

Shrewsbury and Telford Hospital NHS Trust

Annual accounts for the year ended 31 March 2018

Statement of Comprehensive Income

		2017/18	2016/17
	Note	£000	£000
Operating income from patient care activities	3	331,474	314,664
Other operating income	4	27,567	35,580
Operating expenses	6, 8	<u>(378,637)</u>	<u>(351,406)</u>
Operating deficit from continuing operations		<u>(19,596)</u>	<u>(1,162)</u>
Finance income	11	31	22
Finance expenses	12	(521)	(310)
PDC dividends payable		<u>(3,713)</u>	<u>(4,259)</u>
Net finance costs		<u>(4,203)</u>	<u>(4,547)</u>
Other gains / (losses)	13	<u>(82)</u>	<u>-</u>
Deficit for the year from continuing operations		<u>(23,881)</u>	<u>(5,709)</u>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		<u>-</u>	<u>-</u>
Deficit for the year		<u>(23,881)</u>	<u>(5,709)</u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(6,163)	(1,711)
Revaluations	17	<u>1,132</u>	<u>5,482</u>
Total comprehensive income / (expense) for the period		<u>(28,912)</u>	<u>(1,938)</u>
Financial performance for the year			
Retained deficit for the year		(23,881)	(5,709)
Impairments	7	6,586	483
Adjustments in respect of donated asset reserve elimination		<u>(105)</u>	<u>(405)</u>
Adjusted retained deficit		<u>(17,400)</u>	<u>(5,631)</u>

A trust's reported NHS financial performance position is derived from its retained surplus/(deficit) and adjusted for the following:-

Impairments to Fixed Assets - an impairment charge is not considered part of the organisation's operating position.

Adjustments relating to donated asset reserves which have now been eliminated.

Statement of Financial Position

		31 March 2018 £000	31 March 2017 £000
	Note		
Non-current assets			
Intangible assets	14	3,118	2,977
Property, plant and equipment	15	154,334	164,219
Investment property	18	-	-
Investments in associates and joint ventures	19	-	-
Other investments / financial assets	20	-	-
Trade and other receivables	23	1,370	1,464
Other assets	24	-	-
Total non-current assets		158,822	168,660
Current assets			
Inventories	22	7,769	7,860
Trade and other receivables	23	18,610	14,582
Other investments / financial assets	20	-	-
Other assets	24	-	-
Cash and cash equivalents	26	1,700	5,682
Total current assets		28,079	28,124
Current liabilities			
Trade and other payables	27	(28,183)	(25,695)
Borrowings	30	(15,200)	-
Other financial liabilities	28	-	-
Provisions	32	(532)	(601)
Other liabilities	29	(1,166)	(1,169)
Total current liabilities		(45,081)	(27,465)
Total assets less current liabilities		141,820	169,319
Non-current liabilities			
Trade and other payables	27	-	-
Borrowings	30	(24,209)	(24,507)
Other financial liabilities	28	-	-
Provisions	32	(159)	(214)
Other liabilities	29	-	-
Total non-current liabilities		(24,368)	(24,721)
Total assets employed		117,452	144,598
Financed by			
Public dividend capital		201,372	199,606
Revaluation reserve		27,723	32,754
Available for sale investments reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		(111,643)	(87,762)
Total taxpayers' equity		117,452	144,598

The notes on pages 8 to 49 form part of these accounts.

Name	Simon Wright
Position	Chief Executive
Date	25 May 2018

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	199,606	32,754	(87,762)	144,598
Surplus/(deficit) for the year	-	-	(23,881)	(23,881)
Transfers by absorption: transfers between reserves	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-
Other transfers between reserves	-	-	-	-
Impairments	-	(6,163)	-	(6,163)
Revaluations	-	1,132	-	1,132
Transfer to retained earnings on disposal of assets	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-
Other recognised gains and losses	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-
Public dividend capital received	1,766	-	-	1,766
Public dividend capital repaid	-	-	-	-
Public dividend capital written off	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-
Other reserve movements	-	-	-	-
Taxpayers' equity at 31 March 2018	201,372	27,723	(111,643)	117,452

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2016 - brought forward	197,106	28,983	(82,053)	144,036
Prior period adjustment	-	-	-	-
Taxpayers' equity at 1 April 2016 - restated	197,106	28,983	(82,053)	144,036
Surplus/(deficit) for the year	-	-	(5,709)	(5,709)
Transfers by absorption: transfers between reserves	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-
Other transfers between reserves	-	-	-	-
Impairments	-	(1,711)	-	(1,711)
Revaluations	-	5,482	-	5,482
Transfer to retained earnings on disposal of assets	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-
Other recognised gains and losses	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-
Public dividend capital received	2,500	-	-	2,500
Public dividend capital repaid	-	-	-	-
Public dividend capital written off	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-
Other reserve movements	-	-	-	-
Taxpayers' equity at 31 March 2017	199,606	32,754	(87,762)	144,598

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(19,596)	(1,162)
Non-cash income and expense:			
Depreciation and amortisation	6.1	10,795	10,497
Net impairments	7	6,586	483
Income recognised in respect of capital donations	4	(1,016)	(1,397)
Non-cash movements in on-SoFP pension liability		-	-
(Increase) / decrease in receivables and other assets		(3,730)	(5,901)
(Increase) / decrease in inventories		91	15
Increase / (decrease) in payables and other liabilities		3,759	(2,205)
Increase / (decrease) in provisions		(159)	55
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
Net cash generated from / (used in) operating activities		(3,270)	385
Cash flows from investing activities			
Interest received		30	22
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(1,242)	(700)
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(12,978)	(7,489)
Sales of property, plant, equipment and investment property		102	-
Receipt of cash donations to purchase capital assets		1,016	1,397
Investing cash flows of discontinued operations		-	-
Cash movement from acquisitions/disposals of subsidiaries		-	-
Net cash generated from / (used in) investing activities		(13,072)	(6,770)
Cash flows from financing activities			
Public dividend capital received		1,766	2,500
Public dividend capital repaid		-	-
Movement on loans from the Department of Health and Social Care		14,902	11,807
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		-	-
Interest paid on finance lease liabilities		-	-
Other interest paid		(392)	(276)
PDC dividend (paid) / refunded		(3,916)	(3,664)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash generated from / (used in) financing activities		12,360	10,367
Increase / (decrease) in cash and cash equivalents		(3,982)	3,982
Cash and cash equivalents at 1 April - brought forward		5,682	1,700
Prior period adjustments		-	-
Cash and cash equivalents at 1 April - restated		5,682	1,700
Cash and cash equivalents transferred under absorption accounting	42	-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	26.1	1,700	5,682

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 Accounting convention

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

Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis. The Board of Directors has concluded that the trust is able to demonstrate that it is a going concern on the following basis:

- The Department of Health and Social Care and NHS Improvement have confirmed the trust's arrangements for accessing cash financing for organisations that have submitted a deficit plan for 2018/19. The NHS Improvement Accountability Framework sets out the process where an NHS Trust will be assisted to develop and agreement of a formal recovery plan to address deficit positions.
- Arrangements are in place for the delivery of cost improvement plans through Executive Director meetings.
- The trust is working with NHSI to obtain STF funding for the continued operations of the trust.

