

SWANSEA BAY UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

These accounts have been prepared by the Local Health Board 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 have, with the approval of the Treasury, directed.

Statutory background

The Local Health Board was established on 1st April 2019 under statutory instrument 2019 No.349 (W.83), the Local Health Boards (Area Change) (Wales) (Miscellaneous Amendment) Order 2019.

This statutory instrument transferred the principal local government area of Bridgend from Abertawe Bro Morgannwg University Local Health Board to Cwm Taf University Local Health Board in addition to confirming that Abertawe Bro Morgannwg University Local Health Board is renamed and is to be known as Swansea Bay University Local Health Board.

Swansea Bay University Local Health Board is responsible for the provision of healthcare services for the populations falling under the local government areas of Swansea and Neath Port Talbot.

On 1st April 2019 all staff property, assets and liabilities relating to services provided to the local government area of Bridgend transferred from Swansea Bay University Local Health Board to Cwm Taf Morgannwg Local Health Board. This transfer was undertaken in line with the Local Health Boards (Area Change) (transfer of Staff, Property and Liabilities) (Wales) Order 2019. The transfer was accounted for under absorption accounting rules.

The Health Board's predecessor organisation, Abertawe Bro Morgannwg University Health Board, was established on 1st October 2009 following the merger of the former Abertawe Bro Morgannwg University NHS Trust, Swansea Local Health Board, Neath Port Talbot Local Health Board and Bridgend Local Health Board, providing services to the local government areas of Swansea, Neath Port Talbot and Bridgend.

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2024-25. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the primary statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the Local Health Board which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1st April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

	Note	2025-26 £000	2024-25 £000
Expenditure on Primary Healthcare Services	3.1	242,880	227,549
Expenditure on healthcare from other providers	3.2	347,354	335,625
Expenditure on Hospital and Community Health Services	3.3	<u>1,224,348</u>	<u>1,178,189</u>
		1,814,582	1,741,363
Less: Miscellaneous Income	4	(353,190)	(330,267)
LHB net operating costs before interest and other gains and losses		1,461,392	1,411,096
Investment Revenue	5	0	0
Other (Gains) / Losses	6	34	103
Finance costs	7	<u>6,382</u>	<u>9,077</u>
Net operating costs for the financial year		<u>1,467,808</u>	<u>1,420,276</u>

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on page 27.

The notes on pages 8 to 76 form part of these accounts.

Other Comprehensive Net Expenditure

	2025-26 £000	2024-25 £000
Net (gain) / loss on revaluation of property, plant and equipment	(30,124)	(2,594)
Net (gain)/loss on revaluation of right of use assets	0	0
Net (gain) / loss on revaluation of intangible assets	0	0
Net (gain) loss on revaluation of financial assets	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	(69)
Impairment and reversals	0	0
(Gain)/Loss on other reserve movements	0	0
Transfers between reserves	1	0
Release of reserves to SoCNE	0	0
Transfers (to) / from other NHS Wales bodies	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	<u>(30,123)</u>	<u>(2,663)</u>
Total comprehensive net expenditure for the year	<u>1,437,685</u>	<u>1,417,613</u>

The notes on pages 8 to 76 form part of these accounts.

Statement of Financial Position as at 31 March 2026

		31 March	31 March
		2026	2025
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	11	662,280	597,819
Right of Use Assets	11.3	38,266	37,984
Intangible assets	12	1,610	2,058
Trade and other receivables	15	41,126	148,795
Other financial assets	16	0	0
Total non-current assets		743,282	786,656
Current assets			
Inventories	14	12,968	12,886
Trade and other receivables	15	230,543	102,323
Other financial assets	16	0	0
Cash and cash equivalents	17	2,751	3,444
		246,262	118,653
Non-current assets classified as "Held for Sale"	11	0	1,434
Total current assets		246,262	120,087
Total assets		989,544	906,743
Current liabilities			
Trade and other payables	18	(197,542)	(199,721)
Other financial liabilities	19	0	0
Provisions	20	(169,193)	(43,580)
Total current liabilities		(366,735)	(243,301)
Net current assets/ (liabilities)		(120,473)	(123,214)
Non-current liabilities			
Trade and other payables	18	(71,680)	(81,477)
Other financial liabilities	19	0	0
Provisions	20	(46,560)	(154,048)
Total non-current liabilities		(118,240)	(235,525)
Total assets employed		504,569	427,917
Financed by :			
Taxpayers' equity			
General Fund		412,330	358,950
Revaluation reserve		92,239	68,967
Total taxpayers' equity		504,569	427,917

The financial statements on pages 2 to 7 were approved by the Board on xx xx xxxx and signed on its behalf by:

Chief Executive and Accountable Officer Date: xx xx xxxx

The notes on pages 8 to 76 form part of these accounts.

**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2026**

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2025-26			
Balance as at 31 March 2025	358,950	68,967	427,917
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
Balance at 1 April 2025	358,950	68,967	427,917
Net operating cost for the year	(1,467,808)		(1,467,808)
Net gain/(loss) on revaluation of property, plant and equipment	0	30,124	30,124
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale	0	0	0
Net gain/(loss) on revaluation of financial assets held for sale	0	0	0
Impairments and reversals	0	0	0
Net gain/(loss) on other reserve movements	0	0	0
Transfers between reserves	6,851	(6,852)	(1)
Release of reserves to SoCNE	0	0	0
Transfers (to) / from other NHS Wales bodies	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0
Total recognised income and expense for 2025-26	(1,460,957)	23,272	(1,437,685)
Net Welsh Government funding	1,459,296		1,459,296
Notional Welsh Government Funding	55,041		55,041
Balance at 31 March 2026	412,330	92,239	504,569

Notional Welsh Government funding line includes 9.4% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split:

Notional 9.4% staff employer pension £55,016,000
Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £24,500

The notes on pages 8 to 76 form part of these accounts.

**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2025**

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2024-25			
Balance at 31 March 2024	340,985	66,845	407,830
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
Balance at 1 April 2024	<u>340,985</u>	<u>66,845</u>	<u>407,830</u>
Net operating cost for the year	(1,420,276)		(1,420,276)
Net gain/(loss) on revaluation of property, plant and equipment	0	2,594	2,594
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale	0	(69)	(69)
Net gain/(loss) on revaluation of financial assets held for sale	0	0	0
Impairments and reversals	0	0	0
Net gain/(loss) on other reserve movements	0	0	0
Transfers between reserves	403	(403)	0
Release of reserves to SoCNE	0	0	0
Transfers (to) / from other NHS Wales bodies	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0
Total recognised income and expense for 2024-25	<u>(1,419,873)</u>	<u>2,122</u>	<u>(1,417,751)</u>
Net Welsh Government funding	1,385,684		1,385,684
Notional Welsh Government Funding	52,154		52,154
Balance at 31 March 2025	<u>358,950</u>	<u>68,967</u>	<u>427,917</u>

Notional Welsh Government funding line includes 9.4% staff employer pension and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1st April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply.

However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

Notional Welsh Government funding split:

Notional 9.4% staff employer pension £52,138,000
Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £16,000

[The notes on pages 8 to 76 form part of these accounts.](#)

Statement of Cash Flows for year ended 31 March 2026

	2025-26 £000	2024-25 £000
Cash Flows from operating activities		
Net operating cost for the financial year	(1,467,808)	(1,420,276)
Movements in Working Capital	27 (26,832)	(18,355)
Other cash flow adjustments	28 129,436	118,628
Provisions utilised	20 (31,201)	(17,956)
Net cash outflow from operating activities	(1,396,405)	(1,337,959)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(50,432)	(35,357)
Proceeds from disposal of property, plant and equipment	1,530	552
Purchase of intangible assets	(251)	(829)
Proceeds from disposal of intangible assets	0	0
Payment for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Payment for other assets	0	0
Proceeds from disposal of other assets	0	0
Net cash inflow/(outflow) from investing activities	(49,153)	(35,634)
Net cash inflow/(outflow) before financing	(1,445,557)	(1,373,593)
Cash Flows from financing activities		
Welsh Government funding (including capital)	1,459,296	1,385,684
Capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes	(9,461)	(7,058)
Capital element of payments in respect of on-SoFP PFI	0	0
Capital element of payments in respect of Right of Use Assets	(4,971)	(4,413)
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	1,444,864	1,374,213
Net increase/(decrease) in cash and cash equivalents	(693)	620
Cash and cash equivalents (and bank overdrafts) at 1 April 2025	3,444	2,824
Cash and cash equivalents (and bank overdrafts) at 31 March 2026	2,751	3,444

The notes on pages 8 to 76 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHBs) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2025-26 Manual for Accounts. The accounting policies contained in that manual follow the 2025-26 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB 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 LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting convention

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

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. Income and funding

The main source of funding for the LHBs are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the LHB. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FREM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred. Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

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

1.4.2. 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.

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2025-26. From 1st April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency) from 6.3% to 9.4%.

However, NHS Wales' organisations are required to account for their staff employer contributions of 23.78% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see the Other Note within these accounts.

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 NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

1.4.3 PENSION COSTS

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2026, is based on valuation data as 31 March 2025, updated to 31 March 2026 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Station Office.

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

3
3
1

1

from
at

ted

ved
ary

ible

20.

th
here

1.4.4. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. 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.

1.5. 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.

1.6. Property, plant and equipment

1.6.1. 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 NHS Wales organisation;
- 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 treated as separate assets and depreciated over their own useful economic lives.

1.6.2. 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 services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation 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 end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1st April 2009.

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.

In 2022-23 a formal revaluation exercise was applied to land and properties. 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.

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 the 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 Expenditure (SoCNE).

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However, IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

1.6.3. 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 carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated, for All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs identified are then charged to operating expenses.

1.7. Intangible assets

1.7.1. Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the 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 NHS Wales organisation; 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 use the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.7.2 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.

1.8. Depreciation, amortisation and impairments

Freehold land, assets 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 NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation 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 NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

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

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 SoCNE on a systematic basis over the period expected to benefit from the project.

1.10 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.

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 SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

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 adjusted. The asset is derecognised when it is scrapped or demolished.

