	37,820	385,607	10,153	28,005	48,376	430	16,093	2,102	528,586
On-SoFP PFI contracts	1,880	64,767	0	125	0	0	0	0	66,772
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2024</b>	<b>39,700</b>	<b>450,374</b>	<b>10,153</b>	<b>28,130</b>	<b>48,376</b>	<b>430</b>	<b>16,093</b>	<b>2,102</b>	<b>595,358</b>

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	500,227
Long Leasehold	0
Short Leasehold	0
	<u>500,227</u>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

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

**11. Property, plant and equipment (continued)****Disclosures:****Disclosures:****i) Donated Assets**

The majority of donated assets were purchased from SBU Charitable funds.

**ii) Valuations**

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

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

**iii) Asset Lives**

Depreciated as follows:

Land is not depreciated.

Building asset lives are as determined by the District Valuer and range from 2 to 84.

Equipment assets are allocated lives on based on the professional judgement and past experience of clinicians, finance staff and other Health Board professionals. The appropriateness of these lives is reviewed regularly

Medical Equipment range from 5 to 15 Years

Non-clinical Equipment - 5 Years

Vehicles - 7 Years

Furniture - 10 Years

IMT Hardware & Software - 5 years or reflects contract life for some software assets

**iv) Compensation**

There has/has not been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

**v) Write Downs**

There has been one DEL impairment for the following scheme which is not continuing:

- Ystalyfera Clinic - £0.004m

**vi)** The LHB does/does not hold any property where the value is materially different from its open market value.

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

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

Assest Held for Sale

- Morryston Land

Assets Sold

- Cymmer Health Centre

The following assets were valued on completion by the District Valuer:

Sapphire Suite SA1 (SARC) - April 2024

Environmental Modernisation Phase 2 - Sub Station 6 - July 2024

Catheter Lab A Replacement, Morryston - October 2024

Burns, Morryston - October 2024

Tawe Reversion - January 2025

**viii) IFRS 13 Fair value measurement**

There are no assets requiring Fair Value measurement under IFRS 13.

**11. Property, plant and equipment****11.2 Non-current assets held for sale**

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
<b>Balance brought forward 1 April 2024</b>	170	0	0	0	0	170
Plus assets classified as held for sale in the year	1,434	0	0	0	0	1,434
Revaluation	0	0	0	0	0	0
Less assets sold in the year	(170)	0	0	0	0	(170)
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
<b>Balance carried forward 31 March 2025</b>	<b>1,434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,434</b>
<b>Balance brought forward 1 April 2023</b>	0	0	0	0	0	0
Plus assets classified as held for sale in the year	170	0	0	0	0	170
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
<b>Balance carried forward 31 March 2024</b>	<b>170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170</b>

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. Most are individually insignificant, however, ten are significant in their own right:

- Briton Ferry PCC (GP1 Premises) held under land and buildings NBV at 31 March 2025 £1,100k; - Briton Ferry PCC (GP2 Premises) held under land and buildings NBV at 31 March 2025 £1,004k
- Mayhill PCC held under land and buildings NBV at 31 March 2025 £1,123k; - Port Talbot Resource Centre held under land and buildings NBV at 31 March 2025 £1,544k
- Vale of Neath PCC (GP2 Premises) held under land and buildings NBV at 31 March 2025 £2,483k; - NPT Modular Orthopaedic Theatres held under land and buildings NBV at 31 March 2025 £13,036k
- Pontardawe PCC held under land and buildings NBV at 31 March 2025 £1,030k; - Health Records Facility held under land and buildings NBV at 31 March 2025 £4,081k
- Surgical Robot held under plant and machinery NBV at 31 March 2025 £2,386k; - Renal Dialysis unit - Bridgend held under land and buildings NBV at 31 March 2025 £1,068k

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>2024-25</b>									
<b>Cost or valuation at 1 April 2024</b>	0	31,962	0	0	3,791	887	1,101	0	37,741
Additions	0	7,199	0	0	4,200	95	198	0	11,692
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	(25)	0	0	(25)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	(147)	(53)	0	(200)
<b>At 31 March 2025</b>	0	39,161	0	0	7,991	810	1,246	0	49,208
<b>Depreciation at 1 April 2024</b>	0	4,674	0	0	1,062	433	303	0	6,472
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	(11)	0	0	(11)
Reclassifications	0	0	0	0	(251)	0	251	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	(147)	(53)	0	(200)
Provided during the year	0	3,394	0	0	1,099	218	252	0	4,963
<b>At 31 March 2025</b>	0	8,068	0	0	1,910	493	753	0	11,224
<b>Net book value at 1 April 2024</b>	0	27,288	0	0	2,729	454	798	0	31,269
<b>Net book value at 31 March 2025</b>	0	31,093	0	0	6,081	317	493	0	37,984
<b>RoU Asset Total Value Split by Lessor</b>									
	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	27	0	0	0	0	0	0	27
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	0	202	0	0	0	0	0	0	202
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercorn Leases	0	788	0	0	0	0	0	0	788
Private Sector Market Value Leases	0	30,076	0	0	6,081	317	493	0	36,967
<b>Total</b>	0	31,093	0	0	6,081	317	493	0	37,984

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, six are significant in their own right:  
 - Briton Ferry PCC (GP1 Premises) held under land and buildings NBV at 31 March 2024 £1,203k  
 - Briton Ferry PCC (GP2 Premises) held under land and buildings NBV at 31 March 2024 £1,099k  
 - Mayhill PCC held under land and buildings NBV at 31 March 2024 £1,209k  
 - Port Talbot Resource Centre held under land and buildings NBV at 31 March 2024 £1,895k  
 - Vale of Neath PCC (GP2 Premises) held under land and buildings NBV at 31 March 2024 £2,656k  
 - NPT Modular Orthopaedic Theatres held under land and buildings NBV at 31 March 2024 £13,969k