Note 1.2 Critical judgements in applying accounting policies

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

Charitable Funds: Following Treasury's agreement to apply IAS 27 (Consolidation and Separate Financial Statements) to NHS Charities from 1 April 2013, the Shrewsbury and Telford Hospital NHS Trust has established that as the trust is the Corporate Trustee of the linked NHS Charity, it effectively has the power to exercise control so as to obtain economic benefits so therefore may have needed to consolidate its NHS Charity Accounts into its NHS Trust Accounts. The trust has considered the income, expenditure, assets and liabilities of the NHS Charity to be immaterial in the context of the accounts of the NHS Trust and have not consolidated these into the trust's accounts.

Revaluation: The trust commissioned Deloitte Real Estate to undertake revaluations of the trust's estate as at 30 September 2017 and 31 March 2018. Residential Land and Dwellings are valued at Market Value in existing use. Specialised buildings are valued at Depreciated Replacement Cost defined as Modern Equivalent Asset. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Note 1.2.1 Sources of estimation uncertainty

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

Provisions: Provisions have been made for probable legal and constructive obligations of uncertain timings and amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared, These provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Income: The trust has estimated income by calculating over and under performance of contracts with NHS commissioners based on forecast outturns with relevant income adjustments made. Discussions are held with commissioners on a regular basis regarding activity levels against their contracts, particularly towards and immediately after the year-end.

Note 1.3 Interests in other entities

Associates

There are no associate entities over which the trust has the power to exercise a significant influence. Associate entities are recognised in the trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the trust's share of the entity's profit or loss or other gains and losses (eg revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, eg, share dividends are received by the trust from the associate.

Joint ventures

There are no joint ventures in which the trust participates in with one or more other parties.

Joint operations

There are no joint operations in which the trust participates in with one or more other parties.

Note 1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Revenue grants and other contributions to expenditure

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

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs*NHS Pension Scheme*

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

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

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

Note 1.7.2 Measurement

Valuation

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

All assets are measured subsequently at valuation. Residential Land and Dwellings are valued at Market Value in existing use. Specialised buildings are valued at Depreciated Replacement Cost defined as Modern Equivalent Asset. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Subsequent expenditure

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

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

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

Note 1.7.3 Derecognition

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

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:

- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

Note 1.7.4 Donated and grant funded assets

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

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

Note 1.7.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

The trust has no PFI or LIFT agreements.

Note 1.7.6 Useful Economic lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	1	81
Dwellings	16	58
Plant & machinery	4	30
Transport equipment	7	10
Information technology	3	10
Furniture & fittings	5	23

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

Note 1.8 Intangible assets

Note 1.8.1 Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised.

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

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

Software

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

Note 1.8.2 Measurement

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

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

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

Amortisation

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

Note 1.8.3 Useful economic life of intangible assets

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

	Min life Years	Max life Years
Information technology	5	5
Development expenditure	-	-
Websites	-	-
Software licences	-	-
Licences & trademarks	3	7
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.9 Inventories

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

Note 1.10 Investment properties

The trust does not hold any assets which are held solely to generate a commercial return.

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO₂ emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO₂ it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO₂ emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO₂ emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

Note 1.13 Financial instruments and financial liabilities***Recognition***

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

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

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

De-recognition

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

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

Classification and measurement

Financial assets are categorised as fair value through income and expenditure.

Financial liabilities are classified as fair value through income and expenditure.

Financial assets and financial liabilities at “fair value through income and expenditure”

Financial assets and financial liabilities at “fair value through income and expenditure” are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

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

The trust’s loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and “other” receivables.

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

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of “other comprehensive income”. When items classified as “available-for-sale” are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in “finance costs” in the Statement of Comprehensive Income.

Financial liabilities

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

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

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

Impairment of financial assets

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

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the revised future cash flows discounted at the asset’s original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced.

Note 1.14 Leases

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

Note 1.14.1 The trust as lessee***Finance leases***

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

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

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

Operating leases

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.

Leases of land and buildings

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

Note 1.14.2 The trust as lessor***Finance leases***

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

Operating leases

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

Note 1.15 Provisions

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

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS resolution on behalf of the trust is disclosed at note 32 but is not recognised in the trust's accounts.

Non-clinical risk pooling

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

Note 1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 33 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 33, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

Note 1.17 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable.

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

Note 1.18 Value added tax

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

Note 1.19 Corporation tax

The trust has no corporation tax liability.

Note 1.20 Foreign exchange

The functional and presentational currency of the trust is sterling.

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

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

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

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

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

Note 1.21 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. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury’s *FReM*.

Note 1.22 Losses and special payments

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

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

Note 1.23 Gifts

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

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

There have been no functions that have been transferred to the trust from other NHS/local government bodies.

Note 1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

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

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

IFRS 16 Lease Accounting

IFRS 17 Insurance Contracts.

Note 2 Operating Segments

The trust operates in one material segment which is the provision of healthcare services with the Trust Board as its chief operating decision maker deciding how to allocate resources and assessing performance.

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)	2017/18	2016/17
	£000	£000
Acute services		
Elective income	46,748	46,738
Non elective income	118,034	104,701
First outpatient income	25,446	26,491
Follow up outpatient income	22,787	27,027
A & E income	14,551	12,758
High cost drugs income from commissioners (excluding pass-through costs)	31,283	30,079
Other NHS clinical income	69,709	63,962
Community Services		
Income from other sources (Local Authorities)	87	87
All services		
Private patient income	1,235	1,331
Other clinical income	1,594	1,490
Total income from activities	331,474	314,664

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2017/18	2016/17
	£000	£000
NHS England	56,811	53,103
Clinical commissioning groups	242,067	229,245
Department of Health and Social Care	-	-
Other NHS providers	1,192	1,444
NHS other	129	68
Local authorities	86	88
Non-NHS: private patients	1,237	1,331
Non-NHS: overseas patients (chargeable to patient)	190	69
NHS injury scheme*	1,370	1,464
Non NHS: other**	28,392	27,852
Total income from activities	331,474	314,664
Of which:		
Related to continuing operations	331,474	314,664

* Injury cost recovery income is subject to a provision for impairment of receivables of 22.84% (previously 22.94% to November 2017) to reflect expected rates of collection.

