



**Velindre NHS Trust**

**Annual Accounts**

**2013-14**

# Velindre NHS Trust

## Foreword

These accounts for the period ended 31 March 2014 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's I-FReM by the Velindre NHS Trust under schedule 9 section 178 Para 3 (1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers, with the approval of the Treasury, directed.

In the current year, following adoption of IAS 27 'Consolidated and Separate Financial Statements' which became effective for NHS bodies on the 1 April 2013, the Charitable Funds have been consolidated in to the financial statements of the Trust for the first time. Details of the impact of adopting IAS 27 are provided in note 1 to the accounts.

The Trust was established by Statutory Instrument on the 1st April 1994 and at that time was a single specialty Trust providing only Cancer Service. Over the last twenty years the Trust has significantly evolved and expanded. The main function of the Trust is to provide All Wales and Regional clinical, health and social care services to the NHS and the people of Wales. Velindre NHS Trust is made up of different service divisions, the two main divisions being the Welsh Blood Service and Velindre Cancer Centre.

In addition to the above services, over the years Velindre NHS Trust has become host to a number of organisations. At the end of 2013/14 these included:

- NHS Wales Informatic Services (NWIS) which was established as a hosted body on the 1 April 2010; and
- NHS Wales Shared Services Partnership (NWSSP) which was established as a hosted body on 1 June 2012. Following the initial establishment of NWSSP the functions of a number of separate bodies were transferred in on the same date. NWSSP now encompasses the services previously provided by Welsh Health Estates; Welsh Health Legal Services and the Welsh Risk Pool; Contractor Services; the Prescribing Services Unit; Capital and PFI audit and consultancy service; Welsh Health Supplies; Procurement Services and Accounts Payable Services; Payroll and Recruitment Services and Internal Audit services.

During the current financial year, on the 1 April 2013 the following selected functions were transferred from the National Leadership and Innovation Agency (NLIAH) body were transferred to NWSSP:

- Workforce Planning;
- Workforce Intelligence;
- Workforce Modernisation;
- Education Commissioning;
- Education Contracting;
- Education Contracting Finance Support;
- Student Awards Unit;
- Facilities;
- Governance e-Manual; and
- Core external facing support functions.

There have been no other significant events during 2013/14.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2014

	Note	NHS Trust		Consolidated	
		2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000
Revenue from patient care activities	2	222,482	189,744	222,482	189,744
Other operating revenue	3	195,248	100,164	196,863	101,303
Operating expenses	6	(417,718)	(288,168)	(418,175)	(288,781)
<b>Operating surplus/(deficit)</b>		<b>12</b>	<b>1,740</b>	<b>1,170</b>	<b>2,266</b>
Investment revenue	7	84	45	141	99
Other gains and losses	8	112	(9)	112	(9)
Finance costs	9	(151)	(1,726)	(151)	(1,726)
<b>Consolidated - Retained Surplus/(deficit)</b>				<b>1,272</b>	<b>630</b>
<b>NHS Trust Breakeven Duty - Retained surplus/(deficit)</b>	33.1	<b>57</b>	<b>50</b>		
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified to net operating costs:</b>					
Net gain/(loss) on revaluation of property, plant and equipment		827	(3,979)	827	(3,979)
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	(10)	75
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Impairments and reversals		0	0	0	0
Movements in other reserves		0	0	0	0
Transfers between reserves		0	0	0	0
Net gain/loss on Other Reserve		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
<b>Sub total</b>		<b>827</b>	<b>(3,979)</b>	<b>817</b>	<b>(3,904)</b>
<b>Items that may be reclassified subsequently to net operating costs</b>					
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
<b>Sub total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total other comprehensive income for the year</b>		<b>827</b>	<b>(3,979)</b>	<b>817</b>	<b>(3,904)</b>
<b>Total comprehensive income for the year</b>		<b>884</b>	<b>(3,929)</b>	<b>2,089</b>	<b>(3,274)</b>

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS trust has established that as the trust is the corporate trustee of the linked NHS Charity, Velindre NHS Charitable Funds it is considered for accounting standards compliance to have control of the Charity as a subsidiary and therefore is required to consolidate the results off the Charity within the statutory accounts of the trust.

The consolidated figures are made up of the Velindre NHS Trust and Velindre Funds held on Trust (FHoT) transactions and balances.

## STATEMENT OF FINANCIAL POSITION AS AT 31 March 2014

			NHS Trust		Consolidated	
		Note	31 March 2014	31 March 2013	31 March 2014	31 March 2013
			£000	£000	£000	£000
<b>Non-current assets</b>	Property, plant and equipment	14	84,816	74,831	84,816	74,831
	Intangible assets	15	25,796	16,461	25,796	16,461
	Trade and other receivables	20	417,597	334,169	417,597	334,169
	Other financial assets	21	0	0	2,057	2,072
	Other assets	22	0	0	0	0
	<b>Total non-current assets</b>		<b>528,209</b>	425,461	<b>530,266</b>	427,533
<b>Current assets</b>	Inventories	19	1,622	2,649	1,622	2,649
	Trade and other receivables	20	211,047	217,502	211,969	217,933
	Other financial assets	21	0	0	0	0
	Other assets	22	0	0	0	0
	Cash and cash equivalents	23	13,041	15,693	14,297	16,217
			<b>225,710</b>	235,844	<b>227,888</b>	236,799
	Non-current assets held for sale	14.2	0	0	0	0
	<b>Total current assets</b>		<b>225,710</b>	235,844	<b>227,888</b>	236,799
<b>Total assets</b>			<b>753,919</b>	661,305	<b>758,154</b>	664,332
<b>Current liabilities</b>	Trade and other payables	24	(54,436)	(49,869)	(54,637)	(50,067)
	Borrowings	25	(50)	(67)	(50)	(67)
	Other financial liabilities	26	0	0	0	0
	Provisions	28	(170,558)	(181,132)	(170,558)	(181,132)
	Other liabilities	27	0	0	0	0
	<b>Total current liabilities</b>		<b>(225,044)</b>	(231,068)	<b>(225,245)</b>	(231,266)
<b>Net current assets/(liabilities)</b>			<b>666</b>	4,776	<b>2,643</b>	5,533
<b>Total assets less current liabilities</b>			<b>528,875</b>	430,237	<b>532,909</b>	433,066
<b>Non-current liabilities</b>	Trade and other payables	24	(210,569)	(177,361)	(210,569)	(177,361)
	Borrowings	25	(57)	(96)	(57)	(96)
	Other financial liabilities	26	0	0	0	0
	Provisions	28	(210,910)	(157,242)	(210,910)	(157,242)
	Other liabilities	27	0	0	0	0
	<b>Total non-current liabilities</b>		<b>(421,536)</b>	(334,699)	<b>(421,536)</b>	(334,699)
<b>Total assets employed</b>			<b>107,339</b>	95,538	<b>111,373</b>	98,367
<b>Financed by Taxpayers' equity:</b>						
	Public dividend capital		72,763	61,846	72,763	61,846
	Retained earnings		11,736	11,610	11,736	11,610
	Revaluation reserve		22,840	22,082	22,840	22,082
	Other reserves		0	0	0	0
	Funds Held on Trust Reserves				4,034	2,829
	<b>Total taxpayers' equity</b>		<b>107,339</b>	95,538	<b>111,373</b>	98,367

The financial statements were approved by the Audit Committee on behalf of the Board on 3 June 2014 and signed on behalf of the Board by:

Chief Executive :

Simon Dean

Date: 6 June 2014

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2013-14	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	NHS trust Total £000	FHOT Reserves	Consolidated Total £000
<b>Balance at 1 April 2013</b>	<b>61,846</b>	<b>11,610</b>	<b>22,082</b>	<b>0</b>	<b>95,538</b>	<b>2,829</b>	<b>98,367</b>
<b>Changes in taxpayers' equity for 2013-14</b>							
Retained surplus/(deficit) for the year		57			57		57
Net gain/(loss) on revaluation of property, plant and equipment		0	827	0	827		827
Net gain/(loss) on revaluation of intangible assets		0	0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	0	(10)	(10)
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0		0
Impairments and reversals		0	0	0	0		0
Movements in other reserves		69	(69)	0	0		0
Transfers between reserves		0	0	0	0		0
Net gain/loss on Other Reserve (specify)		0	0	0	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0		0
Reserves eliminated on dissolution	0				0		0
New Public Dividend Capital received	10,844				10,844		10,844
Public Dividend Capital repaid in year	0				0		0
Public Dividend Capital extinguished/written off	0				0		0
Other movements in PDC in year	73				73		73
FHoT - Endowment					0	0	0
FHoT - Restricted					0	(567)	(567)
FHoT - Unrestricted					0	1,782	1,782
<b>Balance at 31 March 2014</b>	<b>72,763</b>	<b>11,736</b>	<b>22,840</b>	<b>0</b>	<b>107,339</b>	<b>4,034</b>	<b>111,373</b>

The notes on pages 6 to 63 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY**

2012-13	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000	Funds held on Trust Reserves £000	Consolidated Total £000
<b>Balance at 1 April 2012</b>	57,908	11,560	26,061	0	95,529	2,174	97,703
Changes in taxpayers' equity for 2012-13							
Retained surplus/(deficit) for the year		50			50		50
Net gain/(loss) on revaluation of property, plant and equipment		0	(3,979)	0	(3,979)		(3,979)
Net gain/(loss) on revaluation of intangible assets		0	0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	0	75	75
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0		0
Impairments and reversals		0	0	0	0		0
Movements in other reserves		0	0	0	0		0
Transfers between reserves		0	0	0	0		0
Net gain/loss on Other Reserve (specify)		0	0	0	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0		0
Reserves eliminated on dissolution	0				0		0
New Public Dividend Capital received	3,938				3,938		3,938
Public Dividend Capital repaid in year	0				0		0
Public Dividend Capital extinguished/written off	0				0		0
Other movements in PDC in year	0				0		0
FHoT - Endowment					0	0	0
FHoT - Restricted					0	115	115
FHoT - Unrestricted					0	465	465
<b>Balance at 31 March 2013</b>	<b>61,846</b>	<b>11,610</b>	<b>22,082</b>	<b>0</b>	<b>95,538</b>	<b>2,829</b>	<b>98,367</b>

The notes on pages 6 to 63 form part of these accounts.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	Note	NHS Trust		Consolidated	
		2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000
<b>Cash flows from operating activities</b>					
Operating surplus/(deficit)	SoCNI	12	1,740	1,170	2,266
Depreciation and amortisation	6	11,994	9,202	11,994	9,202
Impairments and reversals	6	0	326	0	326
Release of PFI deferred credits		0	0	0	0
Donated Assets received credited to revenue but non-cash	3	(7)	0	(7)	0
Government Granted Assets received credited to revenue but non-cash	3	0	0	0	0
Interest paid		(29)	0	(29)	0
(Increase)/decrease in inventories		1,027	(1,065)	1,027	(1,065)
(Increase)/decrease in trade and other receivables		(76,900)	(540,551)	(77,464)	(540,933)
(Increase)/decrease in other current assets		0	0	0	0
Increase/(decrease) in trade and other payables		33,787	194,534	33,790	194,461
Increase/(decrease) in other current liabilities		0	(76)	0	(76)
Increase/(decrease) in provisions		42,972	337,996	42,972	337,996
<b>Net cash inflow/(outflow) from operating activities</b>		<b>12,856</b>	<b>2,106</b>	<b>13,453</b>	<b>2,177</b>
<b>Cash flows from investing activities</b>					
Interest received		84	47	141	101
(Payments) for property, plant and equipment		(12,095)	(7,258)	(12,095)	(7,258)
Proceeds from disposal of property, plant and equipment		112	0	112	0
(Payments) for intangible assets		(14,397)	(3,347)	(14,397)	(3,347)
Proceeds from disposal of intangible assets		0	0	0	0
(Payments) for investments with Welsh Government		0	0	0	0
Proceeds from disposal of investments with Welsh Government		0	0	0	0
(Payments) for financial assets.		0	0	(929)	(823)
Proceeds from disposal of financial assets.		0	0	934	625
Rental proceeds		0	0	0	0
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(26,296)</b>	<b>(10,558)</b>	<b>(26,234)</b>	<b>(10,702)</b>
<b>Net cash inflow/(outflow) before financing</b>		<b>(13,440)</b>	<b>(8,452)</b>	<b>(12,781)</b>	<b>(8,525)</b>
<b>Cash flows from financing activities</b>					
Public Dividend Capital received		10,844	3,938	10,844	3,938
Public Dividend Capital repaid		0	0	0	0
Loans received from Welsh Government		0	0	0	0
Other loans received		0	0	0	0
Loans repaid to Welsh Government		0	0	0	0
Other loans repaid		0	0	0	0
Other capital receipts		0	0	0	0
Capital elements of finance leases and on-SOFP PFI		(56)	0	(56)	0
Cash transferred (to)/from other NHS Wales bodies		0	0	0	0
<b>Net cash inflow/(outflow) from financing activities</b>		<b>10,788</b>	<b>3,938</b>	<b>10,788</b>	<b>3,938</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,652)</b>	<b>(4,514)</b>	<b>(1,993)</b>	<b>(4,587)</b>
<b>Cash [and] cash equivalents [and bank overdrafts] at the beginning of the financial year</b>	23	<b>15,693</b>	20,207	<b>16,217</b>	20,804
<b>Cash [and] cash equivalents [and bank overdrafts] at the end of the financial year</b>	23	<b>13,041</b>	15,693	<b>14,224</b>	16,217

The notes on pages 6 to 63 form part of these accounts.

## Notes to the Accounts

### Accounting policies

1. The Welsh Minister for Health and Social Services has directed that the financial statements of NHS Trusts in Wales shall meet the accounting requirements of the NHS Trust Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2013-14 NHS Trusts Manual for Accounts. The accounting policies contained in that manual follow the European Union version of the 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 NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting convention and basis of consolidation

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

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Trust has established that as the trust is the corporate trustee of the linked NHS Charity Velindre NHS Trust Charitable Funds, it is considered for accounting standards compliance to have control of the Charity as a subsidiary and therefore is required to consolidate the results off the Charity within the statutory accounts of the trust.

The consolidated results incorporate the results of Velindre NHS Trust 'the Trust' and its subsidiary undertaking, Velindre NHS Trust Charitable Funds 'Funds Held on Trust ('FHOT')' on a line by line basis. Within the following accounting policies, the consolidated entity is referred to as 'the Trust' as the accounting policies applied within the Charity are consistent with the Trust as a whole.

The comparative period within the financial statements has been restated to include the FHOT. The impact of the comparative consolidation is reflected throughout the primary financial statements and the related notes. All intra group transactions, balances, income and expenses are eliminated on consolidation.

#### 1.2 Acquisitions and discontinued operations

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

#### 1.3 Pooled budgets

The trust has not entered into any pooled budget arrangements with Local Authorities.

#### 1.4 Revenue

##### *Trust*

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the Trust is from the Welsh Government and the Health Boards. This revenue is recognised in the period in which services are provided.

Where income is received from Non NHS bodies for a specific activity that is to be delivered in the following year, that income is deferred.

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 e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income



is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts. Interest revenue is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

#### *FHOT*

Incoming resources are accrued and included within the statement of comprehensive income when the FHOT is entitled to the income and it can be quantified with reasonable certainty and is deferred when it relates to future accounting periods.

Legacies are recognised as incoming resources either upon receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estates that the payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled. Donations are accounted for when received except donations from events which are recognised when the event takes place.

### **1.5 Employee Benefits**

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not yet 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.

#### **Retirement benefit costs**

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

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

#### **NEST Pension Scheme**

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

### **1.6 Other expenses**

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

### **1.7 Property, plant and equipment**

#### **Recognition**

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or

Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase

dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

### **Valuation**

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

Land and buildings used for the Trust's services or for administrative purposes are stated in the balance sheet at their revalued amounts less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the balance sheet date. Fair values are determined as follows:

- Land and non specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

From 1 April 2009 the depreciated replacement cost valuation applies the Modern Equivalent Asset (MEA) cost basis of estimation to arrive at the cost of replacing the capacity and utility of a building rather than a like for like replacement cost.

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

For 2012-13 a formal revaluation exercise by the District Valuation Office was applied to the Land and Properties of NHS Wales Trusts from 1 April 2012. In 2013-14 indexation has been applied to property plant and equipment based on indices supplied by the District Valuation Office. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. This is a change in accounting policy from previous years where all impairments were taken to the revaluation reserve to the extent that a balance was held for that asset and thereafter to expenditure. However, to ensure that the outcome as reflected in the reserves figure on the Statement of Financial Position is consistent with the requirements of IAS 36 had this adaptation not been applied, the balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 should be transferred to Retained earnings.

### **Subsequent expenditure**

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

## **1.8 Intangible assets**

### **Recognition**

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

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

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

### **Measurement**

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

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

## **1.9 Research and development**

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

## **1.10 Depreciation, amortisation and impairments**

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

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

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

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

#### **1.11 Borrowing costs**

Borrowing costs are recognised as expenses as they are incurred.

#### **1.12 Donated assets**

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

#### **1.13 Government grants**

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a government grant reserve is no longer maintained. The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

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

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

#### **1.15 Other financial assets**

Listed investments are stated at market value. Unlisted investments are included at cost as an approximation to market value. Quoted stocks are included in the balance sheet at mid-market price, and where holdings are subject to bid / offer pricing their valuations are shown on a bid price.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

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

### **1.15 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 lessee**

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability 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.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

#### **The Trust as lessor**

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 so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the 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 on a straight-line basis over the lease term.

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

The Trust has no PFI arrangements.