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>2023-24</b>									
<b>Cost or valuation at 31 March 2023</b>	0	16,224	0	0	1,250	903	1,101	0	19,478
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
<b>Cost or valuation at 1 April 2023</b>	0	16,224	0	0	1,250	903	1,101	0	19,478
Additions	0	16,158	0	0	2,616	121	0	0	18,895
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	-420	0	0	0	0	0	0	-420
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	-75	-137	0	0	-212
<b>At 31 March 2024</b>	0	31,962	0	0	3,791	887	1,101	0	37,741
<b>Depreciation at 31 March 2023</b>	0	1,686	0	0	398	315	277	0	2,676
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
<b>Depreciation at 1 April 2023</b>	0	1,686	0	0	398	315	277	0	2,676
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	-77	0	0	0	0	0	0	-77
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	-75	-137	0	0	-212
Provided during the year	0	3,065	0	0	739	255	26	0	4,085
<b>At 31 March 2024</b>	0	4,674	0	0	1,062	433	303	0	6,472
<b>Net book value at 1 April 2023</b>	0	14,538	0	0	852	588	824	0	16,802
<b>Net book value at 31 March 2024</b>	0	27,288	0	0	2,729	454	798	0	31,269
<b>RoU Asset Total Value Split by Lessor</b>									
<b>Lessor</b>	Land £000	buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercom Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercom Leases	0	937	0	0	0	0	0	0	937
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercom Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	26,351	0	0	2,729	454	798	0	30,332
<b>Total</b>	0	27,288	0	0	2,729	454	798	0	31,269

11.3 Right of Use Assets continued

Quantitative disclosures

Maturity analysis	2024-25		2024-25	2024-25		2023-24
	Land	Buildings	Other	Total		Total
Contractual undiscounted cash flows relating to lease liabilities	£000		£000	£000		£000
Less than 1 year	0	3,893	1,534	5,427		4,508
2-5 years	0	14,454	4,058	18,512		14,842
> 5 years	0	16,058	2,353	18,411		14,444
Less finance charges allocated to future periods	0	-4,788	-1,041	-5,829		-3,512
<b>Total</b>	<b>0</b>	<b>29,617</b>	<b>6,904</b>	<b>36,521</b>		<b>30,281</b>
<b>Lease Liabilities (net of irrecoverable VAT)</b>				<b>2024-25</b>	<b>2023-24</b>	
Current				4,357	3,817	
Non-Current				32,164	26,465	
<b>Total</b>				<b>36,521</b>	<b>30,282</b>	
<b>Amounts Recognised in Statement of Comprehensive Net Expenditure</b>				<b>2024-25</b>	<b>2023-24</b>	
Depreciation				4,965	4,084	
Impairment				0	0	
Variable lease payments not included in lease liabilities - Interest expense				991	696	
Sub-leasing income				0	0	
Expense related to short-term leases				0	0	
Expense related to low-value asset leases (excluding short-term leases)				0	0	
<b>Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT )</b>						
Interest expense				(991)	(696)	
Repayments of principal on leases				(4,413)	(4,267)	
<b>Total</b>				<b>(5,404)</b>	<b>(4,963)</b>	

**12. Intangible non-current assets  
2024-25**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2024	13,478	0	1,108	0	0	0	14,586
Revaluation	0	0	0	0	0	0	0
Reclassifications	78	0	0	0	0	0	78
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	383	0	0	0	0	43	426
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Gross cost at 31 March 2025</b>	<b>13,939</b>	<b>0</b>	<b>1,108</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>15,090</b>
Amortisation at 1 April 2024	11,482	0	117	0	0	0	11,599
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	1,286	0	147	0	0	0	1,433
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Amortisation at 31 March 2025</b>	<b>12,768</b>	<b>0</b>	<b>264</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,032</b>
<b>Net book value at 1 April 2024</b>	<b>1,996</b>	<b>0</b>	<b>991</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,987</b>
<b>Net book value at 31 March 2025</b>	<b>1,171</b>	<b>0</b>	<b>844</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>2,058</b>
<b>NBV at 31 March 2025</b>							
Purchased	1,171	0	844	0	0	43	2,058
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
<b>Total at 31 March 2025</b>	<b>1,171</b>	<b>0</b>	<b>844</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>2,058</b>

**12. Intangible non-current assets  
2023-24**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2023</b>	<b>13,200</b>	<b>0</b>	<b>1,029</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,229</b>
Revaluation	0	0	0	0	0	0	0
Reclassifications	1,321	0	0	0	0	0	1,321
Reversal of impairments	0	0	0	0	0	0	0
Impairments	(1,244)	0	0	0	0	0	(1,244)
Additions- purchased	252	0	233	0	0	0	485
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	(51)	0	(154)	0	0	0	(205)
<b>Gross cost at 31 March 2024</b>	<b>13,478</b>	<b>0</b>	<b>1,108</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,586</b>
Amortisation at 31 March bf	10,079	0	117	0	0	0	10,196
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
<b>Amortisation at 1 April 2023</b>	<b>10,079</b>	<b>0</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,196</b>
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	1,608	0	0	0	0	0	1,608
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	(205)	0	0	0	0	0	(205)
<b>Amortisation at 31 March 2024</b>	<b>11,482</b>	<b>0</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,599</b>
<b>Net book value at 1 April 2023</b>	<b>3,121</b>	<b>0</b>	<b>912</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,033</b>
<b>Net book value at 31 March 2024</b>	<b>1,996</b>	<b>0</b>	<b>991</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,987</b>
<b>NBV at 31 March 2024</b>							
Purchased	1,996	0	991	0	0	0	2,987
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
<b>Total at 31 March 2024</b>	<b>1,996</b>	<b>0</b>	<b>991</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,987</b>

### Additional Disclosures re Intangible Assets

**Disclosures:**

**i) Donated Assets**

Swansea Bay University LHB has not received any donated intangible assets during the year.

**ii) Recognition**

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

**iii) Asset Lives**

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

**iv) Additions during the period**

Additions during 2024/25 related to software and licenses.

**v) Disposals during the period**

There were no Disposals during 2024/25 related to software and licenses.

**vi) Transfers into other NHS Bodies**

Swansea Bay University LHB has not received any intangible assets transferred from another NHS body.

### 13 . Impairments

	2024-25 Property, plant & equipment £000	2024-25 Right of Use Assets £000	2024-25 Intangible assets £000	2024-25 Held for sale assets £000	2024-25 Financial Assets £000	2024-25 Total Asset Impairment £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	4	0	0	0	0	4
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	69	0	0	0	0	69
Others (specify)	14,963	0	0	0	0	14,963
Reversal of Impairments	(6,127)	0	0	0	0	(6,127)
<b>Total of all impairments</b>	<b>8,909</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,909</b>

#### Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	8,840	0	0	0	0	8,840
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	69	0	0	0	0	69
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
<b>Total</b>	<b>8,909</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,909</b>

	2023-24 Property, plant & equipment £000	2023-24 Right of Use Assets £000	2023-24 Intangible assets £000	2023-24 Held for sale assets £000	2023-24 Financial Assets £000	2023-24 Total Asset Impairment £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	4	0	1,244	0	0	1,248
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	191	0	0	0	0	191
Others (specify)	18,948	0	0	0	0	18,948
Reversal of Impairments	(7,317)	0	0	0	0	(7,317)
<b>Total of all impairments</b>	<b>11,826</b>	<b>0</b>	<b>1,244</b>	<b>0</b>	<b>0</b>	<b>13,070</b>

#### Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	11,659	0	1,244	0	0	12,903
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	166	0	0	0	0	166
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
<b>Total</b>	<b>11,825</b>	<b>0</b>	<b>1,244</b>	<b>0</b>	<b>0</b>	<b>13,069</b>

The impairment losses disclosed in Note 13 as "other" comprise

**£14.964m for the write down to depreciated replacement cost following completion**

**of 5 specialised building assets as detailed below;**

- Sapphire Suite SA1 (SARC)
- Environmental Modernisation Phase 2 - Sub Station 6
- Catheter Lab A Replacement, Morriston
- Burns, Morriston
- Tawe Reversion

**ving the initial professional valuation on**

£0.374m

£9.262m

£0.964m

£4.015m

£0.349m

**14.1 Inventories**

	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Drugs	6,592	5,855
Consumables	5,886	6,015
Energy	408	394
Work in progress	0	0
Other	0	0
<b>Total</b>	<b>12,886</b>	<b>12,264</b>
Of which held at realisable value	<b>0</b>	<b>0</b>

Note 14.1 discloses the stock values held at 31st March 2025. Where stock is counted manually stock takes are undertaken throughout February and March in order to ensure that stock valuations are available at the balance sheet date due to the time taken to price the items of stock counted.

In line with the 2015-16 guidance Note 14.2 only relates to Health bodies that purchase assets to sell and as such does not apply to the Health Board.

**14.2 Inventories recognised in expenses**

	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

In line with the 2015-16 guidance Note 14.2 only relates to Health bodies that purchase assets to sell and as such does not apply to the Health Board. In line with the 2015-16 guidance Note 14.2 only relates to Health bodies that purchase assets to sell and as such does not apply to the Health Board.

**15. Trade and other Receivables**

<b>Current</b>	<b>31 March 2025 £000</b>	31 March 2024 £000
Welsh Government	1,962	1,376
NWJCC/ WHSSC and EASC	796	5,087
Welsh Health Boards	10,025	5,824
Welsh NHS Trusts	2,621	2,436
Welsh Special Health Authorities	815	1,407
Non - Welsh Trusts	723	454
Other NHS	195	214
2019-20 Scheme Pays - Welsh Government Reimbursement	87	3
<b>Welsh Risk Pool Claim reimbursement</b>		
NHS Wales Secondary Health Sector	63,655	62,693
NHS Wales Primary Sector FLS Reimbursement	2,351	263
NHS Wales Redress	1,530	1,131
Other	0	0
Local Authorities	966	1,900
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	10,531	10,101
Provision for irrecoverable debts	(3,102)	(2,282)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	9,004	9,486
Other accrued income	164	185
<b>Sub total</b>	<b>102,323</b>	<b>100,278</b>
<b>Non-current</b>		
Welsh Government	0	0
NWJCC/WHSSC and EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	743	966
<b>Welsh Risk Pool Claim reimbursement;</b>		
NHS Wales Secondary Health Sector	148,023	141,720
NHS Wales Primary Sector FLS Reimbursement	26	13
NHS Wales Redress	3	0
Other	0	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
<b>Sub total</b>	<b>148,795</b>	<b>142,699</b>
<b>Total</b>	<b>251,118</b>	<b>242,977</b>

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

The value of trade receivables that are past their payment date but not impaired is £15.692m (£16.376m in 2023-24).

## 15. Trade and other Receivables (continued)

### Receivables past their due date but not impaired

	31 March 2025 £000	31 March 2024 £000
By up to three months	14,341	15,519
By three to six months	345	397
By more than six months	1,006	460
	<u>15,692</u>	<u>16,376</u>

### Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April	(2,282)	(2,326)
Transfer to other NHS Wales body	0	0
Amount written off during the year	6	119
Amount recovered during the year	1	3
(Increase) / decrease in receivables impaired	(827)	(78)
Bad debts recovered during year	0	0
Balance at 31 March	<u>(3,102)</u>	<u>(2,282)</u>

In determining whether a debt should be impaired, consideration is given to the age of the debt, historic collectability rates and the results of actions already taken including referral to the Health Board's credit agencies.

### Receivables VAT

Trade receivables	2,506	4,052
Other	0	0
Total	<u>2,506</u>	<u>4,052</u>

## 16. Other Financial Assets

	Current		Non-current	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
<b>Financial assets</b>				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	0	0	0	0
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure	2024-25	2023-24
RoU Sub-leasing income	0	0

## 17. Cash and cash equivalents

	2024-25 £000	2023-24 £000
Balance at 1 April	2,824	2,859
Net change in cash and cash equivalent balances	620	(35)
Balance at 31 March	<b>3,444</b>	<b>2,824</b>
Made up of:		
Cash held at GBS	3,220	2,725
Commercial banks	0	0
Cash in hand	224	99
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>3,444</b>	<b>2,824</b>
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>3,444</b>	<b>2,824</b>

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

Lease Liabilities (ROUA) £4.414m  
 Lease Liabilities (short-term and low value leases) £0  
 PFI liabilities: £7.057m

The movement relates to cash, no comparative information is required by IAS 7 in 2024-25.

**18. Trade and other payables**

<b>Current</b>	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Welsh Government	1	59
NWJCC/WHSSC and EASC	1,593	2,473
Welsh Health Boards	3,426	3,042
Welsh NHS Trusts	3,919	4,386
Welsh Special Health Authorities	25	38
Other NHS	1,162	2,048
Taxation and social security payable / refunds	8,099	7,511
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	110	94
Other taxes payable to HMRC	1	0
NI contributions payable to HMRC	7,877	7,857
Non-NHS payables - Revenue	31,360	37,746
Local Authorities	483	1,186
Capital payables- Tangible	1,165	1,778
Capital payables- Intangible	(122)	281
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	4,357	3,817
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	6,543	3,755
Impact of IFRS 16 on SoFP PFI contracts	1,422	1,488
Pensions: staff	10,962	10,019
Non NHS Accruals	117,323	110,924
Deferred Income:		
Deferred Income brought forward	240	876
Deferred Income Additions	228	171
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(154)	(807)
Other creditors	82	162
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Sub Total</b>	<b>200,102</b>	<b>198,904</b>
<b>Non-current</b>		
Welsh Government	0	0
NWJCC/WHSSC and EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	32,164	26,465
Obligations under finance leases, HP contracts		
Imputed finance lease element of on SoFP PFI contracts	45,454	49,588
Impact of IFRS 16 on SoFP PFI contracts	3,478	4,673
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
<b>Sub Total</b>	<b>81,096</b>	<b>80,726</b>
<b>Total</b>	<b>281,198</b>	<b>279,630</b>

