

# 4. Annual Accounts 2021/22



Calderdale & Huddersfield NHS Foundation Trust

Annual accounts for the year ended 31 March 2022

## Foreword to the accounts

### Calderdale & Huddersfield NHS Foundation Trust

These accounts, for the year ended 31 March 2022, have been prepared by Calderdale & Huddersfield NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

A handwritten signature in black ink, appearing to read "Brendan Brown", is written over a light grey rectangular background. Below the signature is a horizontal dotted line.

**Signed**

**Name** Professor Brendan Brown  
**Job title** Chief Executive  
**Date** 5 July 2022

## Statement of Comprehensive Income

	Note	Group		Trust	
		2021/22	2020/21	2021/22	2020/21
		£000	£000	£000	£000
Operating income from patient care activities	3	463,976	401,083	463,261	400,499
Other operating income	4	56,200	90,132	58,160	90,201
Operating expenses	6, 8	<u>(506,449)</u>	<u>(488,068)</u>	<u>(507,509)</u>	<u>(487,006)</u>
<b>Operating surplus/(deficit) from continuing operations</b>		<b><u>13,727</u></b>	<b><u>3,147</u></b>	<b><u>13,912</u></b>	<b><u>3,694</u></b>
Finance income	11	84	41	3,423	3,604
Finance expenses	12	(12,950)	(12,221)	(16,935)	(16,512)
PDC dividends payable		<u>(1,272)</u>	<u>(636)</u>	<u>(1,272)</u>	<u>(636)</u>
<b>Net finance costs</b>		<b><u>(14,138)</u></b>	<b><u>(12,817)</u></b>	<b><u>(14,784)</u></b>	<b><u>(13,543)</u></b>
Other gains / (losses)	13	(108)	298	(108)	298
Share of profit / (losses) of associates / joint arrangements	21	265	-	265	-
Gains / (losses) arising from transfers by absorption	43	-	-	-	-
Corporation tax expense		<u>(48)</u>	<u>(27)</u>	<u>-</u>	<u>-</u>
<b>Surplus / (deficit) for the year from continuing operations</b>		<b><u>(301)</u></b>	<b><u>(9,399)</u></b>	<b><u>(715)</u></b>	<b><u>(9,551)</u></b>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	15	-	-	-	-
<b>Surplus / (deficit) for the year*</b>		<b><u>(301)</u></b>	<b><u>(9,399)</u></b>	<b><u>(715)</u></b>	<b><u>(9,551)</u></b>
<b>Other comprehensive income</b>					
<b>Will not be reclassified to income and expenditure:</b>					
Impairments	7	1,095	(2,192)	1,095	(2,192)
Revaluations	20	-	-	-	-
Share of comprehensive income from associates and joint ventures	21	-	-	-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI	22	-	-	-	-
Other recognised gains and losses		-	-	-	-
Gain / (loss) arising from on transfers by modified absorption	43	-	-	-	-
Other reserve movements		-	-	-	-
<b>May be reclassified to income and expenditure when certain conditions are met:</b>					
Fair value gains/(losses) on financial assets mandated at fair value through OCI	22	-	-	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	13	-	-	-	-
Foreign exchange gains / (losses) recognised directly in OCI		-	-	-	-
<b>Total comprehensive income / (expense) for the period</b>		<b><u>793</u></b>	<b><u>(11,591)</u></b>	<b><u>380</u></b>	<b><u>(11,743)</u></b>
<b>Surplus/ (deficit) for the period attributable to:</b>					
Non-controlling interest, and Calderdale and Huddersfield NHS Foundation Trust		<u>(301)</u>	<u>(9,399)</u>	<u>(715)</u>	<u>(9,551)</u>
<b>TOTAL</b>		<b><u>(301)</u></b>	<b><u>(9,399)</u></b>	<b><u>(715)</u></b>	<b><u>(9,551)</u></b>
<b>Total comprehensive income/ (expense) for the period attributable to:</b>					
Non-controlling interest, and Calderdale & Huddersfield NHS Foundation Trust		<u>793</u>	<u>(11,591)</u>	<u>380</u>	<u>(11,743)</u>
<b>TOTAL</b>		<b><u>793</u></b>	<b><u>(11,591)</u></b>	<b><u>380</u></b>	<b><u>(11,743)</u></b>

\* The surplus / (deficit) for 2021/22 includes £0.318m of impairments; for 2020/2021 this was £12.920m of impairments.

## Statement of Financial Position

	Note	Group		Trust	
		31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Non-current assets</b>					
Intangible assets	15	5,899	8,156	5,899	8,156
Property, plant and equipment	17	177,296	163,503	176,818	163,049
Investment property	21	-	-	-	-
Investments in associates and joint ventures	21	4,177	3,912	4,177	3,912
Other investments / financial assets	22	-	-	527	1,553
Receivables	25	4,515	3,908	59,466	62,692
Other assets	26	-	-	-	-
<b>Total non-current assets</b>		<b>191,887</b>	<b>179,479</b>	<b>246,887</b>	<b>239,362</b>
<b>Current assets</b>					
Inventories	24	7,612	7,458	5,460	5,430
Receivables	25	22,762	20,731	26,266	25,727
Other investments / financial assets	22	4,000	4,000	5,030	4,997
Other assets	26	-	-	-	-
Non-current assets for sale and assets in disposal groups	27.1	275	275	275	275
Cash and cash equivalents	28	54,744	48,222	52,422	46,958
<b>Total current assets</b>		<b>89,393</b>	<b>80,686</b>	<b>89,453</b>	<b>83,387</b>
<b>Current liabilities</b>					
Trade and other payables	29	(76,748)	(63,731)	(72,039)	(61,685)
Borrowings	31	(5,851)	(5,410)	(17,940)	(9,858)
Other financial liabilities	32	-	-	-	-
Provisions	34	(7,487)	(6,426)	(7,487)	(6,426)
Other liabilities	30	(7,450)	(4,682)	(7,450)	(4,682)
Liabilities in disposal groups	27.2	-	-	-	-
<b>Total current liabilities</b>		<b>(97,535)</b>	<b>(80,249)</b>	<b>(104,916)</b>	<b>(82,651)</b>
<b>Total assets less current liabilities</b>		<b>183,745</b>	<b>179,917</b>	<b>231,424</b>	<b>240,098</b>
<b>Non-current liabilities</b>					
Trade and other payables	29	(107)	(97)	(107)	(97)
Borrowings	31	(79,848)	(85,548)	(128,697)	(146,485)
Other financial liabilities	32	-	-	-	-
Provisions	34	(1,158)	(1,185)	(1,158)	(1,185)
Other liabilities	30	(785)	(893)	(785)	(893)
<b>Total non-current liabilities</b>		<b>(81,897)</b>	<b>(87,723)</b>	<b>(130,746)</b>	<b>(148,661)</b>
<b>Total assets employed</b>		<b>101,848</b>	<b>92,194</b>	<b>100,678</b>	<b>91,437</b>
<b>Financed by</b>					
Public dividend capital		289,865	281,004	289,865	281,004
Revaluation reserve		3,761	2,724	3,761	2,724
Financial assets reserve		-	-	-	-
Other reserves		-	-	-	-
Merger reserve		-	-	-	-
Income and expenditure reserve		(191,778)	(191,534)	(192,949)	(192,291)
<b>Total taxpayers' equity</b>		<b>101,848</b>	<b>92,194</b>	<b>100,678</b>	<b>91,437</b>

The notes 1 -42 on the following pages form part of these accounts



Name Professor Brendan Brown  
 Position Chief Executive  
 Date 5 July 2022

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

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2021 - brought forward</b>	<b>281,004</b>	<b>2,724</b>	<b>(191,534)</b>	<b>92,194</b>
Surplus/(deficit) for the year	-	-	(301)	(301)
Other transfers between reserves	-	(57)	57	-
Impairments	-	1,095	-	1,095
Public dividend capital received	8,861	-	-	8,861
<b>Taxpayers' and others' equity at 31 March 2022</b>	<b>289,865</b>	<b>3,761</b>	<b>(191,778)</b>	<b>101,848</b>

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

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2020 - brought forward</b>	<b>122,410</b>	<b>5,321</b>	<b>(182,540)</b>	<b>(54,809)</b>
Surplus/(deficit) for the year	-	-	(9,399)	(9,399)
Other transfers between reserves	-	(165)	165	-
Impairments	-	(2,192)	-	(2,192)
Transfer to retained earnings on disposal of assets	-	(240)	240	-
Public dividend capital received	158,594	-	-	158,594
<b>Taxpayers' and others' equity at 31 March 2021</b>	<b>281,004</b>	<b>2,724</b>	<b>(191,534)</b>	<b>92,194</b>

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

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2021 - brought forward</b>	<b>281,004</b>	<b>2,724</b>	<b>(192,291)</b>	<b>91,437</b>
Surplus/(deficit) for the year	-	-	(715)	(715)
Other transfers between reserves	-	(57)	57	-
Impairments	-	1,095	-	<b>1,095</b>
Public dividend capital received	8,861	-	-	<b>8,861</b>
Public dividend capital repaid	-	-	-	-
Public dividend capital written off	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-
Other reserve movements	-	-	-	-
<b>Taxpayers' and others' equity at 31 March 2022</b>	<b>289,865</b>	<b>3,761</b>	<b>(192,949)</b>	<b>100,678</b>

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

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2020 - brought forward</b>	<b>122,410</b>	<b>5,321</b>	<b>(183,145)</b>	<b>(55,414)</b>
Surplus/(deficit) for the year	-	-	(9,551)	(9,551)
Other transfers between reserves	-	(165)	165	-
Impairments	-	(2,192)	-	<b>(2,192)</b>
Transfer to retained earnings on disposal of assets	-	(240)	240	-
Public dividend capital received	158,594	-	-	<b>158,594</b>
<b>Taxpayers' and others' equity at 31 March 2021</b>	<b>281,004</b>	<b>2,724</b>	<b>(192,291)</b>	<b>91,437</b>



