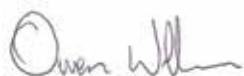


Accounts
2016/17
compassionate
care

These accounts, for the year ended 31 March 2017, have been prepared by the Calderdale & Huddersfield NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006, are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006;


A handwritten signature in blue ink, appearing to read 'Owen Williams', is positioned above the printed name.

Owen Williams (Chief Executive)

Date: 23rd May 2017

Statement of Comprehensive Income				
		2016/17		2015/16
	Note	£000		£000
Operating income from patient care activities	3	330,970		318,383
*Other operating income	4	44,281		31,799
Total operating income from continuing operations		375,251		350,182
Operating expenses	5, 7	(374,838)		(366,740)
**Operating surplus/(deficit) from continuing operations		413		(16,558)
Finance income	10	34		59
Finance expenses	11	(11,937)		(11,346)
PDC dividends payable		(2,488)		(3,042)
Net finance costs		(14,391)		(14,329)
Gains/(losses) of disposal of non-current assets	12	(236)		(23)
Share of profit of associates/joint arrangements	19	423		1,113
Corporation tax expense	13	-		-
Surplus/(deficit) for the year from continuing operations		(13,791)		(29,797)
Surplus/(deficit) on discontinued operations and the gain/(loss) on disposal of discontinued operations	14	-		-
Surplus/(deficit) for the year		(13,791)		(29,797)
Other comprehensive income				
Will not be reclassified to income and expenditure:				
Impairments	6	(5,754)		(12,276)
Revaluations	18	8,523		12,373
Share of comprehensive income from associates and joint ventures	19	-		-
Other recognised gains and losses		-		-
Other reserve movements		-		-
May be reclassified to income and expenditure when certain conditions are met:				
Fair value gains/(losses) on available-for-sale financial investments		-		-
Recycling gains/(losses) on available-for-sale financial investments	10	-		-
Total comprehensive income/(expense) for the period		(11,022)		(29,700)
* Other operating income includes £12.654m of Sustainability and Transformation Fund income, this support was not available in 15/16				
** The surplus deficit for 16/17 includes £1.2m reversal of impairments, for 15/16 this was £8.817m impairment.				

Statement of Changes in Equity for the year ended 31 March 2017				
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2016 - brought forward	115,720	36,121	(54,998)	96,843
Surplus/(deficit) for the year	-	-	(13,790)	(13,790)
Other transfers between reserves	-	(557)	557	-
Impairments	-	(5,754)	-	(5,754)
Revaluations	-	8,523	-	8,523
Transfer to retained earnings on disposal of assets	-	(869)	869	-
Public dividend capital received	470	-	-	470
Taxpayers' and others' equity at 31 March 2017	116,190	37,464	(67,362)	86,292
Statement of Changes in Equity for the year ended 31 March 2016				
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2015 - brought forward	115,687	36,627	(25,804)	126,510
Surplus/(deficit) for the year	-	-	(29,797)	(29,797)
Other transfers between reserves	-	(596)	596	-
Impairments	-	(12,276)	-	(12,276)
Revaluations	-	12,373	-	12,373
Transfer to retained earnings on disposal of assets	-	(7)	7	-
Public dividend capital received	33	-	-	33
Taxpayers' and others' equity at 31 March 2016	115,720	36,121	(54,998)	96,843

Statement of Financial Position					
			31 March 2017		31 March 2016
		Note	£000		£000
Non-current assets					
Intangible assets		15	1,866		1,132
Property, plant and equipment		16	234,272		217,015
Investments in associates (and joint ventures)		19	2,889		2,466
Trade and other receivables		22	3,130		2,954
Total non-current assets			242,157		223,567
Current assets					
Inventories		21	6,724		6,972
Trade and other receivables		22	19,298		16,513
Non-current assets for sale and assets in disposal groups		23	4,215		5,783
Cash and cash equivalents		24	1,941		1,938
Total current assets			32,178		31,206
Current liabilities					
Trade and other payables		25	(41,536)		(39,576)
Other liabilities		26	(1,552)		(1,235)
Borrowings		27	(4,053)		(3,118)
Provisions		28	(1,878)		(2,236)
Total current liabilities			(49,019)		(46,165)
Total assets less current liabilities			225,316		208,608
Non-current liabilities					
Trade and other payables		25	(164)		(245)
Other liabilities		26	(1,339)		(1,353)
Borrowings		27	(135,214)		(107,726)
Provisions		28	(2,306)		(2,441)
Total non-current liabilities			(139,023)		(111,765)
Total assets employed			86,292		96,843
Financed by					
Public dividend capital			116,190		115,720
Revaluation reserve			37,464		36,121
Available for sale investments reserve			-		-
Other reserves			-		-
Merger reserve			-		-
Income and expenditure reserve			(67,362)		(54,998)
Total taxpayers' equity			86,292		96,843
The Financial Statements were approved by the Board on 25th May 2017 and signed on its behalf by:					
 Name Owen Williams Position Chief Executive Date 25 May 2017					

Information on reserves**Public dividend capital**

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

Revaluation reserve

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

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the NHS foundation trust.

Statement of Cash Flows

		2016/17	2015/16
	Note	£000	£000
Cash flows from operating activities			
Operating surplus/(deficit)		413	(16,557)
Non-cash income and expense:			
Depreciation and amortisation	5.1	10,074	10,439
Net impairments	6	(1,204)	8,817
Income recognised in respect of capital donations	4	(66)	(10)
Amortisation of PFI deferred credit	4	-	-
Non-cash movements in on-SoFP pension liability		-	-
(Increase)/decrease in receivables and other assets		(3,222)	(2,770)
(Increase)/decrease in inventories		248	(999)
Increase/(decrease) in payables and other liabilities		(3,714)	3,567
Increase/(decrease) in provisions		(528)	(1,178)
Tax (paid)/received		-	-
Operating cash flows movement of discontinued operations		-	-
Other movements in operating cash flows		8	(9)
Net cash generated from/(used in) operating activities		2,009	1,300
Cash flows from investing activities			
Interest received		34	59
Purchase and sale of financial assets		-	-
Purchase of intangible assets		(998)	(203)
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(17,200)	(19,977)
Sales of property, plant, equipment and investment property		1,348	14
Receipt of cash donations to purchase capital assets		66	10
Prepayment of PFI capital contributions		-	-
Investing cash flows of discontinued operations		-	-
Net cash generated from/(used in) investing activities		(16,750)	(20,097)
Cash flows from financing activities			
Public dividend capital received		470	33
Public dividend capital repaid		-	-
Movement on loans from the Department of Health		29,827	22,900
Movement on other loans		-	-
Capital element of finance lease rental payments		-	-
Capital element of PFI, LIFT and other service concession payments		(1,405)	(1,496)
Interest paid on finance lease liabilities		-	-
Interest paid on PFI, LIFT and other service concession obligations		(10,850)	(10,896)
Other capital receipts		-	-
Other interest paid		(944)	(306)
PDC dividend paid		(2,354)	(3,197)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash generated from/(used in) financing activities		14,744	7,038
Increase/(decrease) in cash and cash equivalents		3	(11,759)
Cash and cash equivalents at 1 April		1,938	13,697
Cash and cash equivalents at 31 March	24	1,941	1,938

Notes to the Accounts

Note 1 Accounting policies and other information

Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2016/17 issued by the Department of Health. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Going concern

These accounts have been prepared on a going concern basis.

The accounting concept of Going Concern refers to the basis on which an organisation's assets and liabilities are recorded and included in the accounts. If an organisation is a going concern, it is expected to operate indefinitely and not go out of business or liquidate its assets in the foreseeable future.