### **1.17 Inventories**

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

### **1.18 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.

### **1.19 Provisions**

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

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

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

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

### **1.20 Clinical Negligence Costs**

The Welsh Risk Pool (WRP) operates a risk pooling scheme which is currently funded by the Welsh Government. The WRP is hosted by Velindre NHS Trust.

### **1.21 Carbon Reduction Commitment Scheme**

The Trust is not a member of the Carbon Reduction Commitment Scheme.

### **1.22 Contingencies**

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

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

Where the time value of money is material, contingencies are disclosed at their present value.

### **1.23 Financial assets**

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

Financial assets are initially recognised at fair value.

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

#### **Financial assets at fair value through SoCNI**

The Trust has no embedded derivatives.

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

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

#### **Available for sale financial assets**

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

### **Loans and receivables**

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

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

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

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

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

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

### **1.24 Financial liabilities**

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

Loans from the Welsh Government are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

### **Financial guarantee contract liabilities**

Financial guarantee contract liabilities are subsequently measured at the higher of:

- the premium received (or imputed) for entering into the guarantee less cumulative amortisation;
- the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

### **Financial liabilities at fair value through SoCNI**

The Trust does not have any financial guarantee contract liabilities nor any financial derivatives requiring to be stated at fair value through profit and loss.



**Other financial liabilities**

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

**1.25 Value Added Tax**

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

**1.26 Foreign currencies**

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

**1.27 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them.

**1.28 Public Dividend Capital (PDC) and PDC dividend**

Public Dividend Capital represents taxpayers equity in the NHS Trust. At any time the Welsh Minister for Health and Social Services with the approval of HM Treasury can issue new PDC to, and require repayments of, PDC from the NHS Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

From 1 April 2010 the requirement to pay a public dividend over to the Welsh Government ceased.

**1.29 Losses and Special Payments**

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

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

The Trust accounts for all losses and special payments gross (including assistance from the Welsh Risk Pool). The Trust accrues or provides for the best estimate of its future payouts for certain or probable liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

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

### **1.30 Critical Accounting Judgements and key sources of estimation uncertainty**

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

### **1.31 Critical Judgements in applying accounting policies**

There are no critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

### **1.32 Key sources of estimation uncertainty**

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

The amount recognised as provisions give rise to significant judgement and uncertainty. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking in to account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. A change in the assumptions could cause an increase or decrease in the amounts recognised as a provision which could materially impact the results of operations.

### **1.33 Subsidiaries**

Material entities over which the Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the trust's or where the subsidiary's accounting date is before 1 January or after 30 June.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Trust has established that as the Trust is the corporate trustee of the linked NHS Charity Velindre NHS Trust Charitable Funds, it is considered for accounting standards compliance to have control of the Charity as a subsidiary and therefore is required to consolidate the results off the Charity within the statutory accounts of the Trust.

As this is a change in the accounting policy, the prior year has been restated. The consolidation is for reporting purposes only and does not affect the charities' legal and regulatory independence and day to day operations.

**1.34 Absorption Accounting**

Transfers of function are accounted for as either by merger or by absorption accounting, dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required. For transfers of functions involving NHS Wales Trusts in receipt of PDC the double entry for the fixed asset NBV value and the net movement in assets is PDC or General Reserve as appropriate.

**1.35 Accounting standards that have been issued but have not yet been adopted**

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

IFRS 9 Financial Instruments - subject to consultation - subject to consultation.

IFRS 10 Consolidated Financial Statements - subject to consultation.

IFRS 11 Joint Arrangements - subject to consultation.

IFRS 12 Disclosure of Interests in Other Entities - subject to consultation.

IFRS 13 Fair Value Measurement - subject to consultation.

IPSAS 32 Service Concession Arrangements - subject to consultation.

**1.36 Accounting standards issued that have been adopted early**

There are no accounting standards in issue which have been adopted early.

## Velindre Trust Annual Accounts 2013-14

2. Revenue from patient care activities	2013-14	2012-13	2013-14	2012-13
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Welsh Government	1,508	0	1,508	0
Welsh Government Welsh Risk Pool Reimbursements	141,984	112,680	141,984	112,680
Welsh Health Specialised Services Committee (WHSSC)	30,187	29,628	30,187	29,628
Local health boards	46,436	45,631	46,436	45,631
Welsh NHS Trusts	0	14	0	14
Other NHS trusts	370	377	370	377
Strategic health authorities and primary care trusts	2	0	2	0
Foundation Trusts	0	0	0	0
Welsh Local Authorities	0	0	0	0
Local authorities	0	0	0	0
Non NHS:				
Private patient income	1,565	987	1,565	987
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	0	0	0	0
Other revenue from activities	430	427	430	427
<b>Total</b>	<b>222,482</b>	<b>189,744</b>	<b>222,482</b>	<b>189,744</b>

ICR income is subject to a provision for impairment of 15.8% to reflect expected rates of collection.

3. Other operating revenue	2013-14	2012-13	2013-14	2012-13
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Patient transport services	0	0	0	0
Education, training and research	2,669	2,833	2,669	2,833
Charitable and other contributions to NHS Trust	2,261	2,213	940	991
Incoming FHoT Revenue				
Unrestricted - donations and legacies			2,268	1,458
Restricted - donations and legacies			668	903
Receipt of donations for capital acquisitions	7	0	7	0
Receipt of government grants for capital acquisitions	0	0	0	0
Non-patient care services to other bodies	0	0	0	0
Income generation	849	951	849	951
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	0	0	0	0
Other revenue:				
Provision of laundry, pathology, payroll services	0	0	0	0
Accommodation and catering charges	156	155	156	155
Mortuary fees	0	0	0	0
Staff payments for use of cars	78	73	78	73
Business unit	0	0	0	0
Other	189,228	93,939	189,228	93,939
<b>Total</b>	<b>195,248</b>	<b>100,164</b>	<b>196,863</b>	<b>101,303</b>

Other revenue of £189,228,000 (2012-13 £93,939,000) comprises

1 NWIS	43,150	44,166	43,150	44,166
2 NWSSP	135,994	39,841	135,994	39,841
3 Other	10,084	9,932	10,084	9,932

<b>Total</b>	<b>189,228</b>	<b>93,939</b>	<b>189,228</b>	<b>93,939</b>
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The increase in income from the Welsh Government is due to the Trust receiving the income for its One Wales Palliative care funding directly, in the prior year the income was received indirectly through services provided to Health Boards.

Other operating revenue has increased due to the the transfer of selected functions from the National Leadership and Innovation Agency (NWIS) previously hosted by ABMU LHB to NWSSP with incremental revenue for the Trust of £80,848,000. In addition, part of the movement is due NWSSP revenue for 12 months being included in the current year, compared to 10 months in 2012-13.

## Velindre Trust Annual Accounts 2013-14

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### 4. Revenue

	2013-14	2012-13
	£000	£000
From rendering of services	408,734	281,497
From sale of goods	8,996	8,411
<b>Total</b>	<b>417,730</b>	<b>289,908</b>

### 5. Income generation activities

Velindre NHS Trust has no income generation activity whose costs exceed £1 million

**Velindre Trust Annual Accounts 2013-14**

<b>6. Operating expenses</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2012-13</b>
<b>6.1 Operating expenses</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>NHS Trust</b>		<b>Consolidated</b>	
Welsh Government	0	0	0	0
WHSSC	0	0	0	0
Local Health Boards	2,531	2,422	2,531	2,422
Welsh NHS Trusts	648	867	648	867
Other NHS Trusts	111	135	111	135
Goods and services from other NHS bodies	133	110	133	110
Purchase of healthcare from non-NHS bodies	0	0	0	0
Welsh Local Authorities	0	2	0	2
Other Local Authorities	0	0	0	0
Directors' costs	816	823	816	823
Staff costs	109,154	98,754	109,154	98,754
Supplies and services - clinical	33,088	31,264	33,088	31,264
Supplies and services - general	1,376	1,165	1,376	1,165
Consultancy Services	2,341	3,124	2,341	3,124
Establishment	16,825	13,763	16,825	13,763
Transport	904	578	904	578
Premises	11,516	10,771	11,516	10,771
FHoT Resources expended				
Costs of generating funds			190	214
Charitable activities			267	399
Governance Costs			0	0
Impairments and Reversals of Receivables	0	0	0	0
Depreciation	7,035	6,435	7,035	6,435
Amortisation	4,959	2,767	4,959	2,767
Impairments and reversals of property, plant and equipment	0	312	0	312
Impairments and reversals of intangible assets	0	14	0	14
Impairments and reversals of financial assets	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0
Audit fees	201	215	201	215
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	141,922	111,131	141,922	111,131
Research and development	0	0	0	0
Other operating expenses	84,158	3,516	84,158	3,516
<b>Total</b>	<b>417,718</b>	<b>288,168</b>	<b>418,175</b>	<b>288,781</b>

On the 1 April 2013 selected functions were transferred from National Leadership and Innovation Agency hosted by AMBU LHB to NWSSP hosted by Velindre NHS Trust. Included within other operating expenses are payments made to various Universities and for student Bursaries amount £81m.

Included within audit fees is £10,000 relating to the audit of the FHOT. The Trust is reimbursed in full for the audit fee by the FHOT.

6. Operating expenses (continued)

6.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000
Increase/(decrease) in provision for future payments:				
	NHS Trust		Consolidated	
Clinical negligence	141,861	60,166	141,861	60,166
Personal injury	541	3,251	541	3,251
All other losses and special payments	0	10	0	10
Defence legal fees and other administrative costs	2,564	(128)	2,564	(128)
Gross increase/(decrease) in provision for future payments	<u>144,966</u>	<u>63,299</u>	<u>144,966</u>	<u>63,299</u>
Contribution to Welsh Risk Pool	0	0	0	0
Welsh Risk Pool creditor movement	(2,213)	47,830	(2,213)	47,830
Premium for other insurance arrangements	0	0	0	0
Irrecoverable debts	0	0	0	0
Less: income received/ due from Welsh Risk Pool	(831)	2	(831)	2
<b>Total charge</b>	<u>141,922</u>	<u>111,131</u>	<u>141,922</u>	<u>111,131</u>

The Clinical Negligence includes £850 (2012-13 £nil) in respect of payments made under Redress. )

Personal injury includes no payment in respect of permanent injury benefits (2012-13 £nil).

7. Investment revenue	2013-14	2012-13	2013-14	2012-13
	NHS Trust		Consolidated	
Rental revenue :	£000	£000	£000	£000
PFI finance lease revenue:				
Planned	0	0	0	0
Contingent	0	0	0	0
Other finance lease revenue	0	0	0	0
<b>Interest revenue:</b>				
Bank accounts	84	45	84	45
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	57	54
<b>Total</b>	<b>84</b>	<b>45</b>	<b>141</b>	<b>99</b>

8. Other gains and losses	2013-14	2012-13	2013-14	2012-13
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Gain/(loss) on disposal of property, plant and equipment	112	(9)	112	(9)
Gain/(loss) on disposal of intangible assets	0	0	0	0
Gain/(loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on disposal of financial assets	0	0	0	0
Gains/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets at fair value through income statement	0	0	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
<b>Total</b>	<b>112</b>	<b>(9)</b>	<b>112</b>	<b>(9)</b>

9. Finance costs	2013-14	2012-13	2013-14	2012-13
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Interest on loans and overdrafts	0	0	0	0
Interest on obligations under finance leases	29	30	29	30
Interest on obligations under PFI contracts:				
Main finance cost	0	0	0	0
Contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
<b>Total interest expense</b>	<b>29</b>	<b>30</b>	<b>29</b>	<b>30</b>
Provisions unwinding of discount	122	1,696	122	1,696
Other finance costs	0	0	0	0
<b>Total</b>	<b>151</b>	<b>1,726</b>	<b>151</b>	<b>1,726</b>



10. Operating leases

10.1 Trust as lessee

Operating lease payments represent rentals payable by the trust for properties and equipment.

	2013-14	2012-13	2013-14	2012-13
	NHS Trust		Consolidated	
	£000	£000	£000	£000
<b>Payments recognised as an expense</b>				
Minimum lease payments	3,319	3,074	3,319	3,074
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
<b>Total</b>	<b>3,319</b>	<b>3,074</b>	<b>3,319</b>	<b>3,074</b>

	2013-14	2012-13	2013-14	2012-13
	NHS Trust		Consolidated	
	£000	£000	£000	£000
<b>Total future minimum lease payments</b>				
Payable:				
Not later than one year	2,667	2,813	2,667	2,813
Between one and five years	5,196	4,481	5,196	4,481
After 5 years	3,284	2,802	3,284	2,802
<b>Total</b>	<b>11,147</b>	<b>10,096</b>	<b>11,147</b>	<b>10,096</b>
Total future sublease payments expected to be received	0	0	0	0

10. Operating leases (continued)

**10.2 Trust as lessor**

There are no leasing arrangements where the Trust is the lessor.

	2013-14	2012-13	2013-14	2012-13
	<b>NHS Trust</b>		<b>Consolidated</b>	
	<b>£000</b>	£000	<b>£000</b>	£000
<b>Receipts recognised as income</b>				
Rent	0	0	0	0
Contingent rent	0	0	0	0
Other	0	0	0	0
<b>Total rental revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2013-14	2012-13	2013-14	2012-13
	<b>NHS Trust</b>		<b>Consolidated</b>	
	<b>£000</b>	£000	<b>£000</b>	£000
<b>Total future minimum lease payments</b>				
Receivable:				
Not later than one year	0	0	0	0
Between one and five years	0	0	0	0
After 5 years	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

11. Employee costs and numbers

11.1 Employee costs	Permanently employed staff	Agency Staff	Staff on Inward Secondment	2013-14	2012-13
				£000	£000
	£000	£000	£000	£000	£000
Salaries and wages	87,527	1,283	3,014	91,824	83,543
Social security costs	6,391	0	130	6,521	5,882
Employer contributions to NHS Pensions Scheme	11,378	0	226	11,604	10,093
Other pension costs	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0
Termination benefits	0	0	0	0	0
<b>Total</b>	<b>105,296</b>	<b>1,283</b>	<b>3,370</b>	<b>109,949</b>	<b>99,518</b>
<b>Of the total above:</b>					
Charged to capital				0	48
Charged to revenue				109,949	99,470
<b>Total</b>				<b>109,949</b>	<b>99,518</b>

11.2 Average number of employees

	Permanently Employed	Agency Staff	Staff on Inward Secondment	Total	Total
				Number	Number
Medical and dental	81	0	1	82	81
Ambulance staff	0	0	0	0	0
Administrative and estates	2,025	26	25	2,076	1,857
Healthcare assistants and other support staff	148	2	0	150	140
Nursing, midwifery and health visiting staff	303	12	12	327	326
Nursing, midwifery and health visiting learners	0	0	0	0	0
Scientific, therapeutic and technical staff	320	10	3	333	316
Social care staff	0	0	0	0	0
Other	0	0	0	0	0
<b>Total</b>	<b>2,877</b>	<b>50</b>	<b>41</b>	<b>2,968</b>	<b>2,720</b>

The NHS Trust does not employ additional staff for FHOT administration duties.

11.3 Employee benefits

The Trust does not have an employee benefit scheme.

11.4 Reporting of other compensation schemes - exit packages

Exit package cost band	Total number of exit packages by cost band Number 2013-14	Total number of exit packages by cost band Number 2012-13
<£10,000	6	9
£10,000 to £25,000	7	17
£25,000 to £50,000	7	4
£50,000 to £100,000	1	1
£100,000 to £150,000	0	0
£150,000 to £200,000	0	0
£200,000+	0	0
Total number of exit packages by type	21	31
Total resource cost £	425,889	512,551

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS VERs Scheme. **Exit costs in this note are accounted for in full in the year of departure.** Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme.

## **11.5 Remuneration Relationship**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Velindre NHS Trust in the financial year 2013-14 was £130,000 - 135,000 (2012-13, £130,000 -135,000). This was 5.3 times (2012-13, 5.8 times) the median remuneration of the workforce, which was £25,000 (2012-2013, £23,000).

In 2013-14, 4 employees received total remuneration in excess of the highest-paid director these 4 employees were Medical Consultants. Remuneration ranged from £14,000 to £154,000 (2012-13 £9,000 to £152,000).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Overtime payments are included in the calculation of both elements of the relationship.

In establishing the highest paid Director (Chief Executive) the Trust has taken into account the proportion of remuneration received for Clinical and Director responsibilities by other Directors.

## 12. Pensions

### Pension costs

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

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 the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2014, is based on valuation data as 31 March 2013, updated to 31 March 2014 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. 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 scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while future scheme terms are developed as part of the reforms to public service pension provision due to be implemented in 2015.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and after consideration of the advice of the Scheme Actuary.

A formal valuation for funding purposes as at March 2012 is currently close to completion and will be used to inform the contribution rates applicable from 1 April 2015.

### **c) Scheme provisions**

The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "defined benefit" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in inflation in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used as the measure of inflation and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional pension in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

During the period 2 employees joined the National Employment Savings Trust (NEST). NEST is a not for profit workplace pension scheme established by law to support the introduction of automatic enrolment providing defined contribution pensions schemes. NEST was established by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

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

Currently the legal minimum contribution level is 2% of a jobholder's qualifying earnings for employers whose legal duties have started. Of this the employer needs to pay at least 1% though they can pay more if they elect to do so. By 2018 the minimum contribution will rise to 8% of qualifying earnings, of which the employer must pay at least 3%.

The NEST scheme has an annual contribution limit. It is reviewed annually and adjusted in line with average earnings. The annual contribution limit is currently up to £4,500 for the 2013-14 tax year.