## **Information on reserves**

### **Public dividend capital**

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

### **Revaluation reserve**

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

### **Financial assets reserve**

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

### **Income and expenditure reserve**

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

## Statement of Cash Flows

	Note	Group		Trust	
		2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
<b>Cash flows from operating activities</b>					
Operating surplus / (deficit)		13,727	3,147	13,912	3,694
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	6.1	13,492	11,007	13,405	10,952
Net impairments	7	318	12,920	318	12,920
Income recognised in respect of capital donations	4	(927)	(2,463)	(927)	(2,463)
Amortisation of PFI deferred credit		-	-	-	-
Non-cash movements in on-SoFP pension liability		-	-	-	-
(Increase) / decrease in receivables and other assets		(2,874)	20,973	2,451	25,890
(Increase) / decrease in inventories		(154)	(949)	(30)	(598)
Increase / (decrease) in payables and other liabilities		11,642	9,721	8,980	7,993
Increase / (decrease) in provisions		1,033	3,579	1,033	3,579
Tax (paid) / received		(48)	(27)	-	-
Operating cash flows from discontinued operations		-	-	-	-
Other movements in operating cash flows		(2)	-	4	3
<b>Net cash flows from / (used in) operating activities</b>		<b>36,207</b>	<b>57,907</b>	<b>39,146</b>	<b>61,971</b>
<b>Cash flows from investing activities</b>					
Interest received		84	41	3,423	3,607
Purchase and sale of financial assets / investments		-	-	990	956
Purchase of intangible assets		(615)	(863)	(615)	(863)
Sales of intangible assets		-	-	-	-
Purchase of PPE and investment property		(19,048)	(19,008)	(18,939)	(18,788)
Sales of PPE and investment property		7	1,144	7	1,144
Receipt of cash donations to purchase assets		269	59	269	59
Prepayment of PFI capital contributions		-	-	-	-
Investing cash flows from discontinued operations		-	-	-	-
Cash from acquisitions / disposals of subsidiaries		-	-	-	-
<b>Net cash flows from / (used in) investing activities</b>		<b>(19,303)</b>	<b>(18,627)</b>	<b>(14,865)</b>	<b>(13,886)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		8,861	158,594	8,861	158,594
Public dividend capital repaid		-	-	-	-
Movement on loans from DHSC		(2,208)	(142,926)	(2,208)	(142,926)
Movement on other loans		-	-	-	-
Other capital receipts		-	-	-	-
Capital element of finance lease rental payments		(8)	(8)	(4,458)	(4,153)
Capital element of PFI, LIFT and other service concession payments		(3,022)	(1,833)	(3,022)	(1,833)
Interest on loans		(454)	(1,115)	(454)	(1,115)
Other interest		(0)	(1)	(0)	(1)
Interest paid on finance lease liabilities		-	-	(3,985)	(4,290)
Interest paid on PFI, LIFT and other service concession obligations		(12,515)	(11,732)	(12,515)	(11,732)
PDC dividend (paid) / refunded		(1,036)	(1,325)	(1,036)	(1,325)
Financing cash flows of discontinued operations		-	-	-	-
Cash flows from (used in) other financing activities		-	-	-	-
<b>Net cash flows from / (used in) financing activities</b>		<b>(10,382)</b>	<b>(346)</b>	<b>(18,817)</b>	<b>(8,781)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>6,522</b>	<b>38,934</b>	<b>5,464</b>	<b>39,304</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>48,222</b>	<b>9,289</b>	<b>46,958</b>	<b>7,655</b>
Prior period adjustments		-	-	-	-
<b>Cash and cash equivalents at 1 April - restated</b>		<b>48,222</b>	<b>9,289</b>	<b>46,958</b>	<b>7,655</b>
Cash and cash equivalents transferred under absorption accounting	43	-	-	-	-
Unrealised gains / (losses) on foreign exchange		-	-	-	-
<b>Cash and cash equivalents at 31 March</b>	28.1	<b>54,744</b>	<b>48,222</b>	<b>52,422</b>	<b>46,958</b>

## **Notes to the Accounts**

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

#### **Note 1.1 Basis of preparation**

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts

#### **Accounting convention**

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

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

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 and not go out of business or liquidate its assets in the foreseeable future.

For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is evidence of going concern.

The Trust Board has assessed whether it is appropriate to prepare the accounts on a going concern basis in this context.

The following has been taken into account:

- The ongoing requirement for health services, such as those provided by the Trust, is set out in legislation including the Health Act and Health and Social Care Act
- The West Yorkshire Integrated Care System long-term plans incorporate the continued provision of the services provided by the Trust.
- The Trust has its own long-term plans, as outlined in the business case for reconfiguration of services which have the support of NHS England / NHS Improvement (NHS E/I).

Based on these indications the Directors believe that it remains appropriate to prepare the accounts on a going concern basis.

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

##### **NHS Charitable Funds**

The Trust is the corporate Trustee to Calderdale and Huddersfield Foundation Trust NHS Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the 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 Trust has assessed that the values involved are not of a material nature and the Board of Directors has approved and agreed not to consolidate the charitable funds.

#### Other subsidiaries

The Trust has a wholly owned subsidiary company, Calderdale and Huddersfield Solutions (CHS) Ltd. The function of the company is to provide a managed health care facility to the Trust.

CHS Ltd. commenced trading on 1 September 2018. The year end for the company is 31 March to align with the Trust.

#### **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.

#### **Note 1.4 Revenue from contracts with customers**

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

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

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

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

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

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

As per paragraph 121 of the Standard the Trust does not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less. The GAM does not require the Trust to disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date. The GAM has mandated the exercise of the practical expedient offered in C7A of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

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

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

#### **NHS injury cost recovery scheme**

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

## **Note 1.5 Other forms of income**

### **Grants and donations**

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

### **Apprenticeship service income**

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

### **Other Income**

Other income for non patient care services is accounted for in the period in which the specific service is delivered. Where income is received for an activity 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 1.6 Expenditure on employee benefits**

### **Short-term employee benefits**

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

### **Pension costs**

#### *NHS Pension Scheme*

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

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

#### **Other Pension costs**

The Foundation Trust Group offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST) for those staff ineligible to contribute to the NHS Pension.

The cost to the Foundation Trust of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

## **Note 1.7 Expenditure on other goods and services**

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

**Note 1.8 Discontinued operations**

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

## **Note 1.9 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 lives.

### ***Subsequent expenditure***

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

### **Measurement**

#### ***Valuation***

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

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

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) at Calderdale Royal Hospital scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust and also for the Huddersfield Royal Infirmary site as any construction would be completed by Calderdale and Huddersfield Solutions under a managed service contract making the cost also recoverable for VAT.



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

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

A full on-site valuation was carried out as at 1st April 2018. A desktop interim revaluation was undertaken as at 31 March 2022. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

### ***Depreciation***

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

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

### ***Revaluation gains and losses***

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

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

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

### ***Impairments***

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

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

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

### ***De-recognition***

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

### ***Donated and grant funded assets***

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

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

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

## Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) 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 HM Treasury's *FReM*, the underlying assets are recognised as property, plant and equipment, together with an equivalent 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, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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

### Useful lives of property, plant and equipment

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

	<b>Min life Years</b>	<b>Max life Years</b>
Land	-	-
Buildings, excluding dwellings	12	78
Dwellings	-	-
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 life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

### Note 1.10 Intangible assets

#### Recognition

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

#### *Internally generated intangible assets*

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

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

#### *Software*

Software which is integral to the operation of hardware, 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 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

#### *Amortisation*

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

#### **Useful lives of intangible assets**

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

	<b>Min life Years</b>	<b>Max life Years</b>
Information technology	5	5
Development expenditure	-	-
Websites	-	-
Software licences	5	5
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

### **Note 1.11 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 a fair value due to the high turnover of stock.

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

### **Note 1.12 Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

### **Note 1.13 Financial assets and financial liabilities**

#### **Recognition**

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

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

#### **Classification and measurement**

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

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

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

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

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

### **Impairment of financial assets**

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

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

Expected credit losses are determined by using the aging of debt as a means of determining the likelihood of receipt of payment. All Non NHS receivables over 90 days are provided in full and specific high risk debt categories over 30 days are provided in full. Debt in relation to other NHS bodies is not recognised in expected credit losses.

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

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

### **Derecognition**

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

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

## **Note 1.14 Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

### **The trust as a lessee**

#### ***Finance leases***

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

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

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

#### ***Operating leases***

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

#### ***Leases of land and buildings***

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

### **The trust as a lessor**

#### ***Finance leases***

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

#### ***Operating leases***

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

## Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2022:

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

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2022:

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

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

## Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 34.2 but is not recognised in the Trust's accounts.

## Non-clinical risk pooling

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

## Note 1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 35 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 35, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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



**Note 1.17 Public dividend capital**

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

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

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

**Note 1.18 Value added tax**

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

**Note 1.19 Corporation tax**

Calderdale and Huddersfield Solutions Ltd, is a wholly owned subsidiary of Calderdale and Huddersfield NHS Foundation Trust and is subject to corporation tax on its profits.

**Note 1.20 Climate change levy**

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

**Note 1.21 Foreign exchange**

The functional and presentational currency of the trust is sterling.

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

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

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

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

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

**Note 1.22 Third party assets**

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

**Note 1.23 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

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

**Note 1.24 Gifts**

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

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

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

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

### IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

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

	<b>£000</b>
<b>Estimated impact on 1 April 2022 statement of financial position</b>	
Additional right of use assets recognised for existing operating leases	22,344
Additional lease obligations recognised for existing operating leases	(20,928)
Changes to other statement of financial position line items	(1,416)
<b>Net impact on net assets on 1 April 2022</b>	<b>-</b>
<b>Estimated in-year impact in 2022/23</b>	
Additional depreciation on right of use assets	(2,975)
Additional finance costs on lease liabilities	(216)
Lease rentals no longer charged to operating expenditure	2,910
Other impact on income / expenditure	-
<b>Estimated impact on surplus / deficit in 2022/23</b>	<b>(281)</b>
<b>Estimated increase in capital additions for new leases commencing in 2022/23</b>	<b>3,116</b>

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

## **Other standards, amendments and interpretations**

As required by IAS 8, the Trust declares the following other standards, amendments and interpretations have been issued but are not yet effective or adopted for the public sector. IFRS 14: Applies to first time adoptors of IFRS after 1 January 2016, therefore not applicable to the Trust. IFRS17 Insurance Contracts: Application required for accounting periods beginning on or after 1 January 2023 but not yet adopted by the FReM, early adoption is not therefore permitted.

### **Note 1.27 Critical judgements in applying accounting policies**

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

The preparation of the financial information, in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of income and expenses and of assets and liabilities. The estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under all the circumstances. Actual results may vary from these estimates. The estimates and assumptions are reviewed on an on-going bases. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision of future periods, if the revision affects both the current and future periods.

### **Note 1.28 Sources of estimation uncertainty**

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

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 17.1

The revaluation of the hospital has been carried out by Cushman Wakefield, who have applied the modern equivalent asset valuation. This approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design. The modern equivalent may well be smaller than the existing asset, for example due to technological advances in plant and machinery or reduced operational use.

## 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 levels of activity are agreed with our main commissioners for the year, and are listed in the related party disclosures (see Note 42).

### 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 reviews 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.

	<b>Group Healthcare</b>			<b>Trust Healthcare</b>	
	<b>2021/22</b>	<b>2020/21</b>		<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>
Income	<b>520,177</b>	<b>491,215</b>	Income	<b>521,421</b>	<b>490,700</b>
Surplus / (Deficit)	<b>(301)</b>	<b>(9,399)</b>	Surplus / (Deficit)	<b>(715)</b>	<b>(9,551)</b>
Net Assets (Liabilities)	<b>101,848</b>	<b>92,194</b>	Net Assets (Liabilities)	<b>100,678</b>	<b>91,437</b>

### Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	Group		Trust	
	Restated		Restated	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>Acute services</b>				
Block contract / system envelope income	410,470	322,813	410,470	322,813
High cost drugs income from commissioners (excluding pass-through costs)	-	25,477	-	25,477
Other NHS clinical income *	3,830	980	3,734	975
<b>Mental health services</b>				
Block contract / system envelope income	-	-	-	-
Services delivered under a mental health collaborative	-	-	-	-
Income for commissioning services in a mental health collaborative	-	-	-	-
Clinical partnerships providing mandatory services (including S75 agreements)	-	-	-	-
Clinical income for the secondary commissioning of mandatory services	-	-	-	-
Other clinical income from mandatory services	-	-	-	-
<b>Ambulance services</b>				
A & E income	-	-	-	-
Patient transport services income	-	-	-	-
Other income	-	-	-	-
<b>Community services</b>				
Block contract / system envelope income	27,546	27,592	27,546	27,592
Income from other sources (e.g. local authorities)	2,042	320	2,042	320
<b>All services</b>				
Private patient income	668	327	668	327
Elective recovery fund**	4,643	-	4,643	-
Additional pension contribution central funding***	12,137	11,274	12,137	11,274
Other clinical income *	2,641	12,300	2,022	11,720
<b>Total income from activities</b>	<b>463,976</b>	<b>401,083</b>	<b>463,261</b>	<b>400,499</b>

\* Other NHS clinical income includes Provider to Provider income for services provided to other Trusts. Other clinical income includes Injury Cost Recovery Scheme income, Overseas Visitor income and non-NHS clinical income including from Primary Care Networks and Hospices. 2020/21 Other Clinical Income has been restated to £12,300k Group and £11,720k - Trust this is an increase of £161k which has moved from Other NHS Clinical Income.

