



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth
GIG Felindre
Velindre NHS Trust

Velindre NHS Trust

Annual Accounts

2014-15

Velindre NHS Trust

Foreword

These accounts for the period ended 31 March 2015 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Velindre NHS Trust under schedule 9 section 178 Para 3 (1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers, with the approval of the Treasury, directed.

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

In addition to the above services, over the years Velindre NHS Trust has become host to a number of organisations. At the end of 2014/15 these included:

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

On the 1 April 2014 the All Wales Stores services transferred from Abertawe Bro Morgannwg University Health Board ('ABMU') and Aneurin Bevan University Health Board ('AB') to NWSSP. On the 4 February 2015, NWSSP became the lead employer for the Wales GP Training Scheme.

Additionally, on the 1 April 2014, The Cancer National Specialist Advisory Group was transferred from Velindre NHS Trust to Public Health Wales NHS Trust.

There have been no other significant events during 2014-15.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2015

	Note	2014-15 £000 NHS Trust	2013-14 £000	2014-15 £000 Consolidated	2013-14 £000
Revenue from patient care activities	2	242,126	222,482	242,126	222,482
Other operating revenue	3	237,218	195,248	238,165	196,863
Operating expenses	6	(479,457)	(417,718)	(480,489)	(418,175)
Operating (deficit)/surplus		(113)	12	(198)	1,170
Investment revenue	7	51	84	114	141
Other gains and losses	8	6	112	6	112
Finance costs	9	672	(151)	672	(151)
				594	1,272
Retained surplus	31.1	616	57		
Other Comprehensive Income					
Items that will not be reclassified to net operating costs:					
Net gain/(loss) on revaluation of property, plant and equipment		2,386	827	2,386	827
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	193	(10)
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Impairments and reversals		0	0	0	0
Movements in other reserves		0	0	0	0
Transfers between reserves		0	0	0	0
Net gain/loss on Other Reserve		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Sub total		2,386	827	2,579	817
Items that may be reclassified subsequently to net operating costs					
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Sub total		0	0	0	0
Total other comprehensive income for the year		2,386	827	2,579	817
Total comprehensive income for the year		3,002	884	3,173	2,089

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2015

	Note	31 March 2015	31 March 2014	31 March 2015	31 March 2014
		NHS Trust		Consolidated	
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	14	90,216	84,816	90,216	84,816
Intangible assets	15	27,575	25,796	27,575	25,796
Trade and other receivables	20	459,910	417,597	459,910	417,597
Other financial assets	21	0	0	3,321	2,057
Total non-current assets		577,701	528,209	581,022	530,266
Current assets					
Inventories	19	5,530	1,622	5,530	1,622
Trade and other receivables	20	264,796	211,047	264,927	211,969
Other financial assets	21	0	0	0	0
Cash and cash equivalents	22	10,527	13,041	11,599	14,297
		280,853	225,710	282,056	227,888
Non-current assets held for sale	14.2	0	0	0	0
Total current assets		280,853	225,710	282,056	227,888
Total assets		858,554	753,919	863,078	758,154
Current liabilities					
Trade and other payables	23	(68,955)	(54,436)	(69,274)	(54,637)
Borrowings	24	(57)	(50)	(57)	(50)
Other financial liabilities	25	0	0	0	0
Provisions	26	(207,270)	(170,558)	(207,270)	(170,558)
Total current liabilities		(276,282)	(225,044)	(276,601)	(225,245)
Net current assets/(liabilities)		4,571	666	5,455	2,643
Total assets less current liabilities		582,272	528,875	586,477	532,909
Non-current liabilities					
Trade and other payables	23	(221,786)	(210,569)	(221,786)	(210,569)
Borrowings	24	(13)	(57)	(13)	(57)
Other financial liabilities	25	0	0	0	0
Provisions	26	(238,512)	(210,910)	(238,512)	(210,910)
Total non-current liabilities		(460,311)	(421,536)	(460,311)	(421,536)
Total assets employed		121,961	107,339	126,166	111,373
Financed by Taxpayers' equity:					
Public dividend capital		84,383	72,763	84,383	72,763
Retained earnings		12,404	11,736	12,404	11,736
Revaluation reserve		25,174	22,840	25,174	22,840
Other reserves		0	0	0	0
Funds Held on Trust Reserves				4,205	4,034
Total taxpayers' equity		121,961	107,339	126,166	111,373

The financial statements were approved by the Audit Committee on behalf of the Board on 2 June 2015 and signed on behalf of the Board by:

Interim Chief Executive Stephen Ham

Date 04/06/2015

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2014-15	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000	FHOT Reserves £000	Consolidate d Total £000
Balance at 1 April 2014	72,763	11,736	22,840	0	107,339	4,034	111,373
Changes in taxpayers' equity for 2014-15							
Retained surplus/(deficit) for the year		616			616		616
Net gain/(loss) on revaluation of property, plant and equipment		0	2,386	0	2,386		2,386
Net gain/(loss) on revaluation of intangible assets		0	0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	0	193	193
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0		0
Impairments and reversals		0	0	0	0		0
Movements in other reserves		52	(52)	0	0		0
Transfers between reserves		0	0	0	0		0
Net gain/loss on Other Reserve (specify)		0	0	0	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0		0
Reserves eliminated on dissolution	0				0		0
New Public Dividend Capital received	11,693				11,693		11,693
Public Dividend Capital repaid in year	0				0		0
Public Dividend Capital extinguished/written off	0				0		0
Other movements in PDC in year	(73)				(73)		(73)
FHoT - Endowment					0	326	326
FHoT - Restricted					0	(348)	(348)
FHoT - Unrestricted					0	0	0
Balance at 31 March 2015	84,383	12,404	25,174	0	121,961	4,205	126,166

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

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

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

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	Note	2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
		NHS Trust		Consolidated	
Cash flows from operating activities					
Operating surplus/(deficit)	SOCI	(113)	12	(198)	1,170
Depreciation and amortisation	6	14,518	11,994	14,518	11,994
Impairments and reversals	6	(158)	0	(158)	0
Release of PFI deferred credits		0	0	0	0
Donated Assets received credited to revenue but non-cash	3	(565)	(7)	(565)	(7)
Government Granted Assets received credited to revenue but non-cash	3	(12)	0	(12)	0
Interest paid		(7)	(29)	(7)	(29)
(Increase)/decrease in inventories		(3,908)	1,027	(3,908)	1,027
(Increase)/decrease in trade and other receivables		(96,104)	(76,900)	(95,313)	(77,464)
Increase/(decrease) in trade and other payables		27,144	33,787	27,260	33,863
Increase/(decrease) in provisions		64,993	42,972	64,993	42,972
Net cash inflow from operating activities		5,788	12,856	6,610	13,526
Cash flows from investing activities					
Interest received		51	84	114	141
(Payments) for property, plant and equipment		(10,935)	(12,095)	(10,935)	(12,095)
Proceeds from disposal of property, plant and equipment		6	112	6	112
(Payments) for intangible assets		(9,080)	(14,397)	(9,080)	(14,397)
Proceeds from disposal of intangible assets		0	0	0	0
(Payments) for investments with Welsh Government		0	0	0	0
Proceeds from disposal of investments with Welsh Government		0	0	0	0
(Payments) for financial assets.		0	0	(1,724)	(929)
Proceeds from disposal of financial assets.		0	0	655	934
Rental proceeds		0	0	0	0
Net cash (outflow) from investing activities		(19,958)	(26,296)	(20,964)	(26,234)
Net cash (outflow)/inflow before financing		(14,170)	(13,440)	(14,354)	(12,708)
Cash flows from financing activities					
Public Dividend Capital received		11,693	10,844	11,693	10,844
Public Dividend Capital repaid		0	0	0	0
Loans received from Welsh Government		0	0	0	0
Other loans received		0	0	0	0
Loans repaid to Welsh Government		0	0	0	0
Other loans repaid		0	0	0	0
Other capital receipts		0	0	0	0
Capital elements of finance leases and on-SOFP PFI		(37)	(56)	(37)	(56)
Cash transferred (to)/from other NHS Wales bodies		0	0	0	0
Net cash (outflow) from financing activities		11,656	10,788	11,656	10,788
Net (decrease) in cash and cash equivalents		(2,514)	(2,652)	(2,698)	(1,920)
Cash [and] cash equivalents at the beginning of the financial year	22	13,041	15,693	14,297	16,217
Cash [and] cash equivalents at the end of the financial year	22	10,527	13,041	11,599	14,297

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

Notes to the Accounts

Accounting policies

1. Accounting policies

The Welsh Minister for Health and Social Services has directed that the financial statements of NHS Trusts in Wales shall meet the accounting requirements of the NHS Trust Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2014-15 NHS Trusts Manual for Accounts. The accounting policies contained in that manual follow the European Union version of the International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention and basis of consolidation

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

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

The consolidated results incorporate the results of Velindre NHS Trust 'the Trust' and its subsidiary undertaking, Velindre NHS Trust Charitable Funds 'Funds Held on Trust ('FHOT')' on a line by line basis. All intra group transactions, balances, income and expenses are eliminated on consolidation. Within the following accounting policies, the consolidated entity is referred to as 'the Trust.' as the accounting policies applied within the Charity are consistent with the Trust as a whole unless otherwise stated.

1.2 Acquisitions and discontinued operations

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

1.3 Pooled budgets

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

1.4 Revenue

Trust

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

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

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

Funds Held on Trust ('FHOT')

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

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

1.5 Employee Benefits

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

Retirement benefit costs

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

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

NEST Pension Scheme

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

1.6 Other expenses

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

1.7 Property, plant and equipment**Recognition**

Property, plant and equipment is capitalised if:

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

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

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

Valuation

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

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

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

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

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

For 2012-13 a formal revaluation exercise by the District Valuation Office was applied to the Land and Properties of NHS Wales Trusts from 1 April 2012. In 2014-15 indexation has been applied to property plant and equipment based on indices supplied by the District Valuation Office. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

Subsequent expenditure

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

1.8 Intangible assets**Recognition**

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

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

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

Measurement

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

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

1.9 Research and development

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

1.10 Depreciation, amortisation and impairments

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

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

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

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

1.11 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.12 Donated assets

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

1.13 Government grants

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

1.14 Non-current assets held for sale

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

1.15 Other financial assets

Listed investments are stated at market value. Unlisted investments are included at cost as an approximation to market value. Quoted stocks are included in the balance sheet at mid-market price, and where holdings are subject to bid / offer pricing their valuations are shown on a bid price. The shares are not held for trading and accordingly are classified as available for sale. Other financial assets are classified as available for sale investments carried at fair value within the financial statements.

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

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

1.16 Leases

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

The trust as lessee

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

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

Contingent rentals are recognised as an expense in the period in which they are incurred.

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

The trust as lessor

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

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

1.17 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.18 Inventories

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

1.19 Cash and cash equivalents

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

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

1.20 Provisions

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

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

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

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

1.21 Clinical Negligence Costs

The Welsh Risk Pool (WRP) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was not implemented in 2014-15. The WRP is hosted by Velindre NHS Trust.

1.22 Carbon Reduction Commitment Scheme

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

1.23 Contingencies

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

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

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

1.24 Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through SoCNI

The Trust has no embedded derivatives.

The shares held by the FHoT are not held for trading and accordingly are classified as available for sale (see below).

Held to maturity investments

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

Available for sale financial assets

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

Loans and receivables

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

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

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

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

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

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

1.25 Financial liabilities

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

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

Financial guarantee contract liabilities

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

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

Financial liabilities at fair value through SoCNI

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

Other financial liabilities

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

1.26 Value Added Tax

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

1.27 Foreign currencies

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

1.28 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. The Trust does not own any Third party assets.

1.29 Public Dividend Capital (PDC) and PDC dividend

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

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

1.30 Losses and Special Payments

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

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

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

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

1.31 Critical Accounting Judgements and key sources of estimation uncertainty

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

1.32 Critical Judgements in applying accounting policies

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

1.33 Key sources of estimation uncertainty

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

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

1.34 Subsidiaries

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

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

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

The consolidation is for reporting purposes only and does not affect the charities' legal and regulatory independence and day to day operations.

1.35 Absorption Accounting

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

1.36 Accounting standards that have been issued but have not yet been adopted

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

IFRS 13 Fair Value Measurement - subject to consultation.

IPSAS 32 Service Concession Arrangements - subject to consultation.

1.37 Accounting standards issued that have been adopted early

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

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2. Revenue from patient care activities	2014-15	2013-14	2014-15	2013-14
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Welsh Government	1,424	1,508	1,424	1,508
Welsh Government Welsh Risk Pool Reimbursements	158,361	141,984	158,361	141,984
Welsh Health Specialised & Emergency Ambulance Services Committees (WHSSC & EASC)	31,380	30,187	31,380	30,187
Local health boards	48,310	46,436	48,310	46,436
Welsh NHS Trusts	101	0	101	0
Other NHS trusts	336	370	336	370
Strategic health authorities and primary care trusts	0	2	0	2
Foundation Trusts	0	0	0	0
Welsh Local Authorities	0	0	0	0
Local authorities	0	0	0	0
Non NHS:				
Private patient income	1,683	1,565	1,683	1,565
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	0	0	0	0
Other revenue from activities	531	430	531	430
Total	242,126	222,482	242,126	222,482

ICR income is subject to a provision for impairment of 18.9% to reflect expected rates of collection.

3. Other operating revenue	2014-15	2013-14	2014-15	2013-14
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Patient transport services	0	0	0	0
Education, training and research	3,523	2,669	3,523	2,669
Charitable and other contributions to expenditure	2,530	2,261	672	940
Incoming FHoT Revenue				
Unrestricted - donations and legacies			2,805	2,268
Restricted - donations and legacies			0	668
Receipt of donations for capital acquisitions	565	7	565	7
Receipt of government grants for capital acquisitions	12	0	12	0
Non-patient care services to other bodies	0	0	0	0
Income generation	864	849	864	849
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	0	0	0	0
Other revenue:				
Provision of laundry, pathology, payroll services	0	0	0	0
Accommodation and catering charges	157	156	157	156
Mortuary fees	0	0	0	0
Staff payments for use of cars	80	78	80	78
Business unit	0	0	0	0
Other	229,487	189,228	229,487	189,228
Total	237,218	195,248	238,165	196,863
Other revenue of £229,487 (2013-2014 £189,228) comprises				
NWSSP	171,995	135,994	171,995	135,994
NWIS	48,154	43,150	48,154	43,150
OTHER	9,338	10,084	9,338	10,084
Total	229,487	189,228	229,487	189,228

The All Wales Stores Service transferred to NWSSP during 2014/15 increasing both income and expenditure by £38 million. This is included in note 3 within "Other" and note 6 "Supplies and services - general", please also see note 40 for further information.