The annual contribution limit includes member contributions, money from their employer and any tax relief. It also includes any money paid in by someone else on behalf of the member, such as

#### **12.1 Retirement costs due to ill-health**

During 2013-14 there were 2 (2012-13 2) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension costs of these ill-health retirements will be £130,143 (2012-13 £203,129). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

**13. Public Sector Payment Policy**

**13.1 Prompt payment code - NHS Trust measure of compliance**

The Welsh Government requires that trusts pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the trust financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the later.

	2013-14	2013-14
	Number	£000
<b>NHS</b>		
Total bills paid in year	2,632	49,574
Total bills paid within target	2,418	47,877
Percentage of bills paid within target	91.9%	96.6%
<b>Non-NHS</b>		
Total bills paid in year	37,377	148,742
Total bills paid within target	35,652	144,621
Percentage of bills paid within target	95.4%	97.2%
<b>Total</b>		
Total bills paid in year	40,009	198,316
Total bills paid within target	38,070	192,498
Percentage of bills paid within target	95.2%	97.1%
	2012-13	2012-13
	Number	£000
<b>NHS</b>		
Total bills paid in year	1,992	27,514
Total bills paid within target	1,705	24,845
Percentage of bills paid within target	85.6%	90.3%
<b>Non-NHS</b>		
Total bills paid in year	33,802	80,290
Total bills paid within target	32,632	78,325
Percentage of bills paid within target	96.5%	97.6%
<b>Total</b>		
Total bills paid in year	35,794	107,804
Total bills paid within target	34,337	103,170
Percentage of bills paid within target	95.9%	95.7%

**13.2 The Late Payment of Commercial Debts (Interest) Act 1998**

<b>NHS Trust</b>	£	£
	2013-14	2012-13
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The PSPP measure of compliance applies on a Trust only basis, therefore no consolidated PSPP measures have been calculated.



14. Property, plant and equipment :

2013-14

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	NHS Trust Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2013</b>	<b>10,123</b>	<b>43,511</b>	<b>137</b>	<b>2,180</b>	<b>25,576</b>	<b>2,003</b>	<b>20,233</b>	<b>1,004</b>	<b>104,767</b>	<b>0</b>	<b>104,767</b>
Indexation	0	870	3	0	0	0	0	0	873	0	873
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Additions - purchased	0	735	0	7,032	900	0	1,767	2	10,436	0	10,436
Additions - donated	0	0	0	0	7	0	0	0	7	0	7
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	5,497	283	0	0	0	0	0	0	5,780	0	5,780
Reclassifications	0	64	0	(588)	15	505	0	4	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(2,740)	(156)	(1,996)	(119)	(5,011)	0	(5,011)
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
<b>At 31 March 2014</b>	<b>15,620</b>	<b>45,463</b>	<b>140</b>	<b>8,624</b>	<b>23,758</b>	<b>2,352</b>	<b>20,004</b>	<b>891</b>	<b>116,852</b>	<b>0</b>	<b>116,852</b>
<b>Depreciation</b>											
<b>At 1 April 2013</b>	<b>0</b>	<b>2,286</b>	<b>10</b>	<b>0</b>	<b>15,321</b>	<b>992</b>	<b>10,552</b>	<b>775</b>	<b>29,936</b>	<b>0</b>	<b>29,936</b>
Indexation	0	46	0	0	0	0	0	0	46	0	46
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	30	0	0	0	0	0	0	30	0	30
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(2,740)	(156)	(1,996)	(119)	(5,011)	0	(5,011)
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Charged during the year	0	1,544	10	0	1,975	215	3,212	79	7,035	0	7,035
<b>At 31 March 2014</b>	<b>0</b>	<b>3,906</b>	<b>20</b>	<b>0</b>	<b>14,556</b>	<b>1,051</b>	<b>11,768</b>	<b>735</b>	<b>32,036</b>	<b>0</b>	<b>32,036</b>
<b>Net book value</b>											
At 1 April 2013	10,123	41,225	127	2,180	10,255	1,011	9,681	229	74,831	0	74,831
<b>Net book value</b>											
At 31 March 2014	15,620	41,557	120	8,624	9,202	1,301	8,236	156	84,816	0	84,816
<b>Net book value at 31 March 2014 comprises :</b>											
Purchased	10,259	41,557	120	8,624	9,104	1,301	8,236	156	79,357	0	79,357
Donated	0	5,361	0	0	98	0	0	0	5,459	0	5,459
Government Granted	0	0	0	0	0	0	0	0	0	0	0
<b>At 31 March 2014</b>	<b>10,259</b>	<b>46,918</b>	<b>120</b>	<b>8,624</b>	<b>9,202</b>	<b>1,301</b>	<b>8,236</b>	<b>156</b>	<b>84,816</b>	<b>0</b>	<b>84,816</b>
<b>Asset Financing:</b>											
Owned	15,620	41,557	120	8,624	9,202	1,301	8,236	150	84,810	0	84,810
Held on finance lease	0	0	0	0	0	0	0	6	6	0	6
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
<b>At 31 March 2014</b>	<b>15,620</b>	<b>41,557</b>	<b>120</b>	<b>8,624</b>	<b>9,202</b>	<b>1,301</b>	<b>8,236</b>	<b>156</b>	<b>84,816</b>	<b>0</b>	<b>84,816</b>

The net book value of land, buildings and dwellings at 31 March 2014 comprises :

	£000	£000	£000
Freehold	56,310	0	56,310
Long Leasehold	0	0	0
Short Leasehold	987	0	987
<b>Total</b>	<b>57,297</b>	<b>0</b>	<b>57,297</b>

14. Property, plant and equipment :

2012-13

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2012</b>	10,810	44,225	145	9,360	23,042	1,452	18,813	913	108,760	0	108,760
Indexation	0	0	0	0	0	0	0	0	0	0	0
Revaluation	(752)	(7,128)	(8)	0	0	0	0	0	(7,888)	0	(7,888)
Additions - purchased	0	1,320	0	988	642	491	2,292	76	5,809	0	5,809
Additions - donated	0	0	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	65	1,684	0	0	109	174	630	236	2,898	0	2,898
Reclassifications	0	3,697	0	(8,168)	4,305	41	113	12	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,522)	(155)	(1,487)	(233)	(4,397)	0	(4,397)
Impairments	0	(287)	0	0	0	0	(128)	0	(415)	0	(415)
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>10,123</b>	<b>43,511</b>	<b>137</b>	<b>2,180</b>	<b>25,576</b>	<b>2,003</b>	<b>20,233</b>	<b>1,004</b>	<b>104,767</b>	<b>0</b>	<b>104,767</b>
<b>Depreciation</b>											
<b>At 1 April 2012</b>	0	4,373	27	0	15,798	906	8,783	844	30,731	0	30,731
Indexation	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	(3,882)	(27)	0	0	0	0	0	(3,909)	0	(3,909)
Transfers from/(into) other NHS bodies	0	361	0	0	75	123	471	108	1,138	0	1,138
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,492)	(155)	(1,476)	(233)	(4,356)	0	(4,356)
Impairments	0	0	0	0	0	0	(103)	0	(103)	0	(103)
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Charged during the year	0	1,434	10	0	1,940	118	2,877	56	6,435	0	6,435
<b>At 31 March 2013</b>	<b>0</b>	<b>2,286</b>	<b>10</b>	<b>0</b>	<b>15,321</b>	<b>992</b>	<b>10,552</b>	<b>775</b>	<b>29,936</b>	<b>0</b>	<b>29,936</b>
Net book value at 1 April 2012	10,810	39,852	118	9,360	7,244	546	10,030	69	78,029	0	78,029
<b>Net book value at 31 March 2013</b>	<b>10,123</b>	<b>41,225</b>	<b>127</b>	<b>2,180</b>	<b>10,255</b>	<b>1,011</b>	<b>9,681</b>	<b>229</b>	<b>74,831</b>	<b>0</b>	<b>74,831</b>
<b>Net book value at 31 March 2013 comprises :</b>											
Purchased	10,123	35,800	127	2,180	10,140	1,011	9,681	229	69,291	0	69,291
Donated	0	5,425	0	0	115	0	0	0	5,540	0	5,540
Government Granted	0	0	0	0	0	0	0	0	0	0	0
<b>Total 31 March 2013</b>	<b>10,123</b>	<b>41,225</b>	<b>127</b>	<b>2,180</b>	<b>10,255</b>	<b>1,011</b>	<b>9,681</b>	<b>229</b>	<b>74,831</b>	<b>0</b>	<b>74,831</b>
<b>Asset Financing:</b>											
Owned	10,123	41,225	127	2,180	10,098	1,011	9,681	209	74,654	0	74,654
Held on finance lease	0	0	0	0	157	0	0	20	177	0	177
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
<b>Total 31 March 2013</b>	<b>10,123</b>	<b>41,225</b>	<b>127</b>	<b>2,180</b>	<b>10,255</b>	<b>1,011</b>	<b>9,681</b>	<b>229</b>	<b>74,831</b>	<b>0</b>	<b>74,831</b>

The net book value of land, buildings and dwellings at 31 March 2013 comprises :

	£000	£000	£000
Freehold	50,559	0	50,559
Long Leasehold	0	0	0
Short Leasehold	916	0	916
	<b>51,475</b>	<b>0</b>	<b>51,475</b>

### **1 Donated assets**

Velindre NHS Trust received one donated asset in 2013-14, a patient monitor valued at a cost of £7,000, from Velindre NHS Trust Charitable Funds.

### **2 Valuations**

The Trust's Land and Buildings were last revalued by the District Valuation Service with an effective date of 1st April 2012. This valuation was prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6th edition.

The Trust is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

The Trust has applied indexation in 2013-14 as per Welsh Assembly Government guidance, update note 03 (2013-14), issued on 31st October 2013.

### **3 Asset Lives**

Assets are depreciated over the following lives:

- a) Land and assets under construction - not depreciated.
- b) Buildings - as determined by the District Valuation service.
- c) Equipment - 5 to 15 years.

14.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	NHS Trust Total	FHoT assets	ConsolidatedTotal
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance b/f 1 April 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0	0	0
<b>Balance c/f 31 March 2014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance b/f 1 April 2012	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0	0	0
Balance c/f 31 March 2013	0	0	0	0	0	0	0	0

At 31 March 2014 the Trust does not hold any non-current assets held for sale (2012-13: none).

15. Intangible assets

2013-14	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	NHS Trust Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2013</b>	28,890	5,701	0	0	0	0	34,591		34,591
Revaluation		0			0	0	0	0	0
Additions									0
- purchased	13,806	591	0	0	0	0	14,397	0	14,397
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(123)	0	0	0	0	0	(123)	0	(123)
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
<b>Gross cost at 31 March 2014</b>	<b>42,573</b>	<b>6,292</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48,865</b>	<b>0</b>	<b>48,865</b>
<b>Amortisation</b>									
<b>Accumulated amortisation at 1 April 2013</b>	<b>15,458</b>	<b>2,672</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,130</b>		<b>18,130</b>
Revaluation		0			0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(20)	0	0	0	0	0	(20)	0	(20)
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	3,910	1,049	0	0	0	0	4,959	0	4,959
<b>Accumulated amortisation at 31 March 2014</b>	<b>19,348</b>	<b>3,721</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,069</b>	<b>0</b>	<b>23,069</b>
Net book value at 1 April 2013	13,432	3,029	0	0	0	0	16,461	0	16,461
<b>Net book value at 31 March 2014</b>	<b>23,225</b>	<b>2,571</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,796</b>	<b>0</b>	<b>25,796</b>
<b>Net book value</b>									
Purchased	23,225	0	0	0	0	0	23,225	0	23,225
Internally Generated	0	2,571	0	0	0	0	2,571	0	2,571
Donated	0	0	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2014</b>	<b>23,225</b>	<b>2,571</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,796</b>	<b>0</b>	<b>25,796</b>

15. Intangible assets

2012-13	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	NHS Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2012</b>	26,254	4,472	0	0	0	0	30,726	0	30,726
Revaluation		0			0	0	0	0	0
Additions									
- purchased	3,581	1,229	0	0	0	0	4,810	0	4,810
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	388	0	0	0	0	0	388	0	388
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(1,296)	0	0	0	0	0	(1,296)	0	(1,296)
Impairments	(37)	0	0	0	0	0	(37)	0	(37)
Reversal of impairments	0	0	0	0	0	0	0	0	0
<b>Gross cost at 31 March 2013</b>	<b>28,890</b>	<b>5,701</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,591</b>	<b>0</b>	<b>34,591</b>
<b>Amortisation</b>									
<b>Accumulated amortisation at 1 April 2012</b>	<b>14,695</b>	<b>1,781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,476</b>	<b>0</b>	<b>16,476</b>
Revaluation		0			0	0	0	0	0
Transfers from/(into) other NHS bodies	205	0	0	0	0	0	205	0	205
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(1,295)	0	0	0	0	0	(1,295)	0	(1,295)
Impairments	(23)	0	0	0	0	0	(23)	0	(23)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	1,876	891	0	0	0	0	2,767	0	2,767
<b>Accumulated amortisation at 31 March 2013</b>	<b>15,458</b>	<b>2,672</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,130</b>	<b>0</b>	<b>18,130</b>
Net book value at 1 April 2012	11,559	2,691	0	0	0	0	14,250	0	14,250
<b>Net book value at 31 March 2013</b>	<b>13,432</b>	<b>3,029</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,461</b>	<b>0</b>	<b>16,461</b>
Net book value									
Purchased	13,432	0	0	0	0	0	13,432	0	13,432
Internally Generated	0	3,029	0	0	0	0	3,029	0	3,029
Donated	0	0	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>13,432</b>	<b>3,029</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,461</b>	<b>0</b>	<b>16,461</b>

**15. Intangible assets**

An assessment is performed on an annual basis to determine that the assets are still available for use and that there is a continued market for their use. The fair values are based on the original cost and amortised based upon finite lives detailed below and are as detailed in the note to the accounts.

The useful lives and amortisation rates used are 3 and 5 years and no intangible assets are assessed as having indefinite useful lives.

No intangible assets have been acquired by Government Grant.

**16. Revaluation reserve balance for intangible assets**

	<b>2013-14</b>	2012-13	<b>2013-14</b>	2012-13
	£000	£000	£000	£000
	<b>NHS Trust</b>		<b>Consolidated</b>	
At 1 April	<b>0</b>	0	<b>0</b>	0
Changes (itemised)	<b>0</b>	0	<b>0</b>	0
At 31 March	<b>0</b>	0	<b>0</b>	0

## 17. Impairments

Impairments in the period arose from:	2013-14		2012-13	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	25	14
Changes in market price	0	0	287	0
Other (specify)	0	0	0	0
<b>NHS Trust Impairments charged to operating expenses</b>	<b>0</b>	<b>0</b>	<b>312</b>	<b>14</b>
FHoT Impairments charged to operating expenses	0	0	0	0
<b>Consolidated impairment charged to operating expenses</b>	<b>0</b>	<b>0</b>	<b>312</b>	<b>14</b>

### Impairments charged in the year to

NHS Trust Operating expenses in SoCNI	0	0	312	14
NHS Trust Revaluation reserve	0	0	0	0
<b>NHS Trust Total</b>	<b>0</b>	<b>0</b>	<b>312</b>	<b>14</b>
FHoT Operating expenses in SoCNI	0	0	0	0
FHoT reserves	0	0	0	0
<b>NHS Consolidated Total</b>	<b>0</b>	<b>0</b>	<b>312</b>	<b>14</b>

No impairments have been recognised in 2013-14.

During 2012-13, following extensive building work to site 2 new Linac machines, a valuation was undertaken by the District Valuers Office who reviewed the value of the building on an IFRS Modern equivalent assets Value. As a result of these valuations an additional impairment of £287,000 was required, which is shown above.

## 18. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date were:

	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Property, plant and equipment	1,121	1,042	1,121	1,042
Intangible assets	3,546	4,727	3,546	4,727
<b>Total</b>	<b>4,667</b>	<b>5,769</b>	<b>4,667</b>	<b>5,769</b>



19. Inventories

19.1 Inventories

	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Drugs	541	633	541	633
Consumables	405	465	405	465
Energy	0	0	0	0
Work in progress	0	0	0	0
Other	676	1,551	676	1,551
<b>Total</b>	<b>1,622</b>	<b>2,649</b>	<b>1,622</b>	<b>2,649</b>
<b>Of which held at net realisable value:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

19.2 Inventories recognised in expenses

	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Inventories recognised as an expense in the period	26,499	25,270	26,499	25,270
Write-down of inventories (including losses)	0	0	0	0
Reversal of write-downs that reduced the expense	0	0	0	0
<b>Total</b>	<b>26,499</b>	<b>25,270</b>	<b>26,499</b>	<b>25,270</b>

**Velindre Trust Annual Accounts 2013-14**
**20. Trade and other receivables**
**20.1 Trade and other receivables**

	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	<b>NHS Trust</b>		<b>Consolidated</b>	
<b>Current</b>	<b>£000</b>	£000	<b>£000</b>	£000
Welsh Government	196,142	202,118	196,142	202,118
Welsh Health Specialised Services Committee	525	134	525	134
Welsh Health Boards	6,720	7,522	6,720	7,522
Welsh NHS Trusts	277	917	277	917
Non - Welsh Trusts	182	451	182	451
Other NHS	3	0	3	0
Welsh Risk Pool	0	41	0	41
Welsh Local Authorities	0	76	0	76
Other Local Authorities	0	0	0	0
Capital debtors	0	0	0	0
Other debtors	2,736	2,494	2,716	2,479
FHoT debtor	—	—	942	446
Provision for impairment of trade receivables	(121)	(139)	(121)	(139)
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments and accrued income	4,583	3,888	4,583	3,888
Sub-total	<u>211,047</u>	<u>217,502</u>	<u>211,969</u>	<u>217,933</u>
<b>Non-current</b>				
Welsh Government	417,597	334,169	417,597	334,169
Welsh Health Specialised Services Committee	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	0	0	0	0
Welsh Risk Pool	0	0	0	0
Welsh Local Authorities	0	0	0	0
Other Local Authorities	0	0	0	0
Capital debtors	0	0	0	0
FHoT debtor	—	—	0	0
Other debtors	0	0	0	0
Provision for impairment of trade receivables	0	0	0	0
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments and accrued income	0	0	0	0
Sub-total	<u>417,597</u>	<u>334,169</u>	<u>417,597</u>	<u>334,169</u>
<b>Total trade and other receivables</b>	<b><u>628,644</u></b>	<b><u>551,671</u></b>	<b><u>629,566</u></b>	<b><u>552,102</u></b>

Trade receivables disclosed above include £889,000 (2012-13 £1,230,000) which are past due at the reporting date but against which the Trust has not recognised an allowance for doubtful receivables because the amounts are still considered recoverable (see note 20.3 for aged analysis).