\*\*A further £4,517k Elective Recovery+ funding has been received in addition to the £4,643k. This income is reflected within the accounts as Block contract/system envelope funding received from Clinical commissioning groups.

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

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

Income from patient care activities received from:	Group		Trust	
	Restated		Restated	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
NHS England	47,469	47,986	47,469	47,986
Clinical commissioning groups	407,327	345,606	407,327	345,606
Department of Health and Social Care	-	-	-	-
Other NHS providers	3,830	878	3,734	873
NHS other	0	-	0	-
Local authorities	2,042	2,000	2,042	2,000
Non-NHS: private patients	668	327	668	327
Non-NHS: overseas patients (chargeable to patient)	128	91	128	91
Injury cost recovery scheme	1,210	1,069	1,210	1,069
Non NHS: other	1,303	3,126	684	2,547
<b>Total income from activities</b>	<b>463,976</b>	<b>401,083</b>	<b>463,261</b>	<b>400,499</b>
<b>Of which:</b>				
Related to continuing operations	463,976	401,083	463,261	400,499
Related to discontinued operations	-	-	-	-

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

	Group and Trust	
	2021/22	2020/21
	£000	£000
Income recognised this year	128	91
Cash payments received in-year	21	23
Amounts added to provision for impairment of receivables	89	69
Amounts written off in-year	90	-

**Note 4 Other operating income**

	Group			Group			Trust			Trust		
	2021/22			2020/21			2021/22			2020/21		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Research and development	1,168	-	1,168	1,068	-	1,068	1,168	-	1,168	1,068	-	1,068
Education and training	15,038	682	15,720	13,806	587	14,393	15,038	682	15,720	13,806	587	14,393
Non-patient care services to other bodies**	15,461	-	15,461	11,606	-	11,606	15,381	-	15,381	11,603	-	11,603
Reimbursement and top up funding *	6,703	-	6,703	37,843	-	37,843	6,703	-	6,703	37,843	-	37,843
Income in respect of employee benefits accounted on a gross basis	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of capital grants and donations	-	927	927	-	2,463	2,463	-	927	927	-	2,463	2,463
Charitable and other contributions to expenditure	-	1,737	1,737	-	5,111	5,111	-	1,737	1,737	-	5,111	5,111
Support from the Department of Health and Social Care for mergers	-	-	-	-	-	-	-	-	-	-	-	-
Rental revenue from finance leases	-	-	-	-	-	-	-	-	-	-	-	-
Rental revenue from operating leases	-	252	252	-	239	239	-	127	127	-	128	128
Amortisation of PFI deferred income / credits	-	-	-	-	-	-	-	-	-	-	-	-
Other income***	14,231	-	14,231	17,409	-	17,409	16,395	-	16,395	17,591	-	17,591
<b>Total other operating income</b>	<b>52,601</b>	<b>3,599</b>	<b>56,200</b>	<b>81,731</b>	<b>8,400</b>	<b>90,132</b>	<b>54,686</b>	<b>3,474</b>	<b>58,160</b>	<b>81,911</b>	<b>8,289</b>	<b>90,201</b>
<b>Of which:</b>												
Related to continuing operations			56,200			90,132			58,160			90,201
Related to discontinued operations			-			-			-			-

\* There has been a re-categorisation of the block top up funding in 2021/22 and this is now included within 'Income from patient care activities' as part of 'Block contract / system envelope income'.

\*\* Non-patient care services to other bodies includes £10.1m income for The Health Informatics Service for IT services provided to other bodies and £4.253m income for Corporate Services for recharges to other bodies for use of buildings, including £3.371m to South West Yorkshire Partnerships Foundation Trust for use of the Dales unit. ( In 2020/21 the Comparative figures were Group - £7.8m income for The Health Informatics Service for IT services provided to other bodies and £3.612m income for Corporate Services for recharges to other bodies for use of buildings, including £3.371m to South West Yorkshire Partnerships Foundation Trust for use of the Dales unit.

\*\*\* Group- Other contract income of £14.228m includes £11.48m sales of manufactured pharmaceutical products, £0.140m property rental income, £0.798m catering income, £0.313m car parking income (In 2020/21 the comparative figures were Group- Other contract income of £17.409m includes £15m sales of manufactured pharmaceutical products, £0.163m property rental income, £0.565m catering income, £0.03 Car parking Income )Trust - also includes income received from the subsidiary.

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

	2021/22	2020/21
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	2,443	2,320

Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods

<b>Note 5.2 Transaction price allocated to remaining performance obligations</b>	<b>Group</b>		<b>Trust</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:				
within one year	7,450	4,682	7,450	4,682
after one year, not later than five years	399	410	399	410
after five years	387	483	387	483
<b>Total revenue allocated to remaining performance obligations</b>	<b><u>8,236</u></b>	<b><u>5,575</u></b>	<b><u>8,236</u></b>	<b><u>5,575</u></b>

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

**Note 5.3 Income from activities arising from commissioner requested services - (Group and Trust)**

Under the terms of its provider licence, the 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 licence 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:

	2021/22	2020/21
	£000	£000
Income from services designated as commissioner requested services	414,653	350,428
Income from services not designated as commissioner requested services	49,323	50,656
<b>Total</b>	<b><u>463,976</u></b>	<b><u>401,084</u></b>

**Note 5.4 Profits and losses on disposal of property, plant and equipment**

The Trust disposed of Equipment in 2021/22 with a total loss of £108k, this was made up of a Loss recognised on return of donated COVID assets to DHSC of £113k, offset by a profit on disposal of £5k (£299k profit 2020/21)

**Note 5.5 Fees and charges**

The Trust does not have Income from fees and charges levied by the trust where the full cost exceeds £1 million.



## Note 6.1 Operating expenses

	Group		Trust	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
Purchase of healthcare from NHS and DHSC bodies	3,090	2,896	3,068	2,875
Purchase of healthcare from non-NHS and non-DHSC bodies	4,902	1,374	3,357	672
Purchase of social care	-	-	-	-
Staff and executive directors costs	325,553	301,480	314,625	290,718
Remuneration of non-executive directors	156	143	156	143
Supplies and services - clinical (excluding drugs costs)	39,924	33,218	7,644	6,849
Supplies and services - general	3,523	8,395	703	4,149
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	43,090	40,958	42,910	40,660
Inventories written down	0	66	0	66
Consultancy costs	228	867	228	252
Establishment	4,221	3,672	2,230	1,967
Premises	24,959	24,922	79,540	72,340
Transport (including patient travel)	1,036	996	369	205
Depreciation on property, plant and equipment	10,620	9,775	10,533	9,720
Amortisation on intangible assets	2,872	1,233	2,872	1,233
Net impairments	318	12,920	318	12,920
Movement in credit loss allowance: contract receivables / contract assets	121	655	121	655
Movement in credit loss allowance: all other receivables and investments	-	-	-	-
Increase/(decrease) in other provisions	1,426	3,914	1,426	3,914
Change in provisions discount rate(s)	24	43	24	43
Fees payable to the external auditor				
audit services- statutory audit	209	101	194	91
other auditor remuneration (external auditor only)	-	-	-	-
Internal audit costs	126	145	126	145
Clinical negligence	18,731	19,106	18,731	19,106
Legal fees	13	680	2	673
Insurance	-	-	-	-
Research and development	11	81	11	69
Education and training	1,301	1,258	972	749
Rentals under operating leases	3,287	3,378	2,878	3,079
Early retirements	-	-	-	-
Redundancy	-	-	-	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	13,463	13,425	13,463	13,425
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-	-	-
Car parking & security	-	-	-	-
Hospitality	-	-	-	-
Losses, ex gratia & special payments	-	-	-	-
Grossing up consortium arrangements	-	-	-	-
Other services, eg external payroll	-	-	-	-
Other	3,244	2,370	1,008	290
<b>Total</b>	<b>506,449</b>	<b>488,068</b>	<b>507,509</b>	<b>487,006</b>
<b>Of which:</b>				
Related to continuing operations	506,449	488,068	507,509	487,006
Related to discontinued operations	-	-	-	-

**Note 6.2 Other auditor remuneration**

	Group		Trust	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
<b>Other auditor remuneration paid to the external auditor:</b>				
1. Audit of accounts of any associate of the trust	-	-	-	-
2. Audit-related assurance services	-	-	-	-
3. Taxation compliance services	-	-	-	-
4. All taxation advisory services not falling within item 3 above	-	-	-	-
5. Internal audit services	-	-	-	-
6. All assurance services not falling within items 1 to 5	-	-	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

There is no limitation on auditor's liability for external audit work carried out for the financial years 2021/22 or 2020/21.

**Note 7 Impairment of assets (Group and Trust)**

	Group		Trust	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>				
Loss or damage from normal operations	-	250	-	250
Over specification of assets	-	-	-	-
Abandonment of assets in course of construction	-	-	-	-
Unforeseen obsolescence	-	-	-	-
Loss as a result of catastrophe	-	-	-	-
Changes in market price	318	12,670	318	12,670
Other	-	-	-	-
<b>Total net impairments charged to operating surplus / deficit</b>	<u>318</u>	<u>12,920</u>	<u>318</u>	<u>12,920</u>
Impairments charged to the revaluation reserve	(1,095)	2,192	(1,095)	2,192
<b>Total net impairments</b>	<u>(777)</u>	<u>15,111</u>	<u>(777)</u>	<u>15,111</u>

The impairments and reversal of impairments charged to operating costs and the revaluation reserve are due to changes in market values and all relates to Land and Buildings.

**Note 8 Employee benefits**

	<b>Group</b>		<b>Trust</b>	
	<b>Restated</b>		<b>Restated</b>	
	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salaries and wages*	252,070	235,945	242,798	226,775
Social security costs*	24,077	21,875	23,373	21,239
Apprenticeship levy*	1,208	1,095	1,177	1,067
Employer's contributions to NHS pensions*	40,779	38,338	39,895	37,437
Pension cost - other	130	106	92	81
Other post employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Temporary staff (including agency)	7,636	4,529	7,636	4,529
<b>Total gross staff costs</b>	<b>325,900</b>	<b>301,889</b>	<b>314,972</b>	<b>291,127</b>
Recoveries in respect of seconded staff	-	-	-	-
<b>Total staff costs</b>	<b>325,900</b>	<b>301,889</b>	<b>314,972</b>	<b>291,127</b>
<b>Of which</b>				
Costs capitalised as part of assets	348	409	348	409

The 2020/21 costs have been restated for both Group and Trust to correct classification of costs, table below details the changes.

<b>20/21</b>	<b>Group</b>			<b>Trust</b>		
	<b>Original</b>	<b>Restated</b>	<b>Movement</b>	<b>Original</b>	<b>Restated</b>	<b>Movement</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salaries and wages*	239922	235945	-3977	230751	226775	-3977
Social security costs*	20148	21875	1727	19512	21239	1727
Apprenticeship levy*	1008	1095	88	979	1067	88
Employer's contributions to NHS pensions*	36176	38338	2161	35275	37437	2161
			<b>0</b>			<b>0</b>

**Note 8.1 Retirements due to ill-health (Group)**

During 2021/22 there were no early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is 0k (£108k in 2020/21).

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

## **Note 9 Pension costs**

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

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

### **a) Accounting valuation**

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

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

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

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

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

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

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

### **Other Pension costs**

The Foundation Trust Group offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST) for those staff ineligible to contribute to the NHS Pension.