** Non-NHS-Other includes income of £28.3m from Welsh bodies (2016-17: £27.8m).

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

	2017/18	2016/17
	£000	£000
Income recognised this year	190	69
Cash payments received in-year	130	32
Amounts added to provision for impairment of receivables	62	22
Amounts written off in-year	-	-

Note 4 Other operating income

	2017/18	2016/17
	£000	£000
Research and development	193	415
Education and training	12,342	12,464
Receipt of capital grants and donations	1,016	1,397
Non-patient care services to other bodies	1,908	2,604
Sustainability and transformation fund income	3,932	10,767
Other income*	8,176	7,933
Total other operating income	<u>27,567</u>	<u>35,580</u>
Of which:		
Related to continuing operations	27,567	35,580
Related to discontinued operations	-	-

*The majority of 'Other Income' is for car parking, radiology, cardiorespiratory, dietetics, speech therapists, maternity pathways and staffing and room rental for the TEMS service.

Note 5 Fees and charges

The Trust undertakes income generation schemes with an aim of achieving profit, which is then used in patient care. The Trust has no income generation activities whose full cost exceeded £1m.

Note 6.1 Operating expenses

	2017/18	2016/17
	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	826	533
Staff and executive directors costs	244,971	234,620
Remuneration of non-executive directors	78	73
Supplies and services - clinical (excluding drugs costs)	28,754	27,959
Supplies and services - general	5,506	5,006
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	38,061	35,956
Inventories written down	152	280
Consultancy costs	897	146
Establishment	4,017	3,965
Premises	14,631	10,549
Transport (including patient travel)	668	680
Depreciation on property, plant and equipment	9,944	9,821
Amortisation on intangible assets	851	676
Net impairments	6,586	483
Increase/(decrease) in provision for impairment of receivables	344	463
Increase/(decrease) in other provisions	357	474
Change in provisions discount rate(s)	1	18
Audit fees payable to the external auditor		
audit services- statutory audit*	79	92
other auditor remuneration (external auditor only)**	10	13
Internal audit costs	148	125
Clinical negligence	13,864	12,604
Legal fees	420	263
Insurance	4	5
Education and training	924	1,013
Rentals under operating leases	5,026	4,894
Car parking & security	361	330
Hospitality	-	1
Losses, ex gratia & special payments	466	7
Other	691	357
Total	378,637	351,406
Of which:		
Related to continued operations	378,637	351,406
Related to discontinued operations	-	-

*audit services- statutory audit of £66,180 plus £13,236 of VAT

**other auditor remuneration (external auditor only) of £8,520 plus £1,704 of VAT

Note 6.2 Other auditor remuneration

	2017/18	2016/17
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services of £8,520 plus £1,704 of VAT	10	13
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	10	13

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £5m (2016/17: £2m).

Note 7 Impairment of assets

	2017/18	2016/17
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	6,553	483
Other	33	-
Total net impairments charged to operating surplus / deficit	6,586	483
Impairments charged to the revaluation reserve	6,163	1,711
Total net impairments	12,749	2,194

The trust commissioned Deloitte Real Estate to undertake revaluations of the Trust's Estate as at 30 September 2017 and 31 March 2018. The valuation has been prepared by David Cooney MA, MRICS under the supervision of Edwin Bray MRICS, a Partner at Deloitte LLP. The valuations have been undertaken having regard to International Financial Reporting Standards ("IFRS") as applied to the United Kingdom public sector and in accordance with HM Treasury Guidance, International Valuation Standards ("IVS") and the requirements of the RICS Valuation – Professional Standards (UK Edition and Global) (Informally "Red Book") as revised in April 2015 and July 2017 (Global), section VPGA1. Cost of rebuilding the asset are based on BCIS (Index 318) as at the Valuation Date. As a result of these revaluations the Net Book Value of the Estate was valued downwards by £11,583,020 as follows: Revaluation Reserve – total £5,030,410 charged, representing a Revaluation upwards of £1,132,153 and net decrease of £6,162,563. The decrease results from Impairments charged of £7,762,022 and Reversal of Impairments of £1,599,459.

Impairments charged to SoCI of £6,552,610.

In addition, impairments in respect of equipment to the value of £33,470 have been charged to SoCI, giving a total impairment charge of £6,586,080 to SoCI.

Note 8 Employee benefits

	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	172,042	173,214
Social security costs	17,436	16,839
Apprenticeship levy	929	-
Employer's contributions to NHS pensions	22,201	21,719
Temporary staff (bank)	14,645	9,043
Temporary staff (agency)	18,742	14,915
Total gross staff costs	245,995	235,730
Recoveries in respect of seconded staff	-	-
Total staff costs	245,995	235,730
Of which		
Costs capitalised as part of assets	1,024	1,110

Note 8.1 Retirements due to ill-health

During 2017/18 there were 3 early retirements from the trust agreed on the grounds of ill-health (10 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £182k (£545k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this ‘employer cost cap’ assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

Note 10 Operating leases

as a Lessor

There are no operating lease agreements where the Shrewsbury and Telford Hospital NHS Trust is the lessor.

as a Lessee

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

The trust has a contract for computerised digital imaging and archiving service contracts within Radiology. The term of the contract, which covers the Royal Shrewsbury Hospital and the Princess Royal Hospital, is 10 years and commenced on 1 January 2016.

The trust has an operating lease relating to an investment in replacing the boiler plant at the Royal Shrewsbury Hospital, the term of the lease is 15 years and commenced 1 April 2007.

The trust has a lease for printing services for both hospitals. The lease commenced 1 July 2017 for 5 years.

The trust has two property leases for off site office accommodation and an off site sterile services facility. A new lease for the off site office accommodation commenced on 21 July 2015 for 10 years. The lease for the off site sterile services facility is for 20 years commencing 1 April 2010.

The trust has entered into leases for the provision of staff and office accommodation facilities at the Royal Shrewsbury Hospital.

The trust has several managed service contracts for the provision of services within the Pathology and Radiology departments.

The Trust also leases cars and adhoc medical equipment.