The Trust has recognised an allowance for doubtful debts by providing at a percentage of total receivable according to the ageing category. The allowance provided by category is based on historical experience.

The Trust does not hold any collateral over its trade receivables.

**20.2 Receivables VAT**

	<b>31 March 2014</b>	31 March 2013	<b>31 March 2014</b>	31 March 2013
	<b>NHS Trust</b>		<b>Consolidated</b>	
	<b>£000</b>	£000	<b>£000</b>	£000
Trade receivables	111	0	111	0
Other	0	0	0	0
<b>Total</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>0</b>

There is no VAT receivables included in any other categories of receivables.

**20.3 Receivables past their due date but not impaired**

	<b>31 March 2014</b>	31 March 2013	<b>31 March 2014</b>	31 March 2013
	<b>NHS Trust</b>		<b>Consolidated</b>	
	<b>£000</b>	£000	<b>£000</b>	£000
By up to 3 months	639	567	639	567
By 3 to 6 months	9	96	9	96
By more than 6 months	241	567	241	567
<b>Balance at end of financial year</b>	<b>889</b>	1,230	<b>889</b>	1,230

**20.4 Allowance for bad and doubtful debts**

	<b>31 March 2014</b>	31 March 2013	<b>31 March 2014</b>	31 March 2013
	<b>NHS Trust</b>		<b>Consolidated</b>	
	<b>£000</b>	£000	<b>£000</b>	£000
Balance at beginning of the year	(139)	(139)	(139)	(139)
Transfer to other NHS Wales body	0	0	0	0
Provision utilised (Amount written off during the year)	0	10	0	10
Provision written back during the year no longer required	0	0	0	0
(Increase)/decrease in provision during year	18	(10)	18	(10)
Bad debts recovered during year	0	0	0	0
<b>Balance at end of financial year</b>	<b>(121)</b>	(139)	<b>(121)</b>	(139)

In determining the recoverability of a trade receivable the Trust considers the age of the debt, past experience of the counterparty, and an analysis of its current financial position.

21. Other financial assets

	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
<b>Non-current</b>				
Finance lease receivables	0	0	0	0
Financial assets carried at fair value through income statement	0	0	0	0
Held to maturity investments carried at amortised cost	0	0	0	0
Available for sale financial assets carried at fair value	0	0	2,057	2,072
Loans carried at amortised cost	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,057</b>	<b>2,072</b>
<b>Current</b>				
Finance lease receivables	0	0	0	0
Financial assets carried at fair value through income statement	0	0	0	0
Held to maturity investments carried at amortised cost	0	0	0	0
Available for sale financial assets carried at fair value	0	0	0	0
Loans carried at amortised cost	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

22. Other assets

	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
<b>Non-current</b>				
Other assets	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current</b>				
CRC Emissions trading scheme allowances	0	0	0	0
Other assets	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

23. Cash and cash equivalents

	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Opening Balance	15,693	20,207	16,217	20,804
Net change in year	(2,652)	(13,779)	(1,920)	(13,852)
<b>Closing Balance</b>	<b>13,041</b>	<b>6,428</b>	<b>14,297</b>	<b>6,952</b>
<b>Made up of:</b>				
Cash with Government Banking Service (GBS)	6,416	6,413	6,416	6,413
Cash with Commercial banks	0	0	1,256	524
Cash in hand	18	15	18	15
<b>Total cash</b>	<b>6,434</b>	<b>6,428</b>	<b>7,690</b>	<b>6,952</b>
Current investments	6,607	9,265	6,607	9,265
<b>Cash and cash equivalents as in SoFP</b>	<b>13,041</b>	<b>15,693</b>	<b>14,297</b>	<b>16,217</b>
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial banks	0	0	0	0
<b>Cash &amp; cash equivalents as in Statement of Cash Flows</b>	<b>13,041</b>	<b>15,693</b>	<b>14,297</b>	<b>16,217</b>

24. Trade and other payables at the SoFP Date	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
Current	£000	£000	£000	£000
Welsh Government	1,346	5,887	1,346	5,887
Welsh Health Specialised Services Committee	0	8	0	8
Welsh Health Boards	21,993	18,506	21,993	18,506
Welsh NHS Trusts	662	313	662	313
Other NHS	58	325	58	325
Welsh Local Authorities	171	140	171	140
Other Local Authorities	0	0	0	0
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	951	980	951	980
National Insurance contributions payable to HMRC	1,075	1,024	1,075	1,024
Non-NHS trade payables - revenue	8,510	6,427	8,510	6,427
Non-NHS trade payables - capital	7,576	6,836	7,576	6,836
FHoT payables			201	198
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	1,562	1,381	1,562	1,381
Accruals	9,444	6,075	9,444	6,075
Deferred Income:				
Deferred income brought forward	1,967	1,110	1,967	1,110
Deferred income additions	1,088	1,967	1,088	1,967
Transfer to/from current/non current deferred income	0	0	0	0
Released to the Income Statement	(1,967)	(1,110)	(1,967)	(1,110)
Other liabilities - all other payables	0	0	0	0
Sub-total	54,436	49,869	54,637	50,067

**Velindre Trust Annual Accounts 2013-14**

**24. Trade and other payables at the SoFP Date (cont)**

	31 March 2014 NHS Trust £000	31 March 2013 £000	31 March 2014 Consolidated £000	31 March 2013 £000
<b>Non-current</b>				
Welsh Government	0	0	0	0
Welsh Health Specialised Services Committee	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Other NHS	0	0	0	0
Welsh Local Authorities	0	0	0	0
Other Local Authorities	0	0	0	0
Taxation and social security payable / refunds:	0	0	0	0
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	0	0	0	0
National Insurance contributions payable to HMRC	0	0	0	0
Non-NHS trade payables - revenue	207,146	177,361	207,146	177,361
Non-NHS trade payables - capital	3,423	0	3,423	0
FHoT payables	0	0	0	0
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	0	0	0	0
Accruals	0	0	0	0
Deferred Income:				
Deferred income brought forward	0	0	0	0
Deferred income additions	0	0	0	0
Transfer to/from current/non current deferred income	0	0	0	0
Released to the Income Statement	0	0	0	0
Other liabilities - all other payables	0	0	0	0
Sub-total	<u>210,569</u>	<u>177,361</u>	<u>210,569</u>	<u>177,361</u>
<b>Total</b>	<u>265,005</u>	<u>227,230</u>	<u>265,206</u>	<u>227,428</u>

Included within the pension payable above is £270 relating to NEST (National Employment Savings Trust) and £1,562,000 relating to the NHS Pension Scheme.

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

**Velindre Trust Annual Accounts 2013-14**

25. Borrowings	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
Current	£000	£000	£000	£000
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	50	67	50	67
Other	0	0	0	0
<b>Total</b>	<b>50</b>	<b>67</b>	<b>50</b>	<b>67</b>
<b>Non-current</b>				
Bank overdraft - OPG	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	57	96	57	96
Other	0	0	0	0
<b>Total</b>	<b>57</b>	<b>96</b>	<b>57</b>	<b>96</b>

**25.2 Loan advance/strategic assistance funding**

The NHS Trust has received no loan advance or strategic funding from the Welsh Government.



**26. Other financial liabilities**

Current	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Financial liabilities carried at fair value through income statement.	0	0	0	0
<b>Non-current</b>				
Financial liabilities carried at fair value through income statement.	0	0	0	0

**27. Other liabilities**

**Current**

	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Lease incentives	0	0	0	0
PFI asset - deferred credit	0	0	0	0
Other (Please specify)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Non-current**

Lease incentives	0	0	0	0
PFI asset - deferred credit	0	0	0	0
Other (Please specify)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Trust has no early retirement buy outs.

28. Provisions

2013-14

28.1 Velindre NHS Trust including  
Welsh Risk Pool

	At 1 April 2013	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2014
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>										
Clinical negligence	173,331	(38,219)	0	2,208	0	112,202	(54,475)	(28,229)	(1,762)	165,056
Personal injury	5,827	0	0	56	0	3,619	(2,757)	(3,894)	(16)	2,835
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,895	0	0	(339)	0	2,318	(636)	(1,158)	(5)	2,075
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	21		0	0	0	22	(24)	0	0	19
Restructurings	0		0	0	0	0	0	0		0
Other	58		0	0	0	573	(58)	0		573
<b>NHS Trust Total</b>	<b>181,132</b>	<b>(38,219)</b>	<b>0</b>	<b>1,925</b>	<b>0</b>	<b>118,734</b>	<b>(57,950)</b>	<b>(33,281)</b>	<b>(1,783)</b>	<b>170,558</b>
FHoT	0	0	0	0	0	0	0	0	0	0
<b>Consolidated Total</b>	<b>181,132</b>	<b>(38,219)</b>	<b>0</b>	<b>1,925</b>	<b>0</b>	<b>118,734</b>	<b>(57,950)</b>	<b>(33,281)</b>	<b>(1,783)</b>	<b>170,558</b>
<b>Non Current</b>										
Clinical negligence	155,099	0	0	(1,782)	0	76,856	(4,293)	(18,968)	(22)	206,890
Personal injury	723	0	0	(45)	0	594	(143)	222	0	1,351
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	986	0	0	(98)	0	1,067	(82)	337	0	2,210
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	168		0	0	0	0	32	(11)	0	189
Restructurings	0		0	0	0	0	0	0		0
Other	266		0	0	0	0	4	0		270
<b>NHS Trust Total</b>	<b>157,242</b>	<b>0</b>	<b>0</b>	<b>(1,925)</b>	<b>0</b>	<b>78,517</b>	<b>(4,482)</b>	<b>(18,420)</b>	<b>(22)</b>	<b>210,910</b>
FHoT	0	0	0	0	0	0	0	0	0	0
<b>Consolidated Total</b>	<b>157,242</b>	<b>0</b>	<b>0</b>	<b>(1,925)</b>	<b>0</b>	<b>78,517</b>	<b>(4,482)</b>	<b>(18,420)</b>	<b>(22)</b>	<b>210,910</b>
<b>TOTAL</b>										
Clinical negligence	328,430	(38,219)	0	426	0	189,058	(58,768)	(47,197)	(1,784)	371,946
Personal injury	6,550	0	0	11	0	4,213	(2,900)	(3,672)	(16)	4,186
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,881	0	0	(437)	0	3,385	(718)	(821)	(5)	4,285
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	189		0	0	0	22	8	(11)	0	208
Restructurings	0		0	0	0	0	0	0		0
Other	324		0	0	0	573	(54)	0		843
<b>NHS Trust Total</b>	<b>338,374</b>	<b>(38,219)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>197,251</b>	<b>(62,432)</b>	<b>(51,701)</b>	<b>(1,805)</b>	<b>381,468</b>
FHoT	0	0	0	0	0	0	0	0	0	0
<b>Consolidated Total</b>	<b>338,374</b>	<b>(38,219)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>197,251</b>	<b>(62,432)</b>	<b>(51,701)</b>	<b>(1,805)</b>	<b>381,468</b>

Expected timing of cash flows:

Timing period yet to be confirmed	In the remainder of spending review to 31 March 2015		Between 1 April 2015 and 31 March 2020	Between 1 April 2020 and 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000	£000	£000
Clinical negligence	71,644	131,707	70,000	99,557	372,908	
Personal injury	2,824	1,347	0	0	4,171	
All other losses and special payments	0	0	0	0	0	
Defence legal fees and other administration	1,515	1,823	0	0	3,338	
Pensions - former directors	0	0	0	0	0	
Pensions - other staff	19	97	83	9	208	
Restructuring	0	0	0	0	0	
Other	573	270	0	0	843	
<b>NHS Trust Total</b>	<b>76,575</b>	<b>135,244</b>	<b>70,083</b>	<b>99,566</b>	<b>381,468</b>	
FHoT	0	0	0	0	0	
<b>Consolidated Total</b>	<b>76,575</b>	<b>135,244</b>	<b>70,083</b>	<b>99,566</b>	<b>381,468</b>	

The expected timing of cashflows are based on best available information; but they could change on the basis of individual case changes.

During 2014-15, the Trust expects to receive £831,000 from the Welsh Risk Pool Service in respect of losses and special payment cases (including clinical negligence)

In addition to the provision shown above, contingent liabilities are given in the 'Contingent liabilities' note.

Included in other is the expected cost of decommissioning caesium sources £156,000, a provision of £618,000 for the dilapidations on leased buildings, and £69,000 relating to employee costs.

28. Provisions

2013-14

28.2 Velindre NHS Trust excluding Welsh Risk Pool

	At 1 April 2013	Structured settlement cases transferr-ed to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2014
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>										
Clinical negligence	65	0	0	0	0	558	0	(50)	0	573
Personal injury	39	0	0	0	0	311	(38)	(7)	0	305
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	44	0	0	0	0	77	(15)	(1)	0	105
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	21		0	0	0	22	(24)	0	0	19
Restructurings	0		0	0	0	0	0	0		0
Other	58		0	0	0	573	(58)	0		573
<b>Total</b>	<b>227</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,541</b>	<b>(135)</b>	<b>(58)</b>	<b>0</b>	<b>1,575</b>
<b>Non Current</b>										
Clinical negligence	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	168		0	0	0	32	(11)	0	0	189
Restructurings	0		0	0	0	0	0	0		0
Other	266		0	0	0	4	0	0		270
<b>Total</b>	<b>434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>(11)</b>	<b>0</b>	<b>0</b>	<b>459</b>
<b>TOTAL</b>										
Clinical negligence	65	0	0	0	0	558	0	(50)	0	573
Personal injury	39	0	0	0	0	311	(38)	(7)	0	305
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	44	0	0	0	0	77	(15)	(1)	0	105
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	189		0	0	0	54	(35)	0	0	208
Restructurings	0		0	0	0	0	0	0		0
Other	324		0	0	0	577	(58)	0		843
<b>Total</b>	<b>661</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,577</b>	<b>(146)</b>	<b>(58)</b>	<b>0</b>	<b>2,034</b>

Expected timing of cash flows:

Timing period yet to be confirmed

	In the remainder of spending review to 31 March 2015	Between 1 April 2015 and 31 March 2020	Between 1 April 2020 and 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000	£000
Clinical negligence	573	0	0	0	573
Personal injury	305	0	0	0	305
All other losses and special payments	0	0	0	0	0
Defence legal fees and other administration	105	0	0	0	105
Pensions - former directors	0	0	0	0	0
Pensions - other staff	19	97	83	9	208
Restructuring	0	0	0	0	0
Other	573	270	0	0	843
<b>Total</b>	<b>1,575</b>	<b>367</b>	<b>83</b>	<b>9</b>	<b>2,034</b>

28. Provisions

2013-14

28.3 Welsh Risk Pool

	At 1 April 2013	Structured settlement cases transferr-ed to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2014
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>										
Clinical negligence	173,266	(38,219)	0	2,208	0	111,644	(54,475)	(28,179)	(1,762)	164,483
Personal injury	5,788	0	0	56	0	3,308	(2,719)	(3,887)	(16)	2,530
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,887	0	0	(339)	0	2,205	(621)	(1,157)	(5)	1,970
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
<b>Total</b>	<b>180,941</b>	<b>(38,219)</b>	<b>0</b>	<b>1,925</b>	<b>0</b>	<b>117,157</b>	<b>(57,815)</b>	<b>(33,223)</b>	<b>(1,783)</b>	<b>168,983</b>
<b>Non Current</b>										
Clinical negligence	155,099	0	0	(1,782)	0	76,856	(4,293)	(18,968)	(22)	206,890
Personal injury	723	0	0	(45)	0	594	(143)	222	0	1,351
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	986	0	0	(98)	0	1,067	(82)	337	0	2,210
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
<b>Total</b>	<b>156,808</b>	<b>0</b>	<b>0</b>	<b>(1,925)</b>	<b>0</b>	<b>78,517</b>	<b>(4,518)</b>	<b>(18,409)</b>	<b>(22)</b>	<b>210,451</b>
<b>TOTAL</b>										
Clinical negligence	328,365	(38,219)	0	426	0	188,500	(58,768)	(47,147)	(1,784)	371,373
Personal injury	6,511	0	0	11	0	3,902	(2,862)	(3,665)	(16)	3,881
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,873	0	0	(437)	0	3,272	(703)	(820)	(5)	4,180
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
<b>Total</b>	<b>337,749</b>	<b>(38,219)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>195,674</b>	<b>(62,333)</b>	<b>(51,632)</b>	<b>(1,805)</b>	<b>379,434</b>

Expected timing of cash flows:

Timing period yet to be confirmed

	In the remainder of spending review to 31 March 2015	Between 1 April 2015 and 31 March 2020	Between 1 April 2020 and 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000	£000
Clinical negligence	71,071	131,707	70,000	99,556	372,334
Personal injury	2,519	1,347	0	0	3,866
All other losses and special payments	0	0	0	0	0
Defence legal fees and other administration	1,410	1,824	0	0	3,234
Pensions - former directors	0	0	0	0	0
Pensions - other staff	0	0	0	0	0
Restructuring	0	0	0	0	0
Other	0	0	0	0	0
<b>Total</b>	<b>75,000</b>	<b>134,878</b>	<b>70,000</b>	<b>99,556</b>	<b>379,434</b>

**28. Provisions (continued)**  
**2012-13**

	At 1 April 2012	Structured settlement cases transferr-ed to Risk Pool	Transfer to creditors	Transfer between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2013
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Current</b>										
Clinical negligence	0	0	0	(17,225)	201,050	95,114	(33,395)	(72,213)	0	173,331
Personal injury	34	0	0	(185)	4,479	3,887	(1,164)	(1,224)	0	5,827
All other losses and special payments	0	0	0	0	0	10	(10)	0	0	0
Defence legal fees and other administration	36	0	0	310	2,358	536	(623)	(722)		1,895
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	22		0	1	0	21	(23)	0	0	21
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	58	0	0		58
<b>NHS Trust Total</b>	<b>92</b>	<b>0</b>	<b>0</b>	<b>(17,099)</b>	<b>207,887</b>	<b>99,626</b>	<b>(35,215)</b>	<b>(74,159)</b>	<b>0</b>	<b>181,132</b>
FHoT	0	0	0	0	0	0	0	0	0	0
<b>Consolidated Total</b>	<b>92</b>	<b>0</b>	<b>0</b>	<b>(17,099)</b>	<b>207,887</b>	<b>99,626</b>	<b>(35,215)</b>	<b>(74,159)</b>	<b>0</b>	<b>181,132</b>
<b>Non Current</b>										
Clinical negligence	0	0	0	17,305	106,074	49,135	(5,545)	(11,870)	0	155,099
Personal injury	0	0	0	185	0	776	(50)	(188)	0	723
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	(390)	1,359	79	(41)	(21)		986
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	169		0	(1)	0	0	0	0	0	168
Restructurings	0		0	0	0	0	0	0		0
Other	117		0	0	0	149	0	0		266
<b>NHS Trust Total</b>	<b>286</b>	<b>0</b>	<b>0</b>	<b>17,099</b>	<b>107,433</b>	<b>50,139</b>	<b>(5,636)</b>	<b>(12,079)</b>	<b>0</b>	<b>157,242</b>
FHoT	0	0	0	0	0	0	0	0	0	0
<b>Consolidated Total</b>	<b>286</b>	<b>0</b>	<b>0</b>	<b>17,099</b>	<b>107,433</b>	<b>50,139</b>	<b>(5,636)</b>	<b>(12,079)</b>	<b>0</b>	<b>157,242</b>
<b>TOTAL</b>										
Clinical negligence	0	0	0	80	307,124	144,249	(38,940)	(84,083)	0	328,430
Personal injury	34	0	0	0	4,479	4,663	(1,214)	(1,412)	0	6,550
All other losses and special payments	0	0	0	0	0	10	(10)	0	0	0
Defence legal fees and other administration	36	0	0	(80)	3,717	615	(664)	(743)		2,881
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	191		0	0	0	21	(23)	0	0	189
Restructurings	0		0	0	0	0	0	0		0
Other	117		0	0	0	207	0	0		324
<b>NHS Trust Total</b>	<b>378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>315,320</b>	<b>149,765</b>	<b>(40,851)</b>	<b>(86,238)</b>	<b>0</b>	<b>338,374</b>
FHoT	0	0	0	0	0	0	0	0	0	0
<b>Consolidated Total</b>	<b>378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>315,320</b>	<b>149,765</b>	<b>(40,851)</b>	<b>(86,238)</b>	<b>0</b>	<b>338,374</b>

The expected timing of cashflows are based on best available information; but they could change on the basis of individual case changes.

The Trust estimates that in 2013-2014 it will receive £41,000 from the Welsh Risk Pool Services in respect of losses and special payment cases (including clinical negligence)

In addition to the provision shown above, contingent liabilities are given in the 'Contingent liabilities' note.

Included in other is the cost of decommissioning of cesium sources £146,000 and a provision for the dilapidations on our building leases £178,000.

29. Finance leases

29.1 Finance leases obligations (as lessee)

The Trust leases certain items of fixtures and equipment under finance leases.

Amounts payable under finance leases:

LAND	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
<b>Minimum lease payments</b>				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
<b>Minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Present value of minimum lease payments</b>				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
<b>Total present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

29.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
<b>BUILDINGS</b>				
<b>Minimum lease payments</b>				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
<b>Minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Present value of minimum lease payments</b>				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
<b>Total present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER</b>				
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
<b>Minimum lease payments</b>				
Within one year	57	67	57	67
Between one and five years	60	96	60	96
After five years	0	0	0	0
Less finance charges allocated to future periods	(10)	0	(10)	0
<b>Minimum lease payments</b>	<b>107</b>	<b>163</b>	<b>107</b>	<b>163</b>
Included in: Current borrowings	50	67	50	67
Non-current borrowings	57	96	57	96
<b>Total</b>	<b>107</b>	<b>163</b>	<b>107</b>	<b>163</b>
<b>Present value of minimum lease payments</b>				
Within one year	50	67	50	67
Between one and five years	57	96	57	96
After five years	0	0	0	0
<b>Total present value of minimum lease payments</b>	<b>107</b>	<b>163</b>	<b>107</b>	<b>163</b>
Included in: Current borrowings	50	67	50	67
Non-current borrowings	57	96	57	96
<b>Total</b>	<b>107</b>	<b>163</b>	<b>107</b>	<b>163</b>

29.2 Finance lease receivables (as lessor)

There are no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2014 NHS Trust £000	31 March 2013 £000	31 March 2014 Consolidated £000	31 March 2013 £000
<b>Gross investment in leases</b>				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Present value of minimum lease payments</b>				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
<b>Total present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



29.3 Rental Revenue	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Contingent rent	0	0	0	0
Other	0	0	0	0
<b>Total rental revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**29.4 Finance Lease Commitment**

Velindre NHS Trust has not entered into any new contracts to lease (building assets) under finance leases during the current financial year (2013-14: none).

**30. Private finance transactions**

**Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)**

The Trust has no PFI or PPP schemes deemed to be "on or off SoFP."

### **31. Financial risk**

IFRS 7, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

NHS Trusts are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. NHS Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NHS Trusts in undertaking its activities.

The NHS Trust's treasury management operations are carried out by the finance department within parameters defined formally within the NHS Trust's standing financial instructions and policies agreed by the board of directors. NHS Trust treasury activity is subject to review by the NHS Trust's internal auditors.

#### **Liquidity risk**

NHS Trust's net operating costs are incurred under annual service agreements with various Health bodies, which are financed from resources voted annually by parliament. NHS Trusts also largely finance their capital expenditure from funds made available from the Welsh Government under agreed borrowing limits. NHS Trusts are not, therefore, exposed to significant liquidity risks.

The majority of the funds held on Trust expenditure is financed from donations and and legacies. There are no borrowings, therefore, FHoT are not exposed to significant liquidity risk.

#### **Interest-rate risks**

The great majority of NHS Trust's financial assets and financial liabilities carry nil or fixed rates of interest. NHS Trusts are not, therefore, exposed to significant interest-rate risk.

The funds held on Frust are exposed to fluctuations in interest rates on the monies invested in deposits and on the stock market.

#### **Foreign currency risk**

NHS Trusts have no or negligible foreign currency income or expenditure and therefore are not exposed to significant foreign currency risk.

#### **Credit Risk**

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures are in receivables from customers as disclosed in the Trade and other receivables note.

#### **General**

The powers of the NHS Trust to invest and borrow are limited. The Board has determined that in order to maximise income from cash balances held, any balance of cash which is not required will be invested. The Trust does not borrow from the private sector. All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position, rather than the Trust's treasury management procedures.

## 32. Financial Instruments

Financial assets	At "fair value" through I&E	Loans and	Available	NHS	Consolidated
		receivables	for sale	Trust Total	Total
		NHS Trust			
	£000	£000	£000	£000	£000
Embedded derivatives	0	0	0	0	0
NHS receivables	0	621,446	0	621,446	621,446
Cash at bank and in hand	0	13,041	0	13,041	14,297
Other financial assets	0	7,198	0	7,198	10,177
<b>Total at 31 March 2014</b>	<b>0</b>	<b>641,685</b>	<b>0</b>	<b>641,685</b>	<b>645,920</b>

Financial liabilities	At "fair value" through I&E	Other	NHS	Consolidated
			Trust Total	Total
		NHS Trust		Consolidated
	£000	£000	£000	£000
Embedded derivatives	0	0	0	0
PFI and finance lease obligations	0	107	107	107
Other financial liabilities	0	263,917	263,917	263,937
<b>Total at 31 March 2014</b>	<b>0</b>	<b>264,024</b>	<b>264,024</b>	<b>264,044</b>

Financial assets	At "fair value" through I&E	Loans and	Available	NHS	Consolidated
		receivables	for sale	Trust Total	Total
		NHS Trust			Consolidated
	£000	£000	£000	£000	£000
Embedded derivatives	0	0	0	0	0
NHS receivables	545,311	0	0	545,311	545,311
Cash at bank and in hand	15,693	0	0	15,693	16,217
Other financial assets	2,249	0	0	2,249	4,767
<b>Total at 31 March 2013</b>	<b>563,253</b>	<b>0</b>	<b>0</b>	<b>563,253</b>	<b>566,295</b>

Financial liabilities	At "fair value" through I&E	Other	NHS	Consolidated
			Trust Total	Total
		NHS Trust		Consolidated
	£000	£000	£000	£000
Embedded derivatives	0	0	0	0
PFI and finance lease obligations	163	0	163	163
Other financial liabilities	221,878	0	221,878	221,898
<b>Total at 31 March 2013</b>	<b>222,041</b>	<b>0</b>	<b>222,041</b>	<b>222,061</b>

Financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

The additional financial assets and liabilities included within the consolidated column, relating to the FHOT are categorised as follows:

*Financial assets*

- Available for sale: Other financial assets (investment fixed assets) £2,057,000 (2012-13 : £2,072,000).
- Loans and receivable: Cash and cash equivalents £1,256,000 (2012-13 £524,000) and other financial assets (non-investment fixed assets) £922,000 (2012-13 £446,000).

*Financial liabilities*

Financial liabilities held within the FHOT are categorised as 'other' financial liabilities.

### 33. Financial performance targets

The Financial performance targets only relate to the Trust and exclude any Funds Held on Trust transactions  
 The Trust has met 3 out of 3 of its financial targets. Details are given below:

#### 33.1 Breakeven

2013-14

£000

Target retained surplus	0
Actual retained surplus	(57)
Variance	<u>57</u>

The Trust has met the breakeven duty in full.

The Trust has broken even in 2013-14.

#### 33.2 External financing

31 March 2014    31 March 2013

The Trust is given an external financing limit which it is permitted to undershoot

£000            £000            £000

External financing limit set by the Welsh Government	10,844	3,938
Cash flow financing	10,782	3,916
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	<u>10,782</u>	<u>3,916</u>
Undershoot (overshoot)	<u>62</u>	<u>22</u>

The Trust has achieved its external financing limit.

#### 33.3 Creditor payment

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

2013-14

Total number of non-NHS bills paid 2013-14	37,377
Total number of non-NHS bills paid within target	35,652
Percentage of non-NHS bills paid within target	95.4%

The Trust has met the target.

### 34. Contingencies

#### 34.1 Contingent liabilities

Provision has not been made in these accounts for the following amounts:

	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Legal claims for alleged medical or employer negligence	655,695	667	0	0
Doubtful debts	0	0	0	0
Equal pay cases	0	0	0	0
Defence costs	0	0	0	0
Other (Please specify)	0	0	0	0
Total value of disputed claims	655,695	667	0	0
Amount recovered under insurance arrangements in the event of these claims being successful	(655,565)	(570)	0	0
Net contingent liability	130	97	0	0

In accordance with IAS37, the Trust is required to disclose details of claims made against it where the financial liability, if any, cannot yet be determined. This includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefit Scheme.

As any future expenditure which may arise from these claims cannot currently be determined, no provision has been made for them within these financial statements.

The above figures for 31st March 2014 includes all Health Bodies in Wales. The Prior year figure only showed Velindre NHS Trust. The Provision for 31 March 2013 for legal claims for medical or employers negligence would have been £556,000.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

#### 34.2 Contingent assets

The Trust has no contingent assets.

### 35. Third party assets

The Trust has no Third Party Assets.

### 36. Events after reporting period

The Cancer National Specialist Advisory Group will transferred to the Public Health Wales NHS Trust on the 1 April 2014. The Group has an annual budget of £240,000.

37. Related Party transactions

No provision for doubtful debt has been made for WG & Welsh NHS debts. However refer to note 20.4 for the Trust doubtful debt provision.

The Trust is a body corporate established by order of the Welsh Minister for Health and Social Services. During the year none of the board members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000

The Welsh Government is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely

	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	17,739	324,793	1,346	613,739
WHSSC	53	29,886	-	525
ABMU LHB	17,977	10,109	3,669	961
Aneurin Bevan LHB	14,184	17,458	4,969	748
Betsi Cadwaladr LHB	11,237	3,482	6,446	99
Cardiff & Vale LHB	13,723	19,453	2,334	2,810
Cwm taff LHB	14,461	7,312	2,362	1,608
Hwyl Dda LHB	7,730	3,680	2,114	380
Powys LHB	5,787	2,085	99	114
Public Health Wales	321	2,280	326	264
Welsh Ambulance Service	2,930	848	336	13
Welsh Local Authorities	2,220	193	171	-
Bangor University	9,122	66	238	-
Cardiff University	22,720	5,984	1,044	310
Cardiff Metropolitan University	3,231	-	186	-
Glyndwr University	3,979	-	252	-
Swansea University	14,914	209	356	26
University of South Wales	13,271	-	468	-
<b>TOTAL</b>	<b>175,599</b>	<b>427,838</b>	<b>26,716</b>	<b>621,597</b>

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. The Trust Board is the Corporate Trustee of Velindre Charitable Funds. During the year the Trust received £1,321,000 (2012-13: £1,222,000) from Velindre Charitable Funds.

The Welsh Government receipts includes £10,844,000 that relates to PDC Capital received during 2013-14.

For 2013-14 the Non Medical and Education Training budget was transferred from NILAH (previously hosted by ABMU) into NWSSP. These monies are provided directly to the Trust from the Welsh Government

38. Intra Government balances and transactions

38.1 Intra Government Balances NHS Trust	Receivables: Current £000	Receivables: Non-current £000	Payables: Current £000	Payables: Non-current £000
<b>2013-14:</b>				
Welsh Government	196,142	417,597	1,273	0
Welsh Local Health Boards	6,720	0	21,993	0
Welsh NHS Trusts	277	0	662	0
WHSSC	525	0	0	0
All English Health Bodies	177	0	58	0
All N. Ireland Health Bodies	2	0	0	0
All Scottish Health Bodies	3	0	0	0
Miscellaneous	0	0	0	0
Credit note provision	0	0	0	0
Sub total	<b>203,846</b>	<b>417,597</b>	<b>23,986</b>	<b>0</b>
Other Central Government Bodies				
Other Government Departments	0	0	1,569	0
Revenue & Customs	640	0	2,026	0
Local Authorities	0	0	171	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	6,561	0	26,684	210,569
<b>TOTAL</b>	<b>211,047</b>	<b>417,597</b>	<b>54,436</b>	<b>210,569</b>
	Receivables: Current £000	Receivables: Non-current £000	Payables: Current £000	Payables: Non-current £000
<b>2012-13:</b>				
Welsh Government	202,118	334,169	5,887	0
Welsh Local Health Boards	7,522	0	18,506	0
Welsh NHS Trusts	917	0	313	0
WHSSC	134	0	8	0
All English Health Bodies	430	0	311	0
All N. Ireland Health Bodies	18	0	0	0
All Scottish Health Bodies	3	0	14	0
Miscellaneous	41	0	0	0
Credit note provision	0	0	0	0
Sub total	211,183	334,169	25,039	0
Other Central Government Bodies				
Other Government Departments	0	0	1,381	0
Revenue & Customs	0	0	2,004	0
Local Authorities	76	0	140	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	6,243	0	21,305	177,361
<b>TOTAL</b>	<b>217,502</b>	<b>334,169</b>	<b>49,869</b>	<b>177,361</b>

## Velindre Trust Annual Accounts 2013-14

### 38. Intra Government balances and transactions

38.2 Intra Government Balances Consolidated	Receivables:		Payables:	
	Current £000	Non-current £000	Current £000	Non-current £000
<b>2013-14:</b>				
Welsh Government	196,142	417,597	1,273	0
Welsh Local Health Boards	6,720	0	21,993	0
Welsh NHS Trusts	277	0	662	0
WHSSC	525	0	0	0
All English Health Bodies	177	0	58	0
All N. Ireland Health Bodies	2	0	0	0
All Scottish Health Bodies	3	0	0	0
Miscellaneous	0	0	0	0
Credit note provision	0	0	0	0
<b>Sub total</b>	<b>203,846</b>	<b>417,597</b>	<b>23,986</b>	<b>0</b>
Other Central Government Bodies				
Other Government Departments	0	0	1,569	0
Revenue & Customs	640	0	2,026	0
Local Authorities	0	0	171	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	7,483	0	26,885	210,569
<b>TOTAL</b>	<b>211,969</b>	<b>417,597</b>	<b>54,637</b>	<b>210,569</b>
	Receivables: Current £000	Receivables: Non-current £000	Payables: Current £000	Payables: Non-current £000
<b>2012-13:</b>				
Welsh Government	202,118	334,169	5,887	0
Welsh Local Health Boards	7,522	0	18,506	0
Welsh NHS Trusts	917	0	313	0
WHSSC	134	0	8	0
All English Health Bodies	430	0	311	0
All N. Ireland Health Bodies	18	0	0	0
All Scottish Health Bodies	3	0	14	0
Miscellaneous	41	0	0	0
Credit note provision	0	0	0	0
<b>Sub total</b>	<b>211,183</b>	<b>334,169</b>	<b>25,039</b>	<b>0</b>
Other Central Government Bodies				
Other Government Departments	0	0	1,381	0
Revenue & Customs	0	0	2,004	0
Local Authorities	76	0	140	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	6,674	0	21,503	177,361
<b>TOTAL</b>	<b>217,933</b>	<b>334,169</b>	<b>50,067</b>	<b>177,361</b>