1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1st April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application Swansea Bay University LHB has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by Swansea Bay University LHB in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

Swansea Bay University LHB will not apply IFRS 16 to any new leases of intangible assets, applying the

List any other expedients employed by the entity (such as low value 5(b) or 15 on componentisation HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

The LHB is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 Swansea Bay University LHB has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

Swansea Bay University LHB is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 Swansea Bay University LHB as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The LHB employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the LHB applies a revised rate to the remaining lease liability.

Where existing leases are modified the LHB must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the LHB.

1.11.2 Swansea Bay University LHB as lessor

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

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

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

Where Swansea Bay University LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition Swansea Bay University LHB has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

1.12. Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. 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 three 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 (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14. Provisions

Provisions are recognised when the LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB 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 the discount rate 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 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 LHB 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 LHB 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.

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) 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 implemented in both 2024-25 and 2025-26. The WRPS is hosted by Velindre University NHS Trust.

1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre University NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1st April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

1.15. Financial Instruments

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

1.16. Financial assets

Financial assets are recognised on the SoFP when the LHB 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.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1. Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; '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.

1.16.2. Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.16.3 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.

1.16.4. 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 SoCNE on de-recognition.

1.16.5. 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 net carrying amount of the financial asset.

At the SOFP date, Swansea Bay University LHB 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 the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of 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 the SoCNE 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.

1.17. Financial liabilities

Financial liabilities are recognised on the SOFP when Swansea Bay University LHB 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.

1.17.1. Financial liabilities are initially recognised at fair value

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

1.17.2. Financial liabilities at fair value through the SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3. Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. 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.

1.18. Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation 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.

1.19. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21. 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 SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the LHB 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 register which is prepared on a cash basis.

Swansea Bay University LHB accounts for all losses and special payments gross (including assistance from the WRP).

Swansea Bay University LHB accrues or provides for the best estimate of future pay-outs for certain 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 WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.22. Pooled budgets

Swansea Bay University LHB has entered into pooled budgets with the City and County of Swansea and Neath Port Talbot County Borough Council Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by the City and County of Swansea. Payments for services provided are accounted for as miscellaneous income. Swansea Bay University LHB accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the 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. 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.

1.24. Key sources of estimation uncertainty

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

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1st April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

1.24.1. Provisions

Swansea Bay University LHB provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by Swansea Bay University LHB, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision * Contingent Liability for all other estimated expenditure
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

** Personal injury cases - Defence fee costs are provided for at 100%.*

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of 0.5%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury

1.24.3 Primary Care Expenditure

As in previous years, due to the short timescale available to prepare the year end accounts, the primary care expenditure disclosed contains a number of significant estimates where the value of the actual liabilities was not available prior to the date for accounts submission, the most material areas being:

General Medical Services Quality and Assurance Improvement Framework (QAIF)

From 1st October 2019, QAIF was introduced as part of the 2019/20 GMS contract reform, replacing the quality and outcomes framework. Under both schemes, GP Practices achieve a certain level of points and these are multiplied by a financial value per point to establish the payments due.

Clinical QAIF domains transferred into Core contract from 1 October 2022, resulting in a transfer of funding into Global Sum (GSUM). This quantum represents full achievement in all indicators for all practices moving into total GSUM and then distributed to practices via the Carr-Hill formula. The removal of Assurance indicators from the framework means that QAIF has become QIF (Quality Improvement Framework).

The points that are remaining in the Quality Improvement domains, namely Access (100 pts) and the newly drafted mandatory QI projects (170 pts), were revalued at £206.96 per point for 2025/26.

This compares to the 2021/22 points of Access (125 pts) and QI projects (185 pts) and QA projects (382 pts).

An amount has therefore been accrued on the basis of the number of points achieved by each GP Practice in 2025/26 capped at 270 points payable at £206.96 per point.

1.24.4 Prescribing Costs

For 2025/26, the Health Board has used the accrual methodology used in previous years, and will accrue prescribing costs for the months of February and March 2026.

The costs are derived using the average daily charge for the 4 month period October to January to calculate an average weighted daily run rate for prescribing. This weighted daily run rate is based on 50% calendar days in the month and 50% prescribing days in the month. This average cost is then applied to the number of days in February and March to arrive at an amount for accrual.

As in previous years, this amount will then be reviewed to take into account the estimated impact of the growth factor that was seen previously at the latter end of 2024/25.

1.24.5 Pharmacy

As in prior years, the run rate for November to January will be used to accrue for February and March due to several changes to the fees and allowances within the pharmacy contract from April to October.

This approach will be used again for 2025-26 with estimated adjustments made for the increase in contract price per item for February and March 2026.

1.25 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities to be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined to be included.

1.26 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The LHB therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.26.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.26.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the LHB's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.26.3. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised.

Prior year treatment

It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes as from 1st April 2023.

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023-24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement - the future PPP liability will need to be remeasured at 1st April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

1.26.5. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the LHB's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.26.6. Assets contributed by the LHB to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHB's SoFP.

1.26.7. Other assets contributed by the LHB to the operator

Assets contributed (e.g. cash payments, surplus property) by the LHB to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the LHB, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

1.27. 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 LHB, 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 LHB. 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. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28. 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.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.29. Accounting standards that have been issued but not yet been adopted

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

IFRS14 Regulatory Deferral Accounts - Not UK endorsed. Applies to first time adopters of IFRS after 1st January 2016. Therefore not applicable.

IFRS 18 Presentation and Disclosure in Financial Statements - Application required for accounting periods beginning on or after 1st January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - Application required for accounting periods beginning on or after 1st January 2027. Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2025-26 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, Swansea Bay University LHB has established that as it is the corporate trustee of the Swansea Bay University LHB NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Swansea Bay University LHB NHS Charitable Fund as a subsidiary. The determination of control is an accounting standard test of control and there has been no change to the operation of the Swansea Bay University LHB NHS Charitable Fund or its independence in its management of charitable funds.

Whilst there is a requirement to consolidate the results of the Swansea Bay University LHB NHS Charitable Fund within the statutory accounts of the LHB, Swansea Bay University LHB has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate.

Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts.

Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1st April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1st April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years;
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2023-24 £000	2024-25 £000	2025-26 £000	Total £000
Net operating costs for the year	1,282,337	1,420,276	1,467,808	4,170,421
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,562	833	615	3,010
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	(2,711)	(3,352)	261	(5,802)
Less any non funded revenue consequences of IFRS 16	0	0	0	0
Total operating expenses	1,281,188	1,417,757	1,468,684	4,167,629
Revenue Resource Allocation	1,264,375	1,375,303	1,415,523	4,055,201
Under /(over) spend against Allocation	(16,813)	(42,454)	(53,161)	(112,428)

Swansea Bay University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2023-24 to 2025-26.

The Health Board received £55m Strategic cash support and £19.28m of Working Capital cash support from Welsh Government during 2025-26. This support has been provided by Welsh Government to assist the Health Board with making payments to staff and suppliers; there is no requirement for this funding to be repaid.

2.2 Capital Resource Performance

	2023-24	2024-25	2025-26	Total
	£000	£000	£000	£000
Gross capital expenditure	64,390	56,723	58,106	179,219
Add: Losses on disposal of donated assets	0	0	43	43
Less NBV on disposal of property, plant and equipment, right of use and intangible assets	(399)	(654)	(1,564)	(2,617)
Adjustment for transfers (to)/from NHS Trusts	0	0	0	0
Less capital grants received	0	(983)	(151)	(1,134)
Less donations received	(259)	(331)	(275)	(865)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	(852)	(255)	(1,107)
Charge against Capital Resource Allocation	63,732	53,903	55,904	173,539
Capital Resource Allocation	63,787	53,964	55,953	173,704
(Over) / Underspend against Capital Resource Allocation	55	61	49	165

Swansea Bay University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2023-24 to 2025-26.

2.3 Duty to prepare a 3 year integrated plan

The NHS Wales Planning Framework for the period 2025-2028 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government which sets out its strategy for securing that it complies with its 'break even' duty, whilst improving the health of the people for whom it is responsible and the provision of healthcare to such people.

The Swansea Bay LHB did not submit an Integrated Medium Term Plan for the period 2025-2028 in accordance with section 175(2) of the National Health Service (Wales) Act 2006 (as amended by NHS Finance (Wales) Act 2014) and the NHS Wales Planning Framework.

As the LHB was unable to submit a balanced integrated medium-term plan in accordance with NHS Wales Planning Framework the Board submitted an Annual Plan for 2025-26 on 31st March 2025. This plan did not include a break-even position. A response to the Annual Plan was published by Welsh Governance on 11th April 2025. Through May, June and July the Health Board was in regular correspondence with Welsh Government on the Annual Plan.

With the support of Welsh Government, the Health Board commissioned External Strategic Support focusing on 9 key deliverables, but for 2025-26 the key focus was on the identification and delivery of savings. Throughout 2025-26 the LHB worked with WG and its external partner to identify options to address savings target set out within the annual plan and in September a formal update was provided to Welsh Government aligned to the paper presented at the Special Board on 11 September. Work continued throughout the remainder of 2025-26 on this issue of savings delivery. However, the LHB has been unable to meet its statutory duty to have an approved financial plan.