	2017/18	2016/17
	£000	£000
Operating lease expense		
Minimum lease payments	5,026	4,894
Contingent rents	-	-
Less sublease payments received	-	-
Total	5,026	4,894

	31 March 2018	31 March 2017
	£000	£000
Future minimum lease payments due:		
- not later than one year;	4,737	4,835
- later than one year and not later than five years;	16,885	16,752
- later than five years.	7,981	10,395
Total	29,603	31,982
Future minimum sublease payments to be received	-	-

Note 11 Finance income

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

	2017/18	2016/17
	£000	£000
Interest on bank accounts	31	22
Interest on impaired financial assets	-	-
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total	31	22

Note 12.1 Finance expenditure

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

	2017/18	2016/17
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	448	286
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	38	-
Total interest expense	486	286
Unwinding of discount on provisions	35	24
Other finance costs	-	-
Total finance costs	521	310

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

	2017/18	2016/17
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	38	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Other gains / (losses)

	2017/18	2016/17
	£000	£000
Gains on disposal of assets	102	-
Losses on disposal of assets	(184)	-
Total gains / (losses) on disposal of assets	(82)	-
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of available-for-sale financial investments	-	-
Total other gains / (losses)	(82)	-

Note 14.1 Intangible assets - 2017/18

	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	410	5,438	-	5,848
Transfers by absorption	-	-	-	-
Additions	-	861	45	906
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	84	2	86
Transfers to/ from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Gross cost at 31 March 2018	410	6,383	47	6,840
Amortisation at 1 April 2017 - brought forward	210	2,661	-	2,871
Transfers by absorption	-	-	-	-
Provided during the year	66	785	-	851
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Amortisation at 31 March 2018	276	3,446	-	3,722
Net book value at 31 March 2018	134	2,937	47	3,118
Net book value at 1 April 2017	200	2,777	-	2,977

Note 14.2 Intangible assets - 2016/17

	Software licences £000	Internally generated information technology £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	379	4,083	-	4,462
Prior period adjustments	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	379	4,083	-	4,462
Transfers by absorption	-	-	-	-
Additions	31	1,333	-	1,364
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	22	-	22
Transfers to/ from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Valuation / gross cost at 31 March 2017	410	5,438	-	5,848
Amortisation at 1 April 2016 - as previously stated	136	2,059	-	2,195
Prior period adjustments	-	-	-	-
Amortisation at 1 April 2016 - restated	136	2,059	-	2,195
Transfers by absorption	-	-	-	-
Provided during the year	74	602	-	676
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-
Disposals / derecognition	-	-	-	-
Amortisation at 31 March 2017	210	2,661	-	2,871
Net book value at 31 March 2017	200	2,777	-	2,977
Net book value at 1 April 2016	243	2,024	-	2,267

Note 15.1 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	13,157	118,056	491	5,113	45,829	375	15,750	5,726	204,497
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	5,479	-	4,191	1,026	26	1,125	99	11,946
Impairments	-	(19,613)	-	-	-	-	-	-	(19,613)
Reversals of impairments	-	2,373	(5)	-	(120)	-	-	-	2,248
Revaluations	-	646	-	-	-	-	-	-	646
Reclassifications	-	1,497	-	(4,263)	6,143	(1)	46	(3,509)	(87)
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(6,753)	(25)	(5,721)	-	(12,499)
Valuation/gross cost at 31 March 2018	13,157	108,438	486	5,041	46,125	375	11,200	2,316	187,138
Accumulated depreciation at 1 April 2017 - brought forward	-	121	-	-	26,247	226	10,159	3,525	40,278
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	5,051	16	-	3,333	35	1,275	234	9,944
Impairments	-	(4,097)	-	-	-	-	-	-	(4,097)
Reversals of impairments	-	(417)	(16)	-	(86)	-	-	-	(519)
Revaluations	-	(486)	-	-	-	-	-	-	(486)
Reclassifications	-	(2)	-	-	2,212	(1)	-	(2,210)	(1)
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(6,569)	(25)	(5,721)	-	(12,315)
Accumulated depreciation at 31 March 2018	-	170	-	-	25,137	235	5,713	1,549	32,804
Net book value at 31 March 2018	13,157	108,268	486	5,041	20,988	140	5,487	767	154,334
Net book value at 1 April 2017	13,157	117,935	491	5,113	19,582	149	5,591	2,201	164,219

Note 15.2 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	13,156	116,429	479	594	46,042	375	14,070	5,318	196,463
Prior period adjustments	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	13,156	116,429	479	594	46,042	375	14,070	5,318	196,463
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	3,614	-	4,807	1,761	-	1,680	436	12,298
Impairments	-	(5,101)	-	-	(539)	-	-	(18)	(5,658)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	2,875	12	-	-	-	-	-	2,887
Reclassifications	1	239	-	(288)	28	-	-	(2)	(22)
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/ derecognition	-	-	-	-	(1,463)	-	-	(8)	(1,471)
Valuation/gross cost at 31 March 2017	13,157	118,056	491	5,113	45,829	375	15,750	5,726	204,497
Accumulated depreciation at 1 April 2016 - as previously stated	-	1,046	-	-	24,430	191	9,067	3,253	37,987
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2016 - restated	-	1,046	-	-	24,430	191	9,067	3,253	37,987
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	4,950	8	-	3,446	35	1,092	290	9,821
Impairments	-	(3,288)	-	-	(166)	-	-	(10)	(3,464)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(2,587)	(8)	-	-	-	-	-	(2,595)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/ derecognition	-	-	-	-	(1,463)	-	-	(8)	(1,471)
Accumulated depreciation at 31 March 2017	-	121	-	-	26,247	226	10,159	3,525	40,278
Net book value at 31 March 2017	13,157	117,935	491	5,113	19,582	149	5,591	2,201	164,219
Net book value at 1 April 2016	13,156	115,383	479	594	21,612	184	5,003	2,065	158,476

Note 15.3 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018									
Owned - purchased	13,157	104,472	486	4,165	17,097	140	5,420	652	145,589
Finance leased	-	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - donated	-	3,796	-	876	3,891	-	67	115	8,745
NBV total at 31 March 2018	13,157	108,268	486	5,041	20,988	140	5,487	767	154,334

Note 15.4 Property, plant and equipment financing - 2016/17

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2017									
Owned - purchased	13,157	113,277	491	4,197	16,157	149	5,498	1,967	154,893
Finance leased	-	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - donated	-	4,658	-	916	3,425	-	93	234	9,326
NBV total at 31 March 2017	13,157	117,935	491	5,113	19,582	149	5,591	2,201	164,219

Note 16 Donations of property, plant and equipment

During 2017/18 various pieces of medical equipment have been donated by Royal Shrewsbury Hospital League of Friends; The Shrewsbury and Telford Hospital NHS Trust Charitable Funds and Lingen Davies Cancer Fund, including an additional MRI Scanner donated by RSH League of Friends.