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

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

**18. Trade and other payables (continued).**

<b>Amounts falling due more than one year are expected to be settled as follows:</b>	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
Between one and two years	<b>9,067</b>	7,597
Between two and five years	<b>22,616</b>	30,215
In five years or more	<b>17,249</b>	16,450
Sub-total	<b>48,932</b>	54,262

**19. Other financial liabilities**

<b>Financial liabilities</b>	<b>Current</b>		<b>Non-current</b>	
	<b>31 March</b>	31 March	<b>31 March</b>	31 March
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>£000</b>	£000	<b>£000</b>	£000
Financial Guarantees:				
At amortised cost	<b>0</b>	0	<b>0</b>	0
At fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
Derivatives at fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
Other:				
At amortised cost	<b>0</b>	0	<b>0</b>	0
At fair value through SoCNE	<b>0</b>	0	<b>0</b>	0
<b>Total</b>	<b>0</b>	0	<b>0</b>	0

20. Provisions

	At 1 April 2024	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence-									
Secondary care	44,821	0	(1,452)	(5,187)	13,742	(6,164)	(11,529)	0	34,231
Primary care	40	0	0	(30)	2,039	(112)	0	0	1,937
Redress Secondary care	709	0	(207)	0	1,177	(386)	(196)	0	1,097
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	656	0	0	268	750	(698)	(37)	108	1,047
All other losses and special payments	0	0	0	0	55	(55)	0	0	0
Defence legal fees and other administration	1,675	0	0	379	1,416	(1,015)	(740)		1,715
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	37			3	37	(39)	(1)	1	38
2019-20 Scheme Pays - Reimbursement	33			0	70	(16)	0	0	87
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	152	0	0	0	152
Other Capital Provisions	0			0	0	0	0	0	0
Other	5,111		0	0	1,795	(1,719)	(1,911)		3,276
<b>Total</b>	<b>53,082</b>	<b>0</b>	<b>(1,659)</b>	<b>(4,567)</b>	<b>21,233</b>	<b>(10,204)</b>	<b>(14,414)</b>	<b>109</b>	<b>43,580</b>

**Non Current**

Clinical negligence-									
Secondary care	139,007	0	(7,588)	5,187	41,266	(7,365)	(24,657)	0	145,850
Primary care	0	0	0	30	0	0	(30)	0	0
Redress Secondary care	0	0	0	0	3	0	0	0	3
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,063	0	0	(268)	263	0	0	0	4,058
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	3,041	0	0	(379)	563	(387)	(402)		2,436
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	10			(3)	1	0	0	0	8
2019-20 Scheme Pays - Reimbursement	936			0	0	0	(193)	0	743
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	250			0	700	0	0	0	950
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	<b>147,307</b>	<b>0</b>	<b>(7,588)</b>	<b>4,567</b>	<b>42,796</b>	<b>(7,752)</b>	<b>(25,282)</b>	<b>0</b>	<b>154,048</b>

**TOTAL**

Clinical negligence-									
Secondary care	183,828	0	(9,040)	0	55,008	(13,529)	(36,186)	0	180,081
Primary care	40	0	0	0	2,039	(112)	(30)	0	1,937
Redress Secondary care	709	0	(207)	0	1,180	(386)	(196)	0	1,100
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,719	0	0	0	1,013	(698)	(37)	108	5,105
All other losses and special payments	0	0	0	0	55	(55)	0	0	0
Defence legal fees and other administration	4,716	0	0	0	1,979	(1,402)	(1,142)		4,151
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	47			0	38	(39)	(1)	1	46
2019-20 Scheme Pays - Reimbursement	969			0	70	(16)	(193)	0	830
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	250			0	852	0	0	0	1,102
Other Capital Provisions	0			0	0	0	0	0	0
Other	5,111		0	0	1,795	(1,719)	(1,911)		3,276
<b>Total</b>	<b>200,389</b>	<b>0</b>	<b>(9,247)</b>	<b>0</b>	<b>64,029</b>	<b>(17,956)</b>	<b>(39,696)</b>	<b>109</b>	<b>197,628</b>

**Expected timing of cash flows:**

	In year to 31 March 2026	Between 1 April 2026 and 31 March 2030	Thereafter	Total
				£000
Clinical negligence-				
Secondary care	34,231	145,850	0	180,081
Primary care	1,937	0	0	1,937
Redress Secondary care	1,097	3	0	1,100
Redress Primary care	0	0	0	0
Personal injury	1,047	1,862	2,196	5,105
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,715	2,436	0	4,151
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	38	8	0	46
2019-20 Scheme Pays - Reimbursement	87	168	575	830
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	152	0	950	1,102
Other Capital Provisions	0	0	0	0
Other	3,276	0	0	3,276
<b>Total</b>	<b>43,580</b>	<b>150,327</b>	<b>3,721</b>	<b>197,628</b>