The Minister for Health and Social Services extant approval

Status
Date

xx/xx/xxxx

Swansea Bay LHB has not therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

The LHB 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 LHB has achieved the following results:

	2025-26	2024-25
Total number of non-NHS bills paid	279,381	297,249
Total number of non-NHS bills paid within target	269,486	282,501
Percentage of non-NHS bills paid within target	96.5%	95.0%

The LHB has met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2025-26 Total £000	2024-25 Total £000
General Medical Services	80,827		80,827	80,023
Pharmaceutical Services	26,089	(6,724)	19,365	19,536
General Dental Services	32,549		32,549	31,392
General Ophthalmic Services	3,584	6,109	9,693	8,181
Other Primary Health Care expenditure	11,045		11,045	3,316
Prescribed drugs and appliances	89,401		89,401	85,101
Total	243,495	(615)	242,880	227,549

Return of excess funds from primary care contractors are included in the figures above

Included within other notes to the accounts

Additional Primary Care Expenditure	Positive	0	0
Additional Primary Care Income	Negative	(5,329)	(5,294)
Overall total		237,551	222,255

3.2 Expenditure on healthcare from other providers

	2025-26 £000	2024-25 £000
Goods and services from other NHS Wales Health Boards	33,641	36,072
Goods and services from other NHS Wales Trusts	9,123	9,556
Goods and services from Welsh Special Health Authorities	1,862	2,102
Goods and services from other non Welsh NHS bodies	1,985	1,269
Goods and services from NHSW JCC	157,008	146,913
Local Authorities	14,668	18,871
Voluntary organisations	9,392	7,297
NHS Funded Nursing Care	10,298	10,039
Continuing Care	99,732	92,132
Private providers	8,968	10,778
Specific projects funded by the Welsh Government	0	0
Other	677	596
Total	347,354	335,625

3.3 Expenditure on Hospital and Community Health Services

	2025-26	2024-25
	£000	£000
Directors' costs	2,182	2,548
Operational Staff costs	875,603	826,855
Single lead employer Staff Trainee Cost	46,665	44,947
Collaborative Bank Staff Cost	(2)	0
Supplies and services - clinical	183,342	181,653
Supplies and services - general	13,415	11,628
Consultancy Services	3,447	678
Establishment	20,677	20,423
Transport	1,806	1,353
Premises	34,182	34,032
External Contractors	6,326	4,879
Depreciation	36,751	33,830
Depreciation Right of Use assets (RoU)	5,511	4,965
Amortisation	952	1,433
Fixed asset impairments and reversals (Property, plant & equipment)	(19,378)	8,840
Fixed asset impairments and reversals (RoU Assets)	0	0
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	462	410
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	7,050	(3,704)
Research and Development	6,160	5,465
Expense related to short-term leases	0	0
Expense related to low-value asset leases (excluding short-term leases)	0	0
Other operating expenses	(803)	(2,046)
Total	1,224,348	1,178,189

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2025-26	2024-25
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	40,325	18,822
Primary care	1,904	2,009
Redress Secondary Care	615	984
Redress Primary Care	0	0
Personal injury	670	976
All other losses and special payments	4,184	55
Defence legal fees and other administrative costs	2,064	837
Gross increase/(decrease) in provision for future payments	49,762	23,683
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	0	0
Less: income received/due from Welsh Risk Pool	(42,712)	(27,387)
Total	7,050	(3,704)

	2025-26	2024-25
	£	£
Permanent injury included within personal injury £:	2,000	(420,000)

4. Miscellaneous Income

	2025-26 £000	2024-25 £000
Local Health Boards	109,550	107,585
NHSW Joint Commissioning Committee	163,011	151,170
NHS Wales trusts	10,745	8,883
Welsh Special Health Authorities	24,272	20,497
Foundation Trusts	0	0
Other NHS England bodies	2,815	2,856
Other NHS Bodies	0	4
Local authorities	7,557	6,983
Welsh Government	1,440	1,520
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	0	0
Dental fee income	3,250	3,185
Private patient income	1,032	741
Overseas patients (non-reciprocal)	413	394
Injury Costs Recovery (ICR) Scheme	1,057	1,007
Other income from activities	3,712	2,940
Patient transport services	0	0
Education, training and research	9,497	9,425
Charitable and other contributions to expenditure	276	469
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	274	332
Receipt of Government granted assets	151	983
Right of Use Grant (Peppercorn Lease)	0	175
Non-patient care income generation schemes	1,518	669
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	199	154
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	304	44
Other income:		
Provision of laundry, pathology, payroll services	341	351
Accommodation and catering charges	2,897	3,152
Mortuary fees	241	171
Staff payments for use of cars	7,297	5,888
Business Unit	0	0
Scheme Pays Reimbursement Notional	(123)	(123)
Other	1,464	812
Total	353,190	330,267
Other income Includes;		
Grant income	29	12
Pharmacy and other sales income	13	39
Clinical trial income	249	163
All other income	1,173	598
Licence Fee Income	0	0
Total	1,464	812

Injury Cost Recovery (ICR) Scheme income

	2025-26 %	2024-25 %
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	24.62	24.45

5. Investment Revenue

	2025-26 £000	2024-25 £000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	0	0

6. Other gains and losses

	2025-26 £000	2024-25 £000
Gain/(loss) on disposal of property, plant and equipment	(40)	(107)
Gain/(loss) on disposal other than by sale of right of use assets	0	(1)
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	5
Gain/(loss) on disposal of financial assets	6	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	(34)	(103)

7. Finance costs

	2025-26 £000	2024-25 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	1,209	991
Interest on obligations under PFI contracts;		
main finance cost	3,187	3,527
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	1,879	4,450
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	6,275	8,968
Provisions unwinding of discount	107	109
Other finance costs	0	0
Total	6,382	9,077

8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

LHB as lessee

As at 31st March 2026 the Health Board had 455 leases agreements in place; 311 arrangements in respect of equipment, 133 in respect of vehicles and 11 in respect of land and buildings.

The periods in which the remaining agreements will expire are shown below:

	2025-26	2025-26	2025-26	2024-25
	Low Value & Short Term	Other	Total	Total
	£000	£000	£000	£000
Payments recognised as an expense				
Minimum lease payments	935	356	1,291	1,190
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	935	356	1,291	1,190
Total future minimum lease payments				
Payable	£000	£000	£000	£000
Not later than one year	568	236	804	580
Between one and five years	1,647	214	1,861	514
After 5 years	150	404	554	638
Total	2,365	854	3,219	1,732

LHB as lessor

	2025-26	2024-25
	£000	£000
Rental revenue		
Rent	304	44
Contingent rents	0	0
Total revenue rental	304	44
Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	680	180
Between one and five years	2,556	701
After 5 years	3,828	63
Total	7,063	944

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2024-25
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	676,170	2,652	2,955	35,774	0	4,643	722,194	701,676
Social security costs	75,454	0	0	5,707	0	765	81,926	57,948
Employer contributions to NHS Pension Scheme	124,248	0	0	5,514	(2)	0	129,760	122,335
Other pension costs	97	0	0	0	0	0	97	118
Other employment benefits	0	0	0	0	0	0	0	0
Termination benefits	21	0	0	0	0	0	21	0
Total	875,990	2,652	2,955	46,995	(2)	5,408	933,998	882,077

Charged to capital							1,046	791
Charged to revenue							932,952	881,286
							933,998	882,077

Net movement in accrued employee benefits (untaken staff leave) 0 0

The employer contributions to the NHS Pension Scheme disclosed above include £55.016m (2024/25 £52.138m) of NHS Pension contributions paid by Welsh Government for the twelve month period, 1 April 2025 to 31 March 2026. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2025 and February 2026 alongside Health Board data for March 2026.

This expenditure accounted for by the health board as notional expenditure paid to NHS BSA by Welsh Government has been covered off by notional funding provided to the health board. There is therefore no impact on the health board's Revenue Resource Performance as a result of the inclusion of these notional transactions. Further information is disclosed in Note 34.1.

Included within Note 9.1 above are £205k (2024/25 £230k) of final pay control charges relating to 5 (2024/25, 14+) individuals.

The £5,408k (2024/25 £5,691k) other staffing cost in Note 9.1 relates to the cost of temporary staff sourced through the MEDACS managed service contract

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2024-25
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,379	9	3	0	0	0	2,391	2,444
Medical and dental	942	13	10	481	0	59	1,505	1,508
Nursing, midwifery registered	4,252	2	20	0	0	0	4,274	4,243
Professional, Scientific, and technical staff	442	1	0	0	0	0	443	414
Additional Clinical Services	2,561	0	20	0	0	0	2,581	2,683
Allied Health Professions	1,028	2	7	0	0	0	1,037	1,008
Healthcare Scientists	372	1	46	0	0	0	419	374
Estates and Ancillary	952	0	4	0	0	0	956	963
Students	0	0	0	0	0	0	0	0
Total	12,928	28	110	481	0	59	13,606	13,637

9.3. Retirements due to ill-health

	2025-26	2024-25
Number	14	18
Estimated additional pension costs £	1,251,349	1,277,658

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. These additional pension costs have been calculated on an average basis and will be borne by the NHS Pension Scheme.

9.4 Employee benefits

Swansea Bay ULHB does not have an employee benefit scheme.

9.5 Reporting of other compensation schemes - exit packages

9.5.1 Exit Packages Costs and Numbers

	2025-26	2025-26	2025-26	2025-26	2024-25
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	5
£10,000 to £25,000	0	1	1	0	3
£25,000 to £50,000	0	3	3	0	6
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	1	1	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	5	5	0	14

	2025-26	2025-26	2025-26	2025-26	2024-25
Exit packages cost band (including any special payment element)	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	0	0	0	0	16,687
£10,000 to £25,000	0	21,262	21,262	0	45,832
£25,000 to £50,000	0	97,948	97,948	0	196,895
£50,000 to £100,000	0	0	0	0	0
£100,000 to £150,000	0	106,919	106,919	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	226,129	226,129	0	259,414

Total Exit Costs Paid in Year	Total paid in year	Total paid in year
	2025-26	2024-25
	£	£
Exit costs paid in year	204,867	229,863
Total	204,867	229,863

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

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS).

£204,867 exit costs were paid in 2025-26 (2024-25, £229,863).

Where the LHB has agreed early retirements, the additional costs are met by the LHB 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.

9.5 Reporting of other compensation schemes - exit packages continued

9.5.2 Analysis of other departures

Type of other departures	2025-26 Agreements Number	2025-26 Total value of agreements £
Voluntary redundancies including early retirement contractual costs	5	226,129
Contractual payments in lieu of notice*	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring Welsh Government Approval**	0	0
Other please specify	0	0
 Total	 5	 226,129

This disclosure provides detail for the number and value of exit packages agreed in the year.

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 9.5.1 which will be the number of individuals.

There were no non-contractual severance payments made during 2025/26.