### 39. Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

#### Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2014		Approved to write-off to 31 March 2014	
	Number	£	Number	£
Clinical negligence	271	50,550,064	271	50,550,064
Personal injury	61	2,440,987	61	2,440,987
All other losses and special payments	3	1,149	3	1,149
<b>NHS Trust Total</b>	<b>335</b>	<b>52,992,200</b>	<b>335</b>	<b>52,992,200</b>
FHoT losses and special payments	0	0	0	0
<b>Consolidated Total</b>	<b>335</b>	<b>52,992,200</b>	<b>335</b>	<b>52,992,200</b>

Analysis of cases which exceed £300,000 and all other cases

Case reference		Amounts paid out in year £	Cumulative amount £	Approved to write-off in year £
<b>Cases exceeding £300,000</b>				
ABMU	10	8,387,318	9,674,444	8,387,318
Aneurin Bevan	7	6,431,817	6,431,817	6,431,817
BCU	4	4,541,910	5,745,082	4,541,910
Cardiff and Vale	5	2,314,919	2,713,778	2,314,919
Cwm Taf	7	7,711,657	9,574,826	7,711,657
Hywel Dda	5	4,142,101	5,327,466	4,142,101
Powys	1	579,725	579,725	579,725
Public Health Wales	0	0	0	0
Velindre	0	0	0	0
WAST	1	1,699,785	2,080,185	1,699,785
<b>Sub-total</b>	<b>40</b>	<b>35,809,232</b>	<b>42,127,323</b>	<b>35,809,232</b>
<b>All other cases</b>	<b>295</b>	<b>17,182,968</b>	<b>54,606,189</b>	<b>17,182,968</b>
<b>Total cases</b>	<b>335</b>	<b>52,992,200</b>	<b>96,733,512</b>	<b>52,992,200</b>

**39. Losses and special payments**

**39.2 Velindre NHS Trust excluding Welsh Risk Pool**

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

**Gross loss to the Exchequer**

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2014		Approved to write-off to 31 March 2014	
	Number	£	Number	£
Clinical negligence	0	0	0	0
Personal injury	5	37,987	5	37,987
All other losses and special payments	3	1,149	3	1,149
<b>Total</b>	<b>8</b>	<b>39,136</b>	<b>8</b>	<b>39,136</b>

Analysis of cases which exceed £300,000 and all other cases

Cases exceeding £300,000	Case reference	Case type	Amounts	Cumulative	Approved to
			paid out in year £	amount £	write-off in year £
	nil		0	0	0
<b>Sub-total</b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>All other cases</b>			<b>8</b>	<b>39,136</b>	<b>39,136</b>
<b>Total cases</b>			<b>8</b>	<b>39,136</b>	<b>39,136</b>

**39. Losses and special payments**

**39.3 Welsh Risk Pool**

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

**Gross loss to the Exchequer**

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2014		Approved to write-off to 31 March 2014	
	Number	£	Number	£
Clinical negligence	271	50,550,064	271	50,550,064
Personal injury	56	2,403,000	56	2,403,000
All other losses and special payments	0	0	0	0
<b>Total</b>	<b>327</b>	<b>52,953,064</b>	<b>327</b>	<b>52,953,064</b>

Analysis of cases which exceed £300,000 and all other cases

Cases exceeding £300,000	Number of cases	Amounts	Cumulative	Approved to
		paid out in year £	amount £	write-off in year £
Case reference				
ABMU	10	8,387,318	9,674,444	8,387,318
Aneurin Bevan	7	6,431,817	6,431,817	6,431,817
BCU	4	4,541,910	5,745,082	4,541,910
Cardiff and Vale	5	2,314,919	2,713,778	2,314,919
Cwm Taf	7	7,711,657	9,574,826	7,711,657
Hywel Dda	5	4,142,101	5,327,466	4,142,101
Powys	1	579,725	579,725	579,725
Public Health Wales	0	0	0	0
Velindre	0	0	0	0
WAST	1	1,699,785	2,080,185	1,699,785
<b>Sub-total</b>	<b>40</b>	<b>35,809,232</b>	<b>42,127,323</b>	<b>35,809,232</b>
<b>All other cases</b>	<b>287</b>	<b>17,143,832</b>	<b>54,519,868</b>	<b>17,143,832</b>
<b>Total cases</b>	<b>327</b>	<b>52,953,064</b>	<b>96,647,191</b>	<b>52,953,064</b>

**40. Pooled budgets**

Velindre NHS Trust and FHoT has no pooled budgets.

41. Operating segments	VELINDRE		NWIS		NWSSP		WELSH RISK POOL		TRUST TOTAL		FHOT		ELIMINATIONS		CONSOLIDATED	
	2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000	2013-14 £000	2012-13 £000
Income	96,603	93,221	43,150	44,166	135,993	39,841	141,984	112,680	417,730	289,908	2,936	2,361	(1,321)	(1,222)	419,345	291,047
Segmental income	96,603	93,221	43,150	44,166	135,993	39,841	141,984	112,680	417,730	289,908	2,936	2,361	(1,321)	(1,222)	419,345	291,047
Operating expenses	96,603	93,221	43,150	44,166	135,993	39,841	141,984	112,680	417,730	289,908	2,936	2,361	(1,321)	(1,222)	419,345	291,047
Welsh Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WHS&C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Local Health Boards	302	258	2,014	1,700	214	464	0	0	2,530	2,422	0	0	0	0	2,530	2,422
Welsh NHS Trusts	0	623	0	4	648	240	0	0	648	867	0	0	0	0	648	867
Other NHS Trusts	0	0	111	135	0	0	0	0	111	135	0	0	0	0	111	135
Goods and services from other NHS bodies	0	26	10	84	123	0	0	0	133	110	0	0	0	0	133	110
Purchase of healthcare from non-NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Welsh Local Authorities	0	2	0	0	0	0	0	0	0	2	0	0	0	0	0	2
Other Local Authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Directors' costs	816	590	0	0	0	233	0	0	816	823	0	0	0	0	816	823
Staff costs	48,382	47,025	20,614	20,459	40,158	31,270	0	0	109,154	98,754	0	0	0	0	109,154	98,754
Supplies and services - clinical	32,581	31,007	0	0	507	257	0	0	33,088	31,264	0	0	0	0	33,088	31,264
Supplies and services - general	890	840	85	92	401	233	0	0	1,376	1,165	0	0	0	0	1,376	1,165
Consultancy/Services	353	388	1,300	2,357	688	379	0	0	2,341	3,124	0	0	0	0	2,341	3,124
Establishment	3,555	1,857	8,169	9,864	5,101	2,042	0	0	16,825	13,763	0	0	0	0	16,825	13,763
Transport	831	235	41	21	32	322	0	0	904	578	0	0	0	0	904	578
Premises	3,712	3,541	3,984	4,114	4,420	3,116	0	0	11,516	10,771	0	0	0	0	11,516	10,771
Costs of generating funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Charitable activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Government Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	10	12	(141)	(141)	0	0
Depreciation	4,253	3,958	2,263	2,213	519	264	0	0	7,035	6,435	0	0	0	0	7,035	6,435
Amortisation	0	0	4,959	2,767	0	0	0	0	4,959	2,767	0	0	0	0	4,959	2,767
Impairments and reversals of property, plant and equipment	0	287	0	25	0	0	0	0	0	312	0	0	0	0	0	312
Impairments and reversals of intangible assets	0	1	0	13	0	0	0	0	0	14	0	0	0	0	0	14
Impairments and reversals of financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other auditors' remuneration	0	0	0	0	201	215	0	0	201	215	0	0	0	0	201	215
Losses, special payments and irrecoverable debts	58	148	0	(11)	0	0	141,864	110,984	141,922	111,131	0	0	0	0	141,922	111,131
Research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	1,028	2,406	200	319	0	791	0	0	84,159	3,516	0	0	0	0	84,159	3,516
Total	96,761	93,192	43,150	44,166	135,943	39,826	141,864	110,984	417,718	288,168	1,778	1,835	(1,321)	(1,222)	418,175	288,781
Investment revenue	84	45	0	0	0	0	0	0	84	45	57	54	0	0	141	99
Other Gains and Losses	112	(9)	0	0	0	0	0	0	112	(9)	0	0	0	0	112	(9)
Finance costs	(31)	(30)	0	0	0	0	(1,200)	(1,696)	(151)	(1,726)	0	0	0	0	(151)	(1,726)
SURPLUS / (DEFICIT)	7	35	0	0	50	15	0	0	57	50	1,215	580	0	0	1,272	630

**Velindre Trust Annual Accounts 2013-14**

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**42. Other**

On the 1 April 2013 the following selected functions were transferred from National Leadership and Innovation Agency hosted by AMBU LHB to NWSSP hosted by Velindre NHS Trust.

The transfer of functions were treated using absorption accounting adapted for the issue of PDC. All transactions and balances related to those functions pre 1 April 2013 date are included in the transferor accounts and post 1st of April 2013 date are included in Velindre NHS Trust's financial statements:

- Workforce Planning;
- Workforce Intelligence;
- Workforce Modernisation;
- Education Commissioning;
- Education Contracting;
- Education Contracting Finance Support;
- Student Awards Unit;
- Facilities;
- Governance e-Manual; and
- Core external facing support functions.

Note	£000	No
Fixed Assets	nil	
Income	84,168	
Expenditure	84,168	
Receivables -		
Current	548	
Non-current		
Payables -		
Current	1,458	
Non Current		
Staff Costs	2,284	
Staff Nos	30	

## **The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales**

I certify that I have audited the financial statements of Velindre NHS Trust for the year ended 31 March 2014 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement and the Statement of Changes in Tax Payers Equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs). I have also audited the information in the Remuneration Report that is described as having been audited.

### **Respective responsibilities of Directors, the Chief Executive and the Auditor**

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 66 and 67, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Velindre NHS Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and Chief Executive; and the overall presentation of the financial statements.

I am also required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Velindre NHS Trust as at 31 March 2014 and of its surplus, its recognised gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

### **Opinion on Regularity**

- In my opinion in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

### **Opinion on other matters**

In my opinion:

- the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers;
- I have been unable to read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements as it was not available at the time of my audit.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- the Annual Governance Statement does not reflect compliance with HM Treasury's and Welsh Ministers' guidance;
- proper accounting records have not been kept;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

### **Report**

- I have no observations to make on these financial statements.

Huw Vaughan Thomas  
Auditor General for Wales  
24 June 2014

Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ



**STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES  
AS ACCOUNTABLE OFFICER OF THE TRUST**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Date: 6 June 2014

Simon Dean Chief Executive

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF**

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the NHS trust and of the income and expenditure of the NHS trust for that period. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury
- make judgements and estimates which are responsible and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

The directors confirm they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

**By Order of the Board**

**Signed:**

Date: 6 June 2014                      Chairman:           Rosemary Kennedy          

Date: 6 June 2014                      Chief Executive:           Simon Dean          

Date: 6 June 2014                      Director of Finance:           Steve Ham

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

**NHS TRUSTS**

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2010 and subsequent financial years in respect of the NHS Wales Trusts in the form specified in paragraphs [2] to [7] below.

**BASIS OF PREPARATION**

2. The account of the NHS Wales Trusts shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year for which the accounts are being prepared, as detailed in the NHS Wales Trust Manual for Accounts;

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

**FORM AND CONTENT**

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

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

**MISCELLANEOUS**

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

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

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated : 17.06.2010

1 Please see regulation 3 of the 2009 No 1558(W.153); NATIONAL HEALTH SERVICE, WALES; The National Health Service Trusts (Transfer of Staff, Property Rights and Liabilities) (Wales) Order 2009

**ANNUAL GOVERNANCE STATEMENT 2013-14**

**1. Scope of Responsibility**

Velindre NHS Trust is a nationally recognised specialist centre of excellence for the provision of non-surgical oncology including radiotherapy and chemotherapy; specialist palliative care; blood transfusion; specialist immunohaematology; antenatal blood testing reference work; and transplant immunology.

The Trust provides a range of specialist non-surgical oncology services to approximately 1.5 million people of south east Wales, and to the whole of Wales for some services, working in partnership with the hospitals managed by the Local Health Boards. The Welsh Blood Service collects, processes and delivers blood and blood products to hospitals across south and mid Wales.

The operational delivery of services is managed through Velindre Cancer Centre and the Welsh Blood Service. The Director of Velindre Cancer Services and the Director of Welsh Blood Service are directly accountable to the Velindre NHS Trust Chief Executive.

The Board is accountable for Governance, Risk Management and Internal Control for those services directly managed and those managed via hosting arrangements. As Accountable Officer and Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and this organisation's assets for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

The Trust also hosts/executes contracts for the following organisations on behalf of other bodies;

**1.1. NHS Wales Informatics Services (NWIS)**

NWIS operates under the direction of the Deputy Director, Digital Health and Care of the Welsh Government and is responsible for both the strategic development of Information Communications Technology (ICT) and the delivery of operational ICT services and information management. NWIS has a national remit to support NHS Wales, make better use of scarce skills and resources, and facilitate a consistent approach to health informatics and the implementation of common national systems.

The Director of NWIS is accountable to the Chief Information Officer in the Welsh Government and is also bound by an accountability agreement for governance compliance with the Velindre NHS Trust Chief Executive.

**1.2. NISCHR Clinical Research Centre (NISCHR CRC)**

The National Institute for Social Care and Health Research Clinical Research Centre (NISCHR CRC) brings together all-Wales research networks in health and social care and cancer. The Director of NISCHR CRC is responsible for the delivery of services via a contract for which the Trust Chief Executive is accountable.

**1.3. National Collaborating Centre for Cancer (NCC-C)**

The NCC-C was established in April 2003. The centre is funded and commissioned by the National Institute for Health and Clinical Excellence (NICE) to develop evidence-based clinical guidelines for the NHS in England, Wales and Northern Ireland on treating and caring for people with cancer. The Director of NCC-C is responsible for the delivery of services via a contract for which the Trust Chief Executive is accountable.

**1.4. Cancer National Specialist Advisory Group – Core Team (CNSAG - CT)**

CNSAG is an all-Wales NHS organisation based in Cardiff. It works with the Welsh Government and the Cancer Networks to ensure delivery of high quality, up-to-date care for cancer patients and their carer. The Director of CNSAG-CT is responsible for the delivery of services via a contract for which the Trust Chief Executive is accountable.

CNSAG will be transferred to Public Health Wales NHS Trust on the 1<sup>st</sup> April 2014.

## 1.5. NHS Wales Shared Services Partnership (NWSSP)

On 11<sup>th</sup> May 2012, the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No.1261 (W.156) was laid before the National Assembly for Wales and came into force on 1<sup>st</sup> June 2012. The NWSSP is a dedicated organisation that supports the statutory bodies of NHS Wales through the provision of a comprehensive range of high quality, customer focused support functions and services.

## 2. The Trust's Assurance Framework

This Annual Governance Statement details the arrangements in place for the whole Trust, including hosted bodies.

Due to the unique Accountable Officer status of the Director of Shared Services Partnership Committee, an Annual Governance Statement for NWSSP has been requested and submitted from the NWSSP Director to the Velindre NHS Trust Chief Executive. The Directors from the other bodies hosted by Velindre NHS Trust (1.1 – 1.4 above) have signed and submitted a '*Declaration of Compliance with Velindre NHS Trust Governance Arrangements*' to the Velindre NHS Trust Chief Executive to provide further assurance that systems and processes are being complied with to support good governance.

### 2.1 Discharging Responsibilities

The Board has been constituted to comply with the National Health Service Wales, Velindre NHS Trust (Establishment) Order 2002 No. 442 (W57). In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors for these matters.

The Board discharges its responsibilities through its Committees (listed in the table below) and scheme of delegation which is set out in our Standing Orders.

There are 8 Committees, reporting directly to the Board which are supported by sub-committees/groups in the discharge of functions;

- Quality & Safety Committee
- Audit Committee (including 4 separate meetings of the "Audit Committee- NWSSP" to consider NWSSP Matters).
- Charitable Funds Committee
- Research & Development Committee
- Information Governance & IM&T Committee
- Remuneration Committee
- Workforce & Organisational Development Committee
- Planning & Performance Committee

Each Committee of the Board produces an Annual Report for the Board on Committee activity which details Committee attendance for all Members and attendees. Committee Annual Reports are included in the Trust Board papers following the relevant reporting year end and are available from the Trust Secretary.