20. Provisions (continued)

	At 1 April 2023	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>									
Clinical negligence:-									
Secondary care	23,994	0	(1,272)	24,756	13,949	(6,665)	(9,941)	0	44,821
Primary care	268	0	0	0	35	(160)	(103)	0	40
Redress Secondary care	593	0	(72)	2	558	(148)	(224)	0	709
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	769	0	(70)	148	393	(622)	(34)	72	656
All other losses and special payments	0	0	0	0	152	(152)	0	0	0
Defence legal fees and other administration	1,693	0	0	388	1,501	(926)	(981)		1,675
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	36			3	39	(39)	(3)	1	37
2019-20 Scheme Pays - Reimbursement	10			0	50	(27)	0	0	33
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	2,488		(407)	0	4,885	(406)	(1,449)		5,111
<b>Total</b>	<b>29,851</b>	<b>0</b>	<b>(1,821)</b>	<b>25,297</b>	<b>21,562</b>	<b>(9,145)</b>	<b>(12,735)</b>	<b>73</b>	<b>53,082</b>
<b>Non Current</b>									
Clinical negligence:-									
Secondary care	121,369	0	(1,529)	(24,756)	56,328	(1,646)	(10,759)	0	139,007
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	2	0	0	(2)	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,813	0	0	(148)	1,679	(932)	(349)	0	4,063
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,332	0	0	(388)	1,668	(300)	(271)		3,041
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	12			(3)	1	0	0	0	10
2019-20 Scheme Pays - Reimbursement	1,094			0	0	0	(158)	0	936
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	250	0	0	0	250
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
<b>Total</b>	<b>128,622</b>	<b>0</b>	<b>(1,529)</b>	<b>(25,297)</b>	<b>59,926</b>	<b>(2,878)</b>	<b>(11,537)</b>	<b>0</b>	<b>147,307</b>
<b>TOTAL</b>									
Clinical negligence:-									
Secondary care	145,363	0	(2,801)	0	70,277	(8,311)	(20,700)	0	183,828
Primary care	268	0	0	0	35	(160)	(103)	0	40
Redress Secondary care	595	0	(72)	0	558	(148)	(224)	0	709
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,582	0	(70)	0	2,072	(1,554)	(383)	72	4,719
All other losses and special payments	0	0	0	0	152	(152)	0	0	0
Defence legal fees and other administration	4,025	0	0	0	3,169	(1,226)	(1,252)		4,716
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	48			0	40	(39)	(3)	1	47
2019-20 Scheme Pays - Reimbursement	1,104			0	50	(27)	(158)	0	969
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	250	0	0	0	250
Other Capital Provisions	0			0	0	0	0	0	0
Other	2,488		(407)	0	4,885	(406)	(1,449)		5,111
<b>Total</b>	<b>158,473</b>	<b>0</b>	<b>(3,350)</b>	<b>0</b>	<b>81,488</b>	<b>(12,023)</b>	<b>(24,272)</b>	<b>73</b>	<b>200,389</b>

## 21. Contingencies

### 21.1 Contingent liabilities

	2024-25 £'000	2023-24 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	123,637	148,238
Primary care	1,729	889
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	2,554	3,293
Continuing Health Care costs	380	189
Other	0	0
Total value of disputed claims	<u>128,300</u>	<u>152,610</u>
Amounts (recovered) in the event of claims being successful	<u>(125,170)</u>	<u>(149,708)</u>
<b>Net contingent liability</b>	<b><u>3,130</u></b>	<b><u>2,901</u></b>

<b>21.2 Remote Contingent liabilities</b>	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Guarantees	0	0
Indemnities	199	141
Letters of Comfort	0	0
	<hr/>	<hr/>
<b>Total</b>	<b>199</b>	<b>141</b>

<b>21.3 Contingent assets</b>	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
	0	0
	<hr/>	<hr/>
<b>Total</b>	<b>0</b>	<b>0</b>

## 22. Capital commitments

### Contracted capital commitments at 31 March

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

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Property, plant and equipment	6,834	7,035
Right of Use Assets	0	0
Intangible assets	0	0
	<hr/>	<hr/>
<b>Total</b>	<b>6,834</b>	<b>7,035</b>

## 23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note for settlement and claimant costs are prepared on a cash basis.

### Gross loss to the Exchequer

#### 23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2025	
	Number of cases	£
Clinical negligence:-		
Secondary Care	90	13,529,428
Primary Care	3	112,000
Redress Secondary Care	68	386,501
Redress Primary Care	0	0
Personal injury	13	698,116
All other losses and special payments	187	55,391
<b>Total</b>	<b>361</b>	<b>14,781,436</b>

#### 23.2 Analysis of number of cases and associated amounts paid out during the financial year

L&R Case reference number	Case Type	In year cases in excess of £300,000		Cumulative amount £
		Number of cases	£	
<b>Cases in excess of £300,000:</b>	<b>Case Number</b>			
23RYMMN0082	MN/102/6768/ROD	1	395,050	422,050
22RYMMN0045	MN/102/6244/TT	1	500,000	630,000
20RYMMN0133	MN/102/5665/FEW	1	359,549	359,549
19RYMMN0048	MN/102/5293	1	350,000	688,970
14RYMMN0034	MN/102/2790/LRW	1	5,638,719	8,310,000
13RYMMN0247	MN/102/0306/TT	1	490,625	2,452,000
18RYMMN0148	MN/102/5743/RAB	1	450,081	515,081
		<b>Number of cases</b>	<b>£</b>	<b>£</b>
<b>Sub-total</b>		<b>7</b>	<b>8,184,024</b>	<b>13,377,650</b>
<b>All other cases paid in year</b>		<b>354</b>	<b>6,597,412</b>	<b>19,136,368</b>
<b>Total cases paid in year</b>		<b>361</b>	<b>14,781,436</b>	<b>32,514,018</b>

#### 23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	No. of cases	£
Cumulative amount up to £300k	703	26,627,590
Cumulative amount greater than £300k	62	80,354,834
<b>Total</b>	<b>765</b>	<b>106,982,424</b>

24. Right of Use lease obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset leases:

2024-25

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2025	2025	2025	2025
	£000	£000	£000	£000
<b>Minimum lease payments</b>				
Within one year	0	3,893	1,534	5,427
Between one and five years	0	14,454	4,058	18,512
After five years	0	16,058	2,353	18,411
Less finance charges allocated to future periods	0	(4,788)	(1,041)	(5,829)
<b>Minimum lease payments</b>	<b>0</b>	<b>29,617</b>	<b>6,904</b>	<b>36,521</b>
Included in:				
Current borrowings	0	3,094	1,262	4,356
Non-current borrowings	0	26,523	5,642	32,165
	<b>0</b>	<b>29,617</b>	<b>6,904</b>	<b>36,521</b>
<b>Present value of minimum lease payments</b>				
Within one year	0	3,094	1,262	4,356
Between one and five years	0	12,062	3,458	15,520
After five years	0	14,461	2,184	16,645
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>29,617</b>	<b>6,904</b>	<b>36,521</b>
Included in:				
Current borrowings	0	3,094	1,262	4,356
Non-current borrowings	0	26,523	5,642	32,165
	<b>0</b>	<b>29,617</b>	<b>6,904</b>	<b>36,521</b>

2023-24

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2024	2024	2024	2024
	£000	£000	£000	£000
<b>Minimum lease payments</b>				
Within one year	0	3,322	1,186	4,508
Between one and five years	0	12,842	1,999	14,842
After five years	0	13,222	1,221	14,444
Less finance charges allocated to future periods	0	(3,038)	(474)	(3,512)
<b>Minimum lease payments</b>	<b>0</b>	<b>26,349</b>	<b>3,933</b>	<b>30,281</b>
Included in:				
Current borrowings	0	2,736	1,080	3,817
Non-current borrowings	0	23,613	2,852	26,465
	<b>0</b>	<b>26,349</b>	<b>3,932</b>	<b>30,282</b>
<b>Present value of minimum lease payments</b>				
Within one year	0	2,736	1,080	3,817
Between one and five years	0	11,137	1,731	12,868
After five years	0	12,476	1,121	13,597
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>26,349</b>	<b>3,932</b>	<b>30,282</b>
Included in:				
Current borrowings	0	2,736	1,080	3,817
Non-current borrowings	0	23,613	2,852	26,465
	<b>0</b>	<b>26,349</b>	<b>3,932</b>	<b>30,282</b>

**24.2 Right of Use Assets receivables (as lessor)**

The Health Board did not hold any Right of Use Assets lease receivables, as a lessor, at the balance sheet date.