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

	£'000			£'000		
	2025-26			2024-25		
	2025-26	2025-26	2025-26	2024-25	2024-25	2024-25
	£	£	Ratio	£	£	Ratio
Total Pay and benefits						
Chief Executive Total pay and benefits range	000-000			000-000		
Highest paid Director Total pay and benefits range	000-000			000-000		
	Chief Executive	Employee	Ratio	Chief Executive	Employee	Ratio
Total pay and benefits mid-point						
25th percentile pay ratio	227,390	26,156	8.69:1	227,265	28,240	8.11:1
Median pay	227,390	34,940	6.51:1	227,265	35,871	6.31:1
75th percentile pay ratio	227,390	43,272	5.25:1	227,265	49,254	4.63:1
Salary component of total pay and benefits						
25th percentile pay ratio	227,390	26,156		227,265	28,240	
Median pay	227,390	34,940		227,265	35,871	
75th percentile pay ratio	227,390	43,272		227,265	49,254	
	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
Total pay and benefits mid-point						
25th percentile pay ratio	227,390	26,156	8.69:1	227,265	28,240	8.11:1
Median pay	227,390	34,940	6.51:1	227,265	35,871	6.31:1
75th percentile pay ratio	227,390	43,272	5.25:1	227,265	49,254	4.63:1
Salary component of total pay and benefits						
25th percentile pay ratio	227,390	26,156		227,265	28,240	
Median pay	227,390	34,940		227,265	35,871	
75th percentile pay ratio	227,390	43,272		227,265	49,254	

In 2025-26, 31 (2024-25, 24) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £23,875 to £218,519 (2024-25, £23,970 to £323,663).

The all staff range includes directors with the exception of the highest paid CEO Director as appropriate and excludes the non-executive directors and excludes pension benefits of all employees

Financial Year Summary

The increase in the ratio of the Chief Executive salary to the 25th percentile, median and 75% percentile is due to differing pay awards - Very Senior Managers 3.25%, A4C 3.6% and Medical & Dental staff 4%. The change of Chief Executive Officer during 2024/25 has also impacted.

9.6.2 Percentage Changes	2024-25	2023-24
	to	to
	2025-26	2024-25
	%	%
% Change from previous financial year in respect of Chief Executive		
Salary and allowances	3.76%	1.07%
Performance pay and bonuses	0.00%	0.00%
% Change from previous financial year in respect of highest paid director		
Salary and allowances	3.76%	1.07%
Performance pay and bonuses	0.00%	0.00%
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	-1.77%	5.51%
Performance pay and bonuses	0.00%	0.00%

The health board does not pay any performance pay or other bonuses.

9.7 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2026, is based on valuation data as at 31 March 2024, updated to 31 March 2026 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 Statement by the Actuary which forms part of the annual NHS Pension Scheme Annual Report and Accounts.

These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new

c) 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.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2025-26 tax year (2024-25 £6,240 and £50,270).

Restrictions on the annual contribution limits were removed on 1st April 2017.

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards 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 Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2025-26	2025-26	2024-25	2024-25
NHS	Number	£000	Number	£000
Total bills paid	7,007	291,795	5,404	313,634
Total bills paid within target	6,201	276,954	4,504	292,436
Percentage of bills paid within target	88.5%	94.9%	83.3%	93.2%
Non-NHS				
Total bills paid	279,381	548,605	297,249	502,648
Total bills paid within target	269,486	518,628	282,501	468,300
Percentage of bills paid within target	96.5%	94.5%	95.0%	93.2%
Total				
Total bills paid	286,388	840,400	302,653	816,282
Total bills paid within target	275,687	795,582	287,005	760,736
Percentage of bills paid within target	96.3%	94.7%	94.8%	93.2%

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

	2025-26	2024-25
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

11.1 Property, plant and equipment

2025-26

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2025	38,540	499,370	11,018	21,428	130,509	938	41,794	4,738	748,335
Indexation	1,013	31,897	1,365	0	0	0	0	0	34,275
Additions									
- purchased	1,037	2,898	0	30,133	10,505	0	6,595	244	51,412
- donated	0	33	0	0	229	0	2	12	276
- government granted	0	0	0	151	0	0	0	0	151
Transfer from/into other NHS bodies	0	0	0	0	10	0	0	0	10
Reclassifications	0	14,471	0	(18,578)	1,542	0	2,565	0	0
Revaluations	0	(1,491)	0	0	0	0	0	0	(1,491)
Reversal of impairments	204	29,973	0	0	0	0	0	0	30,177
Impairments	0	(15,646)	0	0	0	0	(630)	0	(16,276)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(9,941)	(275)	(4,273)	(1,154)	(15,643)
At 31 March 2026	40,794	561,505	12,383	33,134	132,854	663	46,053	3,840	831,226
Depreciation at 1 April 2025	0	35,287	1,023	0	84,133	597	26,886	2,590	150,516
Indexation	0	4,372	127	0	0	0	0	0	4,499
Transfer from/into other NHS bodies	0	0	0	0	10	0	0	0	10
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(1,839)	0	0	0	0	0	0	(1,839)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(5,478)	0	0	0	0	0	0	(5,478)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(9,811)	(275)	(4,273)	(1,154)	(15,513)
Provided during the year	0	18,648	383	0	12,092	80	5,133	415	36,751
At 31 March 2026	0	50,990	1,533	0	86,424	402	27,746	1,851	168,946
Net book value at 1 April 2025	38,540	464,083	9,995	21,428	46,376	341	14,908	2,148	597,819
Net book value at 31 March 2026	40,794	510,515	10,850	33,134	46,430	261	18,307	1,989	662,280
Net book value at 31 March 2026 comprises :									
Purchased	40,794	506,746	10,850	32,174	45,172	261	18,301	1,880	656,178
Donated	0	2,940	0	0	713	0	6	109	3,768
Government Granted	0	829	0	960	545	0	0	0	2,335
At 31 March 2026	40,794	510,516	10,850	33,134	46,430	261	18,307	1,989	662,280
Asset financing :									
Owned	40,794	510,515	8,890	(39,911)	46,430	261	18,307	1,989	587,275
On-SoFP PPP/PFI contracts	0	0	1,960	73,045	0	0	0	0	75,005
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2026	40,794	510,515	10,850	33,134	46,430	261	18,307	1,989	662,280

The net book value of land, buildings and dwellings at 31 March 2026 comprises :

	£000
Freehold	562,159
Long Leasehold	0
Short Leasehold	0
	562,159

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account. 0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 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.

11.1 Property, plant and equipment

2024-25

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2024	39,700	474,359	10,823	28,131	149,366	1,660	41,454	4,459	749,952
Indexation	349	2,494	195	0	0	0	0	0	3,038
Additions									
- purchased	120	699	0	29,758	8,669	0	3,651	392	43,289
- donated	0	0	0	0	221	0	2	108	331
- government granted	0	0	0	886	97	0	0	0	983
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	(100)	36,354	0	(37,347)	519	0	496	0	(78)
Revaluations	(69)	0	0	0	0	0	0	0	(69)
Reversal of impairments	74	6,053	0	0	0	0	0	0	6,127
Impairments	0	(20,376)	0	0	0	0	0	0	(20,376)
Reclassified as held for sale	(1,434)	0	0	0	0	0	0	0	(1,434)
Disposals	(100)	(213)	0	0	(28,363)	(722)	(3,809)	(221)	(33,428)
At 31 March 2025	38,540	499,370	11,018	21,428	130,509	938	41,794	4,738	748,335
Depreciation at 1 April 2024	0	23,985	670	0	100,989	1,230	25,361	2,359	154,594
Indexation	0	432	12	0	0	0	0	0	444
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(5,409)	0	0	0	0	0	0	(5,409)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	(38)	0	0	(28,153)	(722)	(3,809)	(221)	(32,943)
Provided during the year	0	16,317	341	0	11,297	89	5,334	452	33,830
At 31 March 2025	0	35,287	1,023	0	84,133	597	26,886	2,590	150,516
Net book value at 1 April 2024	39,700	450,374	10,153	28,131	48,377	430	16,093	2,100	595,358
Net book value at 31 March 2025	38,540	464,083	9,995	21,428	46,376	341	14,908	2,148	597,819
Net book value at 31 March 2025 comprises :									
Purchased	38,540	460,600	9,995	20,619	44,811	341	14,901	2,040	591,847
Donated	0	2,720	0	0	657	0	7	108	3,492
Government Granted	0	763	0	809	908	0	0	0	2,480
At 31 March 2025	38,540	464,083	9,995	21,428	46,376	341	14,908	2,148	597,819
Asset financing :									
Owned	36,640	397,705	9,995	21,428	46,376	341	14,908	2,148	529,541
On-SoFP PPP/PFI contracts	1,900	66,378	0	0	0	0	0	0	68,278
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2025	38,540	464,083	9,995	21,428	46,376	341	14,908	2,148	597,819

The net book value of land, buildings and dwellings at 31 March 2025 comprises :

	£000
Freehold	512,618
Long Leasehold	0
Short Leasehold	0
	<u>512,618</u>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 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.

11. Property, plant and equipment (continued)**Disclosures:****(i) Donated Assets**

The majority of donated assets were purchased from SBU Charitable funds.

(ii) Valuations

The LHBs land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

The LHB 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 IAS 16 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 operation.

(iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings asset lives are as determined by the Valuation Office Agency and range from 2 to 84.
- Equipment assets are allocated lives on based on the professional judgement and past experience of clinicians, finance staff and other Health Board professionals. The appropriateness of these lives is reviewed regularly.
- Medical Equipment range from 5 to 15 Years.
- Non-clinical Equipment - 5 Years.
- Vehicles - 7 Years.
- Furniture - 10 Years.
- IMT Hardware & Software - 5 years or reflects contract life for some software assets.