The cost to the Foundation Trust of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

Employer's contributions to NEST - Group 21/22 £0.130m (20/21 £0.106m) Trust - 21/22 £0.092 (20/21 £0.080m)

## Note 10 Operating leases (Group and Trust)

### Note 10.1 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.

	Group		Trust	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
<b>Operating lease revenue</b>				
Minimum lease receipts	251	239	126	128
Contingent rent	1	0	1	0
Other	-	-	-	-
<b>Total</b>	<b>252</b>	<b>239</b>	<b>127</b>	<b>128</b>
	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Future minimum lease receipts due:</b>				
- not later than one year;	60	59	48	48
- later than one year and not later than five years;	53	101	8	56
- later than five years.	47	59	-	-
<b>Total</b>	<b>160</b>	<b>218</b>	<b>56</b>	<b>103</b>

### Note 10.2 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 is the lessee.

	Group		Trust	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
<b>Operating lease expense</b>				
Minimum lease payments	3,293	3,383	2,884	3,084
Contingent rents	-	-	-	-
Less sublease payments received	(6)	(5)	(6)	(5)
<b>Total</b>	<b>3,287</b>	<b>3,378</b>	<b>2,878</b>	<b>3,079</b>
	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>	<b>31 March 2022 £000</b>	<b>31 March 2021 £000</b>
<b>Future minimum lease payments due:</b>				
- not later than one year;	2,584	2,915	2,236	2,663
- later than one year and not later than five years;	8,768	7,684	7,798	6,901
- later than five years.	11,456	14,063	10,475	12,821
<b>Total</b>	<b>22,809</b>	<b>24,662</b>	<b>20,509</b>	<b>22,384</b>
Future minimum sublease payments to be received	(14)	(21)	(14)	(21)

Of the operating lease expenditure £1.9m is for the leasing of buildings (£1.9m 2020/21), £1.4m is for the leasing of plant and machinery (£1.5m 2020/21).

**Note 11 Finance income (Group and Trust)**

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

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
Interest on bank accounts	21	6	20	6
Interest income on finance leases	-	-	3,339	3,563
Interest on other investments / financial assets	63	35	63	35
Other finance income	-	-	-	-
<b>Total finance income</b>	<b>84</b>	<b>41</b>	<b>3,423</b>	<b>3,604</b>

**Note 12.1 Finance expenditure**

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

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>Interest expense:</b>				
Loans from the Department of Health and Social Care	435	488	435	488
Other loans	-	-	-	-
Overdrafts	-	-	-	-
Finance leases	-	-	3,985	4,290
Interest on late payment of commercial debt	0	1	0	1
Main finance costs on PFI and LIFT schemes obligations	6,032	6,188	6,032	6,188
Contingent finance costs on PFI and LIFT scheme obligations	6,483	5,544	6,483	5,544
<b>Total interest expense</b>	<b>12,950</b>	<b>12,221</b>	<b>16,935</b>	<b>16,512</b>
Unwinding of discount on provisions	-	-	-	-
Other finance costs	-	-	-	-
<b>Total finance costs</b>	<b>12,950</b>	<b>12,221</b>	<b>16,935</b>	<b>16,512</b>

**Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015**

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-	-	-
Amounts included within interest payable arising from claims made under this legislation	0	1	0	1
Compensation paid to cover debt recovery costs under this legislation	-	-	-	-

**Note 13 Other gains / (losses)**

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
Gains on disposal of assets	7	304	7	304
Losses on disposal of assets	(115)	(6)	(115)	(6)
<b>Total gains / (losses) on disposal of assets</b>	<b>(108)</b>	<b>298</b>	<b>(108)</b>	<b>298</b>
Gains / (losses) on foreign exchange	-	-	-	-
Fair value gains / (losses) on investment properties	-	-	-	-
Fair value gains / (losses) on financial assets / investments	-	-	-	-
Fair value gains / (losses) on financial liabilities	-	-	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-	-	-
Other gains / (losses)	-	-	-	-
<b>Total other gains / (losses)</b>	<b>(108)</b>	<b>298</b>	<b>(108)</b>	<b>298</b>

**Note 14 Discontinued operations (Group and Trust)**

The Trust had no discontinued operations to disclose in 2021/22 or 2020/21

**Note 15.1 Intangible assets - 2021/22**

<b>Group</b>	<b>Software licences £000</b>	<b>Internally generated information technology £000</b>	<b>Intangible assets under construction £000</b>	<b>Total £000</b>
<b>Valuation / gross cost at 1 April 2021 - brought forward</b>	<b>254</b>	<b>12,540</b>	<b>(0)</b>	<b>12,794</b>
Transfers by absorption	-	-	-	-
Additions	-	615	-	615
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Valuation / gross cost at 31 March 2022</b>	<b>254</b>	<b>13,155</b>	<b>(0)</b>	<b>13,409</b>
<b>Amortisation at 1 April 2021 - brought forward</b>	<b>222</b>	<b>4,415</b>	<b>-</b>	<b>4,637</b>
Transfers by absorption	-	-	-	-
Provided during the year	15	2,857	-	2,872
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Amortisation at 31 March 2022</b>	<b>237</b>	<b>7,272</b>	<b>-</b>	<b>7,510</b>
<b>Net book value at 31 March 2022</b>	<b>16</b>	<b>5,882</b>	<b>(0)</b>	<b>5,899</b>
<b>Net book value at 1 April 2021</b>	<b>31</b>	<b>8,125</b>	<b>(0)</b>	<b>8,156</b>



**Note 15.2 Intangible assets - 2020/21**

<b>Group</b>	<b>Software licences £000</b>	<b>Internally generated information technology £000</b>	<b>Intangible assets under construction £000</b>	<b>Total £000</b>
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>254</b>	<b>10,237</b>	<b>1,440</b>	<b>11,930</b>
Transfers by absorption	-	-	-	-
Additions	-	863	-	<b>863</b>
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	1,440	(1,440)	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Valuation / gross cost at 31 March 2021</b>	<b>254</b>	<b>12,540</b>	<b>(0)</b>	<b>12,794</b>
<b>Amortisation at 1 April 2020 - as previously stated</b>	<b>208</b>	<b>3,197</b>	<b>-</b>	<b>3,405</b>
Prior period adjustments	-	-	-	-
<b>Amortisation at 1 April 2020 - restated</b>	<b>208</b>	<b>3,197</b>	<b>-</b>	<b>3,405</b>
Transfers by absorption	-	-	-	-
Provided during the year	15	1,218	-	<b>1,233</b>
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Amortisation at 31 March 2021</b>	<b>222</b>	<b>4,415</b>	<b>-</b>	<b>4,637</b>
<b>Net book value at 31 March 2021</b>	<b>31</b>	<b>8,125</b>	<b>(0)</b>	<b>8,156</b>
<b>Net book value at 1 April 2020</b>	<b>46</b>	<b>7,040</b>	<b>1,440</b>	<b>8,526</b>

**Note 16.1 Intangible assets - 2021/22**

Trust	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2021 - brought forward</b>	<b>254</b>	<b>12,540</b>	<b>(0)</b>	<b>12,794</b>
Transfers by absorption	-	-	-	-
Additions	-	615	-	615
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Valuation / gross cost at 31 March 2022</b>	<b>254</b>	<b>13,155</b>	<b>(0)</b>	<b>13,409</b>
<b>Amortisation at 1 April 2021 - brought forward</b>	<b>222</b>	<b>4,415</b>	<b>-</b>	<b>4,637</b>
Transfers by absorption	-	-	-	-
Provided during the year	15	2,857	-	2,872
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Amortisation at 31 March 2022</b>	<b>237</b>	<b>7,272</b>	<b>-</b>	<b>7,510</b>
<b>Net book value at 31 March 2022</b>	<b>16</b>	<b>5,882</b>	<b>(0)</b>	<b>5,899</b>
<b>Net book value at 1 April 2021</b>	<b>31</b>	<b>8,125</b>	<b>(0)</b>	<b>8,156</b>

**Note 16.2 Intangible assets - 2020/21**

<b>Trust</b>	<b>Software licences £000</b>	<b>Internally generated information technology £000</b>	<b>Intangible assets under construction £000</b>	<b>Total £000</b>
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>254</b>	<b>10,237</b>	<b>1,440</b>	<b>11,930</b>
Transfers by absorption	-	-	-	-
Additions	-	863	-	<b>863</b>
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	1,440	(1,440)	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Valuation / gross cost at 31 March 2021</b>	<b>254</b>	<b>12,540</b>	<b>(0)</b>	<b>12,794</b>
<b>Amortisation at 1 April 2020 - as previously stated</b>	<b>208</b>	<b>3,197</b>	<b>-</b>	<b>3,405</b>
Transfers by absorption	-	-	-	-
Provided during the year	15	1,218	-	<b>1,233</b>
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
<b>Amortisation at 31 March 2021</b>	<b>222</b>	<b>4,415</b>	<b>-</b>	<b>4,637</b>
<b>Net book value at 31 March 2021</b>	<b>31</b>	<b>8,125</b>	<b>(0)</b>	<b>8,156</b>
<b>Net book value at 1 April 2020</b>	<b>46</b>	<b>7,040</b>	<b>1,440</b>	<b>8,526</b>

**Note 17.1 Property, plant and equipment - 2021/22**

<b>Group</b>	<b>Land £000</b>	<b>Buildings excluding dwellings £000</b>	<b>Dwellings £000</b>	<b>Assets under construction £000</b>	<b>Plant &amp; machinery £000</b>	<b>Transport equipment £000</b>	<b>Information technology £000</b>	<b>Furniture &amp; fittings £000</b>	<b>Total £000</b>
<b>Valuation/gross cost at 1 April 2021 - brought forward</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>43,008</b>	<b>85</b>	<b>35,734</b>	<b>2,335</b>	<b>214,808</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	5,215	-	5,937	4,985	-	7,562	52	23,751
Impairments	-	(2,770)	-	-	-	-	-	-	(2,770)
Reversals of impairments	800	2,747	-	-	-	-	-	-	3,547
Revaluations	-	(3,815)	-	-	-	-	-	-	(3,815)
Reclassifications	-	791	-	(2,933)	175	-	1,498	469	0
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(906)	-	-	-	(906)
<b>Valuation/gross cost at 31 March 2022</b>	<b>10,960</b>	<b>117,325</b>	<b>(0)</b>	<b>11,334</b>	<b>47,262</b>	<b>85</b>	<b>44,794</b>	<b>2,856</b>	<b>234,615</b>
<b>Accumulated depreciation at 1 April 2021 - brought forward</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>27,216</b>	<b>67</b>	<b>22,247</b>	<b>1,775</b>	<b>51,306</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	3,815	-	-	3,183	8	3,530	83	10,620
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(3,815)	-	-	-	-	-	-	(3,815)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(791)	-	-	-	(791)
<b>Accumulated depreciation at 31 March 2022</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>29,609</b>	<b>75</b>	<b>25,778</b>	<b>1,858</b>	<b>57,319</b>
<b>Net book value at 31 March 2022</b>	<b>10,960</b>	<b>117,325</b>	<b>(0)</b>	<b>11,334</b>	<b>17,653</b>	<b>10</b>	<b>19,016</b>	<b>998</b>	<b>177,296</b>
<b>Net book value at 1 April 2021</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>15,791</b>	<b>18</b>	<b>13,487</b>	<b>559</b>	<b>163,503</b>