**Amounts receivable under right of use assets :**

	<b>31 March</b>	31 March
	<b>2025</b>	2024
	<b>£000</b>	£000
<b>Gross Investment in leases</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<b>Present value of minimum lease payments</b>		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

**25. Private Finance Initiative contracts**

**25.1 PFI schemes off-Statement of Financial Position**

The Health Board did not have any PFI Schemes that were deemed to be off-statement of financial position at the balance sheet date.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2025 £000	31 March 2024 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

**25.2 PFI schemes on-Statement of Financial Position**

Capital value of scheme included in Fixed Assets Note 11	£000
Contract start date:	68,278
Contract end date:	12/05/2000
	31/05/2030

**Total obligations for on-Statement of Financial Position PFI contracts due:**

2024-25	On SoFP PFI Capital element	On SoFP PFI IFRS 16 impact Finance Charge	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000
Total payments due within one year	7,966	1,422	3,163	5,005
Total payments due between 1 and 5 years	45,790	3,399	7,196	18,338
Total payments due thereafter	3,141	79	91	0
Total future payments in relation to PFI contracts	<u>56,897</u>	<u>4,900</u>	<u>10,450</u>	<u>23,343</u>

2023-24	On SoFP PFI Capital element	On SoFP PFI IFRS 16 impact Finance Charge	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000	31 March 2024 £000
Total payments due within one year	5,243	1,488	3,364	6,240
Total payments due between 1 and 5 years	37,811	4,187	9,120	18,406
Total payments due thereafter	16,450	486	846	3,856
Total future payments in relation to PFI contracts	<u>59,504</u>	<u>6,161</u>	<u>13,330</u>	<u>28,502</u>

	31/03/2025 £000
Total present value of obligations for on-SoFP PFI contracts	90,690

<b>25.3 Charges to expenditure</b>	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	<b>3,574</b>	3,325
Total expense for Off Statement of Financial Position PFI contracts	<b>0</b>	0
The total charged in the year to expenditure in respect of PFI contracts	<b><u>3,574</u></b>	<b><u>3,325</u></b>

The LHB is committed to the following annual charges

<b>PFI scheme expiry date:</b>	<b>£000</b>	£000
Not later than one year	<b>0</b>	0
Later than one year, not later than five years	<b>0</b>	0
Later than five years	<b>17,556</b>	16,334
<b>Total</b>	<b><u>17,556</u></b>	<b><u>16,334</u></b>

The estimated annual payments in future years will vary from those which the Health Board is committed to make during the next year by the impact of movement in the Retail Prices Index.

**25.4 Number of PFI contracts**

	<b>Number of on SoFP PFI contracts</b>	<b>Number of off SoFP PFI contracts</b>
Number of PFI contracts	1	0
Number of PFI contracts which individually have a total commitment > £500m	0	0
	<b>On / Off- statement of financial position</b>	
<b>PFI Contract</b>		
Number of PFI contracts which individually have a total commitment > £500m	0	
	<b>On/Off</b>	
<b>PFI Contract</b>		
Neath Port Talbot Hospital	On	

25.5 The Health Board did not have any Public Private Partnerships during the year

**26. 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. Swansea Bay University Local Health Board 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 these standards mainly apply. Swansea Bay University Local Health Board has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Health Board in undertaking its activities.

**Currency risk**

Swansea Bay University Local Health Board is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the United Kingdom and Sterling based. The Health Board does not have any overseas operations. The Health Board therefore has low exposure to currency rate fluctuations.

**Interest rate risk**

Health Boards are not permitted to borrow and Swansea Bay University Local Health Board therefore has low exposure to interest rate fluctuations.

**Credit risk**

As the majority of Swansea Bay University Local Health Board's funding derives from funds voted by the Welsh Government the Health Board has low exposure to credit risk.

**Liquidity risk**

Swansea Bay University Local Health Board is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The Health Board is not, therefore, exposed to significant liquidity risks.

**27. Movements in working capital**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
(Increase)/decrease in inventories	<b>(622)</b>	(1,550)
(Increase)/decrease in trade and other receivables - non-current	<b>(6,096)</b>	(18,109)
(Increase)/decrease in trade and other receivables - current	<b>(2,045)</b>	(24,638)
Increase/(decrease) in trade and other payables - non-current	<b>370</b>	39,674
Increase/(decrease) in trade and other payables - current	<b>1,198</b>	(20,262)
<b>Total</b>	<b>(7,195)</b>	(24,885)
Adjustment for accrual movements in fixed assets - creditors	<b>2,362</b>	(19,046)
Adjustment for accrual movements in fixed assets - debtors	<b>0</b>	0
Adjustment for accrual movements in right of use assets - creditors	<b>(6,239)</b>	(14,628)
Adjustment for accrual movements in right of use assets - debtors	<b>0</b>	0
Other adjustments	<b>1,261</b>	(6,161)
	<b>(9,811)</b>	<b>(64,720)</b>

**28. Other cash flow adjustments**

	<b>2024-25</b>	2023-24
	<b>£000</b>	£000
Depreciation	<b>38,793</b>	36,536
Amortisation	<b>1,433</b>	1,608
(Gains)/Loss on Disposal	<b>103</b>	(10)
Impairments and reversals	<b>8,840</b>	12,902
Release of PFI deferred credits	<b>0</b>	0
NWSSP Covid assets issued debited to expenditure but non-cash	<b>0</b>	0
Covid assets received credited to revenue but non-cash	<b>0</b>	0
Donated assets received credited to revenue but non-cash	<b>(332)</b>	(259)
Government Grant assets received credited to revenue but non-cash	<b>(983)</b>	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	<b>(175)</b>	0
Non-cash movements in right of use assets	<b>1</b>	343
Non-cash movements in provisions	<b>18,794</b>	53,940
Other movements	<b>52,154</b>	31,925
<b>Total</b>	<b>118,628</b>	<b>136,985</b>

Other movements are Notional funding received for the

- LHB notional 9.4% Staff Employer Pension Contributions and
- 2019/20 Pensions Annual Allowance Charge Compensation Scheme

funded directly to the NHSBA Pensions Division by Welsh Government.