(iv) Compensation

There has not been any compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

(v) Write Downs

There have been six DEL impairments for the following schemes which are not continuing:

- Management Centre, Morriston - £0.039m
- Modular Theatres, Singleton - £0.459m
- Morriston Pharmacy Space Modifications - £0.006m
- Regional Pathology Services at Morriston - £2.259m
- RMHSS P7 Phillips Parade Westfa - £0.027m
- TOMs – Development & Roll Out - £0.630m

(vi) Open Market Value

11. Property, plant and equipment

11.2 Non-current assets held for sale

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2025	1,434	0	0	0	0	1,434
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	(1,434)	0	0	0	0	(1,434)
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	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
Balance carried forward 31 March 2026	0	0	0	0	0	0
Balance brought forward 1 April 2024	170	0	0	0	0	170
Plus assets classified as held for sale in the year	1,434	0	0	0	0	1,434
Revaluation	0	0	0	0	0	0
Less assets sold in the year	(170)	0	0	0	0	(170)
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	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
Balance carried forward 31 March 2025	1,434	0	0	0	0	1,434

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. Most are individually insignificant, however, £27.338m are significant in their own right:
 - Briton Ferry PCC (GP1 Premises) held under land and buildings NBV at 31 March 2026 £1,115k ; Briton Ferry PCC (GP2 Premises) held under land and buildings NBV at 31 March 2026 £1,018k;
 - Mayhill PCC held under land and buildings NBV at 31 March 2026 £1,130k; Port Talbot Resource Centre held under land and buildings NBV at 31 March 2026 £1,193k
 - Vale of Neath PCC (GP2 Premises) held under land and buildings NBV at 31 March 2026 £2,310k; NPT Modular Orthopaedic Theatres held under land and buildings NBV at 31 March 2026 £11,831k
 - Health Records Facility held under land and buildings NBV at 31 March 2026 £3,893k; Surgical Robot held under plant and machinery NBV at 31 March 2026 £1,991k
 - Renal Dialysis unit - Bridgend held under land and buildings NBV at 31 March 2026 £1,014k; Roche - Laboratory Diagnostics, Point of Care Testing & Pathology Managed Services held under plant and machinery NBV at 31 March 2026 £1,843k

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2025-26									
Cost or valuation at 1 April 2025	0	39,161	0	0	7,991	810	1,246	0	49,208
Additions	0	1,617	0	0	3,013	438	729	0	5,797
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	(500)	0	0	(1,007)	(279)	0	0	(1,786)
At 31 March 2026	0	40,278	0	0	9,997	969	1,975	0	53,219
Depreciation at 1 April 2025	0	8,068	0	0	1,910	493	753	0	11,224
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	(496)	0	0	(1,007)	(279)	0	0	(1,782)
Provided during the year	0	3,744	0	0	1,318	202	247	0	5,511
At 31 March 2026	0	11,316	0	0	2,221	416	1,000	0	14,953
Net book value at 1 April 2025	0	31,093	0	0	6,081	317	493	0	37,984
Net book value at 31 March 2026	0	28,962	0	0	7,776	553	975	0	38,266
RoU Asset Total Value Split by Lessor									
	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	14	0	0	0	0	0	0	14
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	0	154	0	0	0	0	0	0	154
Other Public Sector Market Value Leases	0	54	0	0	0	0	0	0	54
Private Sector Peppercorn Leases	0	767	0	0	0	0	0	0	767
Private Sector Market Value Leases	0	27,973	0	0	7,776	553	975	0	37,277
Total	0	28,962	0	0	7,776	553	975	0	38,266

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. Most are individually insignificant, however, ten are significant in their own right:
 - Briton Ferry PCC (GP1 Premises) held under land and buildings NBV at 31 March 2025 £1,100k; - Briton Ferry PCC (GP2 Premises) held under land and buildings NBV at 31 March 2025 £1,004k
 - Mayhill PCC held under land and buildings NBV at 31 March 2025 £1,123k; - Port Talbot Resource Centre held under land and buildings NBV at 31 March 2025 £1,544k
 - Vale of Neath PCC (GP2 Premises) held under land and buildings NBV at 31 March 2025 £2,483k; - NPT Modular Orthopaedic Theatres held under land and buildings NBV at 31 March 2025 £13,036k
 - Pontardawe PCC held under land and buildings NBV at 31 March 2025 £1,030k; - Health Records Facility held under land and buildings NBV at 31 March 2025 £4,081k
 - Surgical Robot held under plant and machinery NBV at 31 March 2025 £2,386k; - Renal Dialysis unit - Bridgend held under land and buildings NBV at 31 March 2025 £1,068k

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2024-25									
Cost or valuation at 1 April 2024	0	31,962	0	0	3,791	887	1,101	0	37,741
Additions	0	7,199	0	0	4,200	95	198	0	11,692
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	(25)	0	0	(25)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	(147)	(53)	0	(200)
At 31 March 2025	0	39,161	0	0	7,991	810	1,246	0	49,208
Depreciation at 1 April 2024	0	4,674	0	0	1,062	433	303	0	6,472
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	(11)	0	0	(11)
Reclassifications	0	0	0	0	(251)	(11)	251	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	(147)	(53)	0	(200)
Provided during the year	0	3,394	0	0	1,099	218	252	0	4,963
At 31 March 2025	0	8,068	0	0	1,910	493	753	0	11,224
Net book value at 1 April 2024	0	27,288	0	0	2,729	454	798	0	31,269
Net book value at 31 March 2025	0	31,093	0	0	6,081	317	493	0	37,984
RoU Asset Total Value Split by Lessor									
	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercom Leases	0	27	0	0	0	0	0	0	27
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercom Leases	0	202	0	0	0	0	0	0	202
Other Public Sector Market Value Leases	0	0	0	0	0	0	0	0	0
Private Sector Peppercom Leases	0	788	0	0	0	0	0	0	788
Private Sector Market Value Leases	0	30,076	0	0	6,081	317	493	0	36,967
Total	0	31,093	0	0	6,081	317	493	0	37,984

11.3 Right of Use Assets continued

Quantitative disclosures

	2025-26	2025-26	2025-26	2025-26	2024-25
	Land	Buildings	Other	Total	Total
	£000	£000	£000	£000	£000
Maturity analysis					
Contractual undiscounted cash flows relating to lease liabilities					
Less than 1 year	0	3,994	2,704	6,698	5,427
2-5 years	0	14,449	5,960	20,409	18,781
> 5 years	0	13,424	1,963	15,387	18,142
Less finance charges allocated to future periods	0	(4,164)	(1,238)	(5,402)	(5,829)
Total	0	27,703	9,389	37,092	36,521
Lease Liabilities (net of irrecoverable VAT)				2025-26	2024-25
Current				5,588	4,357
Non-Current				31,504	32,164
Total				37,092	36,521
Amounts Recognised in Statement of Comprehensive Net Expenditure				2025-26	2024-25
Depreciation				5,511	4,965
Impairment				0	0
Variable lease payments not included in lease liabilities - Interest expense				1,209	991
Sub-leasing income				0	0
Expense related to short-term leases				0	0
Expense related to low-value asset leases (excluding short-term leases)				0	0
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)					
Interest expense				(1,209)	(991)
Repayments of principal on leases				(4,971)	(4,413)
Total				(6,180)	(5,404)

**12. Intangible non-current assets
2025-26**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2025	13,939	0	1,108	0	0	43	15,090
Revaluation	0	0	0	0	0	0	0
Reclassifications	124	0	0	0	0	(124)	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	423	0	0	0	0	81	504
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2026	14,486	0	1,108	0	0	0	15,594
Amortisation at 1 April 2025	12,768	0	264	0	0	0	13,032
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	952	0	0	0	0	0	952
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2026	13,720	0	264	0	0	0	13,984
Net book value at 1 April 2025	1,171	0	844	0	0	43	2,058
Net book value at 31 March 2026	766	0	844	0	0	0	1,610
NBV at 31 March 2026							
Purchased	766	0	844	0	0	0	1,610
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2026	766	0	844	0	0	0	1,610

**12. Intangible non-current assets
2024-25**

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2024	13,478	0	1,108	0	0	0	14,586
Revaluation	0	0	0	0	0	0	0
Reclassifications	78	0	0	0	0	0	78
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	383	0	0	0	0	43	426
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2025	13,939	0	1,108	0	0	43	15,090
Amortisation at 1 April 2024	11,482	0	117	0	0	0	11,599
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	1,286	0	147	0	0	0	1,433
Reclassified as held for sale	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2025	12,768	0	264	0	0	0	13,032
Net book value at 1 April 2024	1,996	0	991	0	0	0	2,987
Net book value at 31 March 2025	1,171	0	844	0	0	43	2,058
NBV at 31 March 2025							
Purchased	1,171	0	844	0	0	43	2,058
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2025	1,171	0	844	0	0	43	2,058

Additional Disclosures re Intangible Assets

Disclosures:

(i) Donated Assets

Swansea Bay University LHB has not received any donated intangible assets during the year.

(ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

(iii) Asset Lives

The Useful Economic Lives (UEL) of intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL with the UEL of any internally generated software being based on the professional judgement of Health Board professionals and finance staff.

(iv) Additions during the period

Additions during 2025/26 relate to software

(v) Disposals during the period

There were no disposals during 2025/26.

vi) Transfers into other NHS Bodies

Swansea Bay University LHB has not received any intangible assets transferred from another NHS body.

13 . Impairments

	2025-26	2025-26	2025-26	2025-26	2025-26	2025-26
	Property, plant & equipment	Right of Use Assets	Intangible assets	Held for sale assets	Financial Assets	Total Asset Impairment
	£000	£000	£000	£000	£000	£000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	3,421	0	0	0	0	3,421
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	0	0	0	0	0	0
Others (specify)	7,377	0	0	0	0	7,377
Reversal of Impairments	(30,176)	0	0	0	0	(30,176)
Total of all impairments	(19,378)	0	0	0	0	(19,378)

Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	(19,378)	0	0	0	0	(19,378)
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	0	0	0	0	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
Total	(19,378)	0	0	0	0	(19,378)

	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
	Property, plant & equipment	Right of Use Assets	Intangible assets	Held for sale assets	Financial Assets	Total Asset Impairment
	£000	£000	£000	£000	£000	£000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	4	0	0	0	0	4
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	69	0	0	0	0	69
Others (specify)	14,963	0	0	0	0	14,963
Reversal of Impairments	(6,127)	0	0	0	0	(6,127)
Total of all impairments	8,909	0	0	0	0	8,909

Analysis of impairments charged to reserves in year :

Impairments charged to the Statement of Comprehensive Net Expenditure	8,840	0	0	0	0	8,840
Impairments as a result of revaluation/indexation charged to Revaluation Reserve	69	0	0	0	0	69
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Right of Use (RoU) asset impairments reflected in RoU Liability	0	0	0	0	0	0
Total	8,909	0	0	0	0	8,909

The impairment losses disclosed above as "other" comprise

- £1.982m for the write down to depreciated replacement cost following the initial professional valuation on completion of 5 specialised building assets as detailed below;

- Renal Water Supply Scheme Morriston Hospital	£0.649m
- EFAB-I: AHU Upgrades Singleton Hospital	£0.200m
- TEF-I: AHU Replacement - Morriston	£0.481m
- TEF-MH: Tonna Roof (Mother & Baby Unit) - Mental Health	£0.444m
- TEF-I: Ward Roofing & Flooring - Morriston	£0.209m

- £5.395m following the District Valuer's Derecognition exercise for which the guidance outlined in sections 7.44-7.47 in Chapter 7 of the MfA has been applied.