4. Revenue

	2014-15	2013-14
	£000	£000
From rendering of services	431,896	408,734
From sale of goods	47,448	8,996
Total	479,344	417,730

5. Income generation activities

The Trust undertakes income generation activities with an aim of achieving surplus, which is then used in patient care. During the year the Trust had no income generation activities whose full cost exceeded £1m or were otherwise material.

6. Operating expenses	2014-15	2013-14	2014-15	2013-14
	£000	£000	£000	£000
6.1 Operating expenses	NHS Trust		Consolidated	
Welsh Government	158	0	158	0
WHSSC & EASC	0	0	0	0
Local Health Boards	2,843	2,531	2,843	2,531
Welsh NHS Trusts	621	648	621	648
Other NHS Trusts	0	111	0	111
Goods and services from other NHS bodies	163	133	163	133
Purchase of healthcare from non-NHS bodies	40	0	40	0
Welsh Local Authorities	2	0	2	0
Other Local Authorities	0	0	0	0
Directors' costs	678	816	678	816
Staff costs	110,136	109,154	110,136	109,154
Supplies and services - clinical	33,701	33,088	33,701	33,088
Supplies and services - general	39,308	1,376	39,308	1,376
Consultancy Services	1,904	2,341	1,904	2,341
Establishment	14,742	16,825	14,742	16,825
Transport	1,067	904	1,067	904
Premises	19,543	11,516	19,543	11,516
FHoT Resources expended				
Costs of generating funds			292	190
Charitable activities			732	267
Governance Costs			8	0
Impairments and Reversals of Receivables	0	0	0	0
Depreciation	7,824	7,035	7,824	7,035
Amortisation	6,694	4,959	6,694	4,959
Impairments and reversals of property, plant and equipment	(158)	0	(158)	0
Impairments and reversals of intangible assets	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0
Audit fees	201	201	201	201
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	159,450	141,922	159,450	141,922
Research and development	0	0	0	0
Other operating expenses	80,540	84,158	80,540	84,158
Total	479,457	417,718	480,489	418,175

The All Wales Stores Service transferred to NWSSP during 2014/15 increasing both income and expenditure by £38 million. This is included in note 3 within "Other" and note 6 "Supplies and services - general" , please also see note 40 for further information.

6. Operating expenses (continued)

6.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
Increase/(decrease) in provision for future payments:	NHS Trust		Consolidated	
Clinical negligence	150,037	141,861	150,037	141,861
Personal injury	4,271	541	4,271	541
All other losses and special payments	204	0	204	0
Defence legal fees and other administrative costs	2,400	2,564	2,400	2,564
Gross increase/(decrease) in provision for future payments	156,912	144,966	156,912	144,966
Contribution to Welsh Risk Pool	0	0	0	0
Welsh Risk Pool creditor movement	2,538	(2,213)	2,538	(2,213)
Premium for other insurance arrangements	0	0	0	0
Irrecoverable debts	0	0	0	0
Less: income received/ due from Welsh Risk Pool	0	(831)	0	(831)
Total charge	159,450	141,922	159,450	141,922

The Clinical Negligence includes £3,283 (2013-14 £850) in respect of payments made under Redress.

Personal injury includes £nil in respect of permanent injury benefits (2013-14 £nil).

7. Investment revenue	2014-15	2013-14	2014-15	2013-14
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Rental revenue :				
PFI finance lease revenue:				
Planned	0	0	0	0
Contingent	0	0	0	0
Other finance lease revenue	0	0	0	0
Interest revenue:				
Bank accounts	51	84	51	84
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	63	57
Total	51	84	114	141

8. Other gains and losses	2014-15	2013-14	2014-15	2013-14
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Gain/(loss) on disposal of property, plant and equipment	6	112	6	112
Gain/(loss) on disposal of intangible assets	0	0	0	0
Gain/(loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on disposal of financial assets	0	0	0	0
Gains/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets at fair value through income statement	0	0	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	6	112	6	112

9. Finance costs	2014-15	2013-14	2014-15	2013-14
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Interest on loans and overdrafts	0	0	0	0
Interest on obligations under finance leases	7	29	7	29
Interest on obligations under PFI contracts:				
Main finance cost	0	0	0	0
Contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	7	29	7	29
Provisions unwinding of discount	(2,847)	122	(2,847)	122
Periodical Payment Order unwinding of discount	2,168	0	2,168	0
Other finance costs	0	0	0	0
Total	(672)	151	(672)	151

10. Operating leases

10.1 Trust as lessee

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

	2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
	NHS Trust		Consolidated	
Payments recognised as an expense				
Minimum lease payments	3,474	3,319	3,474	3,319
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	3,474	3,319	3,474	3,319

	2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
	NHS Trust		Consolidated	
Total future minimum lease payments				
Payable:				
Not later than one year	2,383	2,667	2,383	2,667
Between one and five years	6,611	5,196	6,611	5,196
After 5 years	3,669	3,284	3,669	3,284
Total	12,663	11,147	12,663	11,147
Total future sublease payments expected to be received	0	0	0	0

10. Operating leases (continued)

10.2 Trust as lessor

There are no significant leasing arrangement where the Trust is the lessor.

	2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
	NHS Trust		Consolidated	
Receipts recognised as income				
Rent	0	0	0	0
Contingent rent	0	0	0	0
Other	0	0	0	0
Total rental revenue	0	0	0	0

	2014-15 £000	2013-14 £000	2014-15 £000	2013-14 £000
	NHS Trust		Consolidated	
Total future minimum lease payments				
Receivable:				
Not later than one year	0	0	0	0
Between one and five years	0	0	0	0
After 5 years	0	0	0	0
Total	0	0	0	0

11. Employee costs and numbers

11.1 Employee costs	Permanently employed staff	Agency Staff	Staff on Inward Secondment	2014-15	2013-14
				£000	£000
	£000	£000	£000	£000	£000
Salaries and wages	89,491	1,665	1,565	92,721	91,824
Social security costs	6,427	0	13	6,440	6,521
Employer contributions to NHS Pensions Scheme	11,529	0	47	11,576	11,604
Other pension costs	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0
Termination benefits	0	0	0	0	0
Total	107,447	1,665	1,625	110,737	109,949
Of the total above:					
Charged to capital				27	0
Charged to revenue				110,710	109,949
Total				110,737	109,949

Net movement in accrued employee benefits (untaken staff leave accrual included above) (10)

11.2 Average number of employees

	Permanently Employed	Agency Staff	Staff on Inward Secondment	Total	Total
				Number	Number
	Number	Number	Number	Number	Number
Medical and dental	93	0	7	100	82
Ambulance staff	0	0	0	0	0
Administrative and estates	1,986	47	15	2,048	2,076
Healthcare assistants and other support staff	154	0	1	155	150
Nursing, midwifery and health visiting staff	331	5	4	340	327
Nursing, midwifery and health visiting learners	0	0	0	0	0
Scientific, therapeutic and technical staff	319	0	4	323	333
Social care staff	0	0	0	0	0
Other	0	0	1	1	0
Total	2,883	52	32	2,967	2,968

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

11.3 Employee benefits

The Trust does not have an employee benefit scheme.

11.4 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2014-15	2014-15	2014-15	2014-15	2013-14
	Number of compulsory redundancies Whole numbers only	Number of other departures Whole numbers only	Total number of exit packages Whole numbers only	Number of departures where special payments have been made Whole numbers only	Total number of exit packages Whole numbers only
less than £10,000	3	1	4	0	6
£10,000 to £25,000	1	2	3	0	7
£25,000 to £50,000	1	4	5	0	7
£50,000 to £100,000	0	1	1	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	5	8	13	0	21

Exit packages cost band (including any special payment element)	2014-15	2014-15	2014-15	2014-15	2013-14
	Cost of compulsory redundancies £	Cost of other departures £	Total cost of exit packages £	Cost of special element included in exit packages £	Total cost of exit packages £
less than £10,000	15,328	9,293	24,621	0	31,143
£10,000 to £25,000	12,624	37,430	50,054	0	118,583
£25,000 to £50,000	32,740	142,077	174,817	0	219,163
£50,000 to £100,000	0	98,453	98,453	0	57,000
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	60,692	287,253	347,945	0	425,889

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the Trust has agreed early retirements or compulsory redundancies, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table (see note 12 for details of ill health retirement costs).

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

11.5 Remuneration Relationship

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

The banded remuneration of the highest-paid director in Velindre NHS Trust in the financial year 2014-15 was £125,000 - £130,000 (2013-14, £130,000 - £135,000). This was 4.9 times (2013-14, 5.3) the median remuneration of the workforce, which was £26,000 (2013-14, £25,000).

In 2014-15, 7 (2013-14, 4) employees received remuneration in excess of the highest-paid director. These employees are Medical Consultants. Remuneration ranged from £14,000 to £176,000 (2013-14 £14,000 -£154,000).

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

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

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

12. Pensions

Pension costs

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

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

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015 is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

c) Scheme provisions

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

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

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

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971,

and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

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

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer. Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

d) National Employment Savings Trust (NEST)

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

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

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

Currently, the legal minimum level of contributions is 2 per cent of a jobholder's qualifying earnings for employers whose legal duties have started. Of this, the employer needs to pay at least 1 per cent, though they can pay more if they want to.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £5,772 and £41,865 for the 2014/2015 tax year.

NEST has an annual contribution limit of £4,600 for the 2014/15 tax year (£4500 for 2013-14). This means the most that can be contributed to a single pot in the current tax year is £4,600. This figure will be adjusted annually in line with average earnings.

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

12.1 Retirement costs due to ill-health

During 2014-15 there were 6 (2013-14 2) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension costs of these ill-health retirements is £280,000 (2013-14 £130,000). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

13. Public Sector Payment Policy

13.1 Prompt payment code - measure of compliance

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

	2014-15	2014-15	2013-14	2013-14
	Number	£000	Number	£000
NHS				
Total bills paid in year	2,242	46,124	2,632	49,574
Total bills paid within target	1,914	44,176	2,418	47,877
Percentage of bills paid within target	85.4%	95.8%	91.9%	96.6%
Non-NHS				
Total bills paid in year	62,282	189,791	37,377	148,742
Total bills paid within target	58,049	175,682	35,652	144,621
Percentage of bills paid within target	93.2%	92.6%	95.4%	97.2%
Total				
Total bills paid in year	64,524	235,915	40,009	198,316
Total bills paid within target	59,963	219,858	38,070	192,498
Percentage of bills paid within target	92.9%	93.2%	95.2%	97.1%

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

	2014-15	2013-14
	£	£
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
Total	0	0

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

The financial target of payment of 95% of all invoices by number has not been met in 2014-15. This is as a result of a change in financial systems on the 1 April 2014, combined with operational issues within the process for the payment of invoices. Although performance improved during the second half of the year, the cumulative performance for the year remains below 95%.

14. Property, plant and equipment :

2014-15

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2014	15,620	45,463	140	8,624	23,758	2,352	20,004	891	116,852	0	116,852
Indexation	312	2,079	7	0	174	16	0	4	2,592	0	2,592
Revaluation	0	19	0	0	0	0	0	0	19	0	19
Additions - purchased	0	2,306	95	1,931	1,124	250	4,260	134	10,100	0	10,100
Additions - donated	0	315	0	0	250	0	0	0	565	0	565
Additions - government granted	0	0	0	0	0	0	12	0	12	0	12
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,440	0	(6,512)	5,072	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(1,487)	(487)	(2,903)	(139)	(5,016)	0	(5,016)
Impairments	0	(21)	0	0	0	0	0	0	(21)	0	(21)
Reversal of impairments	0	188	0	0	0	0	0	0	188	0	188
At 31 March 2015	15,932	51,789	242	4,043	28,891	2,131	21,373	890	125,291	0	125,291
Depreciation											
At 1 April 2014	0	3,906	20	0	14,556	1,051	11,768	735	32,036	0	32,036
Indexation	0	185	1	0	82	4	0	2	274	0	274
Revaluation	0	(52)	0	0	0	0	0	0	(52)	0	(52)
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(1,487)	(487)	(2,903)	(139)	(5,016)	0	(5,016)
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	9	0	0	0	0	0	0	9	0	9
Charged during the year	0	1,834	11	0	2,258	252	3,395	74	7,824	0	7,824
At 31 March 2015	0	5,882	32	0	15,409	820	12,260	672	35,075	0	35,075
Net book value											
At 1 April 2014	15,620	41,557	120	8,624	9,202	1,301	8,236	156	84,816	0	84,816
Net book value											
At 31 March 2015	15,932	45,907	210	4,043	13,482	1,311	9,113	218	90,216	0	90,216
Net book value at 31 March 2015 comprises :											
Purchased	15,932	40,151	210	4,043	13,191	1,311	9,102	218	84,158	0	84,158
Donated	0	5,756	0	0	291	0	0	0	6,047	0	6,047
Government Granted	0	0	0	0	0	0	11	0	11	0	11
At 31 March 2015	15,932	45,907	210	4,043	13,482	1,311	9,113	218	90,216	0	90,216
Asset Financing:											
Owned	15,932	45,907	210	4,043	13,420	1,311	9,113	212	90,148	0	90,148
Held on finance lease	0	0	0	0	62	0	0	6	68	0	68
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2015	15,932	45,907	210	4,043	13,482	1,311	9,113	218	90,216	0	90,216
The net book value of land, buildings and dwellings at 31 March 2015 comprises :											
Freehold									£000	£000	£000
									59,564	0	59,564
Long Leasehold									0	0	0
Short Leasehold									2,485	0	2,485
Total									62,049	0	62,049

The impairment loss on buildings arose following an assessment of leasehold improvements costs incurred on a property leased by the Trust.

In addition to the revaluation arising from indexation, a revaluation increase of £71,000 arose following a valuation of the Postgraduate Centre at Velindre Cancer Centre. The valuation was performed by the District Valuer on 26 March 2015. The valuation has been performed in accordance with International Reporting Standards (IFRS) as interpreted and applied by the NHS Trust Manual for Accounts (see note 1 for further details of accounting policies).

The reversal of impairment on buildings arose due to the revaluation of the asset due to indexation. An impairment for the same asset was previously recognised in expenditure. The reversal of impairment has been recognised in the statement of comprehensive income.