Note 17 Revaluations of property, plant and equipment

The trust commissioned Deloitte Real Estate to undertake revaluations of the Trust's Estate as at 30 September 2017 and 31 March 2018. The valuation has been prepared by David Cooney MA, MRICS under the supervision of Edwin Bray MRICS, a Partner at Deloitte LLP. The valuations have been undertaken having regard to International Financial Reporting Standards ("IFRS") as applied to the United Kingdom public sector and in accordance with HM Treasury Guidance, International Valuation Standards ("IVS") and the requirements of the RICS Valuation – Professional Standards (UK Edition and Global) (Informally "Red Book") as revised in April 2015 and July 2017 (Global), section VPGA1. Cost of rebuilding the asset are based on BCIS (Index 318) as at the Valuation Date. As a result of these revaluations the Net Book Value of the Estate was valued downwards by £11,583,020 as follows:

Revaluation Reserve – total £5,030,410 charged, representing a Revaluation upwards of £1,132,153 and net decrease of £6,162,563. The decrease results from Impairments charged of £7,762,022 and Reversal of Impairments of £1,599,459.

Impairments charged to SoCI of £6,552,610.

In addition, impairments in respect of equipment to the value of £33,470 have been charged to SoCI, giving a total impairment charge of £6,586,080 to SoCI.

Note 18 Investment Property

The trust has no investment property that requires disclosure within this note.

Note 19 Investments in associates and joint ventures

The trust has no investments in associates or joint ventures.

Note 20 Other investments / financial assets

The trust has no other current or non-current investments or financial assets.

Note 21 Disclosure of interests in other entities

The trust has no interests in unconsolidated subsidiaries, joint ventures, associates or unconsolidated structured entities that require disclosures within this note.

Note 22 Inventories

	31 March 2018	31 March 2017
	£000	£000
Drugs	1,929	2,033
Work In progress	-	-
Consumables	5,687	5,670
Energy	153	157
Other	-	-
Total inventories	<u>7,769</u>	<u>7,860</u>

Inventories recognised in expenses for the year were £69,807k (2016/17: £65,123k). Write-down of inventories recognised as expenses for the year were £152k (2016/17: £280k).

Note 23.1 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	9,777	3,948
Capital receivables	-	-
Accrued income	6,054	7,730
Provision for impaired receivables	(739)	(661)
Deposits and advances	-	-
Prepayments	1,776	1,986
Interest receivable	3	2
Finance lease receivables	-	-
PDC dividend receivable	235	32
VAT receivable	517	668
Other receivables	987	877
Total current trade and other receivables	<u>18,610</u>	<u>14,582</u>
Non-current		
Trade receivables	-	-
Capital receivables	-	-
Accrued income	-	-
Provision for impaired receivables	-	-
Deposits and advances	-	-
Prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Other receivables	1,370	1,464
Total non-current trade and other receivables	<u>1,370</u>	<u>1,464</u>
Of which receivables from NHS and DHSC group bodies:		
Current	11,421	9,247
Non-current	-	-

Note 23.2 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April as previously stated	661	588
Increase in provision	431	428
Amounts utilised	(266)	(390)
Unused amounts reversed	(87)	35
At 31 March	739	661

Injury cost recovery income is subject to a provision for impairment of receivables of 22.84% (previously 22.94% to November 2017) to reflect expected rates of collection.

Invoices raised to overseas visitors are provided for immediately as a high number of these invoices are not collected.

Specific provisions are made against any invoices that are outstanding and deemed to be non-collectable including those that have been sent to the trust's debt collection agency.

Note 23.3 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
Ageing of impaired financial assets				
0 - 30 days	8,604	-	2,310	-
30-60 Days	344	-	561	-
60-90 days	212	-	165	-
90- 180 days	218	-	555	-
Over 180 days	399	-	357	-
Total	9,777	-	3,948	-
Ageing of non-impaired financial assets past their due date				
0 - 30 days	-	-	-	-
30-60 Days	-	-	-	-
60-90 days	-	-	-	-
90- 180 days	-	-	-	-
Over 180 days	-	-	-	-
Total	-	-	-	-

Note 24 Other assets

The trust has no other assets that require disclosure within this note.

Note 25 Non-current assets held for sale and assets in disposal groups

The trust has no non-current assets held for sale or assets in disposal groups that require disclosure within this note.

Note 26.1 Cash and cash equivalents movements

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

	2017/18	2016/17
	£000	£000
At 1 April	5,682	1,700
Net change in year	(3,982)	3,982
At 31 March	1,700	5,682
Broken down into:		
Cash at commercial banks and in hand	30	32
Cash with the Government Banking Service	1,670	5,650
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	1,700	5,682
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	1,700	5,682

Note 26.2 Third party assets held by the trust

The trust held cash and cash equivalents which relate to monies held by the trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March	31 March
	2018	2017
	£000	£000
Bank balances	4	4
Monies on deposit	-	-
Total third party assets	4	4

Note 27.1 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	7,443	8,186
Capital payables	6,422	7,790
Accruals	11,013	6,617
Receipts in advance (including payments on account)	8	14
Social security costs	-	-
VAT payables	-	-
Other taxes payable	77	4
PDC dividend payable	-	-
Accrued interest on loans	127	33
Other payables	3,093	3,051
Total current trade and other payables	<u>28,183</u>	<u>25,695</u>
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance (including payments on account)	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	<u>-</u>	<u>-</u>
Of which payables from NHS and DHSC group bodies:		
Current	2,369	1,376
Non-current	-	-

The payables note above includes amounts in 'Other payables' as set out below:

	31 March 2018 £000	31 March 2017 £000
Outstanding pension contributions	3,014	2,974

Note 28 Other financial liabilities

The trust has no other financial liabilities that require disclosure within this note.

Note 29 Other liabilities

	31 March 2018	31 March 2017
	£000	£000
Current		
Deferred income	1,166	1,169
Deferred grants	-	-
Lease incentives	-	-
Total other current liabilities	1,166	1,169
Non-current		
Deferred income	-	-
Deferred grants	-	-
Lease incentives	-	-
Total other non-current liabilities	-	-

Note 30 Borrowings

	31 March 2018	31 March 2017
	£000	£000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from the Department of Health and Social Care	15,200	-
Other loans	-	-
Obligations under finance leases	-	-
Total current borrowings	15,200	-
Non-current		
Loans from the Department of Health and Social Care	24,209	24,507
Other loans	-	-
Obligations under finance leases	-	-
Total non-current borrowings	24,209	24,507

Note 31 Finance leases

The Shrewsbury and Telford Hospital NHS Trust have no finance leases where the trust is the lesser or lessor.