<b>BOARD MEMBER NAME</b>	<b>POSITION</b>	<b>AREA OF EXPERTISE</b>	<b>BOARD COMMITTEE MEMBERSHIP</b>	<b>CHAMPION ROLES</b>
Professor Rosemary Kennedy	Chair	Partnerships & Collaboration	(Chair) The Board (Chair) Remuneration Committee (Chair) Charitable Funds Committee	
Janet Pickles	Independent Member	Quality & Safety	(Chair) Quality & Safety Committee Charitable Funds Committee	Infection Control, Patient Experience, Older Persons
Professor Jane Hopkinson	Independent Member	University Representative	Research & Development Committee	Research
Harry Ludgate	Independent Member	Information	(Chair) Information Governance & IM&T Committee (Chair) Workforce & OD Committee Audit Committee Remuneration Committee	Information & Workforce
Paul Griffiths	Independent Member	Finance	(Chair) Audit Committee Remuneration Committee Quality & Safety Committee Planning & Performance Committee	Veterans
Phil Roberts	Independent Member	Estates	(Chair) Planning & Performance Committee (Chair) Research & Development Committee Audit Committee Information Governance & IM&T Committee	Design, Sustainability and Welsh Language Public & Patient Involvement
Judge Ray Singh	Independent Member	Legal	Remuneration Committee Workforce & OD Committee	Violence & Aggression Safeguarding Putting Things Right

<b>BOARD MEMBER NAME</b>	<b>POSITION</b>	<b>AREA OF EXPERTISE</b>	<b>BOARD COMMITTEE MEMBERSHIP</b>	<b>CHAMPION ROLES</b>
Simon Dean	Chief Executive		Charitable Funds Committee	Not applicable
Steve Ham	Executive Director of Finance		Charitable Funds Committee	Not applicable
Professor Peter Barrett-Lee	Executive Medical Director		Research & Development Committee	Not applicable
Dr Susan Morgan	Executive Director of Nursing		Research & Development Committee	Not applicable
Vacant – Executive Director of Workforce	Executive Director of Workforce & Organisational Development		Not applicable due to vacancy.	Not applicable

At a local level, the Trust has agreed Standing Orders (SOs) for the regulation of proceedings and business. The Trust SOs are designed to translate the statutory requirements set out in the National Health Service Trusts (Membership and Procedures) Regulations 1990 (1990/2024) into day to day operating practice, and, together with the adoption of a scheme of matters reserved to the Board: a scheme of delegations to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Trust and define - its 'ways of working'. These documents, together with the range of policies set by the Board make up the Governance and Accountability Framework. The Standing Orders have been periodically updated to account for alterations in year and were last reviewed, updated and approved by the Trust Board in March 2014, noting that immediately following year end Welsh Government issued revised model standing orders. The Trust will undertake a comprehensive review of standing orders in light of the Welsh Government model.

**The following table outlines dates of Board and Committee meetings held during 2013/14**  
 NB all meetings were quorate

<b>Board/Committee</b>	<b>Period 1<sup>st</sup> April 2013-31<sup>st</sup> March 2014</b>						
<i>Trust Board</i>	6 <sup>th</sup> June	25 <sup>th</sup> July	26 <sup>th</sup> September	5 <sup>th</sup> December	6 <sup>th</sup> February	27 <sup>th</sup> March	
<i>Audit</i>	16 <sup>th</sup> April	4 <sup>th</sup> June	2 <sup>nd</sup> July	30 <sup>th</sup> September	5 <sup>th</sup> November	19 <sup>th</sup> February	
<i>Audit Committee for NWSSP</i>	17 <sup>th</sup> September	26 <sup>th</sup> November	19 <sup>th</sup> February				
<i>Charitable Funds</i>	9 <sup>th</sup> April	17 <sup>th</sup> June	10 <sup>th</sup> September	19 <sup>th</sup> November	23 <sup>rd</sup> January		
<i>Quality &amp; Safety</i>	20 <sup>th</sup> May	19 <sup>th</sup> August	18 <sup>th</sup> November	6 <sup>th</sup> March			
<i>Planning &amp; Performance</i>	16 <sup>th</sup> May	11 <sup>th</sup> July	5 <sup>th</sup> September	14 <sup>th</sup> November	22 <sup>nd</sup> January	12 <sup>th</sup> March	
<i>Information Governance &amp; IM&amp;T</i>	22 <sup>nd</sup> May	11 <sup>th</sup> October	13 <sup>th</sup> December	18 <sup>th</sup> February			
<i>Research &amp; Development</i>	10 <sup>th</sup> June	9 <sup>th</sup> September	9 <sup>th</sup> December	18 <sup>th</sup> February			
<i>Workforce &amp; OD</i>	14 <sup>th</sup> May	16 <sup>th</sup> July	10 <sup>th</sup> September	19 <sup>th</sup> November	11 <sup>th</sup> February		
<i>Remuneration</i>	6 <sup>th</sup> June	25 <sup>th</sup> July	26 <sup>th</sup> September	5 <sup>th</sup> December	6 <sup>th</sup> February	27 <sup>th</sup> March	

At six month intervals the Audit Committee receives a 'governance pack' from NWIS providing a specific focus on the key aspects of assurance in relation to the hosted organisation.



## 2.2 Committee Activity

Each Committee formally reports annually to the Board on its work during the year detailing the business, activities, attendance and main issues dealt with by the committee in the reporting year. Copies of the Committee Annual Reports are available within Board papers on the Trust's website or from the Board Secretary.

In addition, each Board meeting receives a highlight report outlining the issues addressed by each committee at its last meeting. These highlight reports are presented to the Board by the Independent Member Committee Chair. The Terms of Reference for each Committee are reviewed annually in line with the Trust Standing Orders, or more frequently if deemed necessary by the Committee or Board. The Terms of Reference for all Committees are available from the Trust Secretary.

The Audit Committee is developing a mechanism by which it will be able to evidence the discharge of its duties on behalf of the Board through a 'Committee Assurance Schedule' which is based on the Terms of Reference and delegated powers. Should this prove helpful to the Board, this may be extended beyond the Audit Committee to all other Trust Committees.

In support of the Board, the Trust also has a Local Partnership Forum that met 3 times during 2013/2014, with Joint Chairs who are each nominated from the staff representatives and Executive Directors. The role of the Local Partnership Forum is to supply the main (but not only) forum within the Trust where the Directors of the Trust and Trade Union Representatives can discuss together and develop appropriate directions and responses to all major service development and change management issues.

Examples of engagement with the Local Partnership Forum during 2013-2014 are:

- Establishment of an All Wales Blood Service
- Introduction of the E-Expenses System
- Introduction of Electronic Staff Record - Manager and Employee Self Service
- Introduction of a new locally agreed On Call Payment System for staff covered by the former harmonised Agenda for Change On Call Agreement
- Three TUPE transfers for staff out into other NHS Wales and England Organisations
- Establishing a new process to deal with the payment of subsistence allowance to staff, following the removal of the HM Revenue and Customs Dispensation Notice

Key highlights of issues considered by the Board and its sub-committees during 2013/2014 include;

- The development of the "*delivering quality, care and excellence: our three year plan 2013/14 -2016/17*"
- Progress on the expansion of the Welsh Blood Service to cover North Wales.
- The transfer to the Trust of land at the Whitchurch Hospital site;
- Updates on the progress and future actions relating to the Staff Survey;
- Developments and improvements to the Trusts Risk Register.
- The continued development and significant improvements in the amount and quality of performance reporting and monitoring.
- Approval of the Trust Carbon Reduction Strategy.
- Outcome reports from the fundamentals of care audit.
- Feedback on regulatory inspections and audits undertaken across the Trust during 2013-14.
- The outcome of Patient Experience Surveys at Velindre Cancer Centre;
- Progress against the Safeguarding Children's Development Plan;
- Progress reports against the Carers Information Strategy.
- The development of the Together for Mental Health Annual Report 2012-13.
- Updates on Fundraising Activity and Evaluation of Events.
- The introduction of a Putting Things Right Training Programme.

Minutes of all Board meetings are published on the Trust Internet site.

During 2013/2014, key aspects of Board business delegated to the Audit Committee for consideration and advice included;

- Agreement of the Internal and External Audit Plans for the year;
- Receiving Internal and External Audit Reports and subsequently monitoring progress against Audit Action Plans;
- Agreeing the annual counter fraud plan and monitoring counter fraud activities;
- Regular review of the register of gifts and hospitality;
- Monitoring the development and draft content of the Trust's Annual Governance Statement;

- Sign Off of Trust Annual Accounts;
- Monitoring of Governance Arrangements across the organisation, including hosted bodies.
- Monitoring actions being taken by management to minimise risk by reviewing the Trust Risk Register at each meeting.

Matters relating to quality and safety activity during 2013/14 are highlighted in the Trusts Annual Quality Statement appended to the Trust's Annual Report and available on the Trust Internet site via the following link: [Velindre NHS Trust Annual Report](#).

### 2.3 Board Development and Effectiveness

In addition to Board and Committee meetings, the Board holds regular development sessions covering all aspects of corporate responsibility. The sessions are open to all Board Members and attendees including Community Health Council representatives, staff representatives and patient representatives as well as other relevant groups depending on the topic being covered. During 2013/14, the Board held sessions on the following topics;

- Reflections on Francis
- Appeals & Dismissals
- "More than just Words" – Welsh Language Strategic Framework
- Wales Audit Office (WAO) Structured Assessment Feedback
- Equality Public Sector Duty
- Trust Risk Register

During April/May 2013 the Board Secretary conducted 1:1 meetings with the Board, including Board attendees. The self assessment questions were based on good practice, also taking on board lessons learnt contained within the Francis Report on the failings of the Mid Staffordshire NHS Foundation Trust Board. The overall ratings were very positive with some key areas of further focus identified:

- **Transparency** - In July 2013, the Trust committed to increasing the transparency of business conducted and improving engagement with the wider public by committing to publish all Committee papers on the Trust website. The Trust continues to focus on improving the timeliness of publication of papers, being mindful of ensuring compliance with data protection and other information governance requirements.
- **Committee Self Assessment** - These self assessments are maturing and the Audit Committee is leading the way in piloting a new approach to evidence the discharging of the delegated functions via a 'Committee Assurance Schedule' which is being developed. This new approach to self assessment will be piloted by the Audit Committee self assessment in early 2014 and if successful, will be rolled out to all Committees to aid the self assessment process.
- **Board Development** - One of the key outcomes of Board self assessments is to ensure an effective Development Programme is in place to support individual Board Members and the Board as a whole.
- **Organisational Values** - A proposal is being progressed for the development of Core Organisational Values for the Trust to support the Standards of Behaviour Framework and set standards of expectation for all staff on what they can expect from Velindre Trust as their employer and what we expect from them
- **Hosted Organisations** - The Board Secretary is reviewing the current arrangements in place for all organisations hosted by Velindre Trust with a view to developing a model for the governance of hosting organisations on behalf of other bodies

The Trust approved a revised set of Standing Orders for the regulation of proceedings and business in the following periods, in relation to;

- July 2013 – an update to Section 5 (Financial Limits) of Schedule 1 (Scheme of Reservation and Delegation of Powers) of the Trust's Standing Orders.
- December 2013 - To allow for effective and prompt operational management of concerns (claims and complaints), Section 6 of the Standing Orders were amended to allow the Legal Services & Governance Manager and Quality & Safety Manager to authorise payments up to the value of £5,000 in relation to concerns
- March 2014 – to allow for:
  - a. the establishment of the WRP Sub-Committee as a formal Sub-Committee of the NWSSP Committee;
  - b. the WRP Sub-Committee Terms of Reference at Appendix 1;
  - c. amendment to the Capital Financial Limits;
  - d. the revised Terms of Reference for the Trust's Audit Committee at Appendix 2.

- e. delegation of Approval to the Audit Committee for the adoption of Model Standing Orders if/when issued by WG.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The control measures include;

- Trust Equality Monitoring Annual Report
- Equality reports to Quality and Safety Committee on the Trusts Equality Objectives and Actions
- Reports to the Equality and Human Rights Commissions' enquiries
- Reports to the Centre for Equality and Human Rights enquires
- Report to the Welsh Government Equalities Team
- Provision of evidence to the Health Care Standards Audit, especially Standard 2
- Equality Impact Assessments

In 2013, the Trust developed the "*delivering quality, care and excellence: our three year plan 2013/14 -2016/17*". During development the plan was shared with Health Boards and Welsh Government colleagues to ensure integration. The plan was prepared in accordance with Welsh Government Planning guidance and was formally approved by the Trust Board on the 27<sup>th</sup> March 2014, and submitted to the Welsh Government by the 31<sup>st</sup> March 2014, in accordance with the specified requirements. The Trust has since received formal notification of the Plan's approval from Welsh Government.

Ministerial Directions are listed on the Welsh Government website. The Trust has not received any Ministerial Directions requiring action during 2013/2014.

During 2013, following the appointment of the Director of Planning, Performance & Estates, the Trust performance management arrangements were strengthened and performance monitoring measures reviewed. The revised performance report which builds on the former Quality Measurement Framework, now known as the "Integrated Performance Story Board", sets out a range of key performance measures across the Trust which provides an indication of the quality of the services being delivered to donors and patients and the development of the organisation as a whole. This report is monitored by the Planning & Performance Committee in its entirety and also relevant sections are received at the appropriate Board Committee.

### **3. Purpose of the system of internal control**

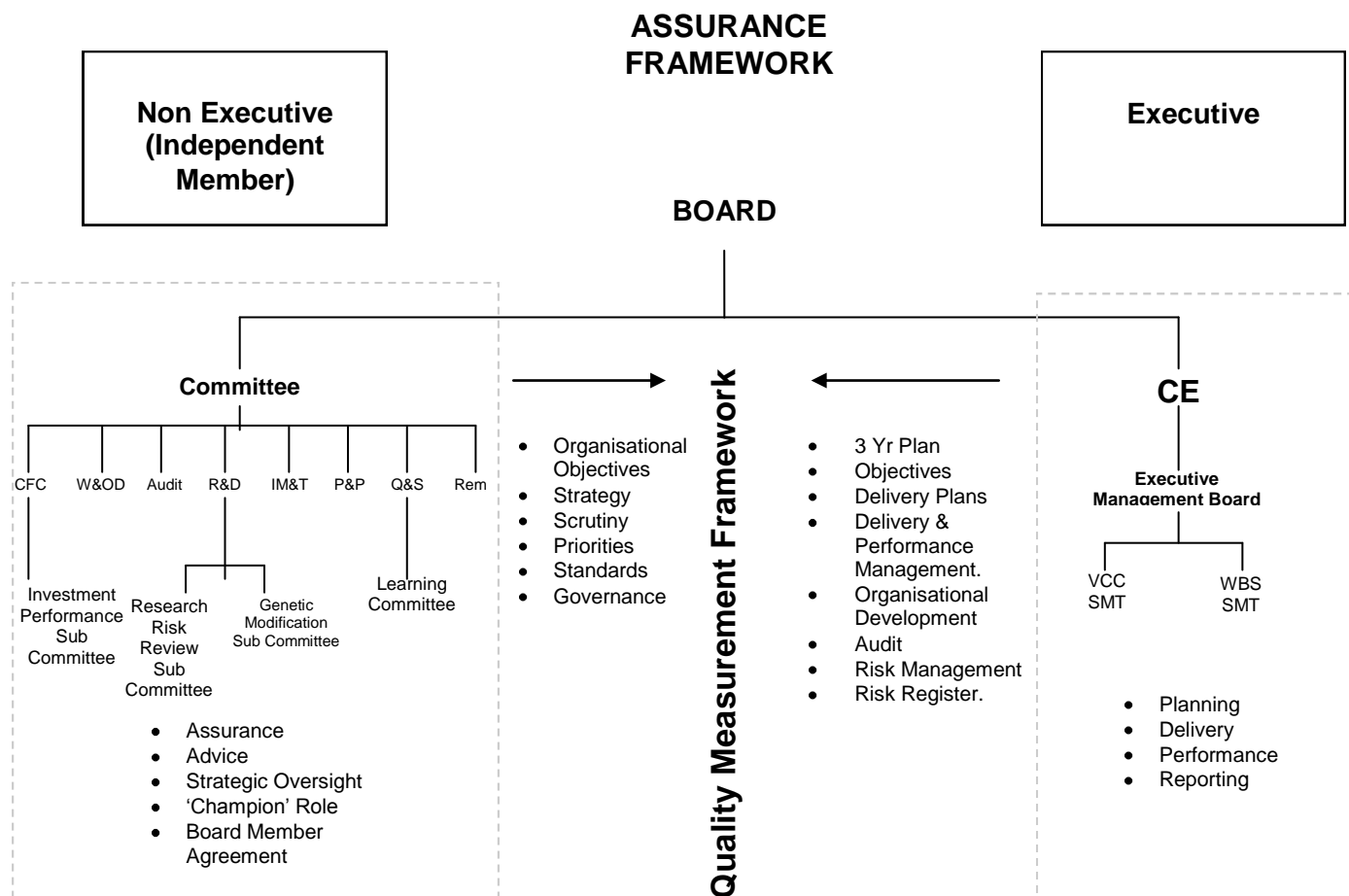
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

The Welsh Government requires that the Trust operates within the wider governance framework set for the NHS in Wales and incorporating the standards of good governance set for the NHS in Wales (as defined within the Citizen Centred Governance principles and Standards for Health Services in Wales), together with its planning and performance management frameworks.

## The Trust's Internal Control (Assurance) Framework

An overarching summary of the Trust's Internal Control (Assurance) Framework is illustrated below;



### Governance of the Charitable Funds

The Velindre Trust Board was appointed as Corporate Trustee of the Charitable Funds by virtue of the Velindre National Health Service Trust (Establishment) Order No. 2838 that came into existence on 1<sup>st</sup> December 1993, and its Board serves as its agent in the administration of the charitable funds held by the Trust.

The Trust Board as Corporate Trustee is ultimately accountable for charitable funds donated to Velindre NHS Trust. In order to facilitate the administration and management of these funds the Trust Board has established a Charitable Funds Committee to provide advice and recommendations to the Board. Committee meetings are held every three months and otherwise as the Committee Chairs deems necessary, At least two members must be present to ensure the quorum of the Committee.