14. Property, plant and equipment :

2013-14

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2013	10,123	43,511	137	2,180	25,576	2,003	20,233	1,004	104,767	0	104,767
Indexation	0	870	3	0	0	0	0	0	873	0	873
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Additions - purchased	0	735	0	7,032	900	0	1,767	2	10,436	0	10,436
Additions - donated	0	0	0	0	7	0	0	0	7	0	7
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	5,497	283	0	0	0	0	0	0	5,780	0	5,780
Reclassifications	0	64	0	(588)	15	505	0	4	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(2,740)	(156)	(1,996)	(119)	(5,011)	0	(5,011)
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	15,620	45,463	140	8,624	23,758	2,352	20,004	891	116,852	0	116,852
Depreciation											
At 1 April 2013	0	2,286	10	0	15,321	992	10,552	775	29,936	0	29,936
Indexation	0	46	0	0	0	0	0	0	46	0	46
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	30	0	0	0	0	0	0	30	0	30
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(2,740)	(156)	(1,996)	(119)	(5,011)	0	(5,011)
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Charged during the year	0	1,544	10	0	1,975	215	3,212	79	7,035	0	7,035
At 31 March 2014	0	3,906	20	0	14,556	1,051	11,768	735	32,036	0	32,036
Net book value											
At 1 April 2013	10,123	41,225	127	2,180	10,255	1,011	9,681	229	74,831	0	74,831
Net book value											
At 31 March 2014	15,620	41,557	120	8,624	9,202	1,301	8,236	156	84,816	0	84,816
Net book value at 31 March 2014 comprises :											
Purchased	10,259	41,557	120	8,624	9,104	1,301	8,236	156	79,357	0	79,357
Donated	0	5,361	0	0	98	0	0	0	5,459	0	5,459
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	10,259	46,918	120	8,624	9,202	1,301	8,236	156	84,816	0	84,816
Asset Financing:											
Owned	15,620	41,557	120	8,624	9,202	1,301	8,236	150	84,810	0	84,810
Held on finance lease	0	0	0	0	0	0	0	6	6	0	6
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	15,620	41,557	120	8,624	9,202	1,301	8,236	156	84,816	0	84,816
The net book value of land, buildings and dwellings at 31 March 2014 comprises :											
							£000	£000	£000		
Freehold							56,310	0	56,310		
Long Leasehold							0	0	0		
Short Leasehold							987	0	987		
Total							57,297	0	57,297		

14. Property, plant and equipment :**Donated assets**

Velindre NHS Trust received 3 donated asset in 2014-15. Details of the Trust's donated assets are as follows:

<i>Received from Velindre NHS Trust Charitable Funds</i>	
Velindre Cancer Centre First Floor Ward improvements	£329,000
Scalp Coolers	£176,000

<i>Received from other Charitable organisations</i>	
Microscope	£60,000

The Trust also received a European Government Grant of £12,000 for the purchase of servers.

Valuations

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

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

In 2014-15 indexation has been applied to property plant and equipment based on indices supplied by the District Valuation Office.

In addition to the revaluation arising from indexation, a revaluation increase of £71,000 arose following a valuation of the Postgraduate Centre at Velindre Cancer Centre. The valuation was performed by the District Valuer on 26 March 2015. The valuation has been performed in accordance with International Reporting Standards (IFRS) as interpreted and applied by the NHS Trust Manual for Accounts (see note 1 for further details of accounting policies).

The reversal of impairment on buildings arose due to the revaluation of the asset due to indexation. An impairment for the same asset was previously recognised in expenditure. The reversal of impairment has been recognised in the statement of comprehensive income.

Asset lives

Assets are depreciated over the following lives:

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

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
Motor vehicles	Asset replaced	5
Plant and equipment	Asset replaced	1
		<hr/>
		6

14.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total	FHoT assets	ConsolidatedTotal
	£000	£000	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2014	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0	0	0
Balance c/f 31 March 2015	0	0	0	0	0	0	0	0
Balance b/f 1 April 2013	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0	0	0
Balance c/f 31 March 2014	0	0	0	0	0	0	0	0

At 31 March 2015 the Trust does not hold any non-current assets held for sale (2013-14: none).

15. Intangible assets

2014-15	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2014	42,573	6,292	0	0	0	0	48,865	0	48,865
Revaluation		0			0	0	0	0	0
Additions									0
- purchased	6,549	0	1,924	0	0	0	8,473	0	8,473
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Gross cost at 31 March 2015	49,122	6,292	1,924	0	0	0	57,338	0	57,338
Amortisation									
Accumulated amortisation at 1 April 2014	19,348	3,721	0	0	0	0	23,069	0	23,069
Revaluation		0			0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	5,768	926	0	0	0	0	6,694	0	6,694
Accumulated amortisation at 31 March 2015	25,116	4,647	0	0	0	0	29,763	0	29,763
Net book value at 1 April 2014	23,225	2,571	0	0	0	0	25,796	0	25,796
Net book value at 31 March 2015	24,006	1,645	1,924	0	0	0	27,575	0	27,575
Net book value									
Purchased	24,006	0	1,924	0	0	0	25,930	0	25,930
Internally Generated	0	1,645	0	0	0	0	1,645	0	1,645
Donated	0	0	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2015	24,006	1,645	1,924	0	0	0	27,575	0	27,575

15. Intangible assets

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

15. Intangible assets

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

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

No intangible assets have been acquired by Government Grant.

16. Revaluation reserve balance for intangible assets

	2014-15	2013-14	2014-15	2013-14
	£000	£000	£000	£000
	NHS Trust		Consolidated	
At 1 April	0	0	0	0
Changes	0	0	0	0
At 31 March	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

17. Impairments

Impairments in the period arose from:	2014-15		2013-14	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets in the course of construction	21	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Reversal of impairment	(179)	0	0	0
Impairments charged to operating expenses	(158)	0	0	0
FHoT Impairments charged to operating expenses	0	0	0	0
Consolidated impairment charged to operating expenses	(158)	0	0	0

Impairments charged in the year to

Operating expenses in Statement of Comprehensive Income	(158)	0	0	0
Revaluation reserve	0	0	0	0
Total	(158)	0	0	0
FHoT Operating expenses in SoCNI	0	0	0	0
FHoT reserves	0	0	0	0
NHS Consolidated Total	(158)	0	0	0

The reversal of impairment on buildings arose due to the revaluation of the asset due to indexation. An impairment for the same asset was previously recognised in expenditure. The reversal of impairment has been recognised in the statement of comprehensive income.

18. Capital commitments

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

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
Property, plant and equipment	961	1,121	961	1,121
Intangible assets	1,154	3,546	1,154	3,546
Total	2,115	4,667	2,115	4,667

19. Inventories

19.1 Inventories

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Drugs	773	541	773	541
Consumables	3,909	405	3,909	405
Energy	0	0	0	0
Work in progress	0	0	0	0
Other	848	676	848	676
Total	5,530	1,622	5,530	1,622
Of which held at net realisable value:	0	0	0	0

19.2 Inventories recognised in expenses

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Inventories recognised as an expense in the period	66,488	26,499	66,488	26,499
Write-down of inventories (including losses)	270	0	270	0
Reversal of write-downs that reduced the expense	0	0	0	0
Total	66,758	26,499	66,758	26,499

20. Trade and other receivables

20.1 Trade and other receivables

	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
	NHS Trust		Consolidated	
Current				
Welsh Government	243,844	196,142	243,844	196,142
WHSSC & EASC	1,518	525	1,518	525
Welsh Health Boards	10,297	6,720	10,297	6,720
Welsh NHS Trusts	754	277	754	277
Non - Welsh Trusts	0	182	0	182
Other NHS	30	3	30	3
Welsh Risk Pool	0	0	0	0
Welsh Local Authorities	31	0	31	0
Other Local Authorities	0	0	0	0
Capital debtors	31	0	31	0
Other debtors	4,104	2,736	3,998	2,716
FHoT debtor			237	942
Provision for impairment of trade receivables	(126)	(121)	(126)	(121)
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	3,566	4,583	3,566	4,583
Accrued income	747	0	747	0
Sub-total	264,796	211,047	264,927	211,969
Non-current				
Welsh Government	459,910	417,597	459,910	417,597
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	0	0	0	0
Welsh Risk Pool	0	0	0	0
Welsh Local Authorities	0	0	0	0
Other Local Authorities	0	0	0	0
Capital debtors	0	0	0	0
Other debtors	0	0	0	0
FHoT debtor			0	0
Provision for impairment of trade receivables	0	0	0	0
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	0	0	0	0
Accrued income	0	0	0	0
Sub-total	459,910	417,597	459,910	417,597
Total trade and other receivables	724,706	628,644	724,837	629,566

Trade receivables disclosed above include £1,077,000 (2013-14 £889,000) of which are past due at the reporting date but against which the Trust has not recognised an allowance for doubtful receivables because the amounts are still considered recoverable (see note 20.3 for aged analysis).

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

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

The current receivables accrued income is now split from other prepayments. In the 2013/14 financial year the comparative figure is £792,100 compared to £747,000 in 2014-15.

20.2 Receivables VAT

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Trade receivables	180	111	180	111
Other	0	0	0	0
Total	180	111	180	111

20.3 Receivables past their due date but not impaired

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
By up to 3 months	394	639	394	639
By 3 to 6 months	418	9	418	9
By more than 6 months	265	241	265	241
Balance at end of financial year	1,077	889	1,077	889

20.4 Allowance for bad and doubtful debts

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Balance at beginning of the year	(121)	(139)	(121)	(139)
Transfer to other NHS Wales body	0	0	0	0
Provision utilised (Amount written off during the year)	0	0	0	0
Provision written back during the year no longer required	0	0	0	0
(Increase)/Decrease in provision during year	(5)	18	(5)	18
Bad debts recovered during year	0	0	0	0
Balance at end of financial year	(126)	(121)	(126)	(121)

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

21. Other financial assets

	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
	NHS Trust		Consolidated	
Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0
Non-Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	3,321	2,057
Available for sale at FV	0	0	0	0
Total	0	0	3,321	2,057

22. Cash and cash equivalents

	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
	NHS Trust		Consolidated	
Opening Balance	13,041	15,693	14,297	16,217
Net change in year	(2,514)	(2,652)	(2,698)	(1,920)
Closing Balance	10,527	13,041	11,599	14,297
Made up of:				
Cash with Government Banking Service (GBS)	6,497	6,416	6,497	6,416
Cash with Commercial banks	0	0	1,072	1,256
Cash in hand	30	18	30	18
Total cash	6,527	6,434	7,599	7,690
Current investments	4,000	6,607	4,000	6,607
Cash and cash equivalents as in SoFP	10,527	13,041	11,599	14,297
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial banks	0	0	0	0
Cash & cash equivalents as in Statement of Cash Flows	10,527	13,041	11,599	14,297

23. Trade and other payables at the SoFP Date	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Current				
Welsh Government	677	1,346	677	1,346
WHSSC & EASC	51	0	51	0
Welsh Health Boards	29,911	21,993	29,911	21,993
Welsh NHS Trusts	497	662	497	662
Other NHS	80	58	80	58
Welsh Local Authorities	40	171	40	171
Other Local Authorities	0	0	0	0
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	0	951	0	951
National Insurance contributions payable to HMRC	0	1,075	0	1,075
Non-NHS trade payables - revenue	12,775	8,510	12,775	8,510
Non-NHS trade payables - capital	9,588	7,576	9,588	7,576
FHoT payables			319	201
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	1,658	1,562	1,658	1,562
Accruals	12,588	9,444	12,588	9,444
Deferred Income:				
Deferred income brought forward	1,088	1,967	1,088	1,967
Deferred income additions	1,158	1,088	1,158	1,088
Transfer to/from current/non current deferred income	(8)	0	(8)	0
Released to the Income Statement	(1,148)	(1,967)	(1,148)	(1,967)
Other liabilities - all other payables	0	0	0	0
PFI assets – deferred credits	0	0	0	0
Payments on account	0	0	0	0
Sub-total	68,955	54,436	69,274	54,637

In respect of the Pensions figure shown above, £1,658,000 relates to the NHS Pension scheme (2013-14 £1,562,000) and £273 to the NEST pension scheme (2013-14 £270).

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

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
Non-current	NHS Trust		Consolidated	
Welsh Government	0	0	0	0
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Other NHS	0	0	0	0
Welsh Local Authorities	0	0	0	0
Other Local Authorities	0	0	0	0
Taxation and social security payable / refunds:			0	0
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	0	0	0	0
National Insurance contributions payable to HMRC	0	0	0	0
Non-NHS trade payables - revenue	221,742	207,146	221,742	207,146
Non-NHS trade payables - capital	0	3,423	0	3,423
FHoT payables			0	0
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	0	0	0	0
Accruals	0	0	0	0
Deferred Income:				
Deferred income brought forward	0	0	0	0
Deferred income additions	36	0	36	0
Transfer to/from current/non current deferred income	8	0	8	0
Released to the Income Statement	0	0	0	0
Other liabilities - all other payables	0	0	0	0
PFI assets – deferred credits	0	0	0	0
Payments on account	0	0	0	0
Sub-total	221,786	210,569	221,786	210,569
Total	290,741	265,005	291,060	265,206

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

24. Borrowings	31 March	31 March	31 March	31 March
Current	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	57	50	57	50
Other	0	0	0	0
Total	57	50	57	50
Non-current				
Bank overdraft - OPG	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	13	57	13	57
Other	0	0	0	0
Total	13	57	13	57

The borrowings relate to finance leases on plant and equipment. Further details of finance leases are provided in note 27.