## 29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on the 25th June 2025; following this the financial statements were certified by the Auditor General for Wales on the 26th June 2025. Swansea Bay Health Board is not aware of any events after the reporting period which would require disclosure within these financial statements.

**30. Related Party Transactions**

A number of the HB's Board members have interests in related parties as follows:

Name	Details	Interests
Andrew Jarrett	Associate Member	Director of Social Services for Neath Port Talbot County Borough Council and Wife is Director of Fostering for Caretech Ltd.
Anne Louise Ferguson	Independent Member	Spouse is Chairman of Cowbridge United Charities.
Ceinwen Jean Church	Independent Member	Daughter is NHS Wales Director of Primary Care Services & Medical Examiner Service, NWSSP
Darren Griffiths	Director of Finance and Performance	He is Governor of Gower College Swansea (Role is on the Finance Committee and Board). Wife is Director for Wales for the Red Cross, the Red Cross has some services and contractual relationships with the Health Board
Hazel Lloyd	Director of Corporate Governance and Board Secretary	Spouse Director of Llanharan pharmacy Ltd (Oct 20)
Jacquelin Davies	Independent member	Chair RCN Wales (No Financial Benefit), Chair South Wales Organ Donation Regional Network, Vice Chair of Royal College of Nursing Trade Union Committee (and Elected member for Wales), Vice Chair of People Speak Up (ATRS Health and Wellbeing) Charity, Trustee RCN Wales Scholarship Funds
Keith Lloyd	Independent member	Chair Welsh Psychiatric society, Trustee + Chair Volcano Theatre Company, Trustee Heartbeat trust Charity, Board member MIND Cymru and Executive Dean and Pro Vice Chancellor at Swansea University, Professor of Psychiatry at Swansea University
Matt John	Director Of Digital	Voluntary role of Parent Governor at Dwr y Felin Comprehensive School
Nicola Matthews	Independent Member	Director of Wales National Pool, Local Councillor of Swansea Council and Local Community Councillor of Gorseinon Town Council. Her Father is Deputy Leader of Swansea Council. Spouse Police Officer
Nuria Zolle	Independent member	Welsh Government National Advice Network, Shelter Cymru Trustee, Trustee Oस्पreys in the Community, Practice Solutions – Consultancy and Sport Wales - NED/Public Appointment. Her Spouse/Partner - is Manager of National Studies at Audit Wales. Partner is not permitted to do any work in SBUHB.
Reena Owen	Independent Board Member	Trustee of Swansea Environment centre (Non financial), Husband trustee of Bikeability
Dr Richard Evans	Medical Director (Acting Chief Executive to 28th October 2024)	Director - White Farm Estates (Non Financial)
Abigail Harris	Chief Executive	SCW Independent Board Member (came to an end on 31/3/25), Husband - Competitions & Markets Authority & Board Member of WCVA
Jan Williams	Chair	Trustee & Council Member Amgueddfa Cymru (no expenses claimed), Spouse is a Director/Owner of the following companies: Electrical Power Solutions, City Loo Hire & Clenergy EV, Daughter is a Partner at Brynhyfryd Medical Centre
Stephen Spill	Independent Member, Vice Chair	Coastal Housing Group NED - Contractual arrangements with SBUHB, Trustee - Platform for change (Voluntary) which does provide some services to HBS in primary care, Karbon Homes Ltd (terminated 31.3.25), Timeslature Ltd - Personal service company (100% Shareholder, Personal Services Company), In2Matrix - Board Advisor, Gofal Enterprises Limited and App Cleaning Limited, Welsh Health Specialised Services Committee (now JCC) and Director of Vet2Vet Ltd (start-up affiliate of BSAVA), British Small Animal Veterinary Association, (Remain a trustee but not a remunerated NED effective 31.3.25)
Andrew Griffiths	Independent Member	CEO of FEDIP - Professional Standards Organisation for people working in Digital Health (Part Time Paid Employment)

The total value of transactions with related parties in 2024/25 were as follows:

Related Party	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
AUDIT WALES	470	0	38	0
BRITISH RED CROSS SOCIETY	386	0	-	0
BRYNHYFRYD SURGERY	1,570	0	-	0
CITY & COUNTY OF SWANSEA COUNCIL	27,719	3,097	105	0
GOWER COLLEGE SWANSEA	8	0	2	0
MIND	70	0	-	0
NEATH PORT TALBOT COUNCIL	12,034	4,205	14	2
OSPREYS IN THE COMMUNITY	134	0	-	0
POLICE & CRIME COMMISSIONER FOR SOUTH WALES	43	140	-	0
ROYAL COLLEGE OF NURSING	7	0	-	0
SWANSEA UNIVERSITY	6,261	1,608	34	0
VELINDRE NHS TRUST	25,303	5,031	37	2

The Swansea Bay University Health Board is the linked charity to the Swansea Bay University Health Board. During the financial year the health board for operational reasons may make payments on behalf of the NHS Charity and the NHS Charity may make payments on behalf of the health board. These payments are cleared monthly via an intercompany transfer within the financial ledgers. In 2024/25 the health board made cash payments of £820,219.45 on behalf of the NHS Charity and the NHS Charity made payments of £466,588.63 on behalf of the health board. As at 31st March 2025 the amount owed to the health board by the NHS Charity amounted to £21,916.46 with the health board owing the NHS Charity £22,387.19. These balances will be cleared in April 2025.