**Note 17.2 Property, plant and equipment - 2020/21**

Group	Buildings excluding dwellings		Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	Buildings excluding dwellings							
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>9,400</b>	<b>122,880</b>	<b>574</b>	<b>3,439</b>	<b>36,823</b>	<b>85</b>	<b>31,978</b>	<b>2,293</b>	<b>207,472</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	10,909	-	5,239	6,197	-	3,757	41	26,144
Impairments	-	(15,152)	(557)	-	-	-	-	-	(15,710)
Reversals of impairments	760	88	-	-	-	-	-	-	848
Revaluations	-	(3,916)	(17)	-	-	-	-	-	(3,933)
Reclassifications	-	349	-	(349)	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(13)	-	-	-	(13)
<b>Valuation/gross cost at 31 March 2021</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>43,008</b>	<b>85</b>	<b>35,734</b>	<b>2,335</b>	<b>214,808</b>
<b>Accumulated depreciation at 1 April 2020 - as previously stated</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>24,797</b>	<b>59</b>	<b>18,919</b>	<b>1,696</b>	<b>45,471</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	3,916	17	-	2,426	8	3,328	80	9,775
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(3,916)	(17)	-	-	-	-	-	(3,933)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(7)	-	-	-	(7)
<b>Accumulated depreciation at 31 March 2021</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>27,216</b>	<b>67</b>	<b>22,247</b>	<b>1,775</b>	<b>51,306</b>
<b>Net book value at 31 March 2021</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>15,791</b>	<b>18</b>	<b>13,487</b>	<b>559</b>	<b>163,503</b>
<b>Net book value at 1 April 2020</b>	<b>9,400</b>	<b>122,880</b>	<b>574</b>	<b>3,439</b>	<b>12,026</b>	<b>26</b>	<b>13,058</b>	<b>598</b>	<b>162,001</b>

**Note 17.3 Property, plant and equipment financing - 2021/22**

<b>Group</b>	<b>Land</b>	<b>Buildings excluding dwellings</b>	<b>Dwellings</b>	<b>Assets under construction</b>	<b>Plant &amp; machinery</b>	<b>Transport equipment</b>	<b>Information technology</b>	<b>Furniture &amp; fittings</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net book value at 31 March 2022</b>									
Owned - purchased	10,960	53,634	(0)	11,334	14,978	10	19,016	998	<b>110,930</b>
Finance leased	-	-	-	-	24	-	-	-	<b>24</b>
On-SoFP PFI contracts and other service concession arrangements	-	62,841	-	-	-	-	-	-	<b>62,841</b>
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	<b>-</b>
Owned - donated/granted	-	850	-	-	2,651	-	-	-	<b>3,501</b>
<b>NBV total at 31 March 2022</b>	<b>10,960</b>	<b>117,325</b>	<b>(0)</b>	<b>11,334</b>	<b>17,653</b>	<b>10</b>	<b>19,016</b>	<b>998</b>	<b>177,296</b>

**Note 17.4 Property, plant and equipment financing - 2020/21**

<b>Group</b>	<b>Land</b>	<b>Buildings excluding dwellings</b>	<b>Dwellings</b>	<b>Assets under construction</b>	<b>Plant &amp; machinery</b>	<b>Transport equipment</b>	<b>Information technology</b>	<b>Furniture &amp; fittings</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net book value at 31 March 2021</b>									
Owned - purchased	10,160	52,572	(0)	8,329	13,377	18	13,479	559	<b>98,494</b>
Finance leased	-	-	-	-	36	-	-	-	<b>36</b>
On-SoFP PFI contracts and other service concession arrangements	-	61,708	-	-	-	-	-	-	<b>61,708</b>
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	<b>-</b>
Owned - donated/granted	-	878	-	-	2,379	-	8	-	<b>3,265</b>
<b>NBV total at 31 March 2021</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>15,791</b>	<b>18</b>	<b>13,487</b>	<b>559</b>	<b>163,503</b>

**Note 18.1 Property, plant and equipment - 2021/22**

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2021 - brought forward</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>42,428</b>	<b>31</b>	<b>35,674</b>	<b>2,328</b>	<b>214,107</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	5,215	-	5,937	4,875	-	7,562	52	<b>23,640</b>
Impairments	-	(2,770)	-	-	-	-	-	-	<b>(2,770)</b>
Reversals of impairments	800	2,747	-	-	-	-	-	-	<b>3,547</b>
Revaluations	-	(3,815)	-	-	-	-	-	-	<b>(3,815)</b>
Reclassifications	-	791	-	(2,933)	175	-	1,498	469	<b>0</b>
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(906)	-	-	-	<b>(906)</b>
<b>Valuation/gross cost at 31 March 2022</b>	<b>10,960</b>	<b>117,325</b>	<b>(0)</b>	<b>11,334</b>	<b>46,571</b>	<b>31</b>	<b>44,734</b>	<b>2,849</b>	<b>233,803</b>
<b>Accumulated depreciation at 1 April 2021 - brought forward</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>27,054</b>	<b>31</b>	<b>22,199</b>	<b>1,775</b>	<b>51,058</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	3,815	-	-	3,117	-	3,518	83	<b>10,533</b>
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(3,815)	-	-	-	-	-	-	<b>(3,815)</b>
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(791)	-	-	-	<b>(791)</b>
<b>Accumulated depreciation at 31 March 2022</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>29,380</b>	<b>31</b>	<b>25,717</b>	<b>1,858</b>	<b>56,985</b>
<b>Net book value at 31 March 2022</b>	<b>10,960</b>	<b>117,325</b>	<b>(0)</b>	<b>11,334</b>	<b>17,192</b>	<b>0</b>	<b>19,017</b>	<b>991</b>	<b>176,818</b>
<b>Net book value at 1 April 2021</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>15,374</b>	<b>0</b>	<b>13,475</b>	<b>553</b>	<b>163,049</b>

**Note 18.2 Property, plant and equipment - 2020/21**

Trust	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
<b>Valuation / gross cost at 1 April 2020 - as previously stated</b>	<b>9,400</b>	<b>122,880</b>	<b>574</b>	<b>3,439</b>	<b>36,463</b>	<b>31</b>	<b>31,918</b>	<b>2,286</b>	<b>206,990</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	10,909	-	5,239	5,978	-	3,757	41	25,925
Impairments	-	(15,152)	(557)	-	-	-	-	-	(15,710)
Reversals of impairments	760	88	-	-	-	-	-	-	848
Revaluations	-	(3,916)	(17)	-	-	-	-	-	(3,933)
Reclassifications	-	349	-	(349)	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(13)	-	-	-	(13)
<b>Valuation/gross cost at 31 March 2021</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>42,428</b>	<b>31</b>	<b>35,674</b>	<b>2,328</b>	<b>214,107</b>
<b>Accumulated depreciation at 1 April 2020 - as previously stated</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>24,669</b>	<b>31</b>	<b>18,883</b>	<b>1,695</b>	<b>45,279</b>
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	3,916	17	-	2,391	-	3,316	80	9,720
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(3,916)	(17)	-	-	-	-	-	(3,933)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(7)	-	-	-	(7)
<b>Accumulated depreciation at 31 March 2021</b>	<b>-</b>	<b>0</b>	<b>(0)</b>	<b>-</b>	<b>27,054</b>	<b>31</b>	<b>22,199</b>	<b>1,775</b>	<b>51,058</b>
<b>Net book value at 31 March 2021</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>15,374</b>	<b>0</b>	<b>13,475</b>	<b>553</b>	<b>163,049</b>
<b>Net book value at 1 April 2020</b>	<b>9,400</b>	<b>122,880</b>	<b>574</b>	<b>3,439</b>	<b>11,793</b>	<b>0</b>	<b>13,034</b>	<b>591</b>	<b>161,711</b>



**Note 18.3 Property, plant and equipment financing - 2021/22**

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2022</b>									
Owned - purchased	10,960	53,634	(0)	11,334	14,517	0	19,017	991	<b>110,452</b>
Finance leased	-	-	-	-	24	-	-	-	<b>24</b>
On-SoFP PFI contracts and other service concession arrangements	-	62,841	-	-	-	-	-	-	<b>62,841</b>
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	<b>-</b>
Owned - donated/granted	-	850	-	-	2,651	-	-	-	<b>3,501</b>
<b>NBV total at 31 March 2022</b>	<b>10,960</b>	<b>117,325</b>	<b>(0)</b>	<b>11,334</b>	<b>17,192</b>	<b>0</b>	<b>19,017</b>	<b>991</b>	<b>176,818</b>

**Note 18.4 Property, plant and equipment financing - 2020/21**

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2021</b>									
Owned - purchased	10,160	52,572	(0)	8,329	12,959	0	13,467	553	<b>98,040</b>
Finance leased	-	-	-	-	36	-	-	-	<b>36</b>
On-SoFP PFI contracts and other service concession arrangements	-	61,708	-	-	-	-	-	-	<b>61,708</b>
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	<b>-</b>
Owned - donated/granted	-	878	-	-	2,379	-	8	-	<b>3,265</b>
<b>NBV total at 31 March 2021</b>	<b>10,160</b>	<b>115,158</b>	<b>(0)</b>	<b>8,329</b>	<b>15,374</b>	<b>0</b>	<b>13,475</b>	<b>553</b>	<b>163,049</b>

## **Note 19 Donations of property, plant and equipment**

During 2021/22 the Trust received cash from Calderdale and Huddersfield Charitable Funds of £172.8k (£59k 2020/21) for items of equipment to be purchased which included: enhancement of welfare facilities, a Digital Hess Machine and additional arm boards for Cardiology. A grant of £96k was received from Innovate, to purchase equipment for Pathology. Donations totalling £0.658m (£2.403m 2020/21) of property, plant and equipment assets were received from DHSC as part of the Coronavirus pandemic response in 2021/22, which included Ventilators, Patient Monitors, Oxygen Concentrators and Syringe Drivers

## **Note 20 Revaluations of property, plant and equipment**

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

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

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

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

A full on-site valuation was carried out as at 1st April 2018. An desktop interim revaluation was undertaken as at 31 March 2022. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

**Note 21 Investments in associates and joint ventures**

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>Carrying value at 1 April - brought forward</b>	<b>3,912</b>	<b>4,162</b>	<b>3,912</b>	<b>4,162</b>
Prior period adjustments	-	-	-	-
<b>Carrying value at 1 April - restated</b>	<b>3,912</b>	<b>4,162</b>	<b>3,912</b>	<b>4,162</b>
Transfers by absorption	-	-	-	-
Acquisitions in year	-	-	-	-
Share of profit / (loss)	265	-	265	-
Net impairments	-	(250)	-	(250)
Transfers to / from assets held for sale	-	-	-	-
Disbursements / dividends received	-	-	-	-
Disposals	-	-	-	-
Share of Other Comprehensive Income	-	-	-	-
Other equity movements	-	-	-	-
<b>Carrying value at 31 March</b>	<b>4,177</b>	<b>3,912</b>	<b>4,177</b>	<b>3,912</b>

**Note 22 Other investments / financial assets (non-current)**

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>Carrying value at 1 April - brought forward</b>	<b>-</b>	<b>-</b>	<b>1,553</b>	<b>2,543</b>
Prior period adjustments	-	-	-	-
<b>Carrying value at 1 April - restated</b>	<b>-</b>	<b>-</b>	<b>1,553</b>	<b>2,543</b>
Transfers by absorption	-	-	-	-
Acquisitions in year	-	-	-	-
Movement in fair value through income and expenditure	-	-	-	-
Movement in fair value through OCI	-	-	-	-
Net impairments	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Amortisation at the effective interest rate	-	-	-	-
Current portion of loans receivable transferred to current financial assets	-	-	(1,026)	(990)
Disposals	-	-	-	-
<b>Carrying value at 31 March</b>	<b>-</b>	<b>-</b>	<b>527</b>	<b>1,553</b>

**Note 22.1 Other investments / financial assets (current)**

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Loans receivable within 12 months transferred from non-current financial assets	-	-	1,026	990
Deposits with the National Loans Fund	-	-	-	-
Other current financial assets	4,000	4,000	4,004	4,007
<b>Total current investments / financial assets</b>	<b>4,000</b>	<b>4,000</b>	<b>5,030</b>	<b>4,997</b>

## Note 23 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 (PPP LLP) and is owned 50/50 by the Trust and Henry Boot Development Ltd.