24.2 Loan advance/strategic assistance funding

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

25. Other financial liabilities

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Current				
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Non-current				
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

26. Provisions

2014-15

26.1 NHS Trust and Welsh Risk Pool

	At 1 April 2014	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2015
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	165,056	(16,322)	(4,995)	6,580	0	165,966	(56,990)	(60,751)	(2,679)	195,865
Personal injury	2,835	0	(303)	1,326	0	6,065	(3,039)	(1,794)	(6)	5,084
All other losses and special payments	0	0	0	0	0	204	(64)	0	0	140
Defence legal fees and other administration	2,075	0	0	1,677	0	5,288	(1,250)	(3,089)	(11)	4,690
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		(6)	27	0	0	(19)	0	0	21
Restructurings	0		0	0	0	0	0	0		0
Other	573		0	133	0	771	0	(7)		1,470
Total	170,558	(16,322)	(5,304)	9,743	0	178,294	(61,362)	(65,641)	(2,696)	207,270
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	170,558	(16,322)	(5,304)	9,743	0	178,294	(61,362)	(65,641)	(2,696)	207,270
Non Current										
Clinical negligence	206,890	(3,336)	0	(6,857)	0	51,985	(4,138)	(7,163)	(150)	237,231
Personal injury	1,351	0	0	(1,351)	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,210	0	0	(1,375)	0	283	(98)	(82)	(1)	937
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	189		0	(27)	0	15	0	0	0	177
Restructurings	0		0	0	0	0	0	0		0
Other	270		0	(133)	0	30	0	0		167
Total	210,910	(3,336)	0	(9,743)	0	52,313	(4,236)	(7,245)	(151)	238,512
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	210,910	(3,336)	0	(9,743)	0	52,313	(4,236)	(7,245)	(151)	238,512
TOTAL										
Clinical negligence	371,946	(19,658)	(4,995)	(277)	0	217,951	(61,128)	(67,914)	(2,829)	433,096
Personal injury	4,186	0	(303)	(25)	0	6,065	(3,039)	(1,794)	(6)	5,084
All other losses and special payments	0	0	0	0	0	204	(64)	0	0	140
Defence legal fees and other administration	4,285	0	0	302	0	5,571	(1,348)	(3,171)	(12)	5,627
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	208		(6)	0	0	15	(19)	0	0	198
Restructurings	0		0	0	0	0	0	0		0
Other	843		0	0	0	801	0	(7)		1,637
Total	381,468	(19,658)	(5,304)	0	0	230,607	(65,598)	(72,886)	(2,847)	445,782
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	381,468	(19,658)	(5,304)	0	0	230,607	(65,598)	(72,886)	(2,847)	445,782

Expected timing of cash flows:

	In year to to 31 March 2016	Between 1 April 2016 31 March 2021	Between 1 April 2021 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000	£000
Clinical negligence	74,473	240,536	71,000	47,087	433,096
Personal injury	5,084	0	0	0	5,084
All other losses and special payments	140	0	0	0	140
Defence legal fees and other administration	4,690	937	0	0	5,627
Pensions - former directors	0	0	0	0	0
Pensions - other staff	21	96	76	5	198
Restructuring	0	0	0	0	0
Other	1,470	167	0	0	1,637
Total	85,878	241,736	71,076	47,092	445,782
FHoT	0	0	0	0	0
Consolidated Total	85,878	241,736	71,076	47,092	445,782

The expected timing of cashflows is based on best available information; but could change depending on the circumstances of the individual cases.

In addition to the provision shown above, contingent liabilities are shown in note 32.

There are no clinical negligence provision arising from Redress included in the above.

At the balance sheet date, the Trust has other provisions of £1,637,000 made up of dilapidation provisions of £1,418,000 (2013-14: £618,000) for properties held under operating leases and a provision for the expected cost of decommissioning cesium sources of £150,000 (2013-14: £156,000) and £69,000 (2013-14: £69,000) relating to employee costs.

26. Provisions

2014-15

26.2 NHS Trust

	At 1 April 2014	Structured settlement cases transferr-ed to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2015
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	573	0	0	0	0	294	(109)	(22)	0	736
Personal injury	305	0	0	0	0	75	(21)	0	0	359
All other losses and special payments	0	0	0	0	0	204	(64)	0	0	140
Defence legal fees and other administration	105	0	0	0	0	106	(20)	(13)	0	178
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		(6)	27	0	0	(19)	0	0	21
Restructurings	0		0	0	0	0	0	0		0
Other	573		0	133	0	771	0	(7)		1,470
Total	1,575	0	(6)	160	0	1,450	(233)	(42)	0	2,904

Non Current

Clinical negligence	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	189		0	(27)	0	15	0	0	0	177
Restructurings	0		0	0	0	0	0	0		0
Other	270		0	(133)	0	30	0	0		167
Total	459	0	0	(160)	0	45	0	0	0	344

TOTAL

Clinical negligence	573	0	0	0	0	294	(109)	(22)	0	736
Personal injury	305	0	0	0	0	75	(21)	0	0	359
All other losses and special payments	0	0	0	0	0	204	(64)	0	0	140
Defence legal fees and other administration	105	0	0	0	0	106	(20)	(13)	0	178
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	208		(6)	0	0	15	(19)	0	0	198
Restructurings	0		0	0	0	0	0	0		0
Other	843		0	0	0	801	0	(7)		1,637
Total	2,034	0	(6)	0	0	1,495	(233)	(42)	0	3,248

Expected timing of cash flows:

	In year to to 31 March 2016	Between 1 April 2016 31 March 2021	Between 1 April 2021 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000	£000
Clinical negligence	736	0	0	0	736
Personal injury	359	0	0	0	359
All other losses and special payments	140	0	0	0	140
Defence legal fees and other administration	178	0	0	0	178
Pensions - former directors	0	0	0	0	0
Pensions - other staff	21	96	76	5	198
Restructuring	0	0	0	0	0
Other	1,470	167	0	0	1,637
Total	2,904	263	76	5	3,248

26. Provisions

2014-15

26.3 Welsh Risk Pool

	At 1 April 2014	Structured settlement cases transferr-ed to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2015
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	164,483	(16,322)	(4,995)	6,580	0	165,934	(56,394)	(60,757)	(2,679)	195,850
Personal injury	2,530	0	(303)	1,326	0	5,990	(2,713)	(1,794)	(6)	5,030
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,970	0	0	1,677	0	5,182	(1,229)	(3,076)	(11)	4,513
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	168,983	(16,322)	(5,298)	9,583	0	177,106	(60,336)	(65,627)	(2,696)	205,393
Non Current										
Clinical negligence	206,890	(3,336)	0	(6,857)	0	51,985	(4,138)	(7,163)	(150)	237,231
Personal injury	1,351	0	0	(1,351)	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,210	0	0	(1,375)	0	283	(98)	(82)	(1)	937
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	210,451	(3,336)	0	(9,583)	0	52,268	(4,236)	(7,245)	(151)	238,168
TOTAL										
Clinical negligence	371,373	(19,658)	(4,995)	(277)	0	217,919	(60,532)	(67,920)	(2,829)	433,081
Personal injury	3,881	0	(303)	(25)	0	5,990	(2,713)	(1,794)	(6)	5,030
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	4,180	0	0	302	0	5,465	(1,327)	(3,158)	(12)	5,450
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	379,434	(19,658)	(5,298)	0	0	229,374	(64,572)	(72,872)	(2,847)	443,561

Expected timing of cash flows:

	In year to to 31 March 2016	Between 1 April 2016 31 March 2021	Between 1 April 2021 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000	£000
Clinical negligence	74,458	240,536	71,000	47,087	433,081
Personal injury	5,030	0	0	0	5,030
All other losses and special payments	0	0	0	0	0
Defence legal fees and other administration	4,513	937	0	0	5,450
Pensions - former directors	0	0	0	0	0
Pensions - other staff	0	0	0	0	0
Restructuring	0	0	0	0	0
Other	0	0	0	0	0
Total	84,001	241,473	71,000	47,087	443,561

26. Provisions (continued)

2013-14

26.4 NHS Trust and Welsh Risk Pool

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

At the 31 March 2014 the Trust has other provisions of £843,000 made up of dilapidation provisions of £618,000 for properties held under operating leases and a provision for the expected cost of decommissioning cesium sources of £156,000 and £69,000 relating to employee costs.

27. Finance leases

27.1 Finance leases obligations (as lessee)

The Trust leases certain items of fixtures and equipment under finance leases. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered in to for contingent rental payments.

The fair value of the Trust's lease obligations is approximately equal to their carrying amount.

The Trust's obligations under finance leases are secured by the lessors' rights over the leased assets disclosed in note 14.

Amounts payable under finance leases:

LAND	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future period:	0	0	0	0
Minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease paym	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
BUILDINGS	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
OTHER	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
Minimum lease payments	NHS Trust		Consolidated	
Within one year	61	57	61	57
Between one and five years	15	60	15	60
After five years	0	0	0	0
Less finance charges allocated to future periods	(6)	(10)	(6)	(10)
Minimum lease payments	70	107	70	107
Included in: Current borrowings	57	50	57	50
Non-current borrowings	13	57	13	57
Total	70	107	70	107
Present value of minimum lease payments				
Within one year	57	50	57	50
Between one and five years	13	57	13	57
After five years	0	0	0	0
Total present value of minimum lease payments	70	107	70	107
Included in: Current borrowings	57	50	57	50
Non-current borrowings	13	57	13	57
Total	70	107	70	107

27.2 Finance lease receivables (as lessor)

There are no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2015 £000 NHS Trust	31 March 2014 £000	31 March 2015 £000 Consolidated	31 March 2014 £000
Gross investment in leases				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.3 Rental Revenue	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Contingent rent	0	0	0	0
Other	0	0	0	0
Total rental revenue	0	0	0	0

27.4 Finance Lease Commitment

Velindre NHS Trust has not entered into any new contracts to lease (building assets) under finance leases during 2014-15.

28. Private finance transactions

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

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

29. Financial risk

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

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

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

Liquidity risk

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

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

Interest-rate risks

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

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

Foreign currency risk

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

Credit Risk

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

General

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

30. Financial Instruments

Financial assets				31 March	31 March
				2015	2014
	Loans Receivables & Deposits held to maturity at amortised cost	At fair value through the SoCI	Available for sale at fair value	TOTAL	TOTAL
£000	£000	£000	£000	£000	
Cash and Cash Equivalents					
Cash balances (GBS, commercial banks and in hand)	6,527			6,527	6,434
Liquid deposits	4,000			4,000	6,607
Receivables					
Trade and other receivables (net of impairment allowanc	720,393			720,393	624,061
Accrued Income (must exclude prepayments)	747			747	0
Interest receivable	0			0	0
Other Financial Assets					
Shares and equity type investments	0	0	0	0	0
Loans	0			0	0
Deposits held to maturity	0			0	0
Derivatives		0		0	0
Other	0	0	0	0	0
Total	731,667	0	0	731,667	637,102

Financial liabilities

Financial liabilities				31 March	31 March
				2015	2014
	Carried at amortised cost	At fair value through the SoCI		TOTAL	TOTAL
£000	£000		£000	£000	
Bank and Other Borrowings					
Bank overdraft and other borrowings	0			0	0
Trade and Other Payables					
Trade and other payables	(277,019)			(277,019)	(252,447)
Accruals	(12,588)			(12,588)	(9,444)
PFI and lease obligations	(70)			(70)	(107)
Interest payable	0			0	0
Other Financial Liabilities					
Financial guarantees	0	0		0	0
Derivatives		0		0	0
Other	0	0		0	0
Total	(289,677)	0		(289,677)	(261,998)

30. Financial Instruments

Financial assets Consolidated				31 March	31 March
				2015	2014
	Loans Receivables & Deposits held to maturity at amortised cost	At fair value through the SoCI	Available for sale at fair value	TOTAL	TOTAL
£000	£000	£000	£000	£000	
Cash and Cash Equivalents					
Cash balances (GBS, commercial banks and in hand)	7,599			7,599	7,690
Liquid deposits	4,000			4,000	6,607
Receivables					
Trade and other receivables (net of impairment allowanc	720,287			720,287	624,041
Accrued Income (must exclude prepayments)	747			747	0
Interest receivable	0			0	0
Other Financial Assets					
Shares and equity type investments	0	0	0	0	0
Loans	0			0	0
Deposits held to maturity	0			0	0
Derivatives		0		0	0
Other	0	3,321	0	3,321	2,057
Total	732,633	3,321	0	735,954	640,395

Financial liabilities

			31 March	31 March
			2015	2014
	Carried at amortised cost	At fair value through the SoCI	TOTAL	TOTAL
£000	£000	£000	£000	
Bank and Other Borrowings				
Bank overdraft and other borrowings	0		0	0
Trade and Other Payables				
Trade and other payables	(277,019)		(277,019)	(252,447)
Accruals	(12,588)		(12,588)	(9,444)
PFI and lease obligations	(70)		(70)	(107)
Interest payable	0		0	0
Other Financial Liabilities				
Financial guarantees	0	0	0	0
Derivatives		0	0	0
Other	0	0	0	0
Total	(289,677)	0	(289,677)	(261,998)

31. Financial Performance

31.1 FINANCIAL DUTIES

31.1.1 Annual Surplus/Deficit

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust Schedule 4 2(1).

Each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account.

Subsequent to the issue of **WHC/2015/014** the annual financial duty has been revoked and the interpretation of the breakeven duty has reverted to a three year duty, the first assessment of this duty will be in 2016-17. From 2014-15 the following annual disclosure applies:

	2014-15
	£000
Retained surplus	616
Less Donated asset / grant funded revenue adjustment	(577)
Adjusted surplus	39

31.2 ADMINISTRATIVE REQUIREMENTS

31.2.1 Integrated Medium Term Plan

The NHS Wales Planning Framework for the period 2014 -15 to 2016-17 was issued to NHS Trusts in November 2013. This placed a requirement upon NHS Trusts to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The Trust submitted an Integrated Medium Term Plan for the period 2014/15 - 2016/17 in accordance with the NHS Wales Planning Framework.

The Minister for Health and Social Services approved the plan submitted for the period 2014/15 - 2016/17.

The Integrated Medium Term Plan relates only to the Velindre NHS Trusts core activities and does not apply to the organisations hosted by the Trust.

31.2.2. External financing

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

	31 March 2015	31 March 2014
	£000	£000
External financing limit set by the Welsh Government	11,693	10,844
Cash flow financing	11,563	10,782
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	11,563	10,782
Undershoot (overshoot)	130	62

The Trust has achieved its external financing limit.

31.2.3. Creditor payment

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

Total number of non-NHS bills paid 2014-15	2014-15
	62,282
Total number of non-NHS bills paid within target	58,049
Percentage of non-NHS bills paid within target	93.2%

The Trust has not met the target.

32. Contingencies

32.1 Contingent liabilities

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

	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
	NHS Trust		Consolidated	
Legal claims for alleged medical or employer negligence	684,696	655,695	684,696	655,695
Doubtful debts	0	0	0	0
Equal pay cases	0	0	0	0
Defence costs	0	0	0	0
Other (Please specify)	0	0	0	0
Total value of disputed claims	684,696	655,695	684,696	655,695
Amount recovered under insurance arrangements in the event of these claims being successful	(684,479)	(655,565)	(684,479)	(655,565)
Net contingent liability	217	130	217	130

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

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

Contingent liabilities includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefits Scheme. The above figures include contingent liabilities for all Health Bodies in Wales.

32.2 Contingent assets

The Trust has no contingent assets.

33. Third party assets

	31 March 2015 £000	31 March 2014 £000
Investments	0	0
Monetary Assets	0	0
Total	0	0

The Trust nor the FHoT hold Third Party Assets.

34. Events after reporting period

The transfer of the Health Courier Service (HCS) from the Welsh Ambulance Service NHS Trust took place on the 1 April 2015. The service is funded through income recovered from Welsh Health boards and private organisations and has a budget of £4,620,000. In addition, fixed assets and stock of £815,000 and £96,000 respectively were transferred, along with other working capital balances. The transfer will be accounted for using absorption accounting in the 2015-16 Annual Accounts.