Note 32 Provisions for liabilities and charges analysis

	Pensions - early departure costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2017	52	218	545	815
Change in the discount rate	-	-	1	1
Arising during the year	25	114	266	405
Utilised during the year	(42)	(145)	(330)	(517)
Reclassified to liabilities held in disposal groups	-	-	-	-
Reversed unused	-	(38)	(10)	(48)
Unwinding of discount	8	-	27	35
At 31 March 2018	43	149	499	691
Expected timing of cash flows:				
- not later than one year;	43	149	340	532
- later than one year and not later than five years;	-	-	62	62
- later than five years.	-	-	97	97
Total	43	149	499	691

Early departure costs relate to a provision for future payments payable to the NHS Pensions Agency in respect of former employees who took early retirement.

Legal claims relate to NHS Resolution non clinical cases with employees and members of the general public.

Other provision relates to Injury Benefits relating to former staff and contains provisions payable to former employees forced to retire due to injury suffered in the workplace (£239k) and the CRC scheme (£260k).

Note 32.1 Clinical negligence liabilities

At 31 March 2018, £286,307k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Shrewsbury and Telford Hospital NHS Trust (31 March 2017: £174,609k).

Note 33 Contingent assets and liabilities

	31 March 2018	31 March 2017
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(91)	(113)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Gross value of contingent liabilities	<u>(91)</u>	<u>(113)</u>
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	<u>(91)</u>	<u>(113)</u>
Net value of contingent assets	-	-

The contingent liabilities represent the difference between the expected values of provisions for legal claims carried at note 32 and the maximum potential liability that could arise from these claims.

Note 34 Contractual capital commitments

	31 March 2018	31 March 2017
	£000	£000
Property, plant and equipment	71	1,189
Intangible assets	-	-
Total	<u>71</u>	<u>1,189</u>

Note 35 Other financial commitments

The trust is not committed to making any payments under non-cancellable contracts which are not leases, PFI contracts or other service concession arrangements.

Note 36 Defined benefit pension schemes

The trust has no defined benefit pension schemes.

Note 37 On-SoFP PFI, LIFT or other service concession arrangements

The trust does not have any PFI schemes, LIFT schemes or other service concession recognised on-SoFP.

Note 38 Financial instruments

Note 38.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with commissioners and the way those commissioners are financed, the trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The 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 trust in undertaking its activities.

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

Currency risk

The trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The trust has no overseas operations. The trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The trust therefore has low exposure to interest rate fluctuations.

The trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health and Social Care (the lender) at the point borrowing is undertaken.

The trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the trust's revenue comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The trust is not, therefore, exposed to significant liquidity risks.

Note 38.2 Carrying values of financial assets

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity at £000	Available- for-sale £000	Total book value £000
Financial Instruments - Assets as at 31 March 2018					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	18,710	-	-	-	18,710
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	1,700	-	-	-	1,700
Total at 31 March 2018	20,410	-	-	-	20,410

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available- for-sale £000	Total book value £000
Financial Instruments - Assets as at 31 March 2017					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	13,764	-	-	-	13,764
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	5,682	-	-	-	5,682
Total at 31 March 2017	19,446	-	-	-	19,446

Note 38.3 Carrying value of financial liabilities

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total book value £000
Financial Instruments - Liabilities as at 31 March 2018			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	39,409	-	39,409
Obligations under finance leases	-	-	-
Trade and other payables excluding non financial liabilities	28,176	-	28,176
Other financial liabilities	-	-	-
Provisions under contract	149	-	149
Total at 31 March 2018	67,734	-	67,734

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total book value £000
Financial Instruments - Liabilities as at 31 March 2017			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	24,507	-	24,507
Obligations under finance leases	-	-	-
Trade and other payables excluding non financial liabilities	25,680	-	25,680
Other financial liabilities	-	-	-
Provisions under contract	218	-	218
Total at 31 March 2017	50,405	-	50,405

Note 38.4 Fair values of financial assets and liabilities

The book value (carrying value) is a reasonable approximation of fair value for the Trust's financial assets and liabilities.

Note 38.5 Maturity of financial liabilities

	31 March 2018 £000	31 March 2017 £000
In one year or less	43,525	25,898
In more than one year but not more than two years	3,690	15,200
In more than two years but not more than five years	20,519	9,307
In more than five years	-	-
Total	67,734	50,405

Note 39 Losses and special payments

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	-	-	2	0
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	565	264	335	463
Stores losses and damage to property	27	152	26	279
Total losses	592	416	363	742
Special payments				
Compensation under court order or legally binding arbitration award	1	460	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	53	151	28	66
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	54	611	28	66
Total losses and special payments	646	1,027	391	808
Compensation payments received		-		-

Details of cases individually over £300k:

A falls claim from HSE for £460k has been accrued to 'Compensation under court order or legally binding arbitration award'.

£145k of the ex-gratia payments are included in legal claims in Note 32 Provisions for liabilities and charges analysis rather than Note 6.1 Operating expenses.

Note 40 Gifts

The total value of gifts did not exceed £300,000 so no further disclosure is required.

Note 41 Related parties

The Department of Health and Social Care is regarded as the parent department. The main entities within the public sector that the trust has had dealings with during the year are:

NHS Shropshire CCG
NHS Telford and Wrekin CCG
NHS South East Staffs And Seisdon Peninsular CCG
NHS Stafford And Surrounds CCG
NHS England
Health Education England
NHS Resolution
The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS FT
Mid Cheshire Hospitals NHS FT
Shropshire Community Health NHS Trust
The Royal Wolverhampton NHS Trust
Betsi Cadwaladr University Local Health Board
Cwm Taf Local Health Board
Powys Local Health Board
Welsh Assembly Government
National Health Service Pension Scheme
NHS Pension Scheme
HM Revenue and Customs

The trust is linked to the Shrewsbury and Telford Hospital NHS Charity. The Annual Report and Accounts for the Shrewsbury and Telford Hospital NHS Charity are submitted separately to the Charity Commission and are not consolidated into the trust's Accounts.

The trust is also linked to Royal Shrewsbury Hospital League of Friends, Friends of Princess Royal Hospital and Lingen Davies Cancer Fund who donate various pieces of medical equipment to the trust.

Note 42 Transfers by absorption

There were no transfers by absorption in the year where the trust has been either the receiving or divesting party.

Note 43 Prior period adjustments

The trust has made no prior period adjustments where comparative information has been restated due to either a change in accounting policy or material prior period error.

Note 44 Events after the reporting date

There are no events after the reporting date that require disclosure within this note.