The Charitable Funds Committee (CFC) is supported by the Charitable Funds Operational Management Group, which was established early in 2011 to strengthen the governance arrangements by monitoring the operational application and management of all Charitable Funds held within the Velindre NHS Trust. The Charitable Funds Committee is also supported by an Investment Performance Review - Sub Committee, to oversee the investments made by the Charity.

Further information in respect of the Charitable Funds is available in the Trustee's Annual Report which can be accessed via the Charitable Funds page on the Trust internet site or by clicking here: [Trustee Annual Report](#).

### 3.1 Hosted Organisations Systems of Internal Control and Assurance

The NWSSP uses the Trust's Committee Structure illustrated above and a separate Trust Audit Committee for Shared Services is held at least four times a year, having the same Chair and Independent Membership as the Velindre NHS Trust Audit Committee. Information relating to the governance arrangements in NWSSP is contained within the Director's Annual Governance Statement to the Velindre NHS Trust Chief Executive which is on the Trust's website.

During 2014/15, the Trust will be reviewing the processes in place for gaining assurance from the other organisations it hosts to bring standards of reporting in line across all hosted bodies.

Currently, all organisations hosted by Velindre NHS Trust link with Board Committees and Management Groups to ensure assurance is provided for the governance arrangements including statutory compliance for the areas remaining within the Trust's area of responsibility.

#### 4. Capacity to handle risk

The Board uses the assurance framework described above, and a risk register to identify and manage significant risks to the Trust.

The organisations hosted by Velindre NHS Trust maintain and manage their own risk registers and comply with the Trust escalation processes to ensure the Board are made aware of any significant risks via the Trust Risk Register as necessary.

Risks that have been managed and **removed** from the Trust Risk Register during 2013/14 include;

- **NHS Wales Blood Service**, the risk relating to the acquisition of the assets of NHS Blood Transfusion (NHSBT) in North Wales, the TUPE transfer of NHSBT staff and service redesign to enable an All Wales Blood Service to be established was removed as the project was progressing to plan.
- **Government medium term resource plan and general economic climate**, this risk was removed and consideration given instead to service impact of flat cash and no uplift.
- **Pharmacy Aseptic Air Plant**, removed as a new unit was purchased.

**New** risks identified during 2013-14 and continue to be managed include;

- **Implementation of a new Blood Establishment Computer System (BECS)** within the Welsh Blood Service. The BECS will be known to the Service as ePROGESA. During roll-out, training to new functionality and roles will be given to existing staff.
- **Welsh Blood Service Modernisation** major programmes have been set up to manage, support, train and implement systems to support service modernisation.
- **Welsh Blood Service - Blood Testing Systems** – project in place to secure funding to manage the improved resilience of the system to ensure continued compliance with legislative requirements.
- **Welsh Blood Service - Blood Grouping System** – project in place to secure funding and manage planned replacement of two blood testing systems that are no longer in a serviceable condition.
- **Physical Environment of Velindre Cancer Centres Operating Theatre**, project in place to implement recommendations from a Trust commissioned review of operating theatres to ensure compliance with infection control standards.
- **Operational support for Velindre Cancer Centre Health & Safety Management** – the Trust is responding to an Internal Audit Report on Health & Safety Management to address an increase in resources at the centre to support Health & Safety management.
- **Adherence to UK Resus Council Standards**. Trust is securing an appropriate level of service and support via a Service Level Agreement with a Local Health Board to ensure compliance with the standards.
- **Clinical Information Systems Interface** - the Trust is working with the NHS Wales Informatics Services to ensure effective interface is implemented to support the continued direct electronic feed of pathology results into CANISC from Cardiff & Vale Health Board.

Information on how these risks are being managed and mitigated is detailed in the Trust Risk Register which is received by the Trust Board. Trust Board papers are available on the Trust Internet site, via the following link: [Trust Board Meeting Papers](#).

#### 4.1 Risk Management

The process by which the Trust manages risk is detailed in the Trust's Risk Management Strategy and Risk Management Policy, which is available upon request or via the Trusts Intranet Site. The overall aim of the Trust's Risk Management approach is to progress a comprehensive risk management programme and the key elements of the Trust Risk Management Strategy which includes hosted organisations is to ensure that: -

- There is compliance with statutory legislation
- All sources and consequences of risk are identified
- Risks are assessed and either eliminated or minimised
- Damage and injuries are reduced, and people's health and well-being is optimised
- Resources diverted away from patient/service user care to fund risk reduction are minimised
- Lessons are learnt from concerns in order to share best practise and prevent reoccurrence

The Trust has a series of controls in place to manage and mitigate these risks.

I, as Accountable Officer for the Trust, have overall accountability and responsibility for having an effective risk management system in place within the Trust, including hosted organisations for which I am Accountable Officer and for meeting all statutory requirements and adhering to guidance issued by the Department of Health in respect of governance. Within the Trust's Risk Management Strategy, I have set clear measurable risk management objectives for the Executive Directors and Service Directors with delegated responsibility for risk management and governance.

The Executive Director of Nursing & Service Improvement has lead responsibility to the Chief Executive and the Board for risk management. Each Executive Director is responsible for managing risk within their area of responsibility and Executive Directors are supported in these duties by the Service Directors and Senior Managers across the organisation.

Risk Management and risk resourcing is managed by Divisional Directors through their business plans.

Every member of staff, including clinicians, is responsible for ensuring that their own actions contribute to the wellbeing of patients/service users, staff, visitors and the organisation. They are expected to contribute to the identification, reporting and assessment of risks and to take positive action to manage them appropriately. The Trust has a Whistleblowing Policy which is available on the Trust intranet site. The policy is in place but has not been utilised during 2013/2014.

Risk management is embedded in Trust decision making and service delivery. This can be evidenced through our approach to assessing key clinical guidance including:

- Guidance from the National Institute for Health and Clinical Excellence (NICE)
- National Service Frameworks (NSFs)
- National Enquiries for example Confidential Inquiries
- Patient Safety Alerts
- Professional Guidelines for example from Royal Colleges
- Guidelines or standards from other national /local bodies
- Local and national audit
- Research & Development
- Participation in clinical trials.

The organisation's risk profile is visible through the Trust risk register. Risks are identified at the commencement of new or amended activities and through the ongoing review of existing risks. Risk assessments are undertaken to assess the impact upon the service and other stakeholders. The organisations 'risk appetite' helps to identify how best to manage each risk. The Trust identifies an acceptable level of risk for each risk contained within the Trust register.

The Trust delivers a programme of risk assessment training for all staff and managers responsible for undertaking risk assessments.

Mitigation actions are in place for all risks identified and actions plans have been developed to reduce risks to an accepted level.

Each risk on the Trust risk register is assigned to an assuring Committee of the Board to enable in depth monitoring of management action in relation to specific risks. Risks are also monitored and reviewed monthly by the Executive Management Board and all risks are routinely reported quarterly to the appropriate Committee and the Board. Importance of maintaining an open and active dialogue on risks throughout the organisation is an approach that the Trust has cultivated.

During 2013-14, a facilitated session was undertaken with the Trust Board to discuss the Risk Management Strategy and the Risk Register. During 2014-15 improvements will be made in respect of the processes used to report and monitor risks by the Board.

The Trust's Risk Management Strategy was updated during the period taking into account the feedback from the facilitated Board Session.

The Trust's risk register is published in the Trust Board Meeting papers published on the Trust Website detailing the organisations top risks, and the controls in place to manage those risks. The register is dynamic and reviewed continuously throughout the year. The Board acknowledges that a continued focus on management and assurance processes during 2014-15 will strengthen confidence that the Board are sighted on the right risks at the right time and can report transparently on actions to manager and mitigate organisational risks.

Risk management is embedded in Trust decision making and service delivery. This can be evidenced through the approach to assessing key clinical guidance including:

- Guidance from the National Institute for Health and Clinical Excellence (NICE)
- National Service Frameworks (NSFs)
- National Enquiries for example Confidential Inquiries
- Patient Safety Alerts
- Professional Guidelines for example from Royal Colleges
- Guidelines or standards from other national /local bodies
- Local and national audit
- Research & Development
- Participation in clinical trials.

All divisions /departments have a register of risks which are updated and reviewed within the service division. The divisional senior management teams (SMT) work with their supporting groups/ committees to ensure effective controls are in place for their risks to be managed at a tolerable level. The SMT will determine whether the risk should be escalated onto the Trust risk register.

The high risk areas considered to have an impact on Trust business/reputation are escalated to the Trust wide risk register, and received at Executive Board, Quality & Safety Committee, and Trust Board

The Executive Management Board refers risks to the appropriate committees of the Board to consider them and identify additional control measures. In turn, the committees provide assurance to the Executive Board that all reasonably practicable steps have been taken to reduce the risk, that effective controls are in place and the risk is being managed at a tolerable level.

The high risk areas considered to have an impact on Trust business/reputation are identified in the Trust wide risk register, and received at Executive Management Board, all Committees and Trust Board meetings..

The Executive Board refers risks to the appropriate committees of the Board to consider them and identify additional control measures. In turn, the committees provide assurance to the Trust Board that all reasonably practicable steps have been taken to reduce the risk, that effective controls are in place and the risk is being managed at a tolerable level.

Further details in respect of the Trust's key risks, including significant clinical risks are outlined within the Trust's Annual Quality Statement (AQS). The AQS is included within the Trust Annual Report which is held on the Trust Internet site under key publications.

## **4.2 Standards for Health Services in Wales**

The Trust's Assurance Framework is underpinned by the Doing Well, Doing Better: Standards for Health Services in Wales as its framework for gaining assurance on its ability to fulfil its aims and objectives for the delivery of safe, high quality health services. This involves self assessment of performance against the standards across all activities and at all levels throughout the organisation.

As part of this process, the Board has completed the Governance & Accountability assessment module and has;

- openly assessed its performance using the maturity matrix;
- responded to feedback from Healthcare Inspectorate Wales in relation to its 2012-2013 self assessment;
- plans in place to achieve the improvement actions identified within clearly defined timescales proportionate to the risk.

This process has been subject to independent internal assurance by the organisation's Head of Internal Audit.

	<b>Velindre NHS Trust</b>				
<b>Governance and Accountability Module</b>	do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business.	can demonstrate sustained good practice and innovation that is shared throughout the organisation/ business, and which others can learn from.
Setting the Direction					✓
Enabling Delivery				✓	
Delivering results achieving excellence				✓	
<b>Overall Maturity Level</b>				✓	

The Trust's self assessment of the overall maturity level has remained the same for 2013/2014 as was assessed in 2012/2013. An action plan has been developed to address areas for continuous improvement for 2014/2015 which includes;

- Continued development of the performance reports received at Board;
- Explore benchmarking of performance data;
- Developing workforce plans and introduce ESR;
- Continue to work towards improving the environment and estate within physical and financial resources;
- Mapping the learning process within the Trust.

The audit of the Standards for Health Services in Wales conducted by Internal Audit concluded that there are robust processes in place within the Trust to ensure that the Standards for Health Services 2013/14 Self Assessment was effectively completed in a timely manner and supported by appropriate narrative and scoring.

The review also confirmed that a satisfactory process exists for the review and completion of the Governance and Accountability Module, involving Executives and, Independent Members.

Overall, the audit concluded and reported **Substantial** Assurance for this review.



NWSSP Committee also undertook a self assessment of their position in relation to the Governance & Accountability assessment module and their assessment is summarised below;

The assessment can be summarised as follows:

NHS Wales Shared Services Partnership					
<b>Governance and Accountability Module</b>	do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business.	can demonstrate sustained good practice and innovation that is shared throughout the organisation/ business, and which others can learn from.
Setting the Direction			✓		
Enabling Delivery			✓		
Delivering results achieving excellence			✓		
Overall Maturity Level			✓		

*NB: above table has been populated after completion and audit review of the Governance and Accountability module by NWSSP Senior Management Team, with reference to the NWSSP Committee.]*

As part of the self assessment process a number of improvement actions have been identified for each of the Standards. These improvement actions form part of the Integrated Plan for NWSSP which is available on the website at:

<http://www.sharedservicespartnership.wales.nhs.uk/sitesplus/documents/955/NWSSP%20Integrated%20Medium%20Term%20Plan%202014-17.pdf>

The top priorities as identified in the Healthcare Standards undertaken for NWSSP are as follows:

- Finalise and cascade the Communications Strategy detail in summary to relevant staff
- Produce a protocol on Records Management for NWSSP to compliment the Velindre Policy
- Undertake the Caldicott Assessment for 2014/15
- Appointment of a Health & Safety Manager
- Ensure all service Risk Registers are entered onto Datix
- Develop stronger links with Universities and Colleges to facilitate the supply of professional staff
- Develop a toolkit to manage capability issues
- Launch new induction protocol
- Further develop Performance Appraisal Development Review (PADR), content to link more closely with organisational objectives
- Roll-out core skills framework e-induction package

Velindre NHS Trust has embraced the 1000 Lives Plus Campaign over the last few years with particular focus on the work within the Velindre Cancer Centre. The Cancer Centre has led on developing the harm and mortality tools so that they can be used within an oncology setting. Excellent results have been achieved in many of the workstreams including the reduction of harm, Catheter Associated Urinary Tract Infections, and the treatment of acutely ill patients. Work is progressing on educating staff with quality improvement skills which has been incorporated into the Velindre Improvement Programme (VIP).

Further detail in respect of the Trusts 1000 Lives Plus activity is included within the Trust's Annual Quality Statement.

### 4.3 Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the Executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

My performance in the discharge of these personal responsibilities is assessed by the Director General of the Department of Health, Social Services and Children/Chief Executive of NHS Wales.

My review of the effectiveness of the system of internal control is informed by the work of Internal and External Auditors, the Executive Directors and other assessment and assurance reports including the work of Healthcare Inspectorate Wales. I have listened to the Board on their views on the strengths and opportunities in the system of internal control and been advised by the work of the Audit Committee and other Committees established by the Board.

The scrutiny of these arrangements is in part informed through the internal mechanisms already referred to, but also through the independent and impartial views expressed by a range of bodies external to the Trust, where during 2013/2014 no significant issues have been identified. These include;

- Welsh Government
- Wales Audit Office
- Internal Audit (NHS Wales Shared Services)
- Healthcare Inspectorate Wales
- Welsh Risk Pool Services
- Community Health Councils
- Health & Safety Executive
- Other accredited bodies

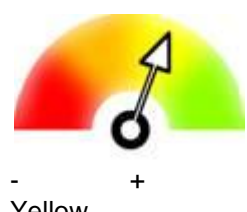
### 4.4 Internal Audit Opinion & Scores for 2013-14

Internal audit provide me and the Board through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities.

The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

### 4.5 The Head of Internal Audit (HIA)

The scope of opinion is confined to those areas examined in the risk based audit plan which has been agreed with senior management and approved by the Audit Committee. The HIA assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as internal driver for continuous improvement. The HIA opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control is set out below.

Reasonable assurance		<p>The Trust Board can take <b>reasonable assurance</b> that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with <b>low to moderate impact on residual risk</b> exposure until resolved.</p>
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In reaching this opinion HIA identified that the majority of reviews during the year concluded positively, with the only exception being the WBS Crown Time Management System which was allocated Limited Assurance. The Trust has responded to all audit recommendations by compiling a comprehensive action plan which is monitored by the Trust's Executive Management Board and Audit Committee, a copy of which is available from the Trust Secretary.

#### 4.6 Wales Audit Office Structured Assessment 2013

The Trust's External Auditors (Wales Audit Office) conducted a Structured Assessment during 2013 that focussed on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. The WAO concluded that;

- The Trust continues to strengthen its governance arrangements and support improvements for service users and through firm financial management should deliver the financial break even position. This conclusion was reached as WAO found that:
  - The Trust continues to forecast a breakeven year-end position although it recognises that more work is needed to identify recurring cost savings schemes;
  - The Trust has arrangements in place to support good governance, is enhancing scrutiny of quality and safety, and is developing its arrangements to capture, manage and learn from user and staff experience; and
  - The Trust provides unique services and is developing drivers to support the improved use of resources through benchmarking and service improvement activities as well as by strengthening its workforce and organisational development function.

#### 4.7 Information Governance

The Trust has well established arrangements for Information Governance to ensure that information is managed in line with the relevant Information Governance law, regulations and Information Commissioner's Office guidance. The arrangements include a Trust-wide Information Governance & IM&T Committee, Trust and Divisional Caldicott Guardians, a Caldicott Guardian for the National Databases and Divisional Information Governance leads.

The statement on the quality of data reported to the Board is included within the Annual Quality Statement [Velindre NHS Trust Annual Report](#).

#### 5. Disclosure Statements

- As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.
- I can confirm that the Trust has had no lapses in security data that have warranted reporting to the Information Commissioners Office in 2013/14.
- Velindre NHS Trust has undertaken an assessment against the main principles of the UK Corporate Governance Code as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Trust's assessment against the Governance and Accountability Module undertaken by the Board in April 2014 and also evidenced by internal and external audits. The Trust is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report.
- The Trust's Carbon Reduction Strategy was approved in September 2013. The organisation is undertaking risk assessments and carbon reduction delivery plans are being developed in accordance with emergency preparedness and civil contingency requirements as based on UK Climate Impact Programme (UKCIP) 2009 weather projections to ensure that the organisation's obligation under the Climate Change Act and the Adaptation reporting requirements are fulfilled as detailed in the Welsh Government statutory guidance documents 'Preparing for a changing climate Part 1 and part 2'.

#### 6. Conclusion

I can confirm that no significant internal control or governance issues have been identified in this statement.

Signed by Mr Simon Dean

Chief Executive:



Date: 3 June 2014