In April 2015, one health body settled seven clinical negligence claims for which a provision had been made as at 31 March 2015. The total settlement was £1.734 million less than the value of the provision provided for at the end of the 2014-15 financial year for these claims.

35. Related Party transactions

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

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

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

	Expenditure with related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	13,279	265,537	677	2,761
WHSSC/EASC	51	31,483	51	1,518
Abertawe Bro Morgannwg UHB	4,079	19,195	337	1,530
Aneurin Bevan	4,188	26,678	460	3,081
Betsi Cadwaladr	4,367	13,607	253	1,125
Cardiff & Vale	6,793	21,493	455	3,127
Cwm Taff	3,415	13,189	387	842
Hywel Dda	1,836	7,164	190	504
Powys	281	2,053	76	88
Public Health Wales NHS Trust	273	2,486	71	567
Welsh Ambulance Service Trust	1,149	1,390	0	187
Adjustment for Abertawe Bro Morgannwg UHB Capital	216	0	0	0
Adjustment for Aneurin Bevan Capital	75	0	75	0
Adjustment for Betsi Cawaladr Capital	66	13	17	9
Adjustment for Cardiff & Vale Capital	73	11	0	11
Adjustment for Cwm Taff Capital	44	0	11	0
Adjustment for Hywel Dda Capital	14	11	0	11
Adjustment for Public Health Wales Capital	0	18	0	0
Welsh Local Authorities	2,001	150	40	31
Bangor University	8,917	0	0	0
Cardiff University	22,623	6,159	255	1,153
Cardiff Metropolitan University	3,707	0	0	0
Glyndwr University	2,340	0	0	0
Swansea University	15,231	156	26	0
University of South Wales	13,133	0	0	0
TOTAL	108,151	410,793	3,381	16,545

In addition, the Trust has had a number of material transactions with other Government departments and other central and local Government bodies. The majority of these transactions have been with universities as disclosed above, other transactions include payments to English, Scottish and Irish NHS organisations amounting to £710,000.

The Trust Board is the corporate trustee of Velindre Charitable Funds. During the year the Trust received £1,858,000 (2013-14: £1,321,000) from Velindre Charitable Funds.

The Welsh Government receipts include £11,693,000 that relate to PDC capital received during 2014-15.

36. Intra Government balances and transactions

36.1 Intra Government Balances

	Receivables: Current £000	Receivables: Non-current £000	Payables: Current £000	Payables: Non-current £000
2014-15:				
Welsh Government	243,844	459,910	677	0
Welsh Local Health Boards	10,328	0	30,337	0
Welsh NHS Trusts	754	0	71	0
WHSSC & EASC	1,518	0	51	0
All English Health Bodies	22	0	80	0
All N. Ireland Health Bodies	1	0	0	0
All Scottish Health Bodies	3	0	0	0
Miscellaneous	4	0	0	0
Credit note provision	0	0	0	0
Sub total	256,474	459,910	31,216	0
Other Central Government Bodies				
Other Government Departments	0	0	1,658	0
Revenue & Customs	736	0	0	0
Local Authorities	31	0	40	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	7,555	0	36,041	221,786
TOTAL	264,796	459,910	68,955	221,786

	Receivables: Current £000	Receivables: Non-current £000	Payables: Current £000	Payables: Non-current £000
2013-14:				
Welsh Government	196,142	417,597	1,273	0
Welsh Local Health Boards	6,720	0	21,993	0
Welsh NHS Trusts	277	0	662	0
WHSSC & EASC	525	0	0	0
All English Health Bodies	177	0	58	0
All N. Ireland Health Bodies	2	0	0	0
All Scottish Health Bodies	3	0	0	0
Miscellaneous	0	0	0	0
Credit note provision	0	0	0	0
Sub total	203,846	417,597	23,986	0
Other Central Government Bodies				
Other Government Departments	0	0	1,569	0
Revenue & Customs	640	0	2,026	0
Local Authorities	0	0	171	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	6,561	0	26,684	210,569
TOTAL	211,047	417,597	54,436	210,569

36. Intra Government balances and transactions

36.2 Intra Government Balances Consolidated	Receivables:		Payables:	
	Current £000	Non-current £000	Current £000	Non-current £000
2014-15:				
Welsh Government	243,844	459,910	677	0
Welsh Local Health Boards	10,328	0	30,337	0
Welsh NHS Trusts	754	0	71	0
WHSSC & EASC	1,518	0	51	0
All English Health Bodies	22	0	80	0
All N. Ireland Health Bodies	1	0	0	0
All Scottish Health Bodies	3	0	0	0
Miscellaneous	4	0	0	0
Credit note provision	0	0	0	0
Sub total	256,474	459,910	31,216	0
Other Central Government Bodies				
Other Government Departments	0	0	1,658	0
Revenue & Customs	736	0	0	0
Local Authorities	31	0	40	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	7,792	0	36,360	221,786
TOTAL	265,033	459,910	69,274	221,786
	Receivables: Current £000	Receivables: Non-current £000	Payables: Current £000	Payables: Non-current £000
2013-14:				
Welsh Government	196,142	417,597	1,273	0
Welsh Local Health Boards	6,720	0	21,993	0
Welsh NHS Trusts	277	0	662	0
WHSSC & EASC	525	0	0	0
All English Health Bodies	177	0	58	0
All N. Ireland Health Bodies	2	0	0	0
All Scottish Health Bodies	3	0	0	0
Miscellaneous	0	0	0	0
Credit note provision	0	0	0	0
Sub total	203,846	417,597	23,986	0
Other Central Government Bodies				
Other Government Departments	0	0	1,569	0
Revenue & Customs	640	0	2,026	0
Local Authorities	0	0	171	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	6,561	0	26,684	210,569
TOTAL	211,047	417,597	54,436	210,569

37. Losses and special payments

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

Gross loss to the Exchequer

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

	Amounts paid out during year to 31 March 2015		Approved to write-off year to 31 March 2015	
	Number	£	Number	£
Clinical negligence	328	58,245,995	326	58,199,926
Personal injury	60	3,454,500	59	3,433,937
All other losses and special payments	10	259,269	12	259,268
Total	398	61,959,764	397	61,893,131
FHoT losses and special payments	0	0	0	0
Consolidated Total	398	61,959,764	397	61,893,131

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

Cases exceeding £300,000 Case reference		Amounts paid out in year	Cumulative amount	Approved to write-off in year
		£	£	£
ABMU	6	3,668,769	4,143,264	3,668,769
Aneurin Bevan	11	8,590,961	9,446,413	8,590,961
BCU	10	6,492,816	6,982,995	6,492,816
Cardiff and Vale	6	5,662,372	5,999,937	5,662,372
Cwm taff	6	6,373,181	7,156,711	6,373,181
Hywel Dda	6	6,051,729	7,261,479	6,051,729
Powys	1	1,942,961	1,943,041	1,942,961
Sub-total		38,782,789	42,933,840	38,782,789
All other cases	352	23,176,975	47,923,354	23,110,342
Total cases	398	61,959,764	90,857,194	61,893,131

37. Losses and special payments

37.2 Velindre NHS Trust excluding Welsh Risk Pool

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

Gross loss to the Exchequer

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

	Amounts paid out during year to 31 March 2015		Approved to write-off to 31 March 2015	
	Number	£	Number	£
Clinical negligence	5	108,725	2	85,700
Personal injury	2	20,563	0	0
All other losses and special payments	9	67,630	11	67,630
Total	16	196,918	13	153,330

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

Cases exceeding £300,000	Case reference	Case type	Amounts	Cumulative	Approved to
			paid out in year £	amount £	write-off in year £
None			0	0	0
Sub-total			0	0	0
All other cases		16	196,918	199,930	153,330
Total cases			196,918	199,930	153,330

37. Losses and special payments

37.3 Welsh Risk Pool

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

Gross loss to the Exchequer

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

	Amounts paid out during year to 31 March 2015		Approved to write-off to 31 March 2015	
	Number	£	Number	£
Clinical negligence	324	58,181,725	324	58,181,725
Personal injury	58	3,433,937	58	3,433,937
All other losses and special payments	1	191,638	1	191,638
Total	383	61,807,300	383	61,807,300

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

		Amounts paid out in year £	Cumulative amount £	Approved to write-off in year £
Cases exceeding £300,000				
ABMU	6	3,668,769	4,143,264	3,668,769
Aneurin Bevan	11	8,590,961	9,446,413	8,590,961
BCU	10	6,492,816	6,982,995	6,492,816
Cardiff and Vale	6	5,662,372	5,999,937	5,662,372
Cwm taff	6	6,373,181	7,156,711	6,373,181
Hywel Dda	6	6,051,729	7,261,479	6,051,729
Powys	1	1,942,961	1,943,041	1,942,961
Sub-total		38,782,789	42,933,840	38,782,789
All other cases	337	23,024,511	47,790,873	23,024,511
Total cases		61,807,300	90,724,713	61,807,300

38. Pooled budgets

Velindre NHS Trust has no pooled budgets.

39. Operating Segments

	VELINDRE		NWIS		NWSSP		WRP		TOTAL		FHOT		ELIMINATIONS		CONSOLIDATED	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Operating Revenue																
Segmental Income	100,766	96,603	48,170	43,150	172,047	135,993	158,361	141,984	479,344	417,730	2,805	2,936	(1,858)	(1,321)	480,291	419,345
	100,766	96,603	48,170	43,150	172,047	135,993	158,361	141,984	479,344	417,730	2,805	2,936	(1,858)	(1,321)	480,291	419,345
Operating expenses																
Welsh Government	158	0	0	0	0	0	0	0	158	0	0	0	0	0	158	0
WHSSC & EASC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Local Health Boards	309	302	2,401	2,014	133	214	0	0	2,843	2,530	0	0	0	0	2,843	2,530
Welsh NHS Trusts	621	0	0	0	0	648	0	0	621	648	0	0	0	0	621	648
Other NHS Trusts	0	0	0	111	0	0	0	0	0	111	0	0	0	0	0	111
Goods and services from other NHS bodies	0	0	43	10	120	123	0	0	163	133	0	0	0	0	163	133
Purchase of healthcare from non-NHS bodies	39	0	0	0	1	0	0	0	40	0	0	0	0	0	40	0
Welsh Local Authorities	2	0	0	0	0	0	0	0	2	0	0	0	0	0	2	0
Other Local Authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Directors' costs	678	816	0	0	0	0	0	0	678	816	0	0	0	0	678	816
Staff costs	48,831	48,382	19,590	20,614	41,715	40,158	0	0	110,136	109,154	0	0	0	0	110,136	109,154
Supplies and services - clinical	33,586	32,581	0	0	114	507	0	0	33,700	33,088	0	0	0	0	33,700	33,088
Supplies and services - general	690	890	93	85	38,526	401	0	0	39,309	1,376	0	0	0	0	39,309	1,376
Consultancy Services	219	353	1,041	1,300	644	688	0	0	1,904	2,341	0	0	0	0	1,904	2,341
Establishment	2,361	3,555	7,221	8,169	5,160	5,101	0	0	14,742	16,825	0	0	0	0	14,742	16,825
Transport	258	831	60	41	748	32	0	0	1,066	904	0	0	0	0	1,066	904
Premises	5,255	3,712	9,500	3,384	4,789	4,420	0	0	19,544	11,516	0	0	0	0	19,544	11,516
Costs of generating funds	0	0	0	0	0	0	0	0	0	0	450	331	(158)	(141)	292	190
Charitable activities	0	0	0	0	0	0	0	0	0	0	2,432	1,437	(1,700)	(1,170)	732	267
Governance Costs	0	0	0	0	0	0	0	0	0	0	8	10	0	(10)	8	0
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	4,928	4,253	2,285	2,263	612	519	0	0	7,825	7,035	0	0	0	0	7,825	7,035
Amortisation	9	0	6,593	4,959	92	0	0	0	6,694	4,959	0	0	0	0	6,694	4,959
Impairments and reversals of property, plant and equipment	(159)	0	0	0	0	0	0	0	(159)	0	0	0	0	0	(159)	0
Impairments and reversals of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	201	0	0	0	0	201	0	0	201	201	0	0	0	0	201	201
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	193	58	43	0	174	0	159,040	141,864	159,450	141,922	0	0	0	0	159,450	141,922
Research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	2,044	1,028	(700)	200	79,196	82,931	0	0	80,540	84,159	0	0	0	0	80,540	84,159
Total	100,223	96,761	48,170	43,150	172,024	135,943	159,040	141,864	479,457	417,718	2,890	1,778	(1,858)	(1,321)	480,489	418,175
Investment Revenue	51	84		0		0		0	51	84	63	57	0	0	114	141
Other Gains and Losses	6	112		0		0		0	6	112	0	0	0	0	6	112
Finance Costs	(7)	(31)		0		0	679	(120)	672	(151)	0	0	0	0	672	(151)
															0	
SURPLUS / (DEFICIT)	593	7	0	0	23	50	0	0	616	57	(22)	1,215	0	0	594	1,272

IFRS 8 requires organisations to report information about each of its operating segments.

Velindre NHS Trust Annual Accounts 2014-15

40. Other

On the 1 April 2014 the All Wales Stores service transferred from ABMUHB and ABUHB to NWSSP which is hosted by Velindre NHS Trust.

The transfer of the function was completed using absorption accounting, adapted for the issue of PDC. All transactions and balances related to the function pre 31 March 2014 are included in the transferor accounts and subsequent to 1 April 2014 are included in the Velindre NHS Trust's financial statements.

Balances transferred 1 April 2014	ABMU LHB	Aneurin Bevan ULHB	Velindre Trust Total
	£000	£000	£000
Current Assets			
Inventories	3,276	673	3,949
Trade and other receivables	1,759	0	1,759
Other financial assets	0	0	0
Other current assets	0	0	0
Cash and cash equivalents	0	0	0
Total Value of Assets	5,035	673	5,708
Current Liabilities			
Trade and other payables	1,032	747	1,779
Borrowings	0	0	0
Other financial liabilities	0	0	0
Provisions	0	0	0
Other liabilities	0	0	0
Total Value of Liabilities	1,032	747	1,779
Total Value Net Working Capital Transferred	4,003	-74	3,929

The results of the function transferred which have been included in the statement of comprehensive income for the year ended 31 March 2015 were as follows:

	£000
Income	38,119
Expenditure (before obsolete stock provision)	38,036
Surplus (before obsolete stock provision)	83
Obsolete stock provision	(224)
Deficit	(141)

In September 2014 the Minister for Health & Social Services approved a single lead employer arrangement for GP Trainees in Wales with the lead employer being NWSSP. A detailed SLA has been drafted to cover the Lead Employer and Host Employer responsibilities under the new arrangements.