Note 45 Better Payment Practice code

	2017/18	2017/18	2016/17	2016/17
	Number	£000	Number	£000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	109,064	132,940	93,881	113,516
Total non-NHS trade invoices paid within target	35,467	50,195	46,940	68,821
Percentage of non-NHS trade invoices paid within target	<u>32.52%</u>	<u>37.76%</u>	<u>50.00%</u>	<u>60.63%</u>
NHS Payables				
Total NHS trade invoices paid in the year	2,732	7,446	2,822	7,345
Total NHS trade invoices paid within target	2,340	5,763	1,837	4,390
Percentage of NHS trade invoices paid within target	<u>85.65%</u>	<u>77.40%</u>	<u>65.10%</u>	<u>59.77%</u>

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 46 External financing

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

	2017/18	2016/17
	£000	£000
Cash flow financing	20,650	10,325
Finance leases taken out in year	-	-
Other capital receipts	-	-
External financing requirement	<u>20,650</u>	<u>10,325</u>
External financing limit (EFL)	20,650	10,325
Under / (over) spend against EFL	<u>0</u>	<u>0</u>

Note 47 Capital Resource Limit

	2017/18	2016/17
	£000	£000
Gross capital expenditure	12,852	13,663
Less: Disposals	(184)	-
Less: Donated and granted capital additions	(1,016)	(1,397)
Plus: Loss on disposal of donated/granted assets	-	-
Charge against Capital Resource Limit	<u>11,652</u>	<u>12,266</u>
Capital Resource Limit	12,830	13,228
Under / (over) spend against CRL	<u>1,178</u>	<u>962</u>

The underspend mainly results from the trust's cash position not enabling it to invest in capital expenditure relating to internally generated capital from donated asset depreciation.

Note 48 Breakeven duty financial performance

	2017/18
	£000
Adjusted financial performance surplus / (deficit) - control total basis	(17,400)
Remove impairments scoring to Departmental Expenditure Limit	-
Add back income for impact of 2016/17 post-accounts STF reallocation	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	<u>(17,400)</u>

Note 49 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		712	26	59	81	65	(12,130)	(14,649)	(5,631)	(17,400)
Breakeven duty cumulative position	(22,891)	(22,179)	(22,153)	(22,094)	(22,013)	(21,948)	(34,078)	(48,727)	(54,358)	(71,758)
Operating income		262,882	277,980	299,850	309,362	314,106	316,794	326,477	350,244	359,041
Cumulative breakeven position as a percentage of operating income		-8.44%	-7.97%	-7.37%	-7.12%	-6.99%	-10.76%	-14.93%	-15.52%	-19.99%

Paper 2i

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John Cornett
Director
KPMG LLP
31 Park Row
Nottingham NG1 6FQ

25 May 2018

Dear John

This representation letter is provided in connection with your audit of the Trust financial statements of the Shrewsbury and Telford Hospital NHS Trust (“the Trust”), for the year ended 31 March 2018, for the purpose of expressing an opinion:

- as to whether these financial statements give a true and fair view of the state of the financial position of the Trust as at 31 March 2018 and of the Trust’s income and expenditure for the financial year then ended; and
- whether the Trust’s financial statements have been prepared in accordance with the Department of Health Group Accounting Manual (GAM).

These financial statements comprise the Trust Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Taxpayers Equity and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities for the preparation of financial statements that:
 - i. give a true and fair view of the financial position of Trust as at 31 March 2018 and of the Trust's income and expenditure for that financial year; and
 - ii. have been prepared in accordance with the GAM 2017/18.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Board in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which IAS 10 events after the reporting period requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. There are no uncorrected adjustments above £0.25m following audit of the 2017/18 financial statements.

Information provided

5. The Board has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Board for the purpose of the audit; and
 - unrestricted access to persons within the Trust from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Board confirms the following:
 - i. The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definition of fraud, including misstatement arising from fraudulent financial reporting and from misappropriation of assets.
 - ii. The Board has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Trust and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and

- b) allegations of fraud, or suspected fraud, affecting the Trust's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

- 8. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- 9. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
- 10. The Board has disclosed to you the identity of the Trust's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 Related Party Disclosures. Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.
- 11. The Board confirms that all intra-NHS balances included in the Statement of Financial Position (SOF) at 31 March 2018 in excess of £100,000 have been disclosed to you and that the Trust has complied with the requirements of the Intra NHS Agreement of Balances Exercise. The Board confirms that Intra-NHS balances includes all balances with NHS counterparties, regardless of whether these balances are reported within those SOFP classifications formally deemed to be included within the Agreement of Balances exercise.
- 12. The Board confirms that:
 - a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Trust's ability to continue as a going concern as required to provide a true and fair view.
 - b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Trust to continue as a going concern.
 - c) The Trust is required to consolidate any NHS charitable funds which are determined to be subsidiaries of the Trust. The decision on whether to consolidate is dependent upon the financial materiality and governance arrangements of the charitable funds. The Board confirms that, having considered these factors, it is satisfied that the charitable funds should not be consolidated.

This letter was tabled and agreed at the meeting of the Board of Directors on 25 May 2018.

Yours sincerely

Simon Wright
Chief Executive, for and on behalf of the Board of the Shrewsbury and Telford Hospital
NHS Trust

Appendix to the Board Representation Letter: Uncorrected audit differences

The following uncorrected audit differences have been presented as part of the Audit Report to those charged with governance and are considered by management to be immaterial to the Trust's financial statements:

There are no corrected or uncorrected audit differences other than presentational items.

Appendix to the Board Representation Letter: Definitions

Financial Statements

IAS 1.10 states that a complete set of financial statements comprises:

- a statement of financial position as at the end of the period;
- a statement of comprehensive income for the period;
- a statement of changes in equity for the period;
- a statement of cash flows for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the previous period; and
- a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled, or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transaction

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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.

Signed.....Chief Executive

Date.....

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

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 of the Secretary of State. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

.....Date.....Chief Executive

.....Date.....Finance Director

Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for the Shrewsbury and Telford Hospital NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2017/18 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:
 - the financial records maintained by the NHS trust
 - accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and
 - the template accounting policies for NHS trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.
2. I certify that the TAC schedules are internally consistent and that there are no validation errors.
3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.

Signature

Name

Finance Director

Date

Chief Executive Certificate

1. I acknowledge the attached TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS Improvement.
2. I have reviewed the schedules and agree the statements made by the Finance Director above.

