

2022/23 Annual Accounts

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Chief Financial Officer



Content

- Annual accounts prepared in accordance with required guidance on a going concern basis.
- Four main statements (pages 135 to 140) & supporting notes (pages 141 onwards).
- Outturn against the plan was £3.89m deficit for the year.
- Accounting standard IFRS 16 (leases) implemented as of 1 April 2022. No other changes to existing Accounting Policies. (notes 1.14 and 18 details).

Process

- Annual Accounts and Annual Report produced, submitted & published as per required timelines.
- Audit Committee review of **draft** on 20 April, prior to KPMG Audit review.
- Final accounts presented to Audit Committee on 15 June, prior to Board sign off.
- Board of Directors adoption on 15 June followed by KPMG 'Unmodified' Audit Opinion & signed accounts 28 June.

Four Main Statements



Sherwood Forest Hospitals
NHS Foundation Trust

Statement of Comprehensive Income

(Page 135)

- Also known as the Income & Expenditure Statement or the Profit & Loss.
- The Trust is reporting a retained deficit of £4.04m.
- This includes a £0.13m increase in the value of assets (reversal of impairment) and donations of (£0.28m).
- Excluding these, the underlying operating position is £3.89m deficit.

Statement of Financial Position

(Page 136)

- Also known as the Balance Sheet.
- Increase in value of property, plant & equipment to £320.7m due to asset revaluation and additions less depreciation.
- Borrowing is in relation to the PFI liability. Annual repayment of £10.15m, leaving total borrowing at £223.80m.
- Income & Expenditure Reserve value (£381.11m) provides the accumulated annual deficits of the Trust.

Statement of Changes in Equity

(Pages 137)

- Records how the assets of the Trust are financed by the Treasury and how these have changed over the accounting year. Includes the receipt of £47.19m of PDC. (£15.45m Revenue PDC and £31.74m Capital PDC).
- Details balances in the SOFP.

Statement of Cash Flows

(Page 140)

- Records how cash holding has moved from £6.32m at 31 March 2022 to £23.54m at 31 March 2023, as disclosed in the SOFP.
- Primarily due to the increase in capital payables (creditors).

Summary Findings

- Unqualified Opinion, i.e. assessment that the accounts give a true and fair view of the financial performance and position of the Trust.
- No material weaknesses have been identified with regard to value for money.
- One potential significant risk was identified relating to financial sustainability in the medium term; as a result of large underlying deficits and efficiency target – a national issue affecting many Trusts
 - *KPMG carried out a review; ‘based on the findings we have **not identified any significant weaknesses** in the Trust’s arrangements’*
- Two risks where the auditors were unable to evaluate the effectiveness of the Trust’s high level controls. These are common across the NHS, the Trust considers the controls proportionate.
- No significant inconsistencies were identified between the content of the annual report and the auditor knowledge of the Trust.
- There was one unadjusted difference £0.41m, noted in the audit report.
- A materiality threshold of £11.5m was in place for the 2022/23 audit.

Recommendations

- Bank staff should be included in the FTE staff numbers calculation for future years - this recommendation is being discussed with Human Resources who prepare these figures.
- Separate management review of the journals processed by 'admin users'.
- Monthly check on payroll gross to net reports.
- Additional valuation disclosure and update to audit committee in future years.