The Welsh Government is regarded as a related party of the Health Board. During the year the Health Board had a significant number of material revenue and capital transactions with either the Welsh Government or with other entities for which the Welsh Government is regarded as the parent body, namely:

	Expenditure to related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	52	1,399,950	1	1,962
NHS Wales Joint Commissioning Committee	147,060	151,170	1,593	796
Aneurin Bevan UHB	1,271	2,467	247	411
Betsi Cadwaladr LHB	516	524	90	157
Cardiff & Vale UHB	8,296	7,598	1,599	756
Cwm Taf Morgannwg Morganwg UHB	22,402	37,834	1,251	4,324
Digital Health and Care Wales	7,147	1,008	21	154
Health Education & Improvement Wales	3	19,644	3	661
Hywel Dda UHB	5,701	47,361	207	3,374
Powys THB	1,436	11,802	32	1,003
Public Health Wales NHS Trust	5,042	6,150	489	1,116
Velindre NHS Trust	67,846	6,908	3,382	1,485
Welsh Ambulance Services NHS Trust	782	163	48	20
	<b>267,554</b>	<b>1,692,579</b>	<b>8,963</b>	<b>16,219</b>

### 31. Third Party assets

The LHB held £995,938 cash at bank and in hand at 31 March 2025 (31st March 2024, £952,526) which relates to monies held by the LHB on behalf of patients. This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

Cash held in Patient's Investment Accounts amounted to £0.00 at 31st March 2025 (31st March 2024, £0). Due to a change in money laundering regulations during 2022/23, the LHB is no longer permitted to hold client call accounts in the names of patients, which was how the Lloyds investment accounts were held. As a result the Lloyds Investment accounts were closed by Lloyds Bank in August 2022 and the balance was transferred into the Patients Monies Current Account. In addition the LHB had located on its premises a significant quantity of consignment stock. This stock remains the property of the supplier until it is used. The value of consignment stock at 31 March 2025 amounted to £2,933,052 (£1,384,708 as at 31st March 2024).

### 32. Pooled budgets

#### Pooled budgets

The following information is required for each pooled budget.

	2024-25 £000	2023-24 £000
<b>Overall Funding/Contributions</b>	3,421	3,525
Source of overall funding/contributions:		
Swansea Bay UHB	1,528	1,488
Neath Port Talbot Council	350	364
Swansea Council	622	648
Other (please specify source(s) in narrative note)	921	1,025

Other includes:

2024/25 - Total £1.543m - RIF Funding (£249k), HCF (£671k)

2023/24 - Total £1.025m - In Year reserve drawdown (£700k), RIF Funding - Project 14 R (£249k), and Housing and Care fund (£76k)

#### Pooled partnership expenditure

No funding has been received by the Health Board as part of the pooled budget arrangement.

	2024-25		2023-24	
	£000	%	£000	%
Swansea Bay UHB	-	0.0%	-	0%
Neath Port Talbot Council	-	0.0%	-	0%
Swansea Council	-	0.0%	-	0%
Other Please specify	-	0.0%	-	0%
Core Funded Community Equipment	2,139	69.9%	3,556	92%
RIF Funding - Project 14R	249	8.1%	249	6%
Housing and Care Fund	671	21.9%	76	2%
<b>Total</b>	<b>3,059</b>		<b>3,881</b>	
Net surplus/deficit	- 362	Surplus		
Cumulative surplus/deficit	- 666	Surplus		

#### Pooled Partnership Income

No income has been received in relation to activities resulting from Pooled budget.

	2024-25 £000	2023-24 £000
Please specify source of income	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

#### Asset disclosure

	31 March 2025 £000	31 March 2024 £000
Total Asset NBV value of PPE	2,699	2,006
Split for pooled budget partners:		
Swansea Bay UHB	0	0
Neath Port Talbot Council	0	0
Swansea Council	2,699	2,006
Other Please specify	0	0

### 33. Operating segments

Accounting standard IFRS 8 defines an operating segment as a component of an entity:

Swansea Bay University Health Board has organised its operational services into 4 Service Groups. Two of these service groups are centred on the Health Board's main hospital sites of Morriston, Neath Port Talbot, and Singleton. The remaining two SDU's cover Mental Health and Learning Disabilities Services and Primary Care Community and Therapeutic Services.

The LHB has formed the view that the activities of its service groups are sufficiently similar for the results of their operations not to have to be disclosed separately. In reaching this decision the Health Board is satisfied that the following criteria are met:

1. Aggregation still allows users to evaluate the business and its operating environment
2. Service Groups have similar economic characteristics
  - > The nature of the service provided
3. The Service Groups are similar in respect of all of the following

## 34. Other Information

### 34.1. 9.4% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2024 to 31st March 2025. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2024 and February 2025 alongside Health Board data for March 2025.

Transactions include notional expenditure in relation to the 9.4% paid to NHSBSA by Welsh Government and notional funding to cover that expenditure as follows:

	2024-25 £000	2023-24 £000
<b>Statement of Comprehensive Net Expenditure for the year ended 31 March 2025</b>		
Expenditure on Primary Healthcare Services	0	0
Expenditure on healthcare from other providers	0	0
Expenditure on Hospital and Community Health Services	52,138	31,901

### Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

Net operating cost for the year	52,138	31,901
Notional Welsh Government Funding	52,138	31,901

### Statement of Cash Flows for year ended 31 March 2025

Net operating cost for the financial year	52,138	31,901
Other cash flow adjustments	52,138	0

### 2.1 Revenue Resource Performance

Revenue Resource Allocation	52,138	31,901
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## 3. Analysis of gross operating costs

### 3.1 Expenditure on Primary Healthcare Services

General Medical Services	0	0
Pharmaceutical Services	0	0
General Dental Services	0	0
Other Primary Health Care expenditure	0	0

### 3.2 Expenditure on healthcare from other providers

	0	0
	0	0

### 3.3 Expenditure on Hospital and Community Health Services

Directors' costs	148	79
Staff costs	51,990	31,822

## 9.1 Employee costs

### Permanent Staff

Employer contributions to NHS Pension Scheme	52,138	31,901
Charged to capital	64	24
Charged to revenue	52,201	31,877

## 18. Trade and other payables

### Current

Pensions: staff	0	0
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## 28. Other cash flow adjustments

Other movements	47,703	31,925
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The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

**Other**

**34.2 IFRS 17 - Insurance Contract Disclosures**

The outcome of the contract review for a range of income contract types applicable to the organisation, identify any insurance contracts that fall within the scope of IFRS 17.

**STATEMENT OF FINANCIAL POSITION**

(Signage as per provision note disclosure)	£000
Liability for incurred claims @ 1 April 2024	0
Liability for remaining payments @ 31 March 2025	0
	<hr/> 0
Arising during year	0
Utilised	0
Reversed unused	0
Movement in Discount Rates	0
	<hr/> 0

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
/ STATEMENT OF COMPREHENSIVE INCOME \*Delete as appropriate**

(Signage as per income and expenditure note disclosure)	£000
Insurance Income	0
Insurance expenditure	0

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, did not

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

**LOCAL HEALTH BOARDS**

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)<sup>1</sup>, in the form specified in paragraphs [2] to [7] below.

**BASIS OF PREPARATION**

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

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

**FORM AND CONTENT**

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

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

**MISCELLANEOUS**

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

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

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.