Signature

Name

Chief Executive

Date

The Shrewsbury And Telford Hospital NHS Trust (SHREWSBURY / RXW)

TAC01 Confirmations

Trust Accounts Consolidation Schedules

Uncompleted confirmations:

0

Confirmation question	Response
Basis of preparation and status of TACS	
1 Has the organisation departed from the accounting requirements of IFRS or the accounting policies / requirements set out in the Group Accounting Manual 2017/18 as it applies to 2016/17 and 2017/18? If yes, please set out the implications of the non-compliance in the free-text schedule (TAC34 Free text)	No Go to Freetext
2 Have the comparatives included in the TACS been revised from those disclosed in the final 2016/17 audited FTC/FMA? If yes, please provide details of any other prior period adjustments in the free-text schedule - prior period adjustments (TAC33 PPAs). Failure to do so will likely lead to follow-up questions from NHS Improvement. If your restatement relates solely to disclosure, presentation or reclassification then please explain below. <div style="background-color: yellow; height: 15px; width: 100%;"></div>	No Go to PPA sheet
3 Is the information in this form based on audited accounts (respond 'No' if this is your unaudited submission or at month 9)?	Yes - audited
Group structure and charities	
4 Has the organisation accounted for an interest in a non-consolidated subsidiary, joint venture or associate (excluding any charitable funds)? If yes, please provide the details of the joint venture, associate or non-consolidated subsidiary on TAC15 Investments & groups. Please also complete questions 4.1 to 4.3 on TAC34 Free text where applicable.	No Go to TAC15 Go to Freetext
5 Has the organisation submitted TACs which consolidates any subsidiaries (excluding any charitable funds)? If yes, please provide details of the consolidated bodies on TAC15 Investments & groups. Also please detail any non-controlling interests (and note the subsidiary these relate to): <div style="background-color: yellow; height: 15px; width: 100%;"></div> Please also complete questions 5.1 to 5.3 on TAC34 Free text where applicable.	No Go to TAC15 Go to Freetext
6 Has the organisation consolidated an NHS charitable fund within these TACs? If yes, please ensure sheet TAC40 Charity - consol has been completed in full.	No Go to TAC40
6a Does the organisation have any linked charities not consolidated within these TACs?	Yes
6b If yes to 6a, does the charity / all non-consolidated linked charities have arrangements to report directly to the Department of Health and Social Care as an independent charity with non-corporate trustees? If no to 6b, please ensure summary financial information is provided on TAC41 Charity - non-consol. If yes to 6b, do NOT complete sheet TAC41 Charity - non-consol, as the information will be collected directly from the charity by the Department of Health and Social Care.	No Go to TAC41
Transactions and risks	
7 Has the organisation entered into any transactions not on an arm's length basis? If yes, please provide details in the free-text schedule (TAC34 Free text).	No Go to Freetext
8 Has the organisation entered into any arrangements involving the pledging of financial assets as collateral? If yes, please provide details in the free-text schedule (TAC34 Free text).	No Go to Freetext
9 Has the organisation entered into any hedging transactions? If yes, please provide details in the free-text schedule (TAC34 Free text).	No Go to Freetext
10 Has the organisation completed a transfer of services, either divesting or receiving, accounted for as a 'transfer by absorption' in the year? If yes, please provide details on worksheet TAC30 Transfers.	No Go to TAC30
11 Has the organisation been involved with any mergers or other business combinations during the year (excluding transfers by absorption - see q10 above)? If yes, please provide details of any transactions in the free-text schedule (TAC34 Free text).	No Go to Freetext
12 Has the organisation been dissolved prior to 31 Mar 2018?	No
13 Do the financial statements disclose significant exposure to the following types of financial risk?	
a) Credit risk:	No
b) Liquidity risk:	No
c) Market risk:	No
d) Foreign currency risk:	No
If yes to a,b,c or d please provide details in the free-text schedule (TAC34 Free text).	Go to Freetext

Other accounting arrangements

14 Is the organisation an admitted member of a defined benefit scheme other than the NHS Pension Scheme e.g. a Local Government Pension Scheme?

No

14a If yes, does the organisation account for it as a defined benefit scheme in the accounts and these TACs (i.e. on SoFP)?

No

If yes to both 14 and 14a, please complete worksheet TAC26 Pension and provide the name of the pension fund(s) here (e.g. Leicestershire County Council Pension Fund):

If yes to 14 and no to 14a, i.e. the organisation is a member of such a scheme but does not account for it as such, please give details in the free-text schedule (TAC34 Free text).

[Go to Freetext](#)

15 Other than PFI, LIFT and other service concession arrangements disclosed in TAC25 Off-SoFP PFI, has the organisation entered into any other off balance sheet arrangements?

No

If yes, please provide details in the free-text schedule (TAC34 Free text).

[Go to Freetext](#)

For M12 audited submission only: please print this sheet and have it signed by the Chief Executive (no electronic signatures - these boxes are not editable). The signed sheet should be scanned and uploaded to the NHSI portal with the audited TAC and accounts submission

The Shrewsbury And Telford Hospital NHS Trust

Chief Executive:

I confirm that these schedules are the final audited TAC schedules submitted to NHSI via the trust portal and upon which I have separately certified consistency with the audited accounts

Signature:

Print name:

Validation summary

0 Validation fails

0 JoCs requiring explanation

Statement of Financial Position

Paper 2iv

		31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	14	3,118	2,977
Property, plant and equipment	15	154,334	164,219
Investment property	18	-	-
Investments in associates and joint ventures	19	-	-
Other investments / financial assets	20	-	-
Trade and other receivables	23	1,370	1,464
Other assets	24	-	-
Total non-current assets		158,822	168,660
Current assets			
Inventories	22	7,769	7,860
Trade and other receivables	23	18,610	14,582
Other investments / financial assets	20	-	-
Other assets	24	-	-
Cash and cash equivalents	26	1,700	5,682
Total current assets		28,079	28,124
Current liabilities			
Trade and other payables	27	(28,183)	(25,695)
Borrowings	30	(15,200)	-
Other financial liabilities	28	-	-
Provisions	32	(532)	(601)
Other liabilities	29	(1,166)	(1,169)
Total current liabilities		(45,081)	(27,465)
Total assets less current liabilities		141,820	169,319
Non-current liabilities			
Trade and other payables	27	-	-
Borrowings	30	(24,209)	(24,507)
Other financial liabilities	28	-	-
Provisions	32	(159)	(214)
Other liabilities	29	-	-
Total non-current liabilities		(24,368)	(24,721)
Total assets employed		117,452	144,598
Financed by			
Public dividend capital		201,372	199,606
Revaluation reserve		27,723	32,754
Available for sale investments reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		(111,643)	(87,762)
Total taxpayers' equity		117,452	144,598

The notes on pages 8 to 49 form part of these accounts.

Signed
Name
Position
Date

Simon Wright
Chief Executive
25 May 2018