The roll out of arrangements commenced in February 2015, with the 111 GP trainees from the August 2014 intake being enrolled within NWSSP. The gross cost of the scheme for the year 2014-15 was £926,000 with the full costs being charged to the Local Health Boards and Trusts who host the trainees.

Further GP trainees will be enrolled in August of each year with the new intake rotations.

The Certificate of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of Velindre NHS Trust for the year ended 31 March 2015 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement and the Statement of Changes in Tax Payers Equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs). I have also audited the information in the Remuneration Report that is described as having been audited.

Respective responsibilities of Directors, the Chief Executive and the Auditor

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 68 and 69, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view.

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

Scope of the audit of financial statements

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

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

In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Velindre NHS Trust as at 31 March 2015 and of its surplus, its recognised gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on Regularity

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

Opinion on other matters

In my opinion the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers;

I have been unable to read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements as it was not available at the time of my audit.

Matters on which I report by exception

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

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

Report

Please see my Report on pages 66 to 67

Huw Vaughan Thomas
Auditor General for Wales
23 June 2015

Wales Audit Office
24 Cathedral Road
Cardiff

Report of the Auditor General to the National Assembly for Wales

Introduction

The Welsh Government has changed the financial duties of NHS Trusts for 2014-15 onwards. I have decided to issue a narrative report alongside my audit certificate to explain the new duties, the Velindre NHS Trust's performance against them, and the implications for 2015-16.

New financial duties

The **first financial duty** gives additional financial flexibility to NHS Trusts by allowing them to balance their income with their expenditure over a three-year rolling period, replacing the duty to balance their books over a one year period. The first three year period under this duty is 2014-15 to 2016-17, so NHS Trusts' performance against this duty will not be measured until 2016-17.

The **second financial duty** is also new, and requires NHS Trusts to prepare and have approved by Welsh Ministers a rolling three year integrated medium term plan. This duty is an essential foundation to the delivery of sustainable quality health services. For 2014-15 (and until Treasury consent has been obtained for this change), it will be an administrative duty¹ and an NHS Trust will be deemed to have met it for 2014-15 if it submitted a 2014-15 to 2016-17 plan approved by their Board to the Welsh Ministers, who have then approved it by the date the Accountable Officer signed the 2014-15 Financial Statements.

NHS Trust performance against duties

First Financial Duty

As set out above, the Velindre NHS Trust (the Trust) will not be measured against its first financial duty until 2016-17. Nevertheless it is expected to manage its finances to ensure it does not over spend. This is because the Trust's annual performance impacts on the ability of the Department of Health and Social Services to meet its own financial targets. As shown in Note 31.1 to the Financial Statements, for 2014-15 the Trust achieved a surplus of £39,000.

Second Financial Duty (administrative)

As shown in Note 31.2 to the Financial Statements, the Trust met its second financial duty (administrative) to have an approved three year integrated medium term plan in place. The integrated medium term plan relates only to the Trust's core activities and does not apply to

¹An administrative duty is required by the Welsh Government, but not by primary legislation

the organisations hosted by the Trust. The Trust integrated medium term plan for 2014-15 to 2016-17 was submitted to the Welsh Government on 31 March 2014 and was approved by Welsh Ministers on 7 May 2014

Look ahead to 2015-16

The Trust has until June 2016 (i.e. the date the Accountable Officer signs the 2015-16 financial statements) to obtain Ministerial approval for its three-year plan 2015-16 to 2017-18.

The Trust submitted its three year plan 2015-16 to 2017-18 to the Welsh Government on 1 April 2015. On 4 June 2015, the Trust received confirmation that the three year plan had been approved.

The Trust's approved three year financial plan running from 2015-16 to 2017-18 has identified a requirement to deliver a total savings of £8.17 million over the next three years, enabling the Trust to forecast a breakeven position for each of the three years covered by the plan.

As at 30 April 2015, the Trust is reporting a small surplus whilst forecasting a breakeven year end position for 2015-16.

Huw Vaughan Thomas

Auditor General for Wales

Date 23 June 2015

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

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

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

Date: 4th June 2015

Stephen Ham Interim Chief Executive

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF

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

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

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

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

By Order of the Board

Signed:

Date: 4th June 2015

Chairman: Rosemary Kennedy

Date: 4th June 2015

Interim Chief Executive: Stephen Ham

Date: 4th June 2015

Interim Director of Finance: Mark Osland

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

NHS TRUSTS

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

BASIS OF PREPARATION

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

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

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

FORM AND CONTENT

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

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

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

MISCELLANEOUS

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

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

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated : 17.06.2010

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

Annual Governance Statement

2014-2015

1. SCOPE OF RESPONSIBILITY

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

Velindre Cancer Centre
Canolfan Ganser Felindre



Specialist cancer services for South East Wales are delivered by Velindre NHS Trust using a hub and spoke model. The hub of our specialist cancer services is Velindre Cancer Centre. This is a specialist treatment, teaching, research and development centre for non-surgical oncology. We treat patients with chemotherapy, Systemic Anti-Cancer Treatments (SACTs), radiotherapy and related treatments, together with caring for patients with specialist palliative care needs.



Welsh Blood Service

The Welsh Blood Service plays a fundamental role in the delivery of healthcare in Wales. It works to ensure that the donor's gift of blood is transformed into safe and effective blood components which allow NHS Wales to improve quality of life and save the lives of many thousands of people in Wales every year.

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

The Trust also hosts the following organisations on behalf of other bodies;

1.1. NHS Wales Informatics Services (NWIS)

NWIS operates under the direction of the Deputy Director, Digital Health and Care of the Welsh Government and is responsible for both the strategic development of Information Communications Technology (ICT) and the delivery of operational ICT services and information management. NWIS has a national remit to support NHS

Wales, make better use of scarce skills and resources, and facilitate a consistent approach to health informatics and the implementation of common national systems.

The Director of NWIS is accountable to the Deputy Director, Digital Health and Care of the Welsh Government and is also bound by a Statement of Internal Control for governance compliance with the Velindre NHS Trust Chief Executive.

1.2. NISCHR Clinical Research Centre (NISCHR CRC)

The National Institute for Social Care and Health Research Clinical Research Centre (NISCHR CRC) brings together all-Wales research networks in health and social care and cancer. The Director of NISCHR CRC is held accountable by NISCHR Welsh Government for the delivery and performance of services. The Trust Chief Executive ensures the Trust provides appropriate governance support via a formal Hosting Agreement.

During 2014-2015, the Trust submitted a proposal to NISCHR Welsh Government to host the new 'NISCHR Workforce' organisation with effect from 1st April 2015. The proposal was accepted and the Trust established a Transition Board to manage the process of organisational change and ensure appropriate governance arrangements will be in place. A Hosting Agreement will be in place between Velindre NHS Trust and NISCHR Welsh Government, together with a Memorandum of Internal Control for the Responsible Officer of NISCHR Workforce.

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

The NCC-C was established in April 2003. The centre is funded and commissioned by the National Institute for Health and Care Excellence (NICE) to develop evidence-based clinical guidelines for the NHS in England, Wales and Northern Ireland on treating and caring for people with cancer. The Director of NCC-C is held accountable by NICE for the delivery and performance of services. The Trust Chief Executive ensures the Trust provides appropriate governance support via a formal Hosting Agreement.

During 2014-2015, the Trust established a Project Board to oversee the development of a bid to NICE to host one of two new Guideline Development Centres for the UK. If successful, the Trust would provide the new centre from the 1st April 2016, and will ensure appropriate governance structures are in place.

1.4. NHS Wales Shared Services Partnership (NWSSP)

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

NWSSP is hosted by Velindre NHS Trust via a formal Hosting Agreement, signed by each statutory organisation in NHS Wales. The Director of NWSSP holds Accountable Officer status and holds a separate Accountability Statement with the Director General for Health in the Welsh Government.

2. THE TRUST'S ASSURANCE FRAMEWORK

This Annual Governance Statement details the arrangements in place for discharging the Chief Executive's responsibility to manage and control Velindre

NHS Trust's resources, and the organisations which it hosts, during the financial year 2014/2015.

Due to the unique Accountable Officer status of the Director of Shared Services Partnership (NWSSP) an Annual Governance Statement for NWSSP has been requested and submitted from the Director of NWSSP to the Velindre NHS Trust Chief Executive.

The Directors from the other bodies hosted by Velindre NHS Trust (1.1 – 1.3 above) have signed and submitted a '*Statement of Internal Control*' detailing and declaring compliance with Velindre NHS Trust governance arrangements which is submitted at the end of March each year to the Velindre NHS Trust Chief Executive to provide assurance that Trust policy, systems and processes are being complied with to support good governance.

2.1 Discharging Responsibilities

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

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

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

Committee	Sub Committee
Quality & Safety Committee	Trust Organisational Learning Committee
Audit Committee (including 5 separate meetings of the "Audit Committee- for Shared Services" to consider NHS Wales Shared Services Partnership (NWSSP) Matters)	
Charitable Funds Committee	Investment Performance Review Sub-Committee
Research & Development Committee	Research Risk Review Committee Genetic Modification Sub Committee
Information Governance & IM&T Committee	
Remuneration Committee	
Workforce & Organisational Development Committee	
Planning & Performance Committee	

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

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

BOARD MEMBER NAME	POSITION	AREA OF EXPERTISE	BOARD COMMITTEE MEMBERSHIP	CHAMPION ROLES
Judge Ray Singh	Independent Member	Legal	Remuneration Committee Workforce & OD Committee Planning & Performance Committee	Violence & Aggression Safeguarding Putting Things Right
Steve Ham	Interim Chief Executive Executive Director of Finance <i>(until 4.1.2015)</i>		Charitable Funds Committee	Not applicable
Mark Osland	Interim Executive Director of Finance. <i>(From 5.1.2015)</i>		Charitable Funds Committee	Not applicable
Professor Peter Barrett-Lee	Executive Medical Director		Research & Development Committee	Not applicable

At a local level, the Trust has agreed Standing Orders (SOs) for the regulation of proceedings and business. The Trust SOs are designed to translate the statutory requirements set out in the National Health Service Trusts (Membership and Procedures) Regulations 1990 (1990/2024) into day to day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a scheme of delegations to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Trust and define - its 'ways of working'. These documents, together with the range of policies set by the Board make up the Governance and Accountability Framework. The Standing Orders have been periodically updated to account for alterations in year and were last reviewed, updated and approved by the Trust Board in January 2015 and March 2015 as outlined in section 3 on page 11.

In January 2015, Professor Rosemary Kennedy was re-appointed by the Minister for Health & Social Services as Chair of Velindre NHS Trust for another four year term following her initial appointment in January 2011.

The substantive Chief Executive is seconded to Welsh Government until at least the end of September 2015. The substantive Executive Director of Finance has been appointed as the Interim Chief Executive Officer until at least the end of September 2015. The substantive Chief Executive Officer retained Accountable Officer status until the appointment of an Interim Executive Director of Finance on the 5th January 2015. This appointment now allows the Interim Chief Executive to assume the full responsibilities of the Chief Executive Officer including Accountable Officer Status.

The following table outlines dates of Board and Committee meetings held during 2014/15;

All meetings were quorate except for the following occasions:

- The Research & Development Committee was not quorate for one item at its January 2015 and March 2015 meeting as a member of the Committee declared an interest and left the meeting whilst the item was discussed. The item was circulated to other Board members for approval out of Committee.

Board/Committee	Period 1st April 2014-31st March 2015					
<i>Trust Board</i>	5 th June (including the AGM)	31 st July	2 nd October	4 th December	29 th January	26 th March
<i>Audit Committee</i>	29 th April	3 rd June	2 nd July	7 th October	17 th December	25 th February
<i>Audit Committee for Shared Services</i>	9 th April	3 rd June	28 th July	19 th November	4 th February	
<i>Charitable Funds Committee</i>	16 th April	8 th July	25 th September	26 th November	11 th February	
<i>Quality & Safety Committee</i>	12 th June	4 th September	11 th December	5 th March		
<i>Planning & Performance Committee</i>	21 st May	15 th July	17 th September	11 th December	14 th January	11 th March
<i>Information Governance & IM&T Committee</i>	8 th May	14 th August	18 th November	24 th February	27 th March	
<i>Research & Development Committee</i>	1 st May	24 th July	30 th October	27 th January *	3 rd March	
<i>Workforce & Organisational Development Committee</i>	13 th May	7 th August	6 th November	10 th February		
<i>Remuneration Committee</i>	5 th June (including the AGM)	31 st July	2 nd October	4 th December	29 th January	26 th March

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

2.2 Committee Activity

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

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

The Audit Committee has developed a mechanism by which it can evidence the discharge of its duties on behalf of the Board through a 'Committee Assurance Schedule' which is based on the Terms of Reference and delegated powers.

In May 2014, Internal Audit reviewed the clinical audit department, the audit report highlighted that the department had a well- defined structure and quality framework consistent with the provision of a high quality service. The report noted the need to ensure closer links with the Trust Quality and Safety Committee and Trust Audit Committee to ensure alignment of key assurance and improvement processes. In response to this review the Trust reviewed its processes and agreed a Clinical Audit Assurance Framework, clearly detailing the role of the Audit Committee and Quality & Safety Committee in assuring the Board in relation to Clinical Audit activity.

In support of the Board, the Trust also has a Local Partnership Forum that met 5 times during 2014/2015, with Joint Chairs who are each nominated from the staff representatives and Executive Directors. The role of the Local Partnership Forum is to supply the main (but not only) forum within the Trust where the Directors of the Trust and Trade Union Representatives can discuss together and develop appropriate directions and responses to all major service development and change management issues.

Key highlights of issues considered by the Trust Board and its Committees during 2014/2015 include;

- Strategic Outline Programme - Transforming Cancer Services in South-East Wales.
- Establishment of an All Wales Blood Service by 2016.
- Consideration and approval of the Integrated Medium Term Plan (IMTP).
- Consideration and approval of the Clinical Audit Annual Report & Clinical Audit Assurance Framework.
- Approval and sign off of the Annual Accounts for the Trust and Charity.
- Consideration and approval of the Research & Development Strategy.
- Receipt of the Wales Audit Office Annual Audit Letter.