It 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 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 the 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

	2021/22	2020/21
	£000	£000
Non current assets	15,205	15,186
Current assets	419	1,634
<b>Total assets</b>	<b>15,624</b>	<b>16,820</b>
Current liabilities	(4,675)	(6,424)
Non current liabilities	(2,595)	(2,573)
<b>Total liabilities</b>	<b>(7,270)</b>	<b>(8,997)</b>
<b>Net Assets Attributable to members</b>	<b>8,354</b>	<b>7,823</b>
Operating income	769	736
Operating expenses	(200)	(168)
Fair Value revaluation Gain	-	207
<b>Surplus /(deficit) for the year</b>	<b>569</b>	<b>775</b>

## Note 24 Inventories

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Drugs	2,437	2,298	1,895	1,756
Work In progress	212	336	212	336
Consumables	4,963	4,824	3,353	3,338
Energy	-	-	-	-
Other	-	-	-	-
<b>Total inventories</b>	<b>7,612</b>	<b>7,458</b>	<b>5,460</b>	<b>5,430</b>
<b>of which:</b>				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £82,450k (2020/21: £67,256k). Write-down of inventories recognised as expenses for the year were £0k (2020/21: £66k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2021/22 the Trust received £1,311k of items purchased by DHSC (2020/21: £4,691k).

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

## Note 25.1 Receivables

	Group		Trust	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Current</b>				
Contract receivables	17,623	15,009	18,778	17,842
Contract assets	-	-	-	-
Capital receivables	82	79	82	79
Allowance for impaired contract receivables / assets	(1,661)	(1,956)	(1,661)	(1,956)
Allowance for other impaired receivables	-	-	-	-
Deposits and advances	-	-	-	-
Prepayments (non-PFI)	4,525	4,210	2,991	3,436
PFI prepayments - capital contributions	-	-	-	-
PFI lifecycle prepayments	-	-	-	-
Interest receivable	-	-	-	-
Finance lease receivables	-	-	3,833	3,633
PDC dividend receivable	453	689	453	689
VAT receivable	1,741	2,700	1,790	2,004
Corporation and other taxes receivable	-	-	-	-
Other receivables	-	-	-	-
<b>Total current receivables</b>	<b>22,762</b>	<b>20,731</b>	<b>26,266</b>	<b>25,727</b>
<b>Non-current</b>				
Contract receivables	3,212	3,371	3,212	3,371
Contract assets	-	-	-	-
Capital receivables	1,279	1,358	1,279	1,358
Allowance for impaired contract receivables / assets	(671)	(821)	(671)	(821)
Allowance for other impaired receivables	-	-	-	-
Deposits and advances	-	-	-	-
Prepayments (non-PFI)	-	-	-	-
PFI prepayments - capital contributions	-	-	-	-
PFI lifecycle prepayments	-	-	-	-
Interest receivable	-	-	-	-
Finance lease receivables	-	-	54,950	58,784
VAT receivable	696	-	696	-
Corporation and other taxes receivable	-	-	-	-
Other receivables	-	-	-	-
<b>Total non-current receivables</b>	<b>4,515</b>	<b>3,908</b>	<b>59,466</b>	<b>62,692</b>
<b>Of which receivable from NHS and DHSC group bodies:</b>				
Current	10,721	8,564	10,632	8,564
Non-current	-	-	-	-

Within receivables, £1.638m, is due to the Trust from the subsidiary CHS. The Finance lease receivables are all due to the Trust from the subsidiary CHS.

**Note 25.2 Allowances for credit losses-2021/22**

	Group 2021/22		Trust 2021/22	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
<b>Allowances as at 1 April - brought forward</b>	<b>2,777</b>	-	<b>2,777</b>	-
Prior period adjustments	-	-	-	-
<b>Allowances as at 1 April - restated</b>	<b>2,777</b>	-	<b>2,777</b>	-
Transfers by absorption	-	-	-	-
New allowances arising	226	-	226	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	(105)	-	(105)	-
Utilisation of allowances (write offs)	(566)	-	(566)	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
<b>Allowances as at 31 Mar 2022</b>	<b>2,332</b>	-	<b>2,332</b>	-

**Note 25.3 Allowances for credit losses-2020/21**

	Group 2020/21		Trust 2020/21	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
<b>Allowances as at 1 April - brought forward</b>	<b>2,439</b>	-	<b>2,439</b>	-
Prior period adjustments	-	-	-	-
<b>Allowances as at 1 April - restated</b>	<b>2,439</b>	-	<b>2,439</b>	-
<b>Allowances at start of period for new FTs</b>	-	-	-	-
Transfers by absorption	-	-	-	-
New allowances arising	655	-	655	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	-	-	-	-
Utilisation of allowances (write offs)	(316)	-	(316)	-
cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
<b>Allowances as at 31 Mar 2022</b>	<b>2,777</b>	-	<b>2,777</b>	-

**Note 26 Other assets**

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
<b>Current</b>				
Other assets	-	-	-	-
<b>Total other current assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Non-current</b>				
Net defined benefit pension scheme asset	-	-	-	-
Other assets	-	-	-	-
<b>Total other non-current assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Note 27.1 Non-current assets held for sale and assets in disposal groups**

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April</b>	<b>275</b>	<b>1,114</b>	<b>275</b>	<b>1,114</b>
Prior period adjustment	-	-	-	-
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April - restated</b>	<b>275</b>	<b>1,114</b>	<b>275</b>	<b>1,114</b>
Transfers by absorption	-	-	-	-
Assets classified as available for sale in the year	-	-	-	-
Assets sold in year	-	(839)	-	(839)
Impairment of assets held for sale	-	-	-	-
Reversal of impairment of assets held for sale	-	-	-	-
Assets no longer classified as held for sale, for reasons other than sale	-	-	-	-
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March</b>	<b>275</b>	<b>275</b>	<b>275</b>	<b>275</b>

The assets classified as held for sale as at 31 March 2022 comprised one asset of land and buildings namely: 62 Acre Street (GP Surgery).

**Note 27.2 Liabilities in disposal groups**

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
<b>Categorised as:</b>				
Provisions	-	-	-	-
Trade and other payables	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### Note 28.1 Cash and cash equivalents movements

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

	Group		Trust	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
<b>At 1 April</b>	<b>48,222</b>	<b>9,289</b>	<b>46,958</b>	<b>7,655</b>
Transfers by absorption	-	-	-	-
Net change in year	6,522	38,933	5,463	39,304
<b>At 31 March</b>	<b>54,744</b>	<b>48,222</b>	<b>52,422</b>	<b>46,958</b>
<b>Broken down into:</b>				
Cash at commercial banks and in hand	108	1,327	59	64
Cash with the Government Banking Service	54,635	46,895	52,363	46,895
Deposits with the National Loan Fund	-	-	-	-
Other current investments	-	-	-	-
<b>Total cash and cash equivalents as in SoFP</b>	<b>54,744</b>	<b>48,222</b>	<b>52,422</b>	<b>46,958</b>
Bank overdrafts (GBS and commercial banks)	-	-	-	-
Drawdown in committed facility	-	-	-	-
<b>Total cash and cash equivalents as in SoCF</b>	<b>54,744</b>	<b>48,222</b>	<b>52,422</b>	<b>46,958</b>

### Note 28.2 Third party assets held by the trust

Calderdale & Huddersfield NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2022 £000	31 March 2021 £000
Bank balances	-	-
Monies on deposit	8	8
<b>Total third party assets</b>	<b>8</b>	<b>8</b>



**Note 29.1 Trade and other payables**

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Current</b>				
Trade payables	15,173	10,464	11,755	7,612
Capital payables	16,722	12,678	16,721	12,678
Accruals	32,855	28,872	34,182	34,650
Receipts in advance and payments on account	-	530	-	530
PFI lifecycle replacement received in advance	-	-	-	-
Social security costs	7,107	6,040	6,931	5,889
VAT payables	-	-	-	-
Other taxes payable	-	-	-	-
PDC dividend payable	1	1	1	1
Other payables	4,890	5,146	2,450	326
<b>Total current trade and other payables</b>	<b>76,748</b>	<b>63,731</b>	<b>72,039</b>	<b>61,685</b>
<b>Non-current</b>				
Trade payables	-	-	-	-
Capital payables	-	-	-	-
Accruals	-	-	-	-
Receipts in advance and payments on account	-	-	-	-
PFI lifecycle replacement received in advance	-	-	-	-
VAT payables	-	-	-	-
Other taxes payable	-	-	-	-
Other payables	107	97	107	97
<b>Total non-current trade and other payables</b>	<b>107</b>	<b>97</b>	<b>107</b>	<b>97</b>
<b>Of which payables from NHS and DHSC group bodies:</b>				
Current	2,137	2,930	2,073	2,930
Non-current	-	-	-	-

Within payables £2.045m is owed to the subsidiary CHS from the Trust.

**Note 29.2 Early retirements in NHS payables above**

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

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

### Note 30 Other liabilities

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
<b>Current</b>				
Deferred income: contract liabilities	7,450	4,682	7,450	4,682
Deferred grants	-	-	-	-
Deferred PFI credits / income	-	-	-	-
Lease incentives	-	-	-	-
Other deferred income	-	-	-	-
<b>Total other current liabilities</b>	<b>7,450</b>	<b>4,682</b>	<b>7,450</b>	<b>4,682</b>
<b>Non-current</b>				
Deferred income: contract liabilities	785	893	785	893
Deferred grants	-	-	-	-
Deferred PFI credits / income	-	-	-	-
Lease incentives	-	-	-	-
Other deferred income	-	-	-	-
Net pension scheme liability	-	-	-	-
<b>Total other non-current liabilities</b>	<b>785</b>	<b>893</b>	<b>785</b>	<b>893</b>

### Note 31.1 Borrowings

	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
	<b>Current</b>			
Bank overdrafts	-	-	-	-
Drawdown in committed facility	-	-	-	-
Loans from DHSC	2,359	2,378	2,359	2,378
Other loans	-	-	-	-
Obligations under finance leases	8	8	12,098	4,457
Obligations under PFI, LIFT or other service concession contracts	3,484	3,023	3,484	3,023
<b>Total current borrowings</b>	<b>5,851</b>	<b>5,410</b>	<b>17,940</b>	<b>9,858</b>
<b>Non-current</b>				
Loans from DHSC	15,462	17,670	15,462	17,670
Other loans	-	-	-	-
Obligations under finance leases	24	33	48,873	60,970
Obligations under PFI, LIFT or other service concession contracts	64,362	67,845	64,362	67,845
<b>Total non-current borrowings</b>	<b>79,848</b>	<b>85,548</b>	<b>128,697</b>	<b>146,485</b>

**Note 31.2 Reconciliation of liabilities arising from financing activities - 2021/22**

Group	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
<b>Carrying value at 1 April 2021</b>	<b>20,048</b>	-	<b>41</b>	<b>70,868</b>	<b>90,957</b>
<b>Cash movements:</b>					
Financing cash flows - payments and receipts of principal	(2,208)	-	(8)	(3,022)	<b>(5,238)</b>
Financing cash flows - payments of interest	(454)	-	-	(6,032)	<b>(6,486)</b>
<b>Non-cash movements:</b>					
Transfers by absorption	-	-	-	-	-
Additions	-	-	-	-	-
Application of effective interest rate	435	-	-	6,032	<b>6,467</b>
Change in effective interest rate	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Early terminations	-	-	-	-	-
Other changes	-	-	-	-	-
<b>Carrying value at 31 March 2022</b>	<b>17,821</b>	-	<b>33</b>	<b>67,846</b>	<b>85,700</b>