Under International Financial Reporting Standards, management are required to assess, as part of the accounts process, the NHS Foundation Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of services to another entity, or has no realistic alternative but to do so.

The Foundation Trust has assessed various sources of information in order to assess whether it is appropriate to prepare the accounts on a going concern basis. These include both internal and external reporting, the Foundation Trust's long term financial plan, audit reports and dialogue with NHS Improvement.

The Foundation Trust has closed the year with a cash balance of £1.941m and net assets of £86m. However, given the challenge within the financial plans for 2017/18 further areas require consideration to be able to demonstrate that the Foundation Trust is a going concern.

The following has been taken into account when going concern is considered:

- The unaudited year-end financial position of £14.99m deficit (excluding exceptional items as described in note to the SOCI) was in line with the planned deficit of £16.1m. Whilst still a deficit position; this secures a level of confidence from NHS Improvement in the Foundation Trust's ability to deliver plans.
- The Foundation Trust closed the year with £1.94m of cash but cannot sustain the planned deficit position within 2017/18 without the requirements of external cash support. As such, the Foundation Trust has been in communication with NHS Improvement to arrange for loan facilities to enable the Foundation Trust to operate throughout 2017/18. With this borrowing in place, the Foundation Trust will be able to meet its liabilities.
- The Commissioners continue to commission services from the Foundation Trust and contracts for 2017/18 with commissioners have been agreed and were signed in February 2017. This leads to regular monthly transfers of fixed levels of cash based on contracted values for 2017/18. This incoming cash along with the loan facility will allow the Trust to meet all its obligations and liabilities.
- From Internal Audit reports completed in 2016/17 there have been no other indications of significant financial risk or weaknesses in financial risk management
- Throughout 2016/17 the Foundation Trust has continued to work closely with local partners to develop a long term strategy and consult with the public on future plans. The Foundation Trust is continuing to work upon service transformation plans aided by reconfiguration to deliver a sustainable long term future. This strategy has been supported by regulators.
- In 2016/17 the CIP challenge of £14m was exceeded by £0.98m. A project management office is in place and the PMO methodology ensures that the CIP plans for 2017/18 are robust and oversees delivery. This programme methodology is built around a gateway approach for project design, development and delivery that includes a rigorous quality and equality impact assessment review. Delivery of the 2017/18 financial plan requires an efficiency saving of £20m. This is not yet fully identified.
- In conclusion the Foundation Trust does not have any evidence to suggest that the going concern basis is not appropriate. There is a reasonable expectation that Calderdale and Huddersfield NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason we continue to adopt the going concern basis in preparing the accounts.

Note 1.1 Interests in other entities

Joint ventures

Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Subsidiaries

Calderdale & Huddersfield NHS Foundation Trust is the corporate trustee to Calderdale & Huddersfield NHS Foundation Trust charitable fund. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund. The Foundation Trust has assessed that the values involved are not of material nature and the Trust Board has approved and agreed not to consolidated the Charitable Funds.

Note 1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services. Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Note 1.3 Expenditure on employee benefits**Short-term employee benefits**

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

Pension costs**NHS Pension Scheme**

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers pension cost contributions are charged to operating expenses as and when they become due.

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

Note 1.4 Expenditure on other goods and services

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

Note 1.5 Property, plant and equipment**Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

Measurement**Valuation**

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

All assets are measured subsequently at fair value

All property assets are revalued using professional valuations in accordance with IAS 16 every year.

A full valuation was last done in March 2015.

A desktop revaluation exercise was done of all property as at 31 March 2017.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyor (RICS) Appraisal and Valuation Manual.

Specialised operational property is valued using the HM Treasury standard approach of depreciated replacement cost valuation based on modern equivalent assets.

Non-specialised operational owner-occupied property is valued at existing use value, which is the market value subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

Equipment is carried at depreciated historical cost as these are considered to be a reasonable proxy for fair value

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Subsequent expenditure

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

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed.

Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised.

Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

Donated, government grant and other grant funded assets

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

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

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Lifecycle replacement costs are apportioned, using information from the PFI operator's financial model, between costs charged to operating expenses and costs that are capitalised.

Useful Economic lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	15	80
Dwellings	15	80
Plant & machinery	5	15
Transport equipment	7	7
Information technology	5	8
Furniture & fittings	5	10

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

Note 1.6 Intangible assets

Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

Amortisation

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

Useful economic life of intangible assets

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

	Min life	Max life
	Years	Years
Intangible assets - internally generated		
Information technology	5	5
Development expenditure	-	-
Other	-	-
Intangible assets - purchased		
Software	5	8
Licences & trademarks	-	-
Patents	-	-
Other	-	-
Goodwill	-	-

Note 1.7 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

Note 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. The cost valuation is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.9 Financial instruments and financial liabilities**Recognition**

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is made.

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

All other financial assets and financial liabilities are recognised when the Foundation Trust becomes a party to the contractual provisions of the instrument.

De-recognition

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

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

Classification and measurement

Financial assets are categorised as loans and receivables.

Financial liabilities are classified as other financial liabilities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Foundation Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and other receivables.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the Foundation Trust assesses whether any financial assets, other than those held at “fair value through income and expenditure” are impaired. Financial assets are impaired and impairment losses are recognised if, and only 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 Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision

Note 1.10 Leases

Finance leases

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

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

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

Note 1.11 Provisions

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

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Foundation Trust is disclosed at note 28.1 but is not recognised in the Foundation Trust's accounts.

Non-clinical risk pooling

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

Note 1.12 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 29 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed in note 29, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.13 Public dividend capital

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

A charge, reflecting the cost of capital utilised by the Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Note 1.14 Value added tax

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

Note 1.15 Corporation tax

The Foundation Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or are ancillary to, the provision of healthcare, and where the profits exceed £50,000 per annum. In the period covered by these accounts the Foundation Trust has assessed that it is not liable to pay corporation tax.

Note 1.16 Foreign exchange

The functional and presentational currencies of the Foundation Trust are sterling.

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

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

- monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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

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

Note 1.17 Third party assets

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

Note 1.18 Losses and special payments

"Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had Foundation Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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

Note 1.19 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2016/17.

Note 1.20 Standards, amendments and interpretations in issue but not yet effective or adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2016-17. The application of the Standards as revised would not have a material impact on the accounts for 2016-17, were they applied in that year:

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

IFRS 16 Leases

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Note 1.21 Critical accounting estimates and judgements

In the application of the Foundation Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The management has had to make no critical judgements, apart from those involving estimations (see below) in the process of applying the Foundation Trust's accounting policies.

Note 1.21.1 Key sources of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the relevant accounting policy note.

The valuation of the Foundation Trust's land and buildings is subject to significant estimation uncertainty, since it derives from estimates provided by the Foundation Trust's external valuers who base their estimates on local market data as well as other calculations to reflect the age and condition of the Foundation Trust's estate.

Note 1.21.2 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the Foundation Trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay. Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

The Foundation Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Foundation Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Note 2 Operating Segments

The Foundation Trust's core activities fall under the remit of the Chief Operating Decision Maker ("CODM") as defined by IFRS 8 'Operating Segments', which has been determined to be the Foundation Trust Board which includes senior professional non-executive directors. These core activities are primarily the provision of specialist NHS healthcare, the income for which is received through contracts with commissioners. The planned level of activity is agreed with our main commissioners for the year, and are listed in the related party disclosure (see Note 37.1)

Healthcare

The large majority of the Foundation Trust's income originates with the UK Whole of Government Accounting (WGA) bodies. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust together with the related supplies and overheads needed to establish this production. The business activities which earn revenue and incur expenses are therefore of one broad combined nature and therefore a segment of 'Healthcare' is deemed appropriate.