- Consideration and action taken in respect of the outcome of the Wales Audit Office Structured Assessment.
- Consideration of the outcome and actions planned in response to the Fundamentals of Care Audit.
- Consideration of implications to Velindre NHS Trust of 'Trusted to Care' Report.
- 'Good Governance Guide for NHS Wales Boards' for adoption by all Trust and Health Boards in Wales.
- Introduction of a new 'Communications and Engagement Strategy 2014-17'.
- The outcome of Patient Experience Surveys at Velindre Cancer Centre.
- Information Governance and IM&T Delivery Plans 2014 – 2017.
- Annual Palliative Care Report – the first Annual Palliative Care Report was received which set out the range of work that has been undertaken by Velindre Cancer Centre.
- Blood Establishment Computer Software (BECS) *Implementation programme within the Welsh Blood Service.*
- Monitoring and consideration of the Integrated Quality Performance Story Board – *which provides stakeholders with a clear view of service quality and performance.*
- Research and Development business cases to support the Trusts Research Strategy, to include the appointment of an Assistant Director of Research & Development.
- Business Cases to support the delivery of quality, safe services to the population we serve.

Minutes and papers of all Board meetings are published on the Trust Internet site via the following link: [Trust Board Papers and Minutes](#)

During 2014/2015, key aspects of Board business and issues delegated to the Audit Committee for consideration and advice, including action taken included;

- Agreement of the Internal and External Audit Plans for the year.
- Receiving Internal and External Audit Reports and subsequently monitoring progress against Audit Action Plans.
- Agreeing the annual counter fraud plan and monitoring counter fraud activities.
- Regular review of the register of gifts and hospitality.
- Monitoring the development and draft content of the Trust's Annual Governance Statement.
- Sign Off of Trust Annual Accounts, as delegated by the Trust Board.
- Monitoring of Governance Arrangements across the organisation, including hosted bodies.
- Monitoring overall risk management process by reviewing the Trust Risk Register at each meeting.

Matters relating to quality and safety activity during 2014/2015 are highlighted in the Trusts Annual Quality Statement appended to the Trust's Annual Report and available on the Trust Internet site via the following link: [Velindre NHS Trust Annual Report](#) from the end of September 2015.

2.3 Engagement with the Local Partnership Forum

Examples of engagement with the Local Partnership Forum during 2014/2015 are:

- Establishment of an All Wales Blood Service – *the Trust is working towards establishment of an All Wales Blood Service by 2016*
- E- Expenses Project – *system for electronically submitting expenses claims, removing the paper system.*
- Electronic Staff Record (ESR) – Self Service Implementation - *ESR Self Service enables every member of Velindre NHS Trust staff to view and maintain their own records and to instigate actions that will improve their personal development.*
- Pennies from Heaven - *The Pennies from Heaven Scheme offers staff an opportunity to donate their odd pennies from their salary/wages to collectively raise pounds for a registered charity, which has been chosen by Velindre NHS Trust.*
- Health & Wellbeing Charter - *Working together, NHS staff and managers can design products and interventions that support the workforce, to maximise their wellbeing and in addition allow them to become role models for the population of NHS Wales by modeling healthy lifestyle choices.*
- Strategic Outline Programme - *Transforming Cancer Services in South-East Wales*
- Transfer of Undertakings (Protection of Employment) (TUPE) *transfers for staff out and into other NHS Wales Organisations.*
- Blood Establishment Computer Software (BECS) *Implementation programme within the Welsh Blood Service.*
- Integrated Medium Term Plan (IMTP) - *the achievement of the vision and strategic objectives of the Trust is driven by the Integrated Medium Term Plan (IMTP), which sets out the priorities and actions that will be delivered on a rolling 3 year basis*

2.4 Board Development and Effectiveness

In addition to Trust Board and Committee meetings, the Board holds regular development sessions covering all aspects of corporate responsibility. The Trust Board Enabler Sessions are open to all Board Members and attendees including Community Health Council representatives, staff representatives and patient representatives as well as other relevant groups depending on the topic being covered. During 2014/2015, the Board held sessions on the following topics;

- NHS Wales Shared Services Partnership Annual Review
- Older Peoples Commissioner – Dignified Care
- Andrews Report – Trusted to Care
- Wales Audit Office (WAO) Structured Assessment Feedback
- Equality & Diversity Training – Public Sector Duty

The Trust Secretary has continued to work with agencies such as Academi Wales to design a Board development programme to be delivered during 2015-2016. Other areas being progressed during 2014-2015 include;

- **Transparency** - The Trust continues to focus on improving the timeliness of publication of papers, being mindful of ensuring compliance with data protection and other information governance requirements. In November 2014, the Trust Secretary commenced engagement on the development of "Business Standards for the Management of Trust Board & Committee Meetings", the guidance which will be fully implemented for 2015-2016 will further support the requirement for clear, concise and timely information equipping Boards and Committees to make decisions and be appropriately informed and assured in relation to the business of the Trust.
- **Committee Self Assessment** - These self assessments are maturing and the Audit Committee led the way in piloting a new approach to evidence the discharging of the delegated functions via a 'Committee Assurance Schedule'. It is envisaged that this approach will be rolled out to all Committees to aid the self assessment process.
- **Board Development** - One of the key outcomes of the Trust Board self assessments is to ensure an effective Development Programme is in place to support individual Board Members and the Board as a whole. The Trust Board Enabler Sessions are well received and a programme is developed on an annual basis covering topical issues and identifying sessions that would enhance the Boards learning. The additional support and guidance from Academi Wales for 2015-2016 will further support individual and collective performance of the Board.
- **Organisational Values** – Work is progressing to strengthen and formalise core organisational values for the Trust to support the Standards of Behaviour Framework and set standards of expectation for all staff on what they can expect from Velindre NHS Trust as their employer and what we expect from them. The Development and Implementation of Organisational Values is being led by the Executive Director of Workforce & Organisational Development with implementation planned for 2015-2016.
- **Hosted Organisations** - The Trust Secretary is reviewing the current arrangements in place for all organisations hosted by Velindre NHS Trust with a view to improving consistency of approach in relation to governance frameworks in place for hosting organisations on behalf of other NHS bodies.

3. VELINDRE NHS TRUST STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

The Trust approved a revised set of Standing Orders for the regulation of proceedings and business in the January 2015 and again in March 2015, in relation to;

January 2015;

- A review to ensure all relevant Trust policies reflected the delegations and procedures as set out in the Standing Orders (SO's) and Standing Financial Instructions (SFIs).
- Proposed change to the financial limits governing the procurement of pharmaceuticals.

March 2015;

- A change to reflect the reference to appropriate job roles in the new NISCHR Workforce Organisation from the 1st April 2015.
- Removal of references to hosted organisations that are no longer hosted by Velindre NHS Trust.

- Clarification of the definitions determining the financial limits awarded to NWIS within the Trust's SO's distinguishing between 'Programme Expenditure' and 'Operational Expenditure'.

4. BOARD APPOINTMENTS DURING 2014-2015

The Trust made the following appointments to support the Executive Team:

- In May 2014, the Trust appointed an Assistant Director of Informatics to support the Information Management & Technology and Information Governance agenda within the Trust.
- In August 2014, the Trust welcomed a new Executive Director of Organisational Development and Workforce, who immediately initiated a review of the Workforce and Organisational Development structure to ensure it was fit for purpose.
- To further strengthen the Trust's Planning and Performance function the Trust appointed an Assistant Director of Planning and Performance in September 2014.
- In October 2014, an Assistant Director of Research & Development was appointed to oversee Research and Development activity in the Trust and drive the development and delivery of the Trust's Research & Development Strategy.
- In January 2015, the Trust welcomed a new Assistant Director of Organisational Development who will initially support the Executive Director in the structural review of the workforce and organisational development function.
- In January 2015, the Trust welcomed an Interim Director of Finance, please refer to note on page 5. The substantive Director of Finance has been appointed as the Interim Chief Executive Officer until at least the end of September 2015. The substantive Chief Executive Officer retained Accountable Officer status until the appointment of an Interim Director of Finance. This appointment now allows the substantive Director of Finance to assume the full responsibilities of the Chief Executive Officer including Accountable Officer Status in an interim capacity following the secondment of the substantive post holder to Welsh Government.

5. PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

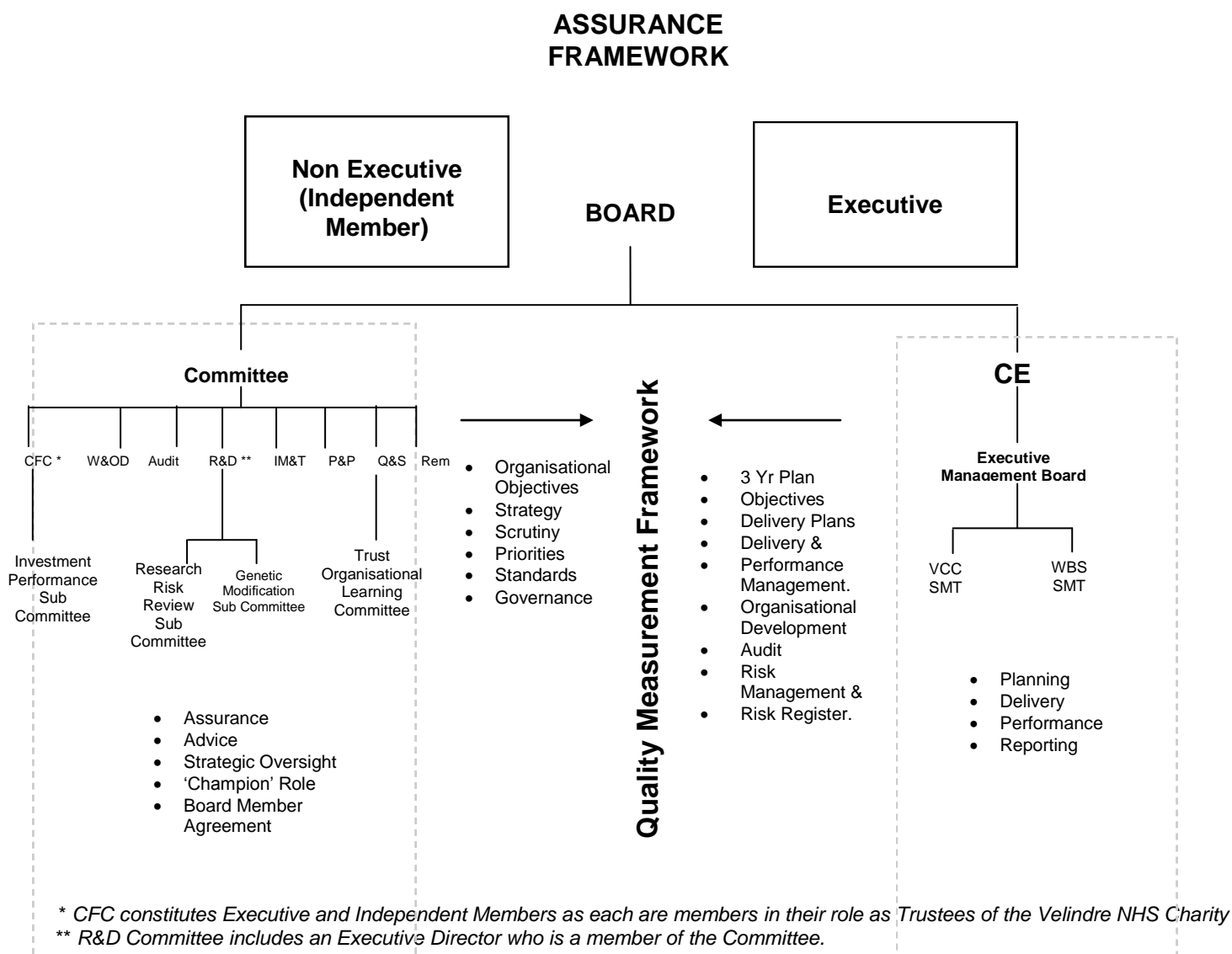
The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2015 and up to the date of approval of the 2014/2015 annual report and accounts.

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

The Trust's Internal Control (Assurance) Framework

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

Please note that the following diagram aims to address the Assurance Framework for the directly managed services of the Trust.



5.1 Governance of the Charitable Funds

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

The Trust Board as Corporate Trustee is ultimately accountable for charitable funds donated to Velindre NHS Trust. In order to facilitate the administration and management of these funds the Trust Board has established a Charitable Funds Committee (CFC) to provide advice and recommendations

to the Board. Committee meetings are held every three months and otherwise as the Committee Chair deems necessary, at least two members must be present to ensure the quorum of the Committee.

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

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

5.2 Hosted Organisations Systems of Internal Control and Assurance

Aside from the NHS Wales Shared Services Partnership Committee, hosted organisations utilise the existing Trust's Committee Structure illustrated above. A separate Velindre NHS Trust Audit Committee is held to consider issues relating specifically to NWSSP at least four times a year, having the same Chair and Independent Membership as the Velindre NHS Trust Audit Committee. Information relating to the governance arrangements in NWSSP is contained within the Director's Annual Governance Statement to the Velindre NHS Trust Chief Executive which is on the Trust's website:

www.velindre-tr.wales.nhs.uk

NWSSP has a 'NHS Wales Shared Services Partnership Committee' which was established as a sub-committee of Velindre NHS Trust Board in 2012 to comply with Ministerial Directions. The NWSSP Committee has membership from each statutory body in NHS Wales, and is chaired by an Independent Chair. The NWSSP Committee reports to Velindre NHS Trust Board and all other health body Boards in Wales via their representative member on the Committee. NWSSP have their own Standing Orders which are appended to the Velindre NHS Trust Standing Orders.

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

Responsible Officers from all organisations the Trust hosts are required to complete and sign a declaration of compliance statement which in turn supports the Chief Executive to sign the Trust Annual Governance statement, as outlined on page 3, section 2, 'The Trusts Assurance Framework'.

5.3 Capacity to handle risk

The Trust has an approved Risk Management Policy in place. The Policy details a robust risk assessment process to identify, assess and manage organisational risks which are reported on a risk register, to the Trust Board. The Trust Board is ultimately responsible for overseeing the Trust's risk register and holding the Executive to account for ensuring management action is taken to minimise risk. The Board delegate's responsibility to the Trust's Quality & Safety Committee for overseeing the risk management process and the Trust's Audit Committee retains the oversight to ensure the system of risk management is effective.

The organisations hosted by Velindre NHS Trust maintain and manage their own risk registers and comply with the Trust escalation processes to ensure the Board are made aware of any significant relevant risks via the Trust Risk Register as necessary. Risks relating to hosted organisations will only be escalated to the Velindre NHS Trust risk register where matters directly affecting the Trust are apparent. Matters relating to service delivery and performance are a matter for sponsor bodies to receive, manage and report as necessary.