**Note 31.3 Reconciliation of liabilities arising from financing activities - 2020/21**

Group	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
<b>Carrying value at 1 April 2020</b>	<b>163,601</b>	-	<b>49</b>	<b>72,701</b>	<b>236,351</b>
Prior period adjustment	-	-	-	-	-
<b>Carrying value at 1 April 2020 - restated</b>	<b>163,601</b>	-	<b>49</b>	<b>72,701</b>	<b>236,351</b>
<b>Cash movements:</b>					
Financing cash flows - payments and receipts of principal	(142,926)	-	(8)	(1,833)	<b>(144,767)</b>
Financing cash flows - payments of interest	(1,115)	-	-	(6,188)	<b>(7,303)</b>
<b>Non-cash movements:</b>					
Transfers by absorption	-	-	-	-	-
Additions	-	-	-	-	-
Application of effective interest rate	488	-	-	6,188	<b>6,676</b>
Change in effective interest rate	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Early terminations	-	-	-	-	-
Other changes	-	-	-	-	-
<b>Carrying value at 31 March 2021</b>	<b>20,048</b>	-	<b>41</b>	<b>70,868</b>	<b>90,957</b>

**Note 32 Other financial liabilities**

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
<b>Total current other financial liabilities</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
<b>Total non-current other financial liabilities</b>	<b>-</b>	<b>-</b>

**Note 32.1 Reconciliation of liabilities arising from financing activities - 2021/22**

Trust	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
<b>Carrying value at 1 April 2021</b>	<b>20,048</b>	-	<b>65,427</b>	<b>70,868</b>	<b>156,343</b>
<b>Cash movements:</b>					
Financing cash flows - payments and receipts of principal	(2,208)	-	(4,458)	(3,022)	<b>(9,688)</b>
Financing cash flows - payments of interest	(454)	-	(3,985)	(6,032)	<b>(10,471)</b>
<b>Non-cash movements:</b>					
Transfers by absorption	-	-	-	-	-
Additions	-	-	-	-	-
Application of effective interest rate	435	-	3,985	6,032	<b>10,452</b>
Change in effective interest rate	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Early terminations	-	-	-	-	-
Other changes	-	-	-	-	-
<b>Carrying value at 31 March 2022</b>	<b>17,821</b>	-	<b>60,970</b>	<b>67,846</b>	<b>146,637</b>

**Note 32.2 Reconciliation of liabilities arising from financing activities - 2020/21**

Trust	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
<b>Carrying value at 1 April 2020</b>	<b>163,601</b>	-	<b>69,578</b>	<b>72,701</b>	<b>305,880</b>
Prior period adjustment	-	-	-	-	-
<b>Carrying value at 1 April 2020 - restated</b>	<b>163,601</b>	-	<b>69,578</b>	<b>72,701</b>	<b>305,880</b>
<b>Cash movements:</b>					
Financing cash flows - payments and receipts of principal	(142,926)	-	(4,153)	(1,833)	<b>(148,912)</b>
Financing cash flows - payments of interest	(1,115)	-	(4,288)	(6,188)	<b>(11,591)</b>
<b>Non-cash movements:</b>					
Transfers by absorption	-	-	-	-	-
Additions	-	-	-	-	-
Application of effective interest rate	488	-	4,290	6,188	<b>10,966</b>
Change in effective interest rate	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Early terminations	-	-	-	-	-
Other changes	-	-	-	-	-
<b>Carrying value at 31 March 2021</b>	<b>20,048</b>	-	<b>65,427</b>	<b>70,868</b>	<b>156,343</b>

**Note 33 Other financial liabilities**

	31 March 2022 £000	31 March 2021 £000
<b>Current</b>		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
<b>Total current other financial liabilities</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
<b>Total non-current other financial liabilities</b>	<b>-</b>	<b>-</b>

## Note 33 Finance leases

### Note 33.1 Calderdale & Huddersfield NHS Foundation Trust as a lessor

Future lease receipts due under finance lease agreements where the trust is the lessor:

This is for Building leases with the Subsidiary

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
<b>Gross lease receivables</b>	-	-	<b>78,799</b>	<b>85,701</b>
of which those receivable:				
- not later than one year;	-	-	6,902	6,902
- later than one year and not later than five years;	-	-	27,608	27,608
- later than five years.	-	-	44,289	51,191
Unearned interest income	-	-	(20,015)	(23,285)
Allowance for uncollectable lease payments	-	-	-	-
<b>Net lease receivables</b>	<b>-</b>	<b>-</b>	<b>58,784</b>	<b>62,417</b>
of which those receivable:				
- not later than one year;	-	-	3,833	3,633
- later than one year and not later than five years;	-	-	17,567	16,649
- later than five years.	-	-	37,383	42,135
The unguaranteed residual value accruing to the lessor	-	-	-	-
Contingent rents recognised as income in the period	-	-	-	-

### Note 33.2 Calderdale & Huddersfield NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
<b>Gross lease liabilities</b>	<b>33</b>	<b>41</b>	<b>84,455</b>	<b>92,896</b>
of which liabilities are due:				
- not later than one year;	8	8	8,444	8,443
- later than one year and not later than five years;	24	33	29,508	30,703
- later than five years.	-	-	46,503	53,750
Finance charges allocated to future periods	-	-	-	-
<b>Net lease liabilities</b>	<b>33</b>	<b>41</b>	<b>84,455</b>	<b>92,896</b>
of which payable:				
- not later than one year;	8	8	-	-
- later than one year and not later than five years;	24	33	-	-
- later than five years.	-	-	-	-
Total of future minimum sublease payments to be received at the reporting date	-	-	-	-
Contingent rent recognised as expense in the period	-	-	-	-

The Trust lease payable is for building leases with the Subsidiary.

**Note 34.1 Provisions for liabilities and charges analysis - Group**

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re- structuring	Equal Pay (including Agenda for Change)	Redundancy	Other*	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2021</b>	<b>574</b>	<b>937</b>	<b>91</b>	<b>813</b>	-	-	<b>5,196</b>	<b>7,612</b>
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	4	20	-	-	-	-	-	24
Arising during the year	213	75	38	-	-	-	1,908	2,234
Utilised during the year	(228)	(88)	(36)	-	-	-	(186)	(538)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	(27)	(54)	(46)	(303)	-	-	(257)	(687)
Unwinding of discount	-	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>536</b>	<b>890</b>	<b>47</b>	<b>510</b>	-	-	<b>6,661</b>	<b>8,645</b>
<b>Expected timing of cash flows:</b>								
- not later than one year;	224	80	47	475	-	-	6,661	7,487
- later than one year and not later than five years;	37	11	-	-	-	-	-	48
- later than five years.	275	799	0	35	-	-	0	1,110
<b>Total</b>	<b>536</b>	<b>890</b>	<b>47</b>	<b>510</b>	-	-	<b>6,661</b>	<b>8,645</b>

\* Other Provisions includes £2.655m for Working Time Directive claims, £1.798m Legal Fees, £0.910m Clinicians Pension tax reimbursement provisions and £0.908m NHS Pensions Final Salary Pay Controls.

**Note 34.2 Provisions for liabilities and charges analysis Trust**

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re- structuring	Equal Pay (including Agenda for Change)	Redundancy	Other*	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2021</b>	<b>574</b>	<b>937</b>	<b>91</b>	<b>813</b>	-	-	<b>5,196</b>	<b>7,612</b>
<b>At start of period for new FTs</b>	-	-	-	-	-	-	-	-
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	4	20	-	-	-	-	-	24
Arising during the year	213	75	38	-	-	-	1,908	2,234
Utilised during the year	(228)	(88)	(36)	-	-	-	(186)	(538)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	(27)	(54)	(46)	(303)	-	-	(257)	(687)
Unwinding of discount	-	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>536</b>	<b>890</b>	<b>47</b>	<b>510</b>	-	-	<b>6,661</b>	<b>8,645</b>
<b>Expected timing of cash flows:</b>								
- not later than one year;	224	80	47	475	-	-	6,661	7,487
- later than one year and not later than five years;	37	11	-	-	-	-	-	48
- later than five years.	275	799	0	35	-	-	0	1,110
<b>Total</b>	<b>536</b>	<b>890</b>	<b>47</b>	<b>510</b>	-	-	<b>6,661</b>	<b>8,645</b>

\* Other Provisions includes £2.655m for Working Time Directive claims, £1.798m Legal Fees, £0.910m Clinicians Pension tax reimbursement provisions and £0.908m NHS Pensions Final Salary Pay Controls.

### Note 34.2 Clinical negligence liabilities

At 31 March 2022, £270,992k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Calderdale & Huddersfield NHS Foundation Trust (31 March 2021: £207,981k).

### Note 35 Contingent assets and liabilities

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Value of contingent liabilities</b>				
NHS Resolution legal claims	-	-	-	-
Employment tribunal and other employee related litigation	-	-	-	-
Redundancy	-	-	-	-
Other	-	-	-	-
<b>Gross value of contingent liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts recoverable against liabilities	-	-	-	-
<b>Net value of contingent liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net value of contingent assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### Note 36 Contractual capital commitments

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Property, plant and equipment	5,065	1,841	5,065	1,841
Intangible assets	-	-	-	-
<b>Total</b>	<u>5,065</u>	<u>1,841</u>	<u>5,065</u>	<u>1,841</u>

### Note 37 Other financial commitments

The trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
not later than 1 year	3,022	3,022	3,022	3,022
after 1 year and not later than 5 years	6,045	9,067	6,045	9,067
paid thereafter	-	-	-	-
<b>Total</b>	<u>9,067</u>	<u>12,089</u>	<u>9,067</u>	<u>12,089</u>

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 and Huddersfield NHS Foundation Trust as the contract signatory. Calderdale and 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 38 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 is responsible for the provision of all clinical services, Calderdale Hospitals SPC Ltd provide fully serviced hospital accommodation.

#### Note 38.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Gross PFI, LIFT or other service concession liabilities</b>	<b>208,986</b>	<b>226,670</b>	<b>208,986</b>	<b>226,670</b>
<b>Of which liabilities are due</b>				
- not later than one year;	16,276	15,686	16,276	15,686
- later than one year and not later than five years;	69,174	68,171	69,174	68,171
- later than five years.	123,536	142,813	123,536	142,813
Finance charges allocated to future periods	(141,140)	(155,802)	(141,140)	(155,802)
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<b>67,846</b>	<b>70,868</b>	<b>67,846</b>	<b>70,868</b>
- not later than one year;	3,484	3,023	3,484	3,023
- later than one year and not later than five years;	17,165	15,818	17,165	15,818
- later than five years.	47,197	52,027	47,197	52,027

#### Note 38.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Total future payments committed in respect of the PFI, LIFT or other service concession arrangements</b>	<b>345,600</b>	<b>378,372</b>	<b>345,600</b>	<b>378,372</b>
<b>Of which payments are due:</b>				
- not later than one year;	29,900	29,467	29,900	29,467
- later than one year and not later than five years;	127,078	125,237	127,078	125,237
- later than five years.	188,622	223,668	188,622	223,668

#### Note 38.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group		Trust	
	2021/22 £000	2020/21 £000	2021/22 £000	2020/21 £000
<b>Unitary payment payable to service concession operator</b>	<b>29,257</b>	<b>28,734</b>	<b>29,257</b>	<b>28,734</b>
<b>Consisting of:</b>				
- Interest charge	6,032	6,188	6,032	6,188
- Repayment of balance sheet obligation	3,022	1,833	3,022	1,833
- Service element and other charges to operating expenditure	12,963	12,676	12,963	12,676
- Capital lifecycle maintenance	257	1,744	257	1,744
- Revenue lifecycle maintenance	500	749	500	749
- Contingent rent	6,483	5,544	6,483	5,544
- 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	-	-	-	-
<b>Total amount paid to service concession operator</b>	<b>29,257</b>	<b>28,734</b>	<b>29,257</b>	<b>28,734</b>



## **Note 39 Financial instruments**

### **Note 39.1 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. Additional government funding to support the necessary actions to deal with the Covid-19 pandemic was also made available to the Trust in 2021/22. This will continue in 2022/23.