The operating results of the Foundation Trust are reviewed monthly or more frequently by the Trust's chief operating decision maker which is the overall Foundation Trust Board. The Trust Board review the financial position of the Trust as a whole in their decision making process, rather than individual components included in the totals, in terms of allocating resources. This process again implies a distinct operating segment under IFRS8.

The finance report considered monthly by the Trust Board contains summary figures for the whole Trust together with graphical line and bar charts relating to different total income activity levels, and directorate expense budgets with their cost improvement positions. Similarly only total balance sheet positions and cash flow forecasts are considered for the whole Foundation Trust. The Board as chief operating decision maker therefore only considers this segment of healthcare in its decision-making process.

	Healthcare	
	2016/17	2015/16
	£000	£000
Income	375,251	350,182
Surplus / (Deficit)	(13,791)	(29,797)
Net Assets	86,292	96,843

Note 3 Operating income from patient care activities			
Note 3.1 Income from patient care activities (by nature)			
	2016/17		2015/16
	£000		£000
Acute services			
Elective income	49,190		45,472
Non elective income	89,725		84,475
Outpatient income	45,922		40,806
A & E income	16,806		16,076
*Other NHS clinical income	118,465		126,528
All services			
Private patient income	474		503
Other clinical income	10,388		4,523
Total income from activities	330,970		318,383
* Other NHS Clinical Income, includes income for NHS Tariff income including income for, Direct access £6.8m and maternity pathways £10.8m, it also includes Non Tariff income including income for, block contracts of £30.6m for various services, including community services, income for critical care £8.3m, pass through cost for high cost drugs and devices £24.8m, rehabilitation £5.1m, diagnostic tests and imaging £7.4m, CQUIN £6.9m, local priced outpatients £6.8m and other clinical income of £10.9m.			
Note 3.2 Income from patient care activities (by source)			
Income from patient care activities received from:	2016/17		2015/16
	£000		£000
CCGs and NHS England	318,938		308,090
Local authorities	6,057		4,509
Department of Health	-		-
Other NHS foundation trusts	513		260
NHS trusts	699		500
NHS other	0		1
Non-NHS: private patients	474		503
Non-NHS: overseas patients (chargeable to patient)	118		110
NHS injury scheme (was RTA)	1,910		1,769
Non NHS: other	2,261		2,641
Additional income for delivery of healthcare services	-		-
Total income from activities	330,970		318,383
Of which:			
Related to continuing operations	330,970		318,383
Related to discontinued operations	-		-

Note 3.3 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	2016/17		2015/16
	£000		£000
Income recognised this year	118		110
Outstanding Debt as at 31st March	216		170
Cash payments received in-year	26		35
Amounts added to provision for impairment of receivables	120		131
Amounts written off in-year	11		48

Note 4 Other operating income

	2016/17		2015/16
	£000		£000
Research and development	1,074		992
Education and training	8,790		8,719
Receipt of capital grants and donations	66		15
Charitable and other contributions to expenditure	425		405
Non-patient care services to other bodies *	9,028		9,646
Support from the Department of Health for mergers	-		-
Sustainability and Transformation Fund income **	12,654		-
Rental revenue from operating leases	58		67
Rental revenue from finance leases	-		-
Amortisation of PFI deferred credits	-		-
Income in respect of staff costs where accounted on gross basis	-		-
Other income ***	12,186		11,955
Total other operating income	44,281		31,799
Of which:			
Related to continuing operations	44,281		31,799
Related to discontinued operations	-		-

* Non-patient care services to other bodies includes £5.5m income for The Health Informatics Service, for IT services provided to other bodies and £3.1m income for Estates and Facilities for recharges to other bodies for use of buildings, including £3m to SWYPFT for use of the Dales unit.

** The Sustainability and Transformation fund Income of £12.654m, was a new source of support funding made available in 16/17.

*** other operating income of £12.186m includes £7.3m sales of manufactured pharmaceutical products, £2.7m car parking income, £0.5m property rental income, £0.4m catering income (In 2015/16 the comparative figures were £6.8m for sale of manufactured in pharmaceutical products, £2.0m car parking income, £0.5m property rental income, £0.4m catering income).

Note 4.1 Income from activities arising from commissioner requested services

Under the terms of its provider license, the Foundation Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2016/17		2015/16
	£000		£000
Income from services designated (or grandfathered) as commissioner requested services	324,121		313,834
Income from services not designated as commissioner requested services	6,849		4,449
Total	330,970		318,283

Note 4.2 Profits and losses on disposal of property, plant and equipment

In December 2016, the Trust sold The Princess Royal Health Centre to LOCALA; prior to the sale the Trust provided Children's Services from the Princess Royal site. To aid links with other services provided by LOCALA, the Trust continues to provide some services from Princess Royal and has a rental agreement with LOCALA for the space used. The Princess Royal net book value was £1.5m whilst the site was sold for £1.215m creating a loss in disposal of £0.285m, including cost of sales.

Note 5.1 Operating expenses			
	2016/17		2015/16
	£000		£000
* Services from NHS foundation trusts	(8)		39
Services from NHS trusts	1,894		1,732
Services from CCGs and NHS England	39		39
Services from other NHS bodies	3		-
Purchase of healthcare from non NHS bodies	818		807
Purchase of social care	-		-
Employee expenses - executive directors	1,180		990
Remuneration of non-executive directors	163		157
Employee expenses - staff	239,728		226,247
Supplies and services - clinical	31,170		28,917
Supplies and services - general	3,259		2,608
Establishment	4,394		4,515
Research and development	18		14
Transport	466		344
Premises	26,884		26,403
Increase/(decrease) in provision for impairment of receivables	76		577
Increase/(decrease) in other provisions	(211)		1,146
Change in provisions discount rate(s)	164		-
Inventories written down	-		-
Drug costs	32,916		32,274
Rentals under operating leases	4,548		4,787
Depreciation on property, plant and equipment	9,810		10,127
Amortisation on intangible assets	264		312
Net impairments	(1,204)		8,817
Audit fees payable to the external auditor			
audit services- statutory audit	55		82
other auditor remuneration (external auditor only)	12		12
Clinical negligence	15,493		11,308
Legal fees	149		181
Consultancy costs	61		2,729
Internal audit costs	182		-
Training, courses and conferences	727		809
Patient travel	22		21
Car parking & security	-		-
Redundancy	171		97
Early retirements	-		-
Hospitality	18		2
Publishing	-		-
Insurance	-		-
Other services, e.g. external payroll	-		-
Grossing up consortium arrangements	-		-
Losses, ex gratia & special payments	6		59
Other	1,571		588
Total	374,838		366,740
Of which:			
Related to continuing operations	374,838		366,740
Related to discontinued operations	-		-
* The Credit balance on expenditure for Services from NHS Foundation Trusts is due to credits in relation to prior year expenditure			

Note 5.2 Other auditor remuneration			
	2016/17		2015/16
	£000		£000
Other auditor remuneration paid to the external auditor:			
1. Audit of accounts of any associate of the trust	-		-
2. Audit-related assurance services	12		12
3. Taxation compliance services	-		-
4. All taxation advisory services not falling within item 3 above	-		-
5. Internal audit services	-		-
6. All assurance services not falling within items 1 to 5	-		-
7. Corporate finance transaction services not falling within items 1 to 6 above	-		-
8. Other non-audit services not falling within items 2 to 7 above	-		-
Total	12		12
Note 5.3 Limitation on auditor's liability			
The limitation on auditors' liability for external audit work is £1m (2015/16: £1m).			
Note 6 Impairment of assets			
	2016/17		2015/16
	£000		£000
Net impairments charged to operating surplus / deficit resulting from:			
Loss or damage from normal operations	-		-
Over specification of assets	-		-
Abandonment of assets in course of construction	-		-
Unforeseen obsolescence	-		-
Loss as a result of catastrophe	-		-
Changes in market price	(1,204)		8,817
Other	-		-
Total net impairments charged to operating surplus / deficit	(1,204)		8,817
Impairments charged to the revaluation reserve	5,754		12,276
Total net impairments	4,550		21,093
All impairments and reversal of impairments charged to operating costs and the revaluation reserve are due to changes in market values of building assets.			

Note 7 Employee benefits			
	2016/17		2015/16
	Total		Total
	£000		£000
Salaries and wages	180,742		175,496
Social security costs	16,594		12,497
Employer's contributions to NHS pensions	22,087		21,336
Pension cost - other	-		-
Other post employment benefits	-		-
Other employment benefits	-		-
Termination benefits	-		-
Temporary staff (including agency)	23,439		19,861
Total gross staff costs	242,862		229,190
Recoveries in respect of seconded staff	-		-
Total staff costs	242,862		229,190
Of which			
Costs capitalised as part of assets	1,954		1,953

Note 7.1 Retirements due to ill-health

During 2016/17 there were 11 early retirements from the trust agreed on the grounds of ill-health (9 in the year ended 31 March 2016). The estimated additional pension liabilities of these ill-health retirements is £735k (£516k in 2015/16). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 8 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 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.

Note 9 Operating leases

Note 9.1 Calderdale & Huddersfield NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Calderdale & Huddersfield NHS Foundation Trust is the lessor.

The lease revenue is for property leased to other organisations

	2016/17	2015/16
	£000	£000
Operating lease revenue		
Minimum lease receipts	52	60
Contingent rent	6	7
Other	-	-
Total	58	67
	31 March 2017	31 March 2016
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	43	43
- later than one year and not later than five years;	32	58
- later than five years.	8	18
Total	83	119

Note 9.2 Calderdale & Huddersfield NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Calderdale & Huddersfield NHS Foundation Trust FT is the lessee.

	2016/17	2015/16
	£000	£000
Operating lease expense		
Minimum lease payments	4,558	4,805
Contingent rents	-	-
Less sublease payments received	(10)	(18)
Total	4,548	4,787
Of the operating lease expenditure £1.7m is for the leasing of buildings, £2.29m is for the leasing of plant and machinery		
	31 March 2017	31 March 2016
	£000	£000
Future minimum lease payments due:		
- not later than one year;	3,254	3,455
- later than one year and not later than five years;	9,023	9,780
- later than five years.	19,727	21,073
Total	32,004	34,308
Future minimum sublease payments to be received	-	-

Note 10 Finance income

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

	2016/17	2015/16
	£000	£000
Interest on bank accounts	34	59
Interest on loans and receivables	-	-
Interest on impaired financial assets	-	-
Interest on available for sale financial assets	-	-
Interest on held-to-maturity financial assets	-	-
Fair value gains / (losses) on other financial assets held at fair value through the income and expenditure	-	-
Recycling of gains / (losses) on available for sale financial instruments	-	-
Other	-	-
Total	34	59

Note 11.1 Finance expenditure

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

	2016/17	2015/16
	£000	£000
Interest expense:		
Loans from the Department of Health	1,051	391
Commercial loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	-	-
Other	-	-
Main finance costs on PFI and LIFT schemes obligations	6,715	6,843
Contingent finance costs on PFI and LIFT scheme obligations	4,135	4,053
Total interest expense	11,901	11,287
Other finance costs	-	-
Unwinding of Discounts	36	59
Total	11,937	11,346

Note 11.2 The late payment of commercial debts (interest) Act 1998

The Trust incurred costs of £336 during 16/17 (Nil 15/16) arising from claims made under this legislation

Note 12 Gains/losses on disposal/derecognition of non-current assets

	2016/17	2015/16
	£000	£000
Profit on disposal of non-current assets	-	-
Loss on disposal of non-current assets	(236)	(23)
Net profit/(loss) on disposal of non-current assets	(236)	(23)

The Foundation Trust disposed of The Princess Royal Health Centre which had a net book value (NBV) of £1.5m and the Trust received sale proceeds of £1.215m, the Foundation Trust incurred costs of sale of £12k resulting in a loss on disposal of £297k. The sale of 38 Acre Street also took place, it had NBV of £67k and sale proceeds of £124k were received, giving a profit on disposal of £57k; there was also a small profit on disposal of £4k on sale of equipment.

Note 13 Corporation tax

The Trust has assessed that it is not liable for Corporation tax in 2016/17 or 2015/16.

Note 14 Discontinued operations

The Trust had no discontinued operations to disclose in 2016/17 or 2015/16.

Note 15.1 Intangible assets - 2016/17

	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation/gross cost at 1 April 2016 - brought forward	636	2,109	2,745
Valuation/gross cost at start of period for new FTs	-	-	-
Transfers by absorption	-	-	-
Additions	-	998	998
Impairments	-	-	-
Reversals of impairments	-	-	-
Reclassifications	-	-	-
Revaluations	-	-	-
Transfers to/ from assets held for sale	-	-	-
Disposals / derecognition	-	-	-
Gross cost at 31 March 2017	636	3,107	3,743
Amortisation at 1 April 2016 - brought forward	593	1,020	1,613
Amortisation at start of period for new FTs	-	-	-
Transfers by absorption	-	-	-
Provided during the year	39	225	264
Impairments	-	-	-
Reversals of impairments	-	-	-
Reclassifications	-	-	-
Revaluations	-	-	-
Transfers to/ from assets held for sale	-	-	-
Disposals / derecognition	-	-	-
Amortisation at 31 March 2017	632	1,245	1,877
Net book value at 31 March 2017	4	1,862	1,866
Net book value at 1 April 2016	43	1,089	1,132

Note 15.2 Intangible assets - 2015/16			
	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation/gross cost at 1 April 2015 - as previously stated	636	1,906	2,542
Prior period adjustments	-	-	-
Gross cost at 1 April 2015 - restated	636	1,906	2,542
Gross cost at start of period for new FTs	-	-	-
Transfers by absorption	-	-	-
Additions	-	203	203
Impairments	-	-	-
Reversals of impairments	-	-	-
Reclassifications	-	-	-
Revaluations	-	-	-
Transfers to/ from assets held for sale	-	-	-
Disposals / derecognition	-	-	-
Valuation/gross cost at 31 March 2016	636	2,109	2,745
Amortisation at 1 April 2015 - as previously stated	559	742	1,301
Prior period adjustments	-	-	-
Amortisation at 1 April 2015 - restated	559	742	1,301
Amortisation at start of period for new FTs	-	-	-
Transfers by absorption	-	-	-
Provided during the year	34	278	312
Impairments	-	-	-
Reversals of impairments	-	-	-
Reclassifications	-	-	-
Revaluations	-	-	-
Transfers to/ from assets held for sale	-	-	-
Disposals / derecognition	-	-	-
Amortisation at 31 March 2016	593	1,020	1,613
Net book value at 31 March 2016	43	1,089	1,132
Net book value at 1 April 2015	77	1,164	1,241

Note 16.1 Property, plant and equipment - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2016 - brought forward	32,766	150,428	1,853	7,523	26,440	70	32,841	1,901	253,822
Additions	-	8,086	-	8,040	2,707	-	4,241	23	23,097
Impairments	-	(7,201)	(38)	-	-	-	-	-	(7,239)
Reversals of impairments	-	2,689	-	-	-	-	-	-	2,689
Reclassifications	-	575	-	(575)	-	-	-	-	-
Revaluations	-	3,184	99	-	-	-	-	-	3,283
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(220)	-	(32)	-	(252)
Valuation/gross cost at 31 March 2017	32,766	157,761	1,914	14,988	28,927	70	37,050	1,924	275,400
Accumulated depreciation at 1 April 2016 - brought forward	-	-	-	-	19,327	36	15,941	1,503	36,807
Provided during the year	-	5,202	38	-	1,500	6	3,016	48	9,810
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(5,202)	(38)	-	-	-	-	-	(5,240)
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/ derecognition	-	-	-	-	(217)	-	(32)	-	(249)
Accumulated depreciation at 31 March 2017	-	-	-	-	20,610	42	18,925	1,551	41,128
Net book value at 31 March 2017	32,766	157,761	1,914	14,988	8,317	28	18,125	373	234,272
Net book value at 1 April 2016	32,766	150,428	1,853	7,523	7,113	34	16,900	398	217,015

Note 16.2 Property, plant and equipment - 2015/16

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2015 - as previously stated	39,336	153,510	2,110	3,480	27,369	70	29,366	1,898	257,139
*Prior period adjustments	-	-	-	-	(897)	-	(89)	(4)	(990)
Valuation/gross cost at 1 April 2015 - restated	39,336	153,510	2,110	3,480	26,472	70	29,277	1,894	256,149
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	9,625	198	6,705	1,424	-	1,990	7	19,949
Impairments	(1,743)	(20,936)	(526)	-	-	-	-	-	(23,205)
Reversals of impairments	-	2,112	-	-	-	-	-	-	2,112
Reclassifications	-	403	-	(2,662)	-	-	2,259	-	-
Revaluations	650	6,035	71	-	-	-	-	-	6,756
Transfers to/ from assets held for sale	(5,477)	(306)	-	-	-	-	-	-	(5,783)
Disposals / derecognition	-	(15)	-	-	(1,456)	-	(685)	-	(2,156)
Valuation/gross cost at 31 March 2016	32,766	150,428	1,853	7,523	26,440	70	32,841	1,901	253,822
Accumulated depreciation at 1 April 2015 - as previously stated	-	-	-	-	20,017	70	13,859	1,459	35,405
*Prior period adjustments	-	-	-	-	(858)	(39)	(89)	(4)	(990)
Accumulated depreciation at 1 April 2015 - restated	-	-	-	-	19,159	31	13,770	1,455	34,415
Provided during the year	-	5,560	57	-	1,601	5	2,856	48	10,127
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(5,560)	(57)	-	-	-	-	-	(5,617)
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(1,433)	-	(685)	-	(2,118)
Accumulated depreciation at 31 March 2016	-	-	-	-	19,327	36	15,941	1,503	36,807
Net book value at 31 March 2016	32,766	150,428	1,853	7,523	7,113	34	16,900	398	217,015
Net book value at 1 April 2015	39,336	153,510	2,110	3,480	7,313	39	15,507	439	221,734
* There has been a prior period adjustment made to the 1 April 2015 values for plant and machinery, IT and fixtures and fittings, to correct a presentational error identified; this adjustment had no effect on the Net Book Value of the assets									

Note 16.3 Property, plant and equipment financing - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2017									
Owned	32,250	84,201	1,914	14,988	8,167	28	18,067	373	159,988
Finance leased	516	-	-	-	-	-	-	-	516
On-SoFP PFI contracts and other service concession arrangements	-	72,590	-	-	-	-	-	-	72,590
PFI residual interests	-	-	-	-	-	-	-	-	-
Government granted	-	-	-	-	-	-	-	-	-
Donated	-	970	-	-	150	-	58	-	1,178
NBV total at 31 March 2017	32,766	157,761	1,914	14,988	8,317	28	18,125	373	234,272

Note 16.4 Property, plant and equipment financing - 2015/16

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2016									
Owned	32,250	78,271	1,853	7,523	6,888	34	16,874	398	144,091
Finance leased	516	-	-	-	27	-	-	-	543
On-SoFP PFI contracts and other service concession arrangements	-	71,143	-	-	-	-	-	-	71,143
PFI residual interests	-	-	-	-	-	-	-	-	-
Government granted	-	-	-	-	-	-	-	-	-
Donated	-	1,014	-	-	198	-	26	-	1,238
NBV total at 31 March 2016	32,766	150,428	1,853	7,523	7,113	34	16,900	398	217,015

Note 17 Donations of property, plant and equipment

During 16/17 the Trust received cash from Calderdale and Huddersfield Charitable Funds of £66k, for items of equipment to be purchased which included: an additional Fibro scanner Probe; 8 x MY Life units for Dementia patients; a printer and scanner for wrist bands for the Neonatal Unit; and a standing aid for adults.

Note 18 Revaluations of property, plant and equipment

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

All assets are measured subsequently at fair value

All property assets are revalued using professional valuations in accordance with IAS 16 every year.

A desktop revaluation was done of all property 31 March 2017.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyor (RICS) Appraisal and Valuation Manual.

Specialised operational property is valued using the HM Treasury standard approach of depreciated replacement cost valuation based on modern equivalent assets, and where it would meet the location requirement of the service being provided on an alternative site can be valued.

Non-specialised operational owner-occupied property is valued at existing use value, which is the market value subject to the assumption that the property is sold as part of the continuing enterprise in occupation

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Note 19 Investments in associates (and joint ventures)

	2016/17		2015/16
	£000		£000
Carrying value at 1 April	2,466		1,353
At start of period for new FTs	-		-
Transfers by absorption	-		-
Acquisitions in year	-		-
Share of profit/(loss)	423		1,113
Impairments	-		-
Reversal of impairment	-		-
Transfers to/from assets held for sale	-		-
Disbursements / dividends received	-		-
Disposals	-		-
Share of Other Comprehensive Income recognised by joint ventures / associates	-		-
Carrying value at 31 March	2,889		2,466

Note 20 Disclosure of interests in other entities

The Trust entered into a joint venture with Henry Boot Development Ltd on 24th March 2011. This partnership is the Pennine Property Partnership LLP and is owned 50/50 by the Trust and Henry Boot Development Ltd.

It has developed a new 56,000 sq. ft. healthcare facility following the exchange of a pre-let agreement with the Trust to operate the building.

The development has involved the substantial reconstruction and refurbishment of an existing derelict stone mill, known as Acre Mill, and now provides a range of modern outpatient facilities. The facility has been in use since end of January 2015.

The Pennine Property Partnership LLP's principal place of business is within the UK.

The Trust has used the equity accounting method.

There are no contingent liabilities of the JV for which the Trust is jointly and contingently liable.

The JV has no capital commitments.

Disclosure of aggregate amounts for assets and liabilities of jointly controlled operations	31 March 2017		31 March 2016
	£000		£000
Non current assets	12,588		11,846
Current assets	1,049		751
Total assets	13,637		12,597
Current liabilities	(1,719)		(1,753)
Non current liabilities	(11,918)		(10,844)
Total liabilities	(13,637)		(12,597)
Operating income	665		768
Operating expenses	(248)		(328)
Fair Value revaluation Gain	524		913
Surplus /(deficit) for the year	941		1,353

Note 21 Inventories		
	31 March 2017	31 March 2016
	£000	£000
Drugs	2,336	2,495
Work In progress	370	502
Consumables	4,018	3,975
Energy	-	-
Inventories carried at fair value less costs to sell	-	-
Other	-	-
Total inventories	6,724	6,972
Inventories recognised in expenses for the year, including write-down of inventories were £64,218k (2015/16: £61,791k)		

Note 22.1 Trade receivables and other receivables		
	31 March 2017	31 March 2016
	£000	£000
Current		
Trade receivables due from NHS bodies	7,223	7,316
Receivables due from NHS charities	-	-
Other receivables due from related parties	-	-
Capital receivables	78	78
Provision for impaired receivables	(1,036)	(1,281)
Deposits and advances	-	-
Prepayments (non-PFI)	2,255	2,176
PFI prepayments:		
Capital contributions	-	-
Lifecycle replacements	-	-
Accrued income	5,952	3,146
Interest receivable	-	-
Corporation tax receivable	-	-
Finance lease receivables	-	-
Operating lease receivables	-	-
PDC dividend receivable	101	235
VAT receivable	966	2,170
Other receivables	3,759	2,673
Total current trade and other receivables	19,298	16,513
Non-current		
Trade receivables due from NHS bodies	-	-
Receivables due from NHS charities	-	-
Other receivables due from related parties	-	-
Capital receivables	1,675	1,801
Provision for impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
PFI prepayments:		
Capital contributions	-	-
Lifecycle replacements	-	-
Accrued income	-	-
Interest receivable	-	-
Corporation tax receivable	-	-
Finance lease receivables	-	-
Operating lease receivables	-	-
VAT receivable	-	-
Other receivables	1,455	1,153
Total non-current trade and other receivables	3,130	2,954

Note 22.2 Provision for impairment of receivables				
			2016/17	2015/16
				(Restated)
			£000	£000
At 1 April as previously stated			1,281	933
Increase in provision			98	597
Amounts utilised			(321)	(229)
Unused amounts reversed			(22)	(20)
At 31 March			1,036	1,281
Note 22.3 Analysis of financial assets				
	31 March 2017		31 March 2016	
			(Restated)	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
Ageing of impaired financial assets	£000	£000	£000	£000
0 - 30 days	-	-	-	-
30-60 Days	-	-	-	-
60-90 days	-	-	24	-
90- 180 days	183	-	482	-
Over 180 days	853	-	775	-
Total	1,036	-	1,281	-
Ageing of non-impaired financial assets past their due date				
0 - 30 days	2,560	-	2,353	-
30-60 Days	1,483	-	817	-
60-90 days	773	-	473	-
90- 180 days	388	-	-	-
Over 180 days	536	-	-	-
Total	5,740	-	3,643	-
The 15/16 comparatives for notes 22.2 and 22.3 have been restated to meet the requirement of IFRS 7 paragraph 37 (2013 version) to exclude those things that do not meet the definition of a financial asset (such as prepayments and debts arising under statute rather than contract e.g. Injury Cost Recovery). The provisions for impaired receivables has been restated from £1,663k to £1,281k. The ageing of non-impaired financial assets past their due date has been restated from £6,397k to £3,643k.				

Note 23 Non-current assets for sale and assets in disposal groups

	2016/17			2015/16
	Intangible assets	Property, plant & equipment	Total	Total
	£000	£000	£000	£000
Net Book Value of non-current assets for sale and assets in disposal groups at 1 April	-	5,783	5,783	-
Prior period adjustment	-	-	-	-
Net Book Value of non-current assets for sale and assets in disposal groups at 1 April - restated	-	5,783	5,783	-
At start of period for new FTs	-	-	-	-
Transfers by absorption	-	-	-	-
Plus assets classified as available for sale in the year	-	-	-	5,783
Less assets sold in year	-	(1,568)	(1,568)	-
Less impairment of assets held for sale	-	-	-	-
Plus reversal of impairment of assets held for sale	-	-	-	-
Less assets no longer classified as held for sale, for reasons other than disposal by sale	-	-	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	-	4,215	4,215	5,783

The assets classified as held for sale as at 31 March 2017, were two assets of land and buildings namely the St Luke's Hospital site and The Poplars nursery building.

A property disposal review was completed in 2015 which identified 38 Acre Street, The Poplars and Princess Royal Health Centre as surplus to requirements. At 31st March 2017, sales had been completed for Princess Royal and 38 Acre Street. The Poplars sale had been agreed with the current occupants of the building and the sale is expected to complete during 17/18.

At the Board of Directors in January 2016 it was agreed to transfer the St Luke's Hospital site to the Pennine Property Partnership (PPP) in line with the agreement in place on the establishment of the PPP 24th March 2011. The site will transfer at an agreed crystallised value in line with the agreed outline planning consent. The transfer is expected to complete in early spring 2018.

Note 24 Cash and cash equivalents movements

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

	2016/17	2015/16
	£000	£000
At 1 April	1,938	13,697
Net change in year	3	(11,759)
At 31 March	1,941	1,938
Broken down into:		
Cash at commercial banks and in hand	65	66
Cash with the Government Banking Service	1,876	1,872
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	1,941	1,938
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	1,941	1,938

Note 24.1 Third party assets held by the NHS foundation trust

Calderdale & Huddersfield NHS Foundation Trust held cash and cash equivalents which relate to monies held by the the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

		31 March 2017	31 March 2016
		£000	£000
Bank balances		2	-
Monies on deposit		7	7
Total third party assets		9	7

Note 25.1 Trade and other payables

		31 March 2017	31 March 2016
		£000	£000
Current			
Receipts in advance		-	-
NHS trade payables		596	2,439
Amounts due to other related parties		-	-
Other trade payables		13,307	17,398
Capital payables		9,611	3,714
Social security costs		-	-
VAT payable		-	-
Other taxes payable		4,442	4,006
Other payables		2,698	2,524
Accruals		10,882	9,495
PDC dividend payable		-	-
Total current trade and other payables		41,536	39,576
Non-current			
Receipts in advance		-	-
NHS trade payables		-	-
Amounts due to other related parties		-	-
Other trade payables		-	-
Capital payables		-	-
VAT payable		-	-
Other taxes payable		-	-
Other payables		164	245
Accruals		-	-
Total non-current trade and other payables		164	245

Note 26 Other liabilities			
	31 March 2017		31 March 2016
	£000		£000
Current			
Deferred grants income			-
Deferred goods and services income	1,455		1,138
Deferred rent of land income	-		-
Other deferred income	97		97
Deferred PFI credits	-		-
Lease incentives	-		-
Total other current liabilities	1,552		1,235
Non-current			
Deferred grants income	-		-
Deferred goods and services income	-		-
Deferred rent of land income	-		-
Other deferred income	1,339		1,353
Deferred PFI credits	-		-
Lease incentives	-		-
Net pension scheme liability	-		-
Total other non-current liabilities	1,339		1,353
Note 27 Borrowings			
	31 March 2017		31 March 2016
	£000		£000
Current			
Bank overdrafts	-		-
Drawdown in committed facility	-		-
Loans from the Department of Health	2,571		1,713
Other loans	-		-
Obligations under finance leases	-		-
PFI lifecycle replacement received in advance	-		-
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,482		1,405
Total current borrowings	4,053		3,118
Non-current			
Loans from the Department of Health	59,206		30,236
Other loans	-		-
Obligations under finance leases	-		-
Obligations under PFI, LIFT or other service concession contracts	76,008		77,490
Total non-current borrowings	135,214		107,726

Note 28 Provisions for liabilities and charges analysis

	Pensions - early departure costs	Other legal claims	Re-structurings	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2016	1,375	159	513	2,630	4,677
At start of period for new FTs	-	-	-	-	-
Transfers by absorption	-	-	-	-	-
Change in the discount rate	61	-	-	103	164
Arising during the year	4	128	-	495	627
Utilised during the year	(255)	(91)	-	(135)	(481)
Reclassified to liabilities held in disposal groups	-	-	-	-	-
Reversed unused	(39)	(52)	(158)	(590)	(839)
Unwinding of discount	34	-	-	2	36
At 31 March 2017	1,180	144	355	2,505	4,184
Expected timing of cash flows:					
- not later than one year;	254	144	355	1,125	1,878
- later than one year and not later than five years;	628	-	-	554	1,182
- later than five years.	298	0	0	826	1,124
Total	1,180	144	355	2,505	4,184

* Of the £2.5m other provisions £1.3m relates to Injury benefits

Note 28.1 Clinical negligence liabilities

At 31 March 2017, £188,216k was included in provisions of the NHSLA in respect of clinical negligence liabilities of Calderdale & Huddersfield NHS Foundation Trust (31 March 2016: £140,894k).

Note 29 Contingent assets and liabilities

There were no contingent liabilities or assets to disclose at 31 March 2017 or 31 March 2016.

Note 30 Contractual capital commitments

	31 March 2017	31 March 2016
	£000	£000
Property, plant and equipment	6,052	5,209
Intangible assets	-	-
Total	6,052	5,209
Note 31 Contractual capital commitments	31 March 2017	31 March 2016
The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) at 31 March 2017 as follows, analysed by the period during which the payment is made:	2,373	2,171
not later than 1 year	10,186	8,681
after 1 year and not later than 5 years	7,324	8,320
paid thereafter	19,883	19,172
Total		

This commitment relates to a contract with Cerner Ltd to deliver an Electronic Patient Record system and includes costs relating to Bradford Teaching Hospital NHS Foundation Trust. The contractual commitment remains with Calderdale & Huddersfield NHS Foundation Trust as the contract signatory.

Calderdale & Huddersfield NHS Foundation Trust has a back to back legal agreement with Bradford Teaching Hospital NHS Foundation Trust to indemnify Calderdale and Huddersfield NHS Foundation Trust against any associated risk.

Note 32 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has a PFI scheme for Calderdale Royal Hospital. The PFI contractor is Calderdale Hospitals SPC Ltd (formerly Catalyst Healthcare Ltd). The Trust are responsible for the provision of all clinical services, Calderdale Hospitals SPC Ltd provide fully serviced hospital accommodation.

Note 32.1 Imputed finance lease obligations

The trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2017	31 March 2016
	£000	£000
Gross PFI, LIFT or other service concession liabilities	264,063	275,338
Of which liabilities are due		
- not later than one year;	12,436	12,211
- later than one year and not later than five years;	53,736	50,904
- later than five years.	197,891	212,223
Finance charges allocated to future periods	(186,573)	(196,443)
Net PFI, LIFT or other service concession arrangement obligation	77,490	78,895
- not later than one year;	1,482	1,405
- later than one year and not later than five years;	8,162	6,622
- later than five years.	67,846	70,868

Note 32.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

The trust's total future obligations under these on-SoFP schemes are as follows:

	31 March 2017	31 March 2016
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	463,582	487,436
Of which liabilities are due:		
- not later than one year;	26,167	25,559
- later than one year and not later than five years;	110,005	107,450
- later than five years.	327,410	354,427

Note 32.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the trust's payments in 2016/17:

	31 March 2017	31 March 2016
	£000	£000
Unitary payment payable to service concession operator	25,712	25,331
Consisting of:		
- Interest charge	6,715	6,843
- Repayment of finance lease liability	1,405	1,497
- Service element and other charges to operating expenditure	11,381	11,220
- Capital lifecycle maintenance	1,430	1,129
- Revenue lifecycle maintenance	646	589
- Contingent rent	4,135	4,053
- Addition to lifecycle prepayment	-	-
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-
Total amount paid to service concession operator	25,712	25,331

Note 33 Financial instruments**Note 33.1 Financial risk management****Financial risk management**

Because of the continuing service provider relationship that the NHS Foundation Trust has with local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies. The Trust neither buys or sells financial instruments. The NHS Foundation Trust has limited powers or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities. The Board of Directors has approved a Treasury Management policy which sets out the parameters for investing any surplus operating cash in short-term deposits. This includes the restriction of any such investment to permitted institutions with appropriate credit ratings; these ratings are in line with the guidance issued by Monitor 'Managing Operating Cash in NHS Foundation Trusts'. In addition the policy sets out the maximum limits for any such investments and the Trust's approach to borrowing. The policy, and its implementation are reviewed by the Audit & Risk Committee and the Board of Directors. The Trust's treasury management activity is subject to review by the Trust's internal auditors.

Interest rate risk

All of the Trust's financial liabilities carry nil or fixed rates of interest. The Trust therefore currently has low exposure to interest rate fluctuations.

Liquidity risk

The Trust's operating costs are largely incurred under contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust receives cash each month based on an annually agreed level of contract activity with regular in-year adjustments to reflect actual levels of income due.

To finance the Trust's deficit position the Trust required loan funding in 2016/17 as was the case in 2015/16. The drawdown of revenue borrowing totalled £26.9m in 2016/17 and was secured from Department of Health in the form of an Interim Revenue Support Facility at an interest rate of 1.5%.

In 2016/17 the Trust has financed part of its capital expenditure from internally generated funds with the balance of £5m funded from a Capital loan from Department of Health.

The Trust's 2017/18 plan which has been approved by NHS Improvement recognises that the Trust will require cash support from the Department of Health of £28.8m which will be drawn down on a monthly basis, the Trust is therefore, not exposed to significant liquidity risk.

Currency risk

The Trust is principally a domestic organisation with negligible transactions, assets and liabilities in foreign currencies. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Note 33.2 Financial assets

	Loans and		Held to maturity	Available- for-sale	Total
	£000		£000	£000	£000
Assets as per SoFP as at 31 March 2017					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	9,620	-	-	-	9,620
Other investments	-	-	-	-	-
Other financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	1,941	-	-	-	1,941
Total at 31 March 2017	11,561	-	-	-	11,561
	Loans and		Held to maturity	Available- for-sale	Total
	£000		£000	£000	£000
Assets as per SoFP as at 31 March 2016					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	9,278	-	-	-	9,278
Other investments	-	-	-	-	-
Other financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	1,938	-	-	-	1,938
Total at 31 March 2016	11,216	-	-	-	11,216

Note 33.3 Financial liabilities

			Other financial liabilities	Liabilities at fair value through the I&E	Total
			£000	£000	£000
Liabilities as per SoFP as at 31 March 2017					
Embedded derivatives			-	-	-
Borrowings excluding finance lease and PFI liabilities			61,777	-	61,777
Obligations under finance leases			-	-	-
Obligations under PFI, LIFT and other service concession contracts			77,490	-	77,490
Trade and other payables excluding non financial liabilities			37,094	-	37,094
Other financial liabilities			-	-	-
Provisions under contract			-	-	-
Total at 31 March 2017			176,361	-	176,361
			Other financial liabilities	Liabilities at fair value through the I&E	Total
			£000	£000	£000
Liabilities as per SoFP as at 31 March 2016					
Embedded derivatives			-	-	-
Borrowings excluding finance lease and PFI liabilities			31,949	-	31,949
Obligations under finance leases			-	-	-
Obligations under PFI, LIFT and other service concession contracts			78,895	-	78,895
Trade and other payables excluding non financial liabilities			35,851	-	35,851
Other financial liabilities			-	-	-
Provisions under contract			-	-	-
Total at 31 March 2016			146,695	-	146,695
Note 33.4 Maturity of financial liabilities					
				31 March 2017	31 March 2016
				£000	£000
In one year or less				41,148	38,999
In more than one year but not more than two years				16,629	3,696
In more than two years but not more than five years				38,163	9,331
In more than five years				80,421	94,669
Total				176,361	146,695
Note 33.5 Fair values of financial assets at 31 March 2017					
				Book value	Fair value
				£000	£000
Non-current trade and other receivables excluding non financial assets				-	-
Other investments				2,889	2,889
Other				-	-
Total				2,889	2,889

Note 33.6 Fair values of financial liabilities at 31 March 2017

				Book value	Fair value
				£000	£000
Non-current trade and other payables excluding non financial liabilities				-	-
Provisions under contract				-	-
Loans				59,206	59,206
Other				-	-
Total				59,206	59,206

Note 34 Losses and special payments

	2016/17		2015/16	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	-	-	2	(0)
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	12	16	3	106
Stores losses and damage to property	1	54	1	67
Total losses	13	70	6	173
Special payments				
Extra-contractual payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Compensation payments	25	92	15	49
Special severance payments	-	-	-	-
Ex-gratia payments	24	10	40	26
Total special payments	49	102	55	75
Total losses and special payments	62	172	61	248
Compensation payments received				

Note 35 Prior period adjustments

Calderdale & Huddersfield NHS foundation Trust is the corporate trustee to Calderdale & Huddersfield NHS Foundation Trust charitable fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund. The Foundation Trust has assessed that the values involved are not of material nature and the Trust Board has approved and agreed not to consolidated the Charitable Funds. The 15/16 comparatives have been restated due to this change in accounting policy and the Group Account values have been removed.

Note 36 Events after the reporting date

There are no disclosable events after the reporting period.

Note 37.1 Related parties

The Trust has established which entities and individuals are its related parties, in accordance with International Accounting Standard 24.

The Department of Health Group Accounting Manual 2016/17, that all bodies within the scope of 'Whole of Government Accounts' (WGA) are related parties. Accordingly, the table below details material transactions.

Related party transactions - WGA organisations	2016/17	2015/16
	£000	£000
Income - NHS Calderdale CCG	143,239	136,738
Income - NHS Greater Huddersfield CCG	126,580	121,186
Income - NHS North Kirklees CCG	6,775	5,559
Income - NHS Bradford Districts CCG	7,185	7,124
Income - NHS Wakefield CCG	3,140	1,002
Income - Leeds Teaching Hospitals NHS Trust	1,266	1,140
Income - South West Yorkshire Partnership NHS Foundation Trust	3,760	3,928
Income - Health Education England	8,943	438
Income- Yorkshire and the Humber Commissioning Hub	23,294	13,310
Income- Yorkshire and the Humber Local Office	7,364	16,296
Income - Other WGA	34,048	32,696
Income - Total with WGA organisations	365,594	339,417
Charitable Funds	399	405
Income - Total	365,993	339,822
Expenditure - Bradford Teaching Hospitals NHS Foundation Trust	1,081	1,079
Expenditure - Leeds Teaching Hospitals NHS Trust	2,139	1,508
Expenditure - NHS Pension Scheme	22,342	21,336
Expenditure - NHS Litigation Authority	15,758	11,569
Expenditure - HMRC	16,594	12,497
Expenditure - Other WGA	7,056	6,200
Expenditure - Total with WGA organisations	64,970	54,189
Joint Ventures	1,215	1,673
Expenditure - Total	66,185	55,862
Note 37.2 Related Party Balances		
Related party balances - WGA organisations	31 March 2017	31 March 2016
	£000	£000
Receivables - NHS Calderdale CCG	2,392	2,374
Receivables - NHS Greater Huddersfield CCG	1,173	1,512
Receivables - NHS England	5,198	1,946
Receivables - HM Revenue & Customs - VAT	966	2,170
Receivables - Other WGA	4,406	4,511
Charitable Funds	72	25
Receivables - Total with WGA organisations	14,207	12,538
Payables - NHS Pension Scheme	3,148	2,953
Payables - HMRC	4,442	4,006
Payables - Other WGA	1,724	3,061
Payables - Total with WGA organisations	9,314	10,020

During the year, the following Board Members or members of the key management staff have declared the following interest or parties related to them.

A Haigh ~ Chair - is a Non Executive Director of Furness Building Society.

D Anderson ~ Non Executive Director - Is Director of Synergy P, Prime Health Huddersfield Ltd and Grange Group Practice.

J Wilson ~ Non Executive Director - is a Director of Groundwork Wakefield Limited, Trustee/Chair Job Match (UK) Ltd, holds a contract for service with Yorkshire & Humber Postgraduate Deanery and South West Yorkshire Partnership FT.

L Patterson ~ Non Executive Director - is a Director and sole owner of Dr Linda Patterson Ltd, is a Trustee of Health Quality Improvement Partnership.

P Oldfield ~ Non Executive Director - Director and Owner of Tanzuk Consulting holds a position of authority with Sue Ryder Livability and at home in the community, Director for Young Epilepsy.

Prof P Roberts ~ Non Executive Director - is a Director of Pennine Property Partnership LLP, Partner of Catchweasel, Chair of First Ark group, Vice Chair of Northern Ireland Housing Executive, Ty Hen Holidays LLP Partner and is Chair of Planning Exchange foundation, Town and Country Planning Association Vice President, Non Executive Director Genesis Housing.

R Hopkin ~ Non Executive Director - Directorship of Capri Finance Ltd - own consultancy company. All part of 'Derwent' Group - Derwent Housing Association Ltd Derwent FM Ltd Centro Place Investments Ltd. Finance Director (part time) of Age UK Calderdale and Kirklees. Unpaid Treasurer of Community Foundation for Calderdale.

K Heaton ~ Non Executive Director - Independent Board Director of One Manchester Ltd.

K Griffiths ~ Director of Finance - Was Director of Pennine Property Partnership LLP (To 28.10.16).

G Boothby ~ Director of Finance - Is a Director of Pennine Property Partnership LLP

L Hill ~ Director Planning, Estates and Facilities - is a Director of Pennine Property Partnership LLP, and a Trustee of Dean Clough Foundation.

D Birkenhead ~ Medical Director - is a Trustee of Children's Forget Me Not Trust. Wife- GP Partner at Colne Valley Group Practice.

O Williams ~ Chief Executive - is a Trustee of the NHS Confederation, Director of York Health Economics Consortium.

H Barker ~ Chief Operating Officer - Company Secretary and Shareholder of Expert Lighting Direct Ltd makes sales to NHS.

In 16/17 there were transactions between Calderdale & Huddersfield NHS Foundation Trust and related parties, additional to those declared under the scope of Whole of Government accounts.

The Foundation Trust had expenditure with Pennine Property Partnership LLP in 16/17 £927,753 (15/16 £1,672,747), there was no creditor balance at year end.

The expenditure between the Trust and NHS Confederation in 16/17 £0.00 (15/16 £7,854).

The expenditure between the Trust and York Health Economics Consortium in 16/17 was £0.00 (15/16 £240)

The Foundation Trust had expenditure with Forget Me Not Trust in 16/17 £250 (15/16 £1,101), there was no creditor balances at year end.

The Foundation Trust had expenditure with Grange Group Practice Fartown in 16/17 £21,060 (15/16 £2,557), there was no creditor balance at year end.

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