14.1 Inventories

	31 March	31 March
	2026	2025
	£000	£000
Drugs	6,251	6,592
Consumables	6,334	5,886
Energy	383	408
Work in progress	0	0
Other	0	0
Total	12,968	12,886
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2026	2025
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

15. Trade and other Receivables

Current	31 March 2026 £000	31 March 2025 £000
Welsh Government	763	1,962
NHSW JCC Joint Commissioning Committee	4,111	796
Welsh Health Boards	10,540	10,025
Welsh NHS Trusts	5,739	2,621
Welsh Special Health Authorities	1,095	815
Non - Welsh Trusts	750	723
Other NHS	277	195
2019-20 Scheme Pays - Welsh Government Reimbursement	40	87
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	179,962	63,655
NHS Wales Primary Sector FLS Reimbursement	3,873	2,351
NHS Wales Redress	1,612	1,530
Other	0	0
Local Authorities	1,273	966
Other receivables	11,259	10,531
Provision for irrecoverable debts	(3,994)	(3,102)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	12,389	9,004
Other accrued income	853	164
Right of Use capital receivables	0	0
Capital Receivables		
Tangibles capital receivables	0	0
Intangibles capital receivables	0	0
Other capital prepayments	0	0
Sub total	230,543	102,323
Non-current		
Welsh Government	0	0
NHSW JCC Joint Commissioning Committee	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	511	743
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	40,219	148,023
NHS Wales Primary Sector FLS Reimbursement	395	26
NHS Wales Redress	0	3
Other	0	0
Local Authorities	0	0
Other receivables	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	2	0
Right of Use capital receivables	0	0
Capital Receivables		
Tangibles capital receivables	0	0
Intangibles capital receivables	0	0
Other capital prepayments	0	0
Sub total	41,126	148,795
Total	271,669	251,118

The great majority of trade undertaken by the Health Board is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

The value of trade receivables that are past their payment date but not impaired is £19.702m (£15.692m in 2024-25).

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2026 £000	31 March 2025 £000
By up to three months	18,428	14,341
By three to six months	339	345
By more than six months	935	1,006
	<u>19,702</u>	<u>15,692</u>

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April	(3,102)	(2,282)
Transfer to other NHS Wales body	0	0
Amount written off during the year	11	6
Amount recovered during the year	14	1
(Increase) / decrease in receivables impaired	(917)	(827)
Bad debts recovered during year	0	0
Balance at 31 March	<u>(3,994)</u>	<u>(3,102)</u>

In determining whether a debt should be impaired, consideration is given to the age of the debt, historic collectability rates and the results of actions already taken including referral to the Health Board's credit agencies.

Receivables VAT

Trade receivables	3,209	2,506
Other	0	0
Total	<u>3,209</u>	<u>2,506</u>

16. Other Financial Assets

	Current		Non-current	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans at amortised cost	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 SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Capital Financial Assets				
Loans at amortised cost	0	0	0	0
Right of Use Asset Finance Sublease	0	0	0	0
Total	0	0	0	0

RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure	2025-26	2024-25
RoU Sub-leasing income	0	0

17. Cash and cash equivalents

	2025-26 £000	2024-25 £000
Balance at 1 April	3,444	2,824
Net change in cash and cash equivalent balances	(693)	620
Balance at 31 March	2,751	3,444
Made up of:		
Cash held at GBS	2,589	3,220
Commercial banks	0	0
Cash in hand	162	224
Cash and cash equivalents as in Statement of Financial Position	2,751	3,444
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	2,751	3,444

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

Lease Liabilities (ROUA) £4.908m
 Lease Liabilities (short-term and low value leases) £0m
 PFI liabilities: £9.461m

The movement relates to cash, no comparative information is required by IAS 7 in 2025-26.

18. Trade and other payables

Current	31 March	31 March
	2026	2025
	£000	£000
Welsh Government	0	1
NHSW Joint Commissioning Committee	2,986	1,593
Welsh Health Boards	3,865	3,426
Welsh NHS Trusts	4,646	3,919
Welsh Special Health Authorities	56	25
Other NHS	3,526	3,275
Taxation and social security payable / refunds	8,548	8,099
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	137	110
Other taxes payable to HMRC	0	1
NI contributions payable to HMRC	9,431	7,877
Non-NHS payables - Revenue	19,338	22,817
Local Authorities	940	483
Overdraft	0	0
Rentals due under operating leases	0	0
Pensions: staff	12,470	10,962
Non NHS Accruals	103,296	113,817
Deferred Income:		
Deferred Income brought forward	1,325	240
Deferred Income Additions	1,216	1,239
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(199)	(154)
Other creditors	413	82
Payments on account	0	0
Impact of IFRS 16 on SoFP PFI contracts	1,233	1,422
Right of Use asset payables	5,588	4,357
Capital asset payables		
Tangibles - Payables	10,689	9,709
Intangibles - Payables	131	(122)
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	7,906	6,543
PFI assets – deferred credits	0	0
Capital Payments on account	0	0
Sub Total	197,542	199,721
Non-current		
Welsh Government	0	0
NHSW Joint Commissioning Committee	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Pensions: staff	0	0
Non NHS Accruals	0	381
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Impact of IFRS 16 on SoFP PFI contracts	2,272	3,478
Right of Use asset payables	31,504	32,164
Capital asset payables		
Capital Creditors - Tangibles	0	0
Capital Creditors - Intangibles	0	0
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	37,904	45,454
PFI assets – deferred credits	0	0
Capital Payments on account	0	0
Sub Total	71,680	81,477
Total	269,222	281,198

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

The LHB aims to pay all invoices within the 30 day period directed by the Welsh Government.

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2026	2025
	£000	£000
Between one and two years	14,642	13,279
Between two and five years	43,005	48,338
In five years or more	14,033	19,860
Sub-total	71,680	81,477

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	0	0	0	0

20. Provisions

	At 1 April 2025	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	34,231	0	(1,177)	108,460	52,256	(22,866)	(14,232)	0	156,672
Primary care	1,937	0	0	0	1,717	(273)	(165)	0	3,216
Redress Secondary care	1,097	0	(74)	(61)	1,308	(451)	(631)	0	1,188
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	1,047	0	0	285	791	(952)	(134)	106	1,143
All other losses and special payments	0	0	0	0	4,184	(4,184)	0	0	0
Defence legal fees and other administration	1,715	0	0	1,658	2,272	(1,291)	(1,092)		3,262
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	38			2	31	(36)	(3)	1	33
2019-20 Scheme Pays - Reimbursement	87			0	0	(25)	(22)	0	40
Restructuring	0			0	0	0	0	0	0
Other	3,276		0	0	1,455	(346)	(866)	0	3,519
Capital provisions									
RoU Asset Dilapidations CAME	152		0	0	32	(32)	(32)	0	120
Other Capital Provisions	0		0	0	0	0	0	0	0
Total	43,580	0	(1,251)	110,344	64,046	(30,456)	(17,177)	107	169,193

Non Current									
Clinical negligence:-									
Secondary care	145,850	0	75	(108,460)	13,079	(593)	(10,778)	0	39,173
Primary care	0	0	0	0	352	0	0	0	352
Redress Secondary care	3	0	16	61	0	(18)	(62)	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,058	0	0	(285)	174	(4)	(161)	0	3,782
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,436	0	0	(1,658)	959	(162)	(75)		1,500
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	8			(2)	0	0	(1)	0	5
2019-20 Scheme Pays - Reimbursement	743			0	0	0	(232)	0	511
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0	0	0
Capital provisions									
RoU Asset Dilapidations CAME	950		0	0	287	0	0	0	1,237
Other Capital Provisions	0		0	0	0	0	0	0	0
Total	154,048	0	91	(110,344)	14,851	(777)	(11,309)	0	46,560

TOTAL									
Clinical negligence:-									
Secondary care	180,081	0	(1,102)	0	65,335	(23,459)	(25,010)	0	195,845
Primary care	1,937	0	0	0	2,069	(273)	(165)	0	3,568
Redress Secondary care	1,100	0	(58)	0	1,308	(469)	(693)	0	1,188
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	5,105	0	0	0	965	(956)	(295)	106	4,925
All other losses and special payments	0	0	0	0	4,184	(4,184)	0	0	0
Defence legal fees and other administration	4,151	0	0	(0)	3,231	(1,453)	(1,167)		4,762
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	46			0	31	(36)	(4)	1	38
2019-20 Scheme Pays - Reimbursement	830			0	0	(25)	(254)	0	551
Restructuring	0			0	0	0	0	0	0
Other	3,276		0	0	1,455	(346)	(866)	0	3,519
Capital provisions									
RoU Asset Dilapidations CAME	1,102		0	0	319	(32)	(32)	0	1,357
Other Capital Provisions	0		0	0	0	0	0	0	0
Total	197,628	0	(1,160)	(0)	78,897	(31,233)	(28,486)	107	215,753

Expected timing of cash flows:

	In year to 31 March 2027	Between 1 April 2027 and 31 March 2031	Thereafter	Total
	£000	£000	£000	£000
Clinical negligence:-				
Secondary care	156,672	39,173	0	195,845
Primary care	3,216	352	0	3,568
Redress Secondary care	1,188	0	0	1,188
Redress Primary care	0	0	0	0
Personal injury	1,143	1,584	2,198	4,925
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	3,262	1,500	0	4,762
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	33	5	0	38
2019-20 Scheme Pays - Reimbursement	40	511	0	551
Restructuring	0	0	0	0
Other	3,519	0	0	3,519
Capital provisions				
RoU Asset Dilapidations CAME	120	0	1,237	1,357
Other Capital Provisions	0	0	0	0
Total	169,193	43,125	3,435	215,753

20. Provisions (continued)

	At 1 April 2024	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	44,821	0	(1,452)	(5,187)	13,742	(6,164)	(11,529)	0	34,231
Primary care	40	0	0	(30)	2,039	(112)	0	0	1,937
Redress Secondary care	709	0	(207)	0	1,177	(386)	(196)	0	1,097
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	656	0	0	268	750	(698)	(37)	108	1,047
All other losses and special payments	0	0	0	0	55	(55)	0	0	0
Defence legal fees and other administration	1,675	0	0	379	1,416	(1,015)	(740)		1,715
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	37			3	37	(39)	(1)	1	38
2019-20 Scheme Pays - Reimbursement	33			0	70	(16)	0	0	87
Restructuring	0			0	0	0	0	0	0
Other	5,111		0	0	1,795	(1,719)	(1,911)	0	3,276
Capital provisions									
RoU Asset Dilapidations CAME	0		0	0	152	0	0	0	152
Other Capital Provisions	0		0	0	0	0	0	0	0
Total	53,082	0	(1,659)	(4,567)	21,233	(10,204)	(14,414)	109	43,580
Non Current									
Clinical negligence:-									
Secondary care	139,007	(11,918)	(7,588)	5,187	41,266	(7,365)	(12,739)	0	145,850
Primary care	0	0	0	30	0	0	(30)	0	0
Redress Secondary care	0	0	0	0	3	0	0	0	3
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,063	0	0	(268)	263	0	0	0	4,058
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	3,041	0	0	(379)	563	(387)	(402)		2,436
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	10			(3)	1	0	0	0	8
2019-20 Scheme Pays - Reimbursement	936			0	0	0	(193)	0	743
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0	0	0
Capital provisions									
RoU Asset Dilapidations CAME	250		0	0	700	0	0	0	950
Other Capital Provisions	0		0	0	0	0	0	0	0
Total	147,307	(11,918)	(7,588)	4,567	42,796	(7,752)	(13,364)	0	154,048
TOTAL									
Clinical negligence:-									
Secondary care	183,828	(11,918)	(9,040)	0	55,008	(13,529)	(24,268)	0	180,081
Primary care	40	0	0	0	2,039	(112)	(30)	0	1,937
Redress Secondary care	709	0	(207)	0	1,180	(386)	(196)	0	1,100
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,719	0	0	0	1,013	(698)	(37)	108	5,105
All other losses and special payments	0	0	0	0	55	(55)	0	0	0
Defence legal fees and other administration	4,716	0	0	0	1,979	(1,402)	(1,142)		4,151
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	47			0	38	(39)	(1)	1	46
2019-20 Scheme Pays - Reimbursement	969			0	70	(16)	(193)	0	830
Restructuring	0			0	0	0	0	0	0
Other	5,111		0	0	1,795	(1,719)	(1,911)	0	3,276
Capital provisions									
RoU Asset Dilapidations CAME	250		0	0	852	0	0	0	1,102
Other Capital Provisions	0		0	0	0	0	0	0	0
Total	200,389	(11,918)	(9,247)	0	64,029	(17,956)	(27,778)	109	197,628

21. Contingencies

21.1 Contingent liabilities

	2025-26 £'000	2024-25 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	166,639	123,637
Primary care	4,635	1,729
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	3,168	2,554
Continuing Health Care costs	1,568	380
Other	0	0
Total value of disputed claims	<u>176,010</u>	<u>128,300</u>
Less amounts recoverable in the event of claims being successful	(171,716)	(125,170)
Net contingent liability	<u>4,294</u>	<u>3,130</u>

21.2 Remote Contingent liabilities	2025-26	2024-25
	£000	£000
Guarantees	0	0
Indemnities	46	199
Letters of Comfort	0	0
Total	46	199

21.3 Contingent assets	2025-26	2024-25
	£000	£000
The Health Board has no contingent assets	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	2025-26	2024-25
	£000	£000
Property, plant and equipment	14,381	6,834
Right of Use Assets	0	0
Intangible assets	0	0
Total	14,381	6,834

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note for settlement and claimant costs are prepared on a cash basis.

Gross loss to the Exchequer

23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2026	
	Number of cases	£
Clinical negligence:-		
Secondary Care	91	23,459,042
Primary Care	5	273,284
Redress Secondary Care	86	467,545
Redress Primary Care	0	0
Personal injury	23	956,274
All other losses and special payments	1,375	4,183,850
Total	1,580	29,339,995

23.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year cases in excess of £300,000		Cumulative amount £
	L&R Case reference number	£	
Cases in excess of £300,000:			
Clinical Negligence	SSPLR149565	500,000	560,000
Clinical Negligence	SSPLR147604	845,000	1,475,000
Clinical Negligence	SSPLR144393	445,652	620,437
Clinical Negligence	SSPLR142617	2,652,714	3,012,263
Clinical Negligence	SSPLR142571	473,600	473,600
Clinical Negligence	SSPLR140176	4,894,298	5,583,268
Clinical Negligence	SSPLR139083	1,911,664	1,911,664
Clinical Negligence	SSPLR120423	1,821,237	2,071,237
Clinical Negligence	SSPLR123668	865,000	975,000
Clinical Negligence	SSPLR115542	1,770,000	1,835,000
Clinical Negligence	SSPLR154494	651,481	651,481
Clinical Negligence	SSPLR148955	1,067,500	1,067,500
Clinical Negligence	SSPLR144485	310,000	320,000
Clinical Negligence	SSPLR150958	415,795	415,795
Sub-total	14	18,623,941	20,972,244
All other cases paid in year	1,566	10,716,054	19,653,523
Total cases paid in year	1,580	29,339,995	40,625,767

23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number of cases	£
Cumulative amount up to £300k	96	4,346,357
Cumulative amount greater than £300k	10	22,277,838
Total	106	26,624,196

24. Right of Use lease obligations

24.1 Obligations (as lessee)

Amounts payable under right of use asset leases:

2025-26

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2026	2026	2026	2026
	£000	£000	£000	£000
Minimum lease payments				
Within one year	0	3,994	2,704	6,698
Between one and five years	0	14,449	5,960	20,409
After five years	0	13,424	1,963	15,387
Less finance charges allocated to future periods	0	(4,164)	(1,238)	(5,402)
Minimum lease payments	0	27,703	9,389	37,092
Included in:				
Current borrowings	0	3,238	2,350	5,588
Non-current borrowings	0	24,465	7,039	31,504
	0	27,703	9,389	37,092
Present value of minimum lease payments				
Within one year	0	3,238	2,350	5,588
Between one and five years	0	12,277	5,193	17,470
After five years	0	12,188	1,846	14,034
Present value of minimum lease payments	0	27,703	9,389	37,092
Included in:				
Current borrowings	0	3,238	2,350	5,588
Non-current borrowings	0	24,465	7,039	31,504
	0	27,703	9,389	37,092

2024-25

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2025	2025	2025	2025
	£000	£000	£000	£000
Minimum lease payments				
Within one year	0	3,893	1,534	5,427
Between one and five years	0	14,454	4,327	18,781
After five years	0	16,058	2,084	18,142
Less finance charges allocated to future periods	0	(4,788)	(1,041)	(5,829)
Minimum lease payments	0	29,617	6,904	36,521
Included in:				
Current borrowings	0	3,094	1,262	4,356
Non-current borrowings	0	26,523	5,642	32,165
	0	29,617	6,904	36,521
Present value of minimum lease payments				
Within one year	0	3,094	1,262	4,356
Between one and five years	0	12,062	3,689	15,751
After five years	0	14,461	1,953	16,414
Present value of minimum lease payments	0	29,617	6,904	36,521
Included in:				
Current borrowings	0	3,094	1,262	4,356
Non-current borrowings	0	26,523	5,642	32,165
	0	29,617	6,904	36,521

24.2 Right of Use Assets receivables (as lessor)

The Health Board did not hold any Right of Use Assets lease receivables, as a lessor, at the balance sheet date.

Amounts receivable under right of use assets :

	31 March	31 March
	2026	2025
	£000	£000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Health Board did not have any PFI Schemes that were deemed to be off-statement of financial position at the balance sheet date.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2026 £000	31 March 2025 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	£000
Contract start date:	75,005
Contract end date:	12/05/2000
	31/05/2030

Total obligations for on-Statement of Financial Position PFI contracts due:

2025-26	On SoFP PFI Capital element	On SoFP PFI IFRS 16 impact Finance Charge	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2026 £000	31 March 2026 £000	31 March 2026 £000	31 March 2026 £000
Total payments due within one year	9,138	1,233	2,710	5,055
Total payments due between 1 and 5 years	40,177	2,272	4,634	13,427
Total payments due thereafter	0	0	0	0
Total future payments in relation to PFI contracts	<u>49,315</u>	<u>3,505</u>	<u>7,344</u>	<u>18,482</u>

2024-25	On SoFP PFI Capital element	On SoFP PFI IFRS 16 impact Finance Charge	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000	31 March 2025 £000
Total payments due within one year	7,966	1,422	3,163	5,005
Total payments due between 1 and 5 years	45,790	3,399	7,196	18,338
Total payments due thereafter	3,141	79	91	0
Total future payments in relation to PFI contracts	<u>56,897</u>	<u>4,900</u>	<u>10,450</u>	<u>23,343</u>

	31/03/2026 £000
Total present value of obligations for on-SoFP PFI contracts	78,646

25.3 Charges to expenditure	2025-26	2024-25
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	3,692	3,574
Total expense for Off Statement of Financial Position PFI contracts	0	0
The total charged in the year to expenditure in respect of PFI contracts	<u>3,692</u>	<u>3,574</u>

The LHB is committed to the following annual charges

PFI scheme expiry date:	£000	£000
Not later than one year	0	0
Later than one year, not later than five years	18,136	0
Later than five years	0	17,556
Total	<u>18,136</u>	<u>17,556</u>

The estimated annual payments in future years will vary from those which the Health Board is committed to make during the next year by the impact of movement in the Retail Prices Index.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	1	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

25.5 Public Private Partnerships

The Health Board did not have any Public Private Partnerships during the year

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The Health Board is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The Health Board has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Health Board in undertaking its activities.

Currency risk

The Health Board is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the United Kingdom and Sterling based. The Health Board does not have any overseas operations. The Health Board therefore has low exposure to currency rate fluctuations.

Interest rate risk

Health Boards are not permitted to borrow and the Health Board therefore has low exposure to interest rate fluctuations.

Credit risk

As the majority of the Health Board's funding derives from funds voted by the Welsh Government the Health Board has low exposure to credit risk.

Liquidity risk

The Health Board is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The Health Board is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2025-26 £000	2024-25 £000
(Increase)/decrease in inventories	(82)	(622)
(Increase)/decrease in trade and other receivables - non-current	107,669	(6,096)
(Increase)/decrease in trade and other receivables - current	(128,220)	(2,045)
Increase/(decrease) in trade and other payables - non-current	(9,797)	751
Increase/(decrease) in trade and other payables - current	(2,179)	817
Total	(32,609)	(7,195)
Adjustment for accrual movements in fixed assets - creditors	4,954	(6,182)
Adjustment for accrual movements in fixed assets - debtors	0	0
Adjustment for accrual movements in right of use assets - creditors	(571)	(6,239)
Adjustment for accrual movements in right of use assets - debtors	0	0
Other adjustments	1,395	1,261
	(26,832)	(18,355)

Other adjustment is for the movement in the Capital (IFRS16) element of the PFI ROU

28. Other cash flow adjustments

	2025-26 £000	2024-25 £000
Depreciation	42,262	38,793
Amortisation	952	1,433
(Gains)/Loss on Disposal	34	103
Impairments and reversals	(19,378)	8,840
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	(274)	(332)
Government Grant assets received credited to revenue but non-cash	(151)	(983)
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	(175)
Non-cash movements in right of use assets	0	1
Non-cash movements in provisions	50,950	18,794
Other movements	55,041	52,154
Total	129,436	118,628

Other movements of £55.041m (2024-25 £52.154m) is made up of notional funding received for:

- LHB notional 9.4% Staff Employer Pension Contributions;
- the 2019-20 Pensions Annual Allowance Charge Compensation Scheme (PAACCS);

which are both funded directly to the NHSBA Pensions Division by Welsh Government.

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 30th June 2026; post the date the financial statements were certified by the Auditor General for Wales.

The decision to increase remuneration rates relates to a wider review of the underlying Welsh Government Remuneration Scheme guidance, the scheme used to ensure the level of fees paid to public office holders (not just those in the Welsh NHS) is transparent and applied consistently. Updates on the review have been a regular topic discussed at CEO and Chair level forums hosted by the Welsh Government.

Agreement to increase the level of fees was made by the Cabinet Secretary for Finance and Welsh Language on 1 December. This was noted by CSHSC on 2 December.

The correspondence to the CEOs confirmed that it had been agreed the Welsh Government Remuneration Scheme daily rates should increase from the 1 January 2026, a change relating to the 2025-26 pay cycle.

The Welsh Government does not propose to issue revised terms and conditions to those board roles impacted by this increase. However, the new rates will become part of any new terms and conditions issued. Costs must be met from existing organisational budgets.

As Ministerial approval was made to implement the change on 1 December 2025 the 2025-26 payment falls within the category of an adjusting post balance sheet event.

30. Related Party Transactions

A number of the HB's Board members have interests in related parties as follows:

Name	Details	Interests
Abigail Harris	Chief Executive	Husband is employed by the Competitions and Markets Authority which occasionally takes actions relating to health service provision. Husband is a board member of WCVA.
Alun Llewelyn	Associate Board Member	Member of Neath Port Talbot County Borough Council (from 1996)

31. Third Party assets

The LHB held £812,201 cash at bank and in hand at 31 March 2026 (31st March 2025, £995,938) which relates to monies held by the LHB on behalf of patients. This has been excluded from the Cash and Cash equivalents figure reported in the accounts.

Cash held in Patient's Investment Accounts amounted to £0.00 at 31st March 2026 (31st March 2025, £0).

In addition the LHB had located on its premises a significant quantity of consignment stock. This stock remains the property of the supplier until it is used. The value of consignment stock at 31 March 2026 amounted to £2,532,703 (£2,933,052 as at 31st March 2025).

32. Pooled budgets

The following information is required for each pooled budget.

	2025-26 £000	2024-25 £000
Overall Funding/Contributions	3,601	3,421
Source of overall funding/contributions:		
Swansea Bay UHB	1,547	1,528
Neath Port Talbot Council	343	350
Swansea Council	610	622
Other (please specify source(s) in narrative note)	1,101	921

Other includes:

2025/26 - Regional Integration Fund (RIF) Funding (£249k), Housing With Care Fund (HCF) (£451k), In Year Reserve Draw (£400k).

2024/25 - RIF Funding (£249k), HCF (£671k)

Pooled partnership expenditure

No funding has been received by the Health Board as part of the pooled budget arrangement.

	2025-26		£000	%
	£000	%		
Swansea Bay UHB	-	0.0%	-	0.0%
Neath Port Talbot Council	-	0.0%	-	0.0%
Swansea Council	-	0.0%	-	0.0%
Other Please specify	-	0.0%	-	0.0%
Core Funded Community Equipment	2,595	78.7%	2,139	69.9%
RIF Funding - Project 14R	249	7.6%	249	8.1%
Housing and Care Fund	451	13.7%	671	21.9%
Total	<u>3,296</u>		<u>3,059</u>	
Net surplus/deficit	- 305	Surplus	3,059	Surplus
Cumulative surplus/deficit	- 579	Surplus	- 666	Surplus

Pooled Partnership Income

No income has been received in relation to activities resulting from Pooled budget.

	2025-26 £000	2024-25 £000
Please specify source of income	0	0
Total	<u>0</u>	<u>0</u>

Asset disclosure

	31 March 2026 £000	31 March 2025 £000
Total Asset NBV value of PPE	2,718	2,699

Split for pooled budget partners:

Swansea Bay UHB	0	0
Neath Port Talbot Council	0	0

33. Operating segments

Accounting standard IFRS 8 defines an operating segment as a component of an entity:

Swansea Bay University Health Board has organised its operational services into 4 Service Groups.

Two of these service groups are centred on the Health Board's main hospital sites of Morriston, Neath Port Talbot, and Singleton. The remaining two SDU's cover Mental Health and Learning Disabilities Services and Primary Care Community and Therapy Services

The LHB has formed the view that the activities of its service groups are sufficiently similar for the results of their operations not to have to be disclosed separately. In reaching this decision the Health Board is satisfied that the following criteria are met:

1. Aggregation still allows users to evaluate the business and its operating environment
2. Service Groups have similar economic characteristics > The nature of the service provided
3. The Service Groups are similar in respect of all of the following :

34. Other Information

34.1. 9.4% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2025 to 31st March 2026. This has been calculated from actual Welsh Government expenditure for the 9.4% staff employer pension contributions between April 2025 and February 2026 alongside Health Board data for March 2026.

Transactions include notional expenditure in relation to the 9.4% paid to NHSBSA by Welsh Government and notional funding to cover that expenditure as follows:

	2025-26 £000	2024-25 £000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2026		
Expenditure on Primary Healthcare Services	0	0
Expenditure on healthcare from other providers	0	0
Expenditure on Hospital and Community Health Services	55,016	52,138
Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026		
Net operating cost for the year	55,016	52,138
Notional Welsh Government Funding	55,016	52,138
Statement of Cash Flows for year ended 31 March 2026		
Net operating cost for the financial year	55,016	52,138
Other cash flow adjustments	55,016	52,138
2.1 Revenue Resource Performance		
Revenue Resource Allocation	55,016	52,138
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	0	0
Pharmaceutical Services	0	0
General Dental Services	0	0
Other Primary Health Care expenditure	0	0
3.2 Expenditure on healthcare from other providers	0	0
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	132	148
Staff costs	54,884	51,990
Single Lead Employer staff trainee costs	0	0
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	55,016	52,138
Charged to capital	85	64
Charged to revenue	55,101	52,201
18. Trade and other payables		
Current		
Pensions: staff	0	0
28. Other cash flow adjustments		
Other movements	50,950	47,703

The Department of Health and Social Care (DHSC) 2023-24 consultation on the NHS Pension Scheme confirmed that the transitional approach that has operated since 2019-20 for employer contributions will continue in 2024-25. From 1 April 2024 an employer rate of 23.7% (23.78% inclusive of the administration charge) will apply. However, the NHS Business Services Authority will continue to only collect 14.38% from NHS Wales employers under their normal monthly payment process to the NHS Pension Scheme. This has resulted in an increase in the central payments made by Welsh Government from 6.3% to 9.4%.

Other

34.2 IFRS 17 - Insurance Contract Disclosures

The outcome of the annual contract review for a range of income contract types applicable to the orgar did not identify any insurance contracts that fall within the scope of IFRS 17.

STATEMENT OF FINANCIAL POSITION

(Signage as per provision note disclosure)	£000
Liability for incurred claims @ 1 April 2025	0
Liability for remaining payments @ 31 March 2026	0
	<hr/> 0
Arising during year	0
Utilised	0
Reversed unused	0
Movement in Discount Rates	0
	<hr/> 0

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

(Signage as per income and expenditure note disclosure)	£000
Insurance Income	0
Insurance expenditure	0

risation,

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

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)¹, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

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

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, 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 by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB 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 of the LHB.

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 :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009.