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 to 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.

#### **Investment risk**

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 (now NHS Improvement) '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 currently held 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. In 2020/21 and 2021/22 the normal contracts were replaced by fixed block value funding received monthly, guaranteeing a level of cashflow to the Trust.

In 2021/22 the Trust has financed its capital expenditure from internally generated funds generated through depreciation charges supplemented by Public Dividend Capital received.

A change to the NHS financial architecture in 2020/21 saw the conversion of all historic revenue support borrowing and elements of historic capital loans to non repayable Public Dividend Capital (PDC). No further borrowing was required in 2021/22 and the plans for 2022/23 are forecast to be managed without extending the need for operational cash support. 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 39.2 Carrying values of financial assets - Group

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2022</b>				
Trade and other receivables excluding non financial assets	19,863	-	-	19,863
Other investments / financial assets	4,000	-	-	4,000
Cash and cash equivalents	54,744	-	-	54,744
<b>Total at 31 March 2022</b>	<b>78,607</b>	<b>-</b>	<b>-</b>	<b>78,607</b>

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2021</b>				
Trade and other receivables excluding non financial assets	17,040	-	-	17,040
Other investments / financial assets	4,000	-	-	4,000
Cash and cash equivalents	48,222	-	-	48,222
<b>Total at 31 March 2021</b>	<b>69,262</b>	<b>-</b>	<b>-</b>	<b>69,262</b>

### Note 39.3 Carrying values of financial assets - Trust

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2022</b>				
Trade and other receivables excluding non financial assets	79,802	-	-	79,802
Other investments / financial assets	5,557	-	-	5,557
Cash and cash equivalents	52,422	-	-	52,422
<b>Total at 31 March 2022</b>	<b>137,781</b>	<b>-</b>	<b>-</b>	<b>137,781</b>

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2021</b>				
Trade and other receivables excluding non financial assets	82,930	-	-	82,930
Other investments / financial assets	6,550	-	No	6,550
Cash and cash equivalents	46,958	-	No	46,958
<b>Total at 31 March 2021</b>	<b>136,438</b>	<b>-</b>	<b>-</b>	<b>136,438</b>

**Note 39.4 Carrying values of financial liabilities - Group**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised	fair value	Total
	cost £000	through I&E £000	book value £000
Loans from the Department of Health and Social Care	17,821	-	17,821
Obligations under finance leases	33	-	33
Obligations under PFI, LIFT and other service concession contracts	67,846	-	67,846
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	69,746	-	69,746
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
<b>Total at 31 March 2022</b>	<b>155,445</b>	<b>-</b>	<b>155,445</b>

  

Carrying values of financial liabilities as at 31 March 2021	Held at amortised	fair value	Total
	cost £000	through I&E £000	book value £000
Loans from the Department of Health and Social Care	20,048	-	20,048
Obligations under finance leases	41	-	41
Obligations under PFI, LIFT and other service concession contracts	70,868	-	70,868
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	57,257	-	57,257
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
<b>Total at 31 March 2021</b>	<b>148,214</b>	<b>-</b>	<b>148,214</b>

**Note 39.5 Carrying values of financial liabilities - Trust**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised	Held at	Total
	cost £000	fair value through I&E £000	book value £000
Loans from the Department of Health and Social Care	17,821	-	17,821
Obligations under finance leases	60,970	-	60,970
Obligations under PFI, LIFT and other service concession contracts	67,846	-	67,846
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	65,214	-	65,214
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
<b>Total at 31 March 2022</b>	<b>211,851</b>	<b>-</b>	<b>211,851</b>

  

Carrying values of financial liabilities as at 31 March 2021	Held at amortised	Held at	Total
	cost £000	fair value through I&E £000	book value £000
Loans from the Department of Health and Social Care	20,048	-	20,048
Obligations under finance leases	65,427	-	65,427
Obligations under PFI, LIFT and other service concession contracts	70,868	-	70,868
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	56,003	-	56,003
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
<b>Total at 31 March 2021</b>	<b>212,346</b>	<b>-</b>	<b>212,346</b>

**Note 39.6 Maturity of financial liabilities**

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

	Group		Trust	
	31 March 2022 £000	2021 £000	31 March 2022 £000	31 March 2021 £000
In one year or less	88,546	76,156	92,437	84,590
In more than one year but not more than five years	79,146	78,362	108,630	109,033
In more than five years	130,247	152,189	176,750	205,939
<b>Total</b>	<b>297,939</b>	<b>306,706</b>	<b>377,817</b>	<b>399,562</b>

**Note 39.7 Fair values of financial assets and liabilities**

The book value (carrying value of financial assets and liabilities) is a reasonable approximation of fair value.

#### Note 40 Losses and special payments - Group and Trust

Group and Trust	2021/22		2020/21 Restated	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
<b>Losses</b>				
Cash losses	3	2	-	-
Fruitless payments and constructive losses	-	-	-	-
Bad debts and claims abandoned	2	130	-	-
Stores losses and damage to property	4	196	1	173
<b>Total losses</b>	<b>9</b>	<b>328</b>	<b>1</b>	<b>173</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	14	36	19	47
Extra-contractual payments	-	-	-	-
Ex-gratia payments	24	13	27	489
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
<b>Total special payments</b>	<b>38</b>	<b>49</b>	<b>46</b>	<b>536</b>
<b>Total losses and special payments</b>	<b>47</b>	<b>378</b>	<b>47</b>	<b>709</b>
Compensation payments received		-		-

The 20/21 number for Ex- gratia payments has been restated to include, for Overtime corrective payments (Flowers judgement) as per NHSI/E guidance, 1 case and £461k has been included for 20/21. Ongoing costs, including the impact on 2021/22 pay are not deemed special payments as these reflect determined entitlement under employment contract and so re excluded from 2021/22

#### Note 41 Gifts

Group and Trust	2021/22		2020/21	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Gifts made	-	-	-	-

## Note 42 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 and Social Care are the parent department and all bodies within the scope of 'Whole of Government Accounts' (WGA) are related parties. Accordingly, the table below details material transactions.

<b>Related party transactions - WGA organisations</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Income - NHS Calderdale CCG	157,455	153,928
Income -NHS Kirklees CCG (Formerly NHS Greater Huddersfield CCG- NHS North Kirklees CCG)	149,369	145,815
Income - NHS Bradford Districts CCG	10,884	9,348
Income - NHS Wakefield CCG	96,193	37,287
Income - Leeds Teaching Hospitals NHS Trust	1,267	1,439
Income - South West Yorkshire Partnership NHS Foundation Trust	4,785	4,372
Income - Health Education England	15,590	13,798
Income- NHS Eng- Central Specialised Commissioning Hub	6,639	72,149
Income - Other WGA	49,393	17,118
<b>Income - Total with WGA organisations</b>	<b>491,575</b>	<b>455,254</b>
Charitable Funds	434	827
<b>Income - Total</b>	<b>492,009</b>	<b>456,081</b>
Expenditure - Bradford Teaching Hospitals NHS Foundation Trust	676	520
Expenditure - Leeds Teaching Hospitals NHS Trust	3,842	4,271
Expenditure - NHS Pension Scheme	40,779	35,899
Expenditure - NHS Resolution	18,990	19,389
Expenditure - HMRC	25,333	21,121
Expenditure - Other WGA	5,689	6,427
<b>Expenditure - Total with WGA organisations</b>	<b>95,309</b>	<b>87,626</b>
Joint Ventures	1,589	1,476
<b>Expenditure - Total</b>	<b>96,898</b>	<b>89,102</b>
<b>Related party balances - WGA organisations</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Receivables - NHS Calderdale CCG	2,460	30
Receivables -Income -NHS Kirklees CCG - was NHS Greater Huddersfield CCG	800	8
Receivables - NHS England	3,922	4,456
Receivables - HM Revenue & Customs - VAT	2,437	2,700
Receivables - Other WGA	3,446	3,786
Charitable Funds	316	289
<b>Receivables - Total with WGA organisations</b>	<b>13,381</b>	<b>11,269</b>
Payables - NHS Pension Scheme	4,016	3,780
Payables - HMRC	7,107	6,040
Payables - Other WGA	3,049	3,593
<b>Payables - Total with WGA organisations</b>	<b>14,172</b>	<b>13,413</b>

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

**P Lewer** ~ Chair - Not a Director of any other company. WYAAT member, member of the Partnership Transformation Board, Pennine GP & CHFT Board to Board member.

**B Brown** ~ Chief Executive - Started 1st Jan 2022. Not a director of any other company. Chair of West Yorkshire & Harrogate People board. Member of NHS People Plan Delivery Board. Member of NHSE/I North East & Yorkshire Regional People Board. Honorary Professor University of Bradford. Member of Bradford City Culture Board.

**O Williams** ~ Chief Executive - Left 31st October 2021

**G Boothby** ~ Director of Finance - Is a Director of Pennine Property Partnership LLP. WYAAT member. Integrated Care Systems member, member of the Partnership Transformation Board. WY Finance representative for supply chain Northern customer board.

**K Archer** ~ Acting Director of Finance 26th Aug 2021 - 1st Nov 2021. Not a director of any other company.

**S Dunkley** ~ Exec Director of Workforce & OD - Not a Director of any other company.

**D Birkenhead** ~ Medical Director - Director of Benson Medical Services. WYAAT member, Chair of WYAAT LIMS Procurement Group, member of YHW Diagnostics Board..

**H Barker**~ Chief Operating Officer - Director of a company that does not deal with public sector. Left 31st Oct 2021.

**B Walker** ~ Acting Chief Operating Officer 1st Oct 2021 - 30th Nov 2021 then retired.

**J Fawcus** ~ Chief Operating Officer started 7th Nov 2021. Not a director of any other company. Chair of West Yorkshire Cardiac Clinical Network.

**R Hopkin** ~ Non Executive Director - Director of Capri Finance Ltd- own consultancy company. (Hon) Treasurer Community Foundation for Calderdale, Finance Consultant Age UK Wakefield District.

**K Heaton** ~ Non Executive Director - Not a Director of any other company.

**A Nelson**~ Non Exec Director - Not a Director of any other company.

**A Graham**~ Non Exec Director- is a Director of Calderdale & Huddersfield Solutions Ltd.

**E Armistead**~ Exec Director of Nursing - Interim Chief Exec from 8th Nov 2021 to 31st Dec 2021~ Not a Director of any other company. WYAAT member, Trustee Kirkwood Hospice.

**L Rudge**~ Interim Exec Director of Nursing from 8th Nov 2021 to 31st Dec 2021. Not a director of any other company.

**D Sterling**~ Non Exec Director - Not a Director of any other company. Trustee board of Bradford Diocesan Academies Trust. Board member for Race Equality Network.

**R P Wilkinson** ~ Non Exec Director - Director of a company that does not deal with public sector organisations. Independent member of the board and Trustee at Leeds Grand Theatre Opera House Ltd. NED Decipher Consulting UK Ltd.

**N Senior** ~ Associate Non Exec Director start date 15th Dec 2021. Not a director of any other company. Trustee Paladin NSAS Charity. Other Employment ~ Lead Health and Justice Commissioning Support at North of England Commissioning Support.

In 21/22 there were transactions between Calderdale & Huddersfield NHS Foundation Trust and related parties, additional to those declared under the scope of Whole of Government accounts, this include.

The Foundation Trust had expenditure with Pennine Property Partnership LLP in 2021/22 of £1,588,578 (20/21 £1,476,418) .