Risks that have been managed and **removed** from the Trust Risk Register during 2014-2015 include;

- **Legislative Requirement to test three mandatory markers** – within the Welsh Blood Service there was a project in place to secure funding to manage the improved resilience of the system to ensure continued compliance with legislative requirements. Removed December 2014.
- **ABO and Rhesus D group, red cell antibody screening and phenotyping** – within the Welsh Blood Service there was a project in place to secure funding and manage planned replacement of two blood testing systems that were no longer in a serviceable condition. Removed December 2014.
- No defined timescales in respect of **Cansic Trak interface availability** - there was a risk to the Trust that when Cardiff & Vale Health Board 'went live' there would be no direct electronic feed of pathology results into Canisc/Chemocare. Fortunately when Cardiff & Vale 'went live' the interface was ready for Velindre Cancer Centre which ensured that the Trust continued to receive pathology test results electronically in Canisc, on this basis this risk was removed from the Trust Risk Register in December 2014.
- See new risk below in relation to **Nuclear Acid Testing Contract** which was also removed from the risk register on the 31st March 2015.

New risks identified during 2014-2015 and continue to be managed include;

- **Legal challenge to the Nucleic Acid Testing (NAT) Testing contract procurement award** that was led by NHS Blood and Transplant (NHSBT) for UK Blood Services- *Formal legal proceedings instigated by a supplier against sections of the NAT tender award. Added November 2014, Closed on 31st March 2015 as new procurement exercise is now underway.*

As at the 31st March 2015, the main significant risks on the Trust's risk register included;

- Constraints arising from limitations of estate capacity at the Velindre Cancer Centre Site. To mitigate this risk the Trust is undertaking the following actions:
 - An accommodation review of clinical and administrative facilities at Velindre Cancer Centre.
 - Following Welsh Government approval of the Trust's Strategic Outline Programme (SOP), which conveyed the Trust's ideas on how cancer services in South East Wales could look in the future, the Trust, is leading the programme for "Transforming Cancer Services in South East Wales".
- System management for maintaining water systems at main and peripheral service sites. To mitigate this risk the Trust is undertaking the following actions:
 - Risk assessments have been completed for all sites.
 - A review of the Policy in respect of Water Management
 - A review of the building lease contracts with sites not owned by the Trust.

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

5.4 Risk Management

The process by which the Trust manages risk is detailed in the Trust's Risk Management Policy, which is available upon request from the Trust Secretary or via the Trust's Intranet Site.

The overall aim of the Trust's Risk Management approach is to progress a comprehensive risk management programme to ensure that: -

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

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

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

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

Every member of staff, including clinicians, is responsible for ensuring that their own actions contribute to the wellbeing of patients/service users, staff, visitors and the organisation. They are expected to contribute to the identification, reporting and assessment of risks and to take positive action to manage them appropriately. The Trust has implemented the All Wales Raising a Concern (Whistleblowing) Policy which is available on the Trust intranet site. The policy is in place but has not been utilised during 2014-2015.

Risk management is embedded in Trust decision making and service delivery. This is supported by continually considering and assessing Trust compliance with key clinical guidance including:

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

The organisation's risk profile is visible through the Trust Risk Register. Risks are identified at the commencement of new or amended activities and through the ongoing review of existing risks. Risk assessments are undertaken to assess the impact upon the service and other stakeholders. Public Stakeholders are involved in the assessment of risk through public consultations, Patient Liaison Group representation at Board and Committee meetings, feedback received in respect of Patient Experience surveys and Donor Forums and learning from Concerns received from patients, donors, relatives and/or carers.

All risks are assessed and awarded a score, relating to impact and likelihood. Risks are escalated, resulting in the highest level of risk (score 12 or above) being referred to the Executive Management Board where a collective appraisal will be made of the risk, after which time, the risk will be entered on to the Trust's risk register and reported to Trust Board and relevant Board Committee/s. Each risk entered onto the Trust register is given a 'target' score dependent upon the appetite for the risk, which is the level of risk the Trust Board is prepared to accept before action is deemed necessary to reduce it. This will be applied in decision making to inform the prioritisation of actions and the resources required to mitigate risks on the Trust risk register.

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

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

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

During 2014-2015 improvements were made to the risk register in respect of the processes used to report and monitor risks by the Board. A review of the Risk Management Strategy was initiated in 2014-2015 and will be approved and implemented in 2015-2016. A Board session is being held in 2015-2016 to determine the Board's risk appetite.

The Trust's risk register is published in the Trust Board Meeting papers published on the Trust Website detailing the organisations top risks, and the controls in place to manage those risks. The register is dynamic and reviewed continuously throughout the year. The Board acknowledges that a continued focus on management and assurance processes during 2015-2016 will strengthen confidence that the Board are sighted on the right risks at the right time and can report transparently on actions to manage and mitigate organisational risks.

Risk Management and risk resourcing is managed by Divisional Directors through their business plans. All divisions /departments have process for assessing risk and risk registers are created as appropriate. Risks are updated and reviewed within the service division. The divisional senior management teams (SMT) work with their supporting groups/ Committees to ensure effective controls are in place for their risks to be managed at a tolerable level.

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

The significant risks on the Trust Risk Register as at the 31st March 2015 are outlined on page 15. Further details in respect of the Trust's key risks, including significant clinical risks are outlined within the Trust's Annual Quality Statement (AQS). The AQS is included within the Trust Annual Report which is held on the Trust Internet site under key publications.

5.5 Standards for Health Services in Wales

The Trust's Assurance Framework is underpinned by the Doing Well, Doing Better: Standards for Health Services in Wales as its framework for gaining assurance on its ability to fulfil its aims and

objectives for the delivery of safe, high quality health services. This involves self assessment of performance against the standards across all activities and at all levels throughout the organisation.

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

- openly assessed its performance using the maturity matrix;
- responded to feedback from Healthcare Inspectorate Wales in relation to its 2014-2015 self assessment;
- plans in place to achieve the improvement actions identified within clearly defined timescales proportionate to the risk.

This process has been subject to independent internal assurance by the organisation’s Head of Internal Audit. The internal audit review confirmed that a satisfactory process exists for the review and completion of the Governance and Accountability Module, involving Executives and, Independent Members. There were no recommendations received in respect of the completion of the Governance and Accountability module.

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

The Trust’s self assessment of the overall maturity level has remained the same for 2014/2015 as was assessed in 2013/2014. An action plan has been developed to address areas for continuous improvement for 2015/2016 which includes;

- Taking forward the activity outlined in the New Communications & Engagement Strategy to improve communications internally and externally, including an initiative to progress the use and management of social media.
- Further strengthening the performance management arrangements within the Trust.
- Improving the process for mapping organisational learning within the Trust to ensure clarity and consistency and understanding of the approach.
- Finalising the development of organisational Values in partnership with staff at all levels of the Trust.

- Review Committee Independent Member membership to ensure succession planning, knowledge and skill ‘churn’.

The audit of the Standards for Health Services in Wales conducted by Internal Audit concluded that there are robust processes in place within the Trust to ensure that the Standards for Health Services 2014-2015 Self Assessment was effectively completed in a timely manner and supported by appropriate narrative and scoring.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risk associated with the processes in place for embedding, utilisation and self assessment of the Standards for Health Services in Wales is **Substantial Assurance**.

There were no high priority issues identified during the audit review

NWSSP Shared Services Partnership Committee (SSPC) also undertook a self assessment of their position in relation to the Governance & Accountability assessment module and the outcome of this assessment is summarised in the table below. This process was subject to independent internal assurance by the organisation’s Head of Internal Audit.

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

The NWSSP’s self assessment of the overall maturity level has remained the same for 2014/2015 as was assessed in 2013/2014. An action plan has been developed to address areas for continuous improvement for 2015/2016 which includes;

- Finalise and cascade the Communications and Engagement Strategy detail in summary to relevant staff.
- Produce a protocol on Records Management for NWSSP to support the Velindre NHS Trust Policy.
- Undertake the Caldicott Assessment for 2015-16.
- Ensure all Directorate Risk Registers are entered onto Datix Risk Management software.
- Develop stronger links with universities and colleges to support the recruitment of professional staff.
- Instigate phase 2 of the new induction toolkit.
- Further develop Performance, Appraisal, Development and Review (PADR) content to link more closely with organisational objectives.

5.6. 1000 Lives Plus Activity

Velindre NHS Trust has embraced the 1000 Lives Plus Campaign over the last few years with particular focus on the work within the Velindre Cancer Centre. The Cancer Centre continues to lead on developing the harm and mortality tools adapted for use within an oncology setting. Excellent results have been achieved in many of the work streams including the treatment of acutely ill patients, improving mouth care, Carer's Strategy (Wales) Measure and 'Ask about Clots Campaign'. Work is progressing on educating staff with quality improvement skills which has been incorporated into the Velindre Improvement Programme (VIP).

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

5.7 Review of Effectiveness

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

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

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

The scrutiny of these arrangements is in part informed through the internal mechanisms already referred to, but also through the independent and impartial views expressed by a range of bodies external to the Trust, where during 2014-2015 no significant issues have been identified. These include;

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

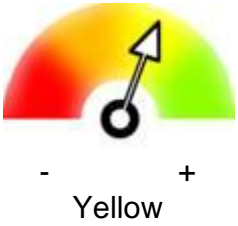
5.8 Internal Audit Opinion & Scores for 2014-2015

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

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

5.9 The Head of Internal Audit (HIA)

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

Reasonable assurance		The Trust Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
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In reaching this opinion the HIA identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas with all the main reviews receiving reasonable or substantial assurance.

The Trust commissioned Internal Auditors to undertake work to review the Welsh Blood Service Dafen project, where a number of control weakness were subsequently identified. The Trust responded to all audit recommendations by compiling and delivering a comprehensive action plan which was closely monitored by the Trust’s Executive Management Board and Audit Committee. The lessons learnt have been acted on at an individual and organisational level. The senior management at Welsh Blood Service and the Trust have confidence that sound risk management, control and governance, access to expert advice and other business systems are now in place to ensure there is no reoccurrence.

5.10 Wales Audit Office Structured Assessment 2014

The Trust’s External Auditors (Wales Audit Office) conducted a Structured Assessment during 2014 that focussed on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically.

The Wales Audit Office (WAO) Structured Assessment 2014, found that;

- Part 1: Sound financial management ensures the Trust breaks even but some specific financial challenges within Velindre Cancer Centre (VCC) still need to be addressed.
- Part 2: Governance arrangements are effective and there is an agreed three year Integrated Medium Term Plan (IMTP). There are opportunities to improve the detail and co-ordination of the information provided to Committees to support scrutiny, challenge and oversight.
- Part 3: The Trust is strengthening the way it manages and delivers larger scale change. While there is extra senior capacity, further changes are needed in key resource areas to support delivery of the IMTP.

A limited number of recommendations are being addressed by the Executive Management Board and progress will be monitored by the Audit Committee by scrutiny of the Audit Action Plan.

6 INFORMATION GOVERNANCE

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

The statement on the quality of data reported to the Board is included within the Annual Quality Statement [Velindre NHS Trust Annual Report](#). In summary, information is provided from our data management and quality improvement systems. To the best of our knowledge, this information is accurate and gives a true picture of the organisation.

7 INTEGRATED MEDIUM TERM PLAN

The achievement of the Trust's vision and strategic objectives is driven by the Integrated Medium Term Plan (IMTP), which sets out the priorities and actions that will be delivered on a rolling 3 year basis. In March 2014, Velindre NHS Trust, in accordance with the set administrative duty, was one of four Local Health Boards and Trusts who had its IMTP approved by the Welsh Government. This followed revised national planning requirements in 2013 and a move from an annual to a three year planning process. Having an approved IMTP in place is a key way of demonstrating to the local population, Board, staff, partners and the Welsh Government that the organisation possess the requisite level of maturity to plan and deliver with confidence over a three year period. The IMTP will be refreshed on an annual basis, approved by Trust Board in March each year.

The Trust provided a reflection on progress against the key priorities, performance and ambitions outlined in the IMTP for 2014/2015 within the IMTP for 2015/2016, which was considered by the Planning & Performance Committee and Trust Board. This assessment was a high level overview of performance against the overall plan. This confirmed that delivery against activities was broadly in accordance with the forecast trajectory. The Trust will undertake a more in-depth review of achievements during 2015/2016 once all performance information has been validated. In respect of the financial performance the Trust reported a small surplus against its income and expenditure position for the year ended 31st March 2015, as reflected in the Annual Accounts. This review and reflection on the IMTP for 2014/2015 will be subject to scrutiny and assurance through the Planning and Performance Committee and Trust Board during July 2015.

The Trust submitted its' Board approved IMTP for 2015/2016 in accordance with the NHS Planning Framework on the 1st April 2015. The Minister wrote to the Trust on 2 June 2015 confirming approval of the Trust's IMTP.

8 MINISTERIAL DIRECTIONS

A list of Ministerial Directions issued by the Welsh Government during 2014-15 are available at:-

<http://gov.wales/legislation/subordinate/nonsi/nhswales/2014/?lang=en>

Whilst Ministerial Directions are received by Local Health Boards, these are not always applicable to Velindre NHS Trust. All Ministerial Directions issued throughout the year are listed on the Welsh Governance [website](#) above. During 2014/15 six Non-Statutory Instruments were issued by the Welsh Government. Each of these were aimed specifically at services which are delivered by health boards, so no action was required by the Trust.

Welsh Health Circulars were reintroduced during 2014-2015. Welsh Health Circulars issued by Welsh Government are logged by the Trust Secretary and assigned an Executive Lead to assess the impact

to the Trust and take forward necessary actions as appropriate. A register and action log is maintained by the Trust Secretary.

A list of Welsh Health Circulars issued by the Welsh Government during 2014-2015 are available at: -

<http://howis.wales.nhs.uk/whcirculars.cfm>

9 EQUALITY & DIVERSITY

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

The control measures include;

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

10 DISCLOSURE STATEMENTS

- As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.
- I can confirm that the Trust has had no lapses in security data that have warranted reporting to the Information Commissioners Office in 2014-2015.
- Whilst there is no requirement to comply with all elements of the UK Corporate Governance Code, Velindre NHS Trust has undertaken an assessment against the main principles as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Trust's assessment against the Governance and Accountability Module undertaken by the Board in April 2015 and also evidenced by internal and external audits. The Trust is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report.
- The Trust's Carbon Reduction Strategy was approved in September 2013. The organisation is undertaking risk assessments and carbon reduction delivery plans are being developed in accordance with emergency preparedness and civil contingency requirements as based on UK Climate Impact Programme (UKCIP) 2009 weather projections to ensure that the organisation's obligation under the Climate Change Act and the Adaptation reporting requirements are fulfilled as detailed in the Welsh Government statutory guidance documents 'Preparing for a changing climate Part 1 and part 2.

11 CONCLUSION

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

Signed by

Mr Steve Ham
Interim Chief Executive:
5th June 